



# Payday Lending Telephone Survey of the General Public

## Introduction

The study was conducted for The Pew Charitable Trusts via telephone by SSRS, an independent research company. Interviews were conducted Aug. 12-21, 2016, among a nationally representative sample of 1,205 respondents 18 and older. The margin of error for total qualified respondents is plus or minus 3.37 percent at the 95 percent confidence level. More information about SSRS' omnibus survey can be obtained at [ssrs.com/omnibus](http://ssrs.com/omnibus).

## Survey results

Now I'd like to ask you some questions about payday lending. Payday lenders are companies that generally operate through storefronts or the internet. They make small loans, often at high interest rates, that are usually due back on the borrower's next payday.

### PL-01. Which of these statements comes closer to your point of view?

Payday loans should be more regulated	70%
Payday loans should not be more regulated	17%
Don't know	11%
Refused	1%

### PL-02. Today, banks generally do not make loans to people with low credit scores. Do you want to see banks begin to offer small loans of a few hundred dollars to their customers who have low credit scores, or do you not want to see that?

Want to see	Do not want to see	Don't know	Refused
70%	23%	5%	2%

**PL-03. Some banks are considering offering a \$400, three-month loan with a \$60 fee. Payday lenders charge about \$350 for the same loan, while using a credit card would usually cost less than \$60. If a bank began offering a \$400, three-month loan for a \$60 fee, would your view of that bank be more favorable or less favorable?**

More favorable	Less favorable	Don't know	Refused
70%	20%	8%	1%

**PL-04. The government agency that regulates payday lending has proposed some new regulations. I'd like to get your opinion on some of the possible outcomes of the new regulations. For each, please tell me if you would view it as mostly a good outcome or mostly a bad outcome.**

*(The order of these statements was randomized.)*

a. If most people who use payday loans got more time to repay them but the annual interest rates continued to be around 400%

Mostly a good outcome	Mostly a bad outcome	Don't know	Refused
15%	80%	4%	1%

b. If most people who use payday loans could get loans from their banks and credit unions that cost six times less than payday loans

Mostly a good outcome	Mostly a bad outcome	Don't know	Refused
86%	10%	3%	1%

c. If some payday lenders went out of business but the remaining lenders charged less for loans

Mostly a good outcome	Mostly a bad outcome	Don't know	Refused
74%	19%	6%	1%

**PL-05. Here are two possible outcomes of the proposed regulations for payday lending. Please tell me which of the two you would view as a better outcome for a \$400, three-month loan.**

*(The order of these statements was randomized.)*

If lenders pulled borrowers' credit reports, estimated their expenses, and issued that loan for about \$350 in fees	13%
If lenders reviewed customers' checking account histories and issued that loan for about \$60 in fees	79%
Don't know	6%
Refused	2%

**PL-06. Here are some examples of small loans that might be available to people who have low credit scores. For each, please tell me whether you think the terms seem fair or unfair. (INSERT ITEM). Do you think the terms seem fair or unfair?**

1 Fair

2 Unfair

8 (DO NOT READ) Don't know

9 (DO NOT READ) Refused

*(The order of these statements was randomized.)*

a. \$500 for a fee of \$100 paid back over four months, so a person who borrows \$500 will pay back \$600

Fair	Unfair	Don't know	Refused
61%	37%	2%	1%

b. \$500 for a fee of \$600 paid back over four months, so a person who borrows \$500 will pay back \$1,100

Fair	Unfair	Don't know	Refused
7%	91%	1%	1%

c. \$400 for a fee of \$60 paid back over three months, so a person who borrows \$400 will pay back \$460

Fair	Unfair	Don't know	Refused
80%	18%	1%	1%

**PL-07. Here are two views regarding small loans that banks might begin offering. Please tell me which of the two you agree with more.**

*(The order of these statements was randomized.)*

<b>It would be a good thing if banks started offering small loans to their customers who use payday loans today because the prices would be six times lower than payday loans</b>	77%
<b>It would be a bad thing if banks started offering small loans to their customers who use payday loans today because the interest rates would be higher than credit cards</b>	16%
<b>Don't know</b>	5%
<b>Refused</b>	1%

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**For further information, please visit:**

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

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