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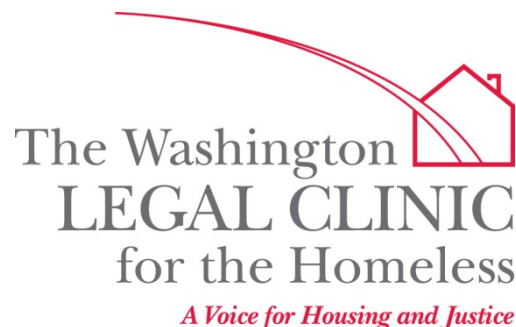
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D.C. Council Committee of the Whole- Hearing on the Cashless Retailers Prohibition Act of 2019- February 13, 2020

Testimony of: *Brittany K. Ruffin, Affordable Housing Advocacy Attorney*
Morrison Alston Neville, Legal Intern

Good afternoon, Councilmembers. Since 1987, the Washington Legal Clinic for the Homeless has envisioned and worked towards a just and inclusive community for all residents of the District of Columbia—where housing is a human right and where every individual and family has equal access to the resources they need to thrive. Unfortunately, our vision is still that—a vision. Currently, there is no right to housing; and, it is hard for the vast majority of our vulnerable residents to focus on thriving when basic survival has become such a challenge.

A growing number of businesses in the District have implemented systems to adopt cashless policies and prohibit patrons from using cash as payment for services. Cashless business policies have, unfortunately, become an increasing trend nationwide. In some instances, credit card companies even provide short-term funding to businesses as an incentive to stop accepting cash from customers—a highly problematic practice. Cashless policies are inherently unfair to potential patrons, particularly the city’s no- and low-income populations. Cashless policies would exclude patrons who do not have bank accounts or credit cards and prohibit access to local retailers. Thus, the Council must support the Cashless Retailers Prohibition Act of 2019.

According to a 2017 FDIC national survey, twenty-five percent of households were unbanked (had no checking or savings account) or underbanked (have checking/savings accounts, but must also use alternative financial services such as check cashing or payday loans). Among African-American households, 16.9% nationally did not have bank accounts in 2017, the most recent year for available data. Approximately 14% of Latino households did not have a bank account. More than half of unbanked households, 57.5 percent, cite not having enough money as the reason for not having a bank account. Low fee and low balance bank accounts are not generally profitable for banks. Therefore, minimum balance requirements, insufficient funds fees, and overdraft fees can make bank accounts expensive and limit their value for low-income households. For many consumers, operating outside of the formal financial sector and using cash can also be a preferred and safer option.

In the District, 11.8 percent of all households are unbanked and have no access to traditional savings or checking accounts, according to a Prosperity Now 2016 scorecard. Another 24.8 percent of District households are underbanked and may not have access to a debit or credit card. Therefore, more than 36 percent of DC households might have trouble swiping a card at a register. Cashless businesses would impact more than a third of the District's population. The percentage of impacted individuals is undoubtedly higher when factoring in those who live outside of DC and commute to the District for work or tourism, spending money in the city throughout the day.

Cash is the lowest barrier form of payment. Cash can be tendered by anyone regardless of socioeconomic status, citizenship, race, age, or creditworthiness. Cash does not involve fees, identification, or registration in order to obtain, spend, or accept it. Fundamentally, by denying consumers the ability to use cash as a form of payment, businesses are effectively telling homeless, low-income, immigrant, minority, elderly, and young patrons that they are not welcome.

Continued gentrification in the District has succeeded in displacing large populations of the city's Black and brown population. Cashless policies perpetuate discrimination based on income and access to credit and would only further the effects of gentrification in the District. Given the documented racial and socioeconomic disparities around credit score, cashless policies allow businesses to limit the ability of Black, brown, and impoverished people to access goods and services. Cashless retailers restrict the places where people of color can shop, eat, and receive basic services. By refusing service to low-income communities without access to credit/debit cards, cashless establishments are able to carve out even more segregated niches in gentrified neighborhoods and exclude a substantial section of the population. In a city already rife with income and wealth disparities, no businesses should be permitted to promote a policy in which individuals with access to credit have more options and access to food and other city retailers.

The Council must not allow businesses to deny consumers due to their financial limits or preferences. Other states and cities have recognized the inherent discrimination of cashless policies and adopted legislation that prohibits their implementation. Massachusetts, Connecticut, New Jersey, New York, Oregon, Rhode Island, Chicago, Philadelphia and San Francisco have already passed legislation that requires retailers to accept cash payments. The District of Columbia needs to join this group in a rejection of policies that are, at their core, racist and anti-poor. Therefore, the Council must adopt the Cashless Retailers Prohibition Act of 2019 to require retailers to accept cash as a payment option, prohibiting further racial and socioeconomic discrimination within DC and affirming the right of *all* people to be consumers in the city.