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**Testimony in Support of SB242**  
**Senate Small Business and Economic Opportunity Committee**  
**Susan Jagers, Director**  
**Ohio Poverty Law Center**  
**October 25, 2021**

Chair Rulli, Vice Chair Lang, Ranking Member Sykes, and Members of the Committee, thank you for the opportunity to provide testimony in support of Senate Bill 242 which requires a seller to accept cash when offered as payment for in-person retail transactions. I am the director of the Ohio Poverty Law Center, which works to reduce poverty and increase justice by expanding and protecting the legal rights of Ohioans living, working, and raising their families in poverty.

Fueled by the desire for contactless transactions during the COVID-19 pandemic, more retailers are moving to cashless transactions—which can have an adverse impact on low-income Ohioans.

Participation in cashless transactions presumes a level of financial stability and connection to financial institutions. Opening bank or other accounts requires identification, proof of address, and other documents that are a barrier for many poor, elderly, and homeless individuals.

According to the Brookings Institute, an estimated five percent of Americans are unbanked. The rate is much higher for some populations. Fourteen percent of Black families and 12 percent of Latino families are unbanked. Unbanked Americans are those who do not use any banking services, including debit cards, checking accounts, or savings accounts.

The main reason provided by unbanked household for not having an account is the high cost of basic bank accounts. Many banks implement minimum balance requirements, which low-income individuals cannot meet. Faced with expensive basic banking, low-income households turn to alternatives like payday loans and check-cashing services.

Nearly 20 percent of Americans are underbanked, which means that they have a bank account but still resorted to using money orders, check cashing, or payday loans.

For many low-income Ohioans, cash is the best and often only option for purchasing food and other necessities. Senate Bill 242 will ensure that retailers and food establishments continue to serve all Ohioans.

We urge you to support Senate Bill 242.