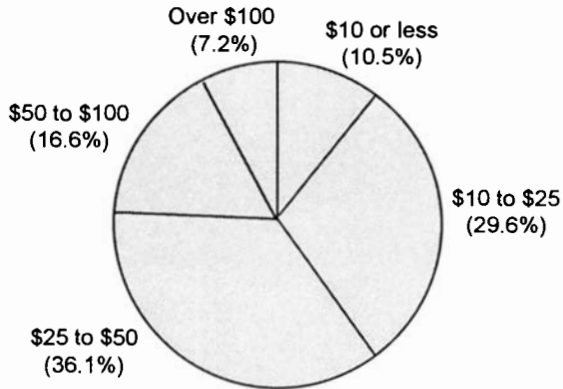
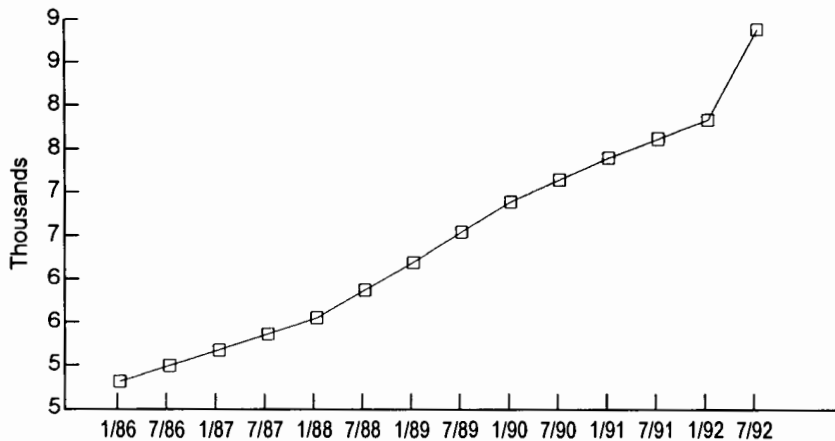


**Figure 3.1 / Distribution of Indiana Pawnshop Loans, by Size:
1990**



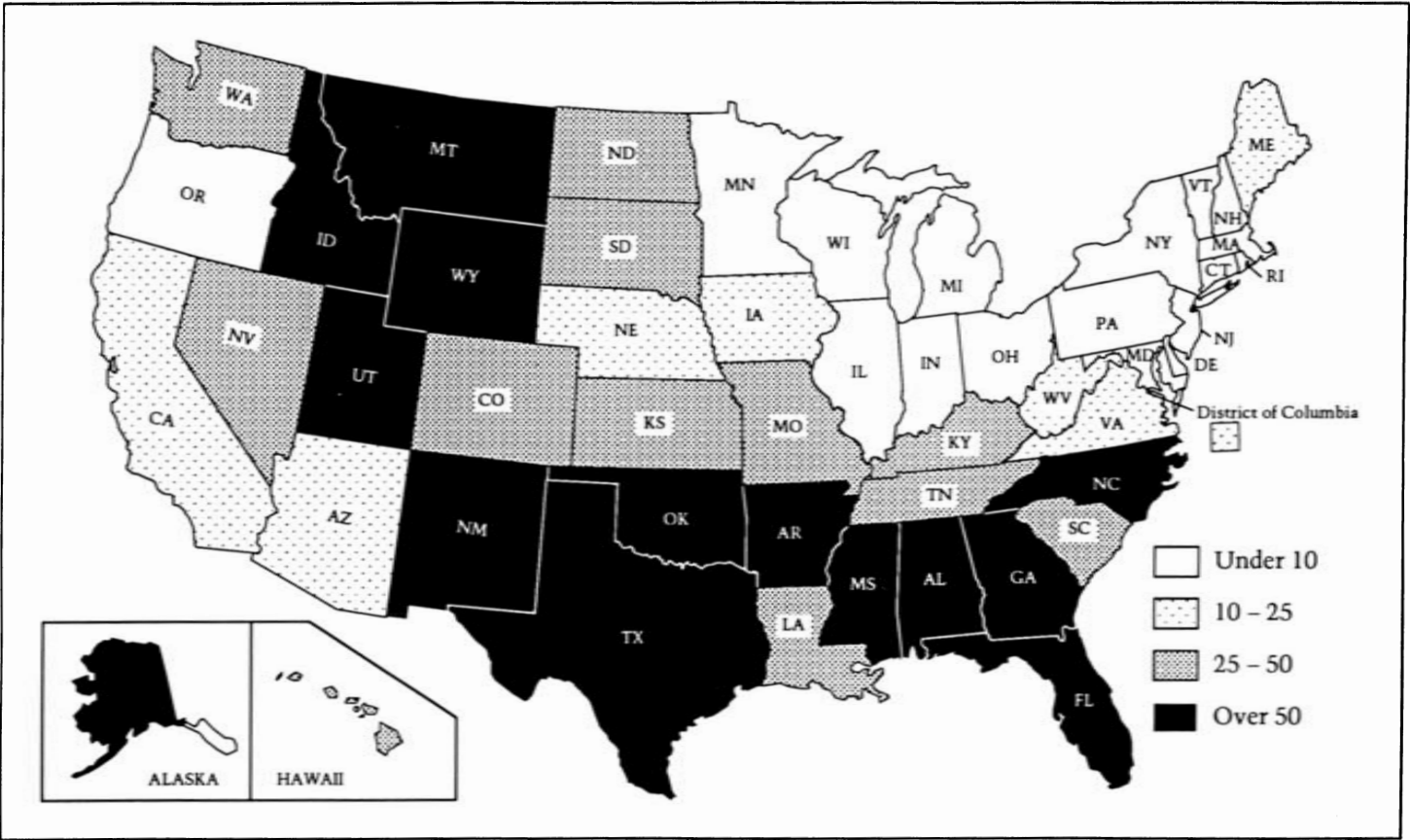
SOURCE: Indiana Department of Financial Institutions.

Figure 3.2 / Yellow-Page Listings of Pawnshops: 1986–1992



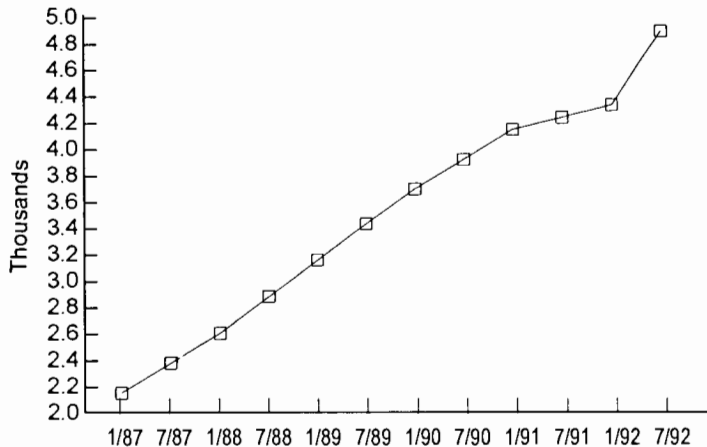
SOURCE: American Business Information Inc.

Figure 3.3 / Pawnshops per Million Inhabitants, by State: As of End 1989



SOURCE: Caskey and Zikmund (1990).

**Figure 3.4 / Yellow-Page Listings of Check-Cashing Outlets:
1987-1992**



SOURCE: American Business Information Inc.

Table 3.1 / State Pawnshop Regulations: As of End 1991

State	Maximum Interest Rate Charge on \$55 Loan Outstanding 2 Months	Maximum Other Fees on \$55 Loan Outstanding 2 Months	Effective Maximum Annual Interest Rate
Alabama ^a	NL	NL	NL
California	\$7.50	\$0.00	82%
Florida ^b	NL	NL	NL
Georgia ^c	\$5.00	\$27.50	355%
Illinois ^d	\$3.30	\$12.00	167%
Indiana ^e	\$3.30	\$3.00	69%
New York	\$3.30	\$0.00	36%
North Carolina ^f	\$2.20	\$22.00	264%
Oklahoma	\$22.00	\$0.00	240%
Oregon	\$3.30	\$5.00	91%
Pennsylvania	\$0.55	\$2.75	36%
Texas	\$22.00	\$0.00	240%
Wyoming	\$22.00	\$0.00	240%

SOURCES: State regulatory agencies, American Business Information Inc., and Statistical Abstract of the U.S.

NOTE: NL: no statutory limit.

^aIn December 1992, Alabama set a maximum charge of 25 percent of principal per month on the combined total of pawnshop interest rates and other fees.

^bFlorida laws are for "buy-sell" transactions, which is the way most pawn loans are structured.

^cPrior to 1989, pawnshops in Georgia could not levy "other" fees on loans. A small telephone survey indicated that the "effective" annual interest rate ceiling in Georgia is not binding.

^dPrior to 1991, pawnshops in Illinois could not levy "other" fees on loans. The grace period in Illinois can be shortened with the permission of the customer. Shortening the grace period raises the effective interest rate on longer-term loans, since the shops levy a fee on loan initiations and renewals.

^eThe maximum monthly charge for storage fees on a \$55 loan in Indiana was raised from \$1.50 to 20 percent of the principal on 7/1/92.

^fPrior to 1990, pawnshops in North Carolina could not levy "other" fees on loans.

Minimum Maturity Period (in months)	Minimum Grace Period (in months)	Surplus Must Be Returned to Customer?	Number of Residents per Pawnshop Outlet	Approximate Number Pawnshop Outlets
2	0	no	13,035	310
4	0.3	no	58,353	510
2	0	no	10,187	1270
1	0.3	no	8,935	725
NL	12	no	114,310	100
NL	3	yes	158,400	35
6	0	yes	359,800	50
1	2	no	18,940	350
1	1	no	8,503	370
3	1	no	203,000	14
NL	3	yes	198,033	60
1	2	no	15,235	1115
1	0	no	9,080	50

Table 3.2 / Selected Pawnshop Financial Data: 1990

	Indiana	Oklahoma	Oregon	Cash America
Beginning of Year				
Number licensed pawnshops	32	377	13	123
Number loans outstanding	43,050	NA	35,087	308,354
Amount loans outstanding	\$2,271,194	NA	\$2,377,460	\$20,043,000
Year End				
Number licensed pawnshops	32	388	14	151
Number loans outstanding	47,578	NA	36,243	332,929
Amount loans outstanding	\$2,631,723	NA	\$2,673,753	\$23,305,000
Per shop number loans outstanding	1,487	NA	2,589	2,205
Per shop amount loans outstanding	\$82,241	NA	\$190,982	\$154,338
Over the Year				
Number loans made and renewed	100,339	1,165,008	146,880	1,751,689
Amount loans made and renewed	\$5,337,503	\$62,891,202	\$10,149,716	\$118,239,000
Number loans forfeited	17,132	356,270	18,825	NA
Amount loans forfeited	\$736,637	\$13,064,018	\$840,370	\$38,751,000
Total pawn fees collected	\$1,071,038	\$14,715,979	\$1,017,789	\$44,486,000
Avg. size loan made and renewed	\$53.19	\$53.98	\$69.10	\$70.00
Number forfeited as percent- age of number of loans made and renewed	17.1%	30.6%	12.8%	NA
Amount forfeited as percent- age of amount of loans made and renewed	13.8%	20.8%	8.3%	32.8%
Implied average annual interest rate on loans out- standing	43.7%	NA	40.3%	205.3%
Per shop number loans made and renewed	3,136	3,046	10,880	12,786
Per shop amount loans made and renewed	\$166,797	\$164,421	\$751,831	\$863,058

SOURCES: State regulatory agencies, Cash America International, Inc., and author's estimates.

NOTE: Data on number of Cash America loans are author's estimates based on company's reported average loan size.

**Table 3.3 / Regression Study of Pawnshops
per Million State Residents**

	Estimated Coefficient	Mean Value
Dependent Variable: PPM		29.2
Explanatory Variables		
INT	420 (6.6)	9.0
SUR	9.6 (1.2)	0.39
POV	253 (2.0)	13.4
ED	-177 (3.1)	30.9
POP	-0.002 (1.0)	527.6
Constant	9.2	
Number Observations: 28		R ² : 0.80

SOURCE: Caskey (1991).

NOTES: Variable Definitions

PPM: Number of pawnshops per million state residents in the 28 states with binding interest rate ceilings.

INT: The state's monthly interest rate ceiling on a \$51 loan outstanding for three months, where the interest rate includes all fees on the loan, whether labeled "interest" or "storage fee" or something else.

SUR: A dummy variable for states with rules requiring that any surplus from the sale of the collateral be returned to the pledger.

POV: The percentage of persons in the state below the officially defined poverty level.

ED: The percentage of people 25 years and older in the state attaining at least 4 years of high school education.

POP: The state's average population per square mile.

Table 3.4 / Maximum Check-Cashing Fees in Regulated States:
As of End 1992 (rates are a percentage of the face value of the check)

State	Legal Ceiling Rate
California	3.0 percent for government and payroll checks (3.5 percent without specified identification) or \$3.00, whichever is greater. Permits one-time \$10 fee to issue identification. Ceiling fees set in 1992.
Connecticut	2.0 percent for nonpublic aid checks and 1.0 percent for state public aid checks. Ceiling fees set in 1990.
Delaware	1.0 percent or \$4.00, whichever is greater. This ceiling fee was set in 1989. The previous ceiling rate was 0.5 percent or \$0.25, whichever was greater.
Georgia	The larger of \$5.00 or 3 percent for public aid checks, 10 percent for personal checks, and 5 percent for all other checks (payroll). Ceiling fees set in 1990.
Illinois	1.2 percent plus \$0.90. This ceiling fee was set in 1986. The previous ceiling rate was 1.1 percent plus \$0.75.
Minnesota	2.5 percent for public aid checks above \$500 (5 percent for a first-time customer), no limit on personal checks but the rate must be filed with the state Commerce Department and be "reasonable," 3.0 percent on all other checks (6 percent for a first-time customer). Ceiling fees set in 1991.
New Jersey	1.0 percent for in-state checks and 1.5 percent for out-of-state checks or \$0.50, whichever is greater. These ceiling fees were set in 1979. The previous ceiling rates were 0.75 percent on in-state checks and 1.0 percent on out-of-state checks, or \$0.35.
New York	1.1 percent or \$0.60, whichever is greater. This ceiling fee was set in November 1992. The previous ceiling was 0.9 percent, which was raised from 0.75 percent in 1988.
Ohio	3.0 percent for government checks. This ceiling became effective on January 1, 1993.
Rhode Island	Same as Georgia. Ceiling set in July 1992.

SOURCE: State regulatory agencies.

Table 4.1 / Selected Characteristics of Households with and without Deposit Accounts (mean values): 1989

	Has Account	Does Not Have Account
Number of Households	1,809	282
Income (1991 dollars)	\$34,214	\$12,738
Number children	0.67	1.0
Percentage homeowners	65.7	24.1
Characteristics of Heads of Household		
Age	51.0	45.5
Years education	12.6	9.9
Percentage married	62.2	34.4
Percentage employed	67.8	43.3
Percentage minority	18.2	60.6
Percentage male	74.0	51.4
Credit Card (cc) Holdings		
Percentage w/ bank cc	63.0	5.3
Percentage w/ general purpose cc	11.4	3.5
Percentage w/ store cc	67.1	12.0
Percentage w/ gas cc	29.3	2.5

SOURCE: Author's estimates based on the Federal Reserve Board's 1989 Survey of Consumer Finances.

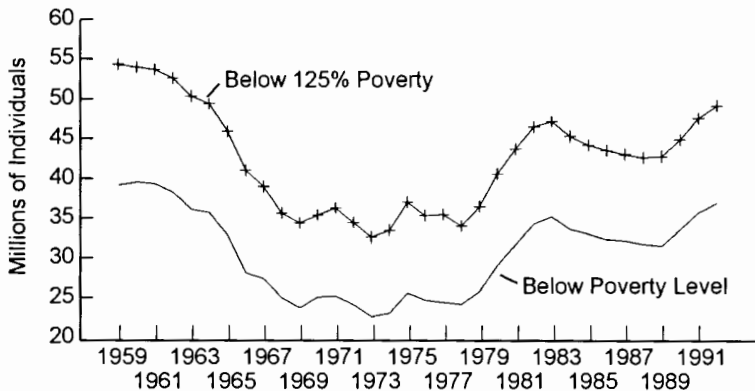
NOTES: The four types of credit cards are bank credit cards (such as VISA or Master Card), general purpose credit cards (such as American Express and Carte Blanche), gasoline credit cards, and store credit cards that can be used at only one store or chain (such as department store credit cards).

Table 4.2 / Median Balances in Families' Deposit Accounts: 1989
(savings and checking accounts combined)

	Median Account Balance	Bottom Quartile Account Balance
Family Income Less than \$21,545 (in 1991 \$)	967	330
And age of family head less than 60	549	203
Family Income Less than \$11,970 (in 1991 \$)	604	275
And age of family head less than 60	483	170

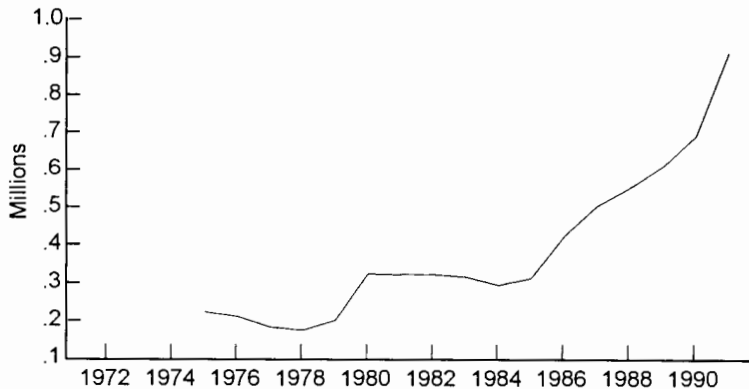
SOURCE: Author's estimates based on the Federal Reserve Board's 1989 *Survey of Consumer Finances*.

Figure 5.1 / Poverty Trends: 1959–1992



SOURCE: U.S. Bureau of the Census.

Figure 5.2 / Nonbusiness Bankruptcy Filings: 1975–1991



SOURCE: Administrative Office of the U.S. Courts.

Table 5.1 / Percentages of Households with Deposit Accounts of any Type

	1977	1989
All Households	90.5	86.5*
Income (in 1991 \$)		
Up to \$11,969	70.3	59.2*
\$11,970–\$21,545	86.2	85.8
\$21,546–\$29,925	93.7	92.5
\$29,926–\$47,875	95.9	97.2
\$47,876–\$83,780	99.6	98.3*
Age		
Less than 25 years	88.6	70.7*
25–64 years	91.4	85.6*
65 years and older	87.8	91.8
Education		
0–8 grades	76.9	69.8*
9–11 grades	83.9	77.2*
High school	94.1	85.8*
Some college	97.1	94.3*
College degree	99.0	98.4
Race		
Minority	71.6	65.8*
White	93.6	93.0

SOURCE: Caskey and Peterson (1994) based on the Federal Reserve Board's 1977 and 1989 *Survey of Consumer Finances*.

*The hypothesis that the percentage in the category stayed the same or increased from 1977 to 1989 can be rejected at a 5 percent significance level.

Table 5.2 / Changes in Bank Fees on Non-Interest-Bearing Checking Accounts (in 1991 \$)

	1977*	1991*
Percentage of Banks Offering Accounts without Service Charges	35%	5%
Median Required Minimum Balance to Avoid Service Charges	\$675	\$300–\$400
Median Monthly Charge on Fee-Only Accounts	\$ 2.24	\$ 5.00
Median Monthly Fee on Accounts with Fees and per Check Charge	\$ 2.24	\$ 4.00
Median per Check Charge	\$ 0.11	\$ 0.25
Median Fee for Writing Check with Insufficient Funds to Cover It	\$ 11.25	\$ 15.00

SOURCES: U.S. General Accounting Office (1987) and Board of Governors of the Federal Reserve System (1992).

*Data for 1977 are for banks and savings and loans. The data for 1991 are for banks only.

Table 5.3 / Changes in Bank Representation: 1970–1989

	ATLANTA		
	1970	1980	1989
Total Number of Banks	78	92	100
Tracts with Median Household Incomes Below 67 Percent of City Average			
Percentage of tracts w/banks	19.4	19.4	13.9
Mean number of banks	0.28	0.33	0.25
Tracts with Median Household Income Above 67 Percent of Average			
Percentage of tracts w/banks	46.6	47.9	49.3
Mean number of banks	0.93	1.1	1.25
Tracts with More than 50 Percent African American Residents			
Percentage of tracts w/banks	29.2	26.4	23.6
Mean number of banks	0.38	0.42	0.36
Tracts with More than 40 Percent Hispanic Residents			
Percentage of tracts w/banks	NA	NA	NA
Mean number of banks	NA	NA	NA
Tracts with Less than 50 Percent African American and 40 Percent Hispanic Residents			
Percentage of tracts w/banks	54.1	62.2	64.9
Mean number of banks	1.38	1.68	2
	NEW YORK CITY		
	1970	1980	1989
Total Number of Banks	805	1068	999
Tracts with Median Household Incomes Below 67 Percent of City Average			
Percentage of tracts w/banks	23.5	20.7	16.7
Mean number of banks	0.36	0.35	0.29
Tracts with Median Household Income Above 67 Percent of Average			
Percentage of tracts w/banks	23.7	29.9	28.1
Mean number of banks	0.43	0.61	0.58
Tracts with More than 50 Percent African American Residents			
Percentage of tracts w/banks	16.8	16.4	12.7
Mean number of banks	0.25	0.22	0.17
Tracts with More than 40 Percent Hispanic Residents			
Percentage of tracts w/banks	25.4	22.9	19.9
Mean number of banks	0.4	0.42	0.37
Tracts with Less than 50 Percent African American and 40 Percent Hispanic Residents			
Percentage of tracts w/banks	20	32.4	30.7
Mean number of banks	0.47	0.68	0.65

Table 5.3 / (continued)

	DENVER		
	1970	1980	1989
Total Number of Banks	39	42	70
Tracts with Median Household Incomes Below 67 Percent of City Average			
Percentage of tracts w/banks	26.9	23.1	30.8
Mean number of banks	0.85	0.73	1.15
Tracts with Median Household Income Above 67 Percent of Average			
Percentage of tracts w/banks	13.4	19.6	30.9
Mean number of banks	0.18	0.24	0.41
Tracts with More than 50 Percent African American Residents			
Percentage of tracts w/banks	10	10	10
Mean number of banks	0.1	0.1	0.1
Tracts with More than 40 Percent Hispanic Residents			
Percentage of tracts w/banks	14.3	14.3	19
Mean number of banks	0.14	0.14	0.24
Tracts with Less than 50 Percent African American and 40 Percent Hispanic Residents			
Percentage of tracts w/banks	17.4	22.8	35.9
Mean number of banks	0.38	0.41	0.7
	SAN JOSE		
	1970	1980	1989
Total Number of Banks	47	94	99
Tracts with Median Household Incomes Below 67 Percent of City Average			
Percentage of tracts w/banks	33.3	52.3	42.9
Mean number of banks	0.81	1.48	1.67
Tracts with Median Household Income Above 67 Percent of Average			
Percentage of tracts w/banks	24.1	38	35.2
Mean number of banks	0.28	0.58	0.59
Tracts with More than 50 Percent African American Residents			
Percentage of tracts w/banks	NA	NA	NA
Mean number of banks	NA	NA	NA
Tracts with More than 40 Percent Hispanic Residents			
Percentage of tracts w/banks	27.6	41.3	27.6
Mean number of banks	0.41	0.9	0.97
Tracts with Less than 50 Percent African American and 40 Percent Hispanic Residents			
Percentage of tracts w/banks	25	40	39
Mean number of banks	0.35	0.68	0.71

Table 5.3 / (continued)

WASHINGTON, D.C.			
	1970	1980	1989
Total Number of Banks	78	107	138
Tracts with Median Household Incomes Below 67 Percent of City Average			
Percentage of tracts w/banks	17.2	20.7	31
Mean number of banks	0.72	0.69	1
Tracts with Median Household Income Above 67 Percent of Average			
Percentage of tracts w/banks	26.4	34.3	37.1
Mean number of banks	0.41	0.62	0.78
Tracts with More than 50 Percent African American Residents			
Percentage of tracts w/banks	18.7	22	26
Mean number of banks	0.2	0.24	0.28
Tracts with More than 40 Percent Hispanic Residents			
Percentage of tracts w/banks	NA	NA	NA
Mean number of banks	NA	NA	NA
Tracts with Less than 50 Percent African American and 40 Percent Hispanic Residents			
Percentage of tracts w/banks	41.3	58.7	63
Mean number of banks	1.15	1.7	2.24

SOURCE: Caskey (1994).

Table 5.4 / Mean Household and Family Income, by Quintiles:
1967–1991 (in 1991 \$)

	Lowest Fifth	Second Fifth	Third Fifth	Fourth Fifth	Highest Fifth
	Households				
1991	7,263	18,149	30,147	45,957	88,130
1990	7,498	18,789	31,034	46,790	90,804
1989	7,682	19,113	31,771	48,058	93,944
1988	7,443	18,786	31,420	47,496	90,676
1987	7,352	18,684	31,238	47,218	89,797
1986	7,175	18,458	30,887	46,530	88,071
1985	7,106	18,009	29,892	44,964	83,990
1984	7,126	17,749	29,413	44,287	81,433
1983	6,910	17,357	28,698	43,064	79,066
1982	6,824	17,269	28,585	42,513	77,972
1981	6,957	17,330	28,708	42,793	76,441
1980	7,133	17,752	29,294	43,157	76,949
1979	7,373	18,339	30,236	44,372	79,631
1978	7,436	18,261	30,152	44,169	78,857
1967	6,003	16,633	26,557	37,157	67,335

	Lowest Fifth	Second Fifth	Third Fifth	Fourth Fifth	Highest Fifth
	Families				
1991	9,734	23,105	35,851	51,997	95,530
1990	10,247	23,900	36,808	52,935	98,377
1989	10,359	24,184	37,571	54,055	101,780
1988	10,197	23,848	37,111	53,298	97,792
1987	10,157	23,872	37,069	53,053	96,956
1986	9,990	23,501	36,471	52,115	94,926
1985	9,675	22,711	35,132	50,356	90,627
1984	9,547	22,413	34,658	49,563	87,341
1983	9,236	21,823	33,648	47,964	84,381
1982	9,256	21,785	33,370	47,332	83,371
1981	9,782	22,126	33,958	47,682	81,741
1980	10,199	22,904	34,695	48,140	82,433
1979	10,765	23,750	35,870	49,395	85,589
1978	10,599	23,588	35,499	48,911	84,099
1967	9,106	20,606	29,619	39,723	70,141

SOURCE: *Money Income of Households, Families, and Persons in the United States: 1991*. Series P-60, No. 180, U.S. Department of Commerce, Bureau of the Census.

Table 5.5 / Probit Regression Study of 1977 Account Ownership
(dependent variable is ownership of a deposit account)

Constant	-1.06	(3.3)
Income	0.030	(6.9)
Number of Children	-0.131	(3.6)
Age	0.006	(1.7)
Education	0.121	(7.4)
Married	0.127	(0.8)
Male	-0.078	(0.5)
Minority	-0.750	(6.8)
Employed	0.186	(1.6)
Homeowner	0.520	(4.7)

Log-Likelihood: -430.7

Chi-Squared Statistic (H_0 : slope of coeffs = 0): 408

Number of Observations: 2,025

Percentage of In-Sample Correct Predictions: 91

(*t*-statistics are in parentheses)

SOURCE: Caskey and Peterson (1994), using data from the Federal Reserve Board's 1977 *Survey of Consumer Finances*.

NOTES: Variable Definitions

Income:	Household income in thousands of 1991 dollars.
Number of children:	Number of dependent children in the household.
Age:	Age of the head of household.
Education:	Years of formal education of head of household.
Married:	A dummy variable with the value 1.0 if the head of household is living with a domestic partner.
Male:	A dummy variable with the value 1.0 if the head of household is a male.
Minority:	A dummy variable with the value 1.0 if the head of household identifies himself or herself as nonwhite.
Employed:	A dummy variable with the value of 1.0 if the head of household is employed.
Homeowner:	A dummy variable with the value of 1.0 if the household owns its home.

Table 5.6 / Predicted and Actual Percentages of Households with Deposit Accounts in 1989, by Socioeconomic Categories (households with incomes below \$83,780 in 1991 \$)

	Actual	Predicted
All Households	86.5	85.6
By Household Income (1991 \$)		
Up to \$11,969	59.2	54.7
\$11,970–\$21,545	85.8	85.0
\$21,546–\$29,925	92.5	90.5
\$29,926–\$47,875	97.2	98.4
\$47,876–\$83,780	98.3	99.6
By Age of Household Head		
Less than 25 years	70.7	69.6
25 to 64 years	85.6	86.5
65 years and older	91.8	85.8
By Educational Attainment of Household Head		
0–8 grades	69.8	65.9
9–11 grades	77.2	71.3
High school	85.8	86.1
Some college	94.3	97.1
College degree	98.4	97.7
By Race of Household Head		
Minority	65.8	67.2
White	93.0	95.5

SOURCE: Caskey and Peterson (1994), using data from the Federal Reserve Board's 1977 and 1989 *Survey of Consumer Finances*.

Table 5.7 / Survey of Households without Deposit Accounts

Distribution of responses in 1989 survey to the request: "Looking at this list, please tell me which is the most important reason (you don't/your family doesn't) have a checking account." Responses are for families without deposit accounts of any type.

Number of Respondents	282
Percentage of Respondents Answering:	
"Don't write enough checks to make it worthwhile."	31.6
"Don't have enough money."	27.0
"Do not like dealing with banks."	13.1
"Service charges are too high."	7.8
"Minimum balance is too high."	7.1
"Can't manage or balance a checking account."	5.3
"No bank has convenient hours or location."	1.1
Other	7.1

SOURCE: Caskey and Peterson (1994), based on the Federal Reserve Board's 1989 *Survey of Consumer Finances*.

NOTE: Totals may not add to 100 percent due to rounding.