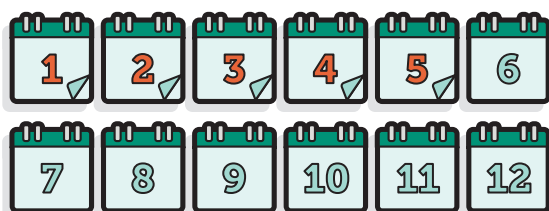




# Payday Loans and Tax Time

The average payday loan customer takes out a \$375 loan, advertised to last two weeks.

But she ends up indebted for five months of the year.

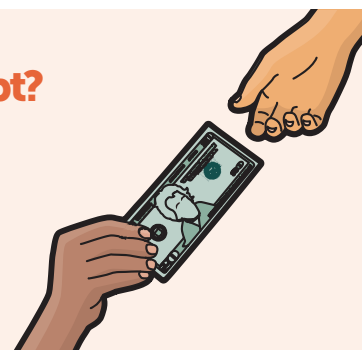


She also pays \$520 in finance charges on the \$375 principal.



## How do payday borrowers retire their debt?

Payday borrowers often end up paying off their debt with some type of cash windfall, such as help from friends or family, or another type of loan.



Many borrowers pay off their loans with tax refunds.

1 in 6 retires payday loan debt with a tax refund.



Source: The Pew Charitable Trusts, "Payday Lending in America: How Borrowers Choose and Repay Payday Loans," [http://www.pewtrusts.org/-/media/assets/2013/02/20/pew\\_choosing\\_borrowing\\_payday\\_feb2013-\(1\).pdf](http://www.pewtrusts.org/-/media/assets/2013/02/20/pew_choosing_borrowing_payday_feb2013-(1).pdf).

*This infographic was updated on April 13, 2016, to include source information.*

The Consumer Financial Protection Bureau is considering a new proposal to make these loans safer and more affordable for borrowers. Sign up for our newsletter to learn more at [pewtrusts.org/small-loans](http://pewtrusts.org/small-loans).

**For further information, please visit:**

[pewtrusts.org/small-loans](http://pewtrusts.org/small-loans)

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