



**Penn, Schoen & Berland
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To: Board of Directors,
Community Financial Services Association of America (CFSA)

From: Penn, Schoen & Berland Associates

Date: January 26, 2005

Re: Results of Poll Determining Payday Loan Usage among Active Duty
Members of the US Military

At your request, Penn, Schoen & Berland Associates developed and conducted a survey to determine the incidence of payday loan usage among active duty members of the military.

A nationally representative sample of 1,002 active duty members of the United States Armed Forces, across all branches of service, was interviewed between January 11-20, 2005. The list was purchased from Equifax, a credit monitoring company. Calls were made from PSB's telephone call center, located in Denver, Colorado.

During the interviews, respondents were asked to confirm they were indeed active duty members of the armed forces. They were then asked a series of screening questions to determine which branch of the military they served in and whether they had taken out a payday loan in the last five years.

Of the 1002 members of the military surveyed, only 37 active military service people said they had taken out a payday advance loan in the last five years. **This is an incidence of 3.69% usage. Among that sub sample, only 32% had a current loan outstanding, an overall incidence rate of 1.18%.** Based on the current 1.4 million active duty military population, in real figures, one could make an educated projection that 51,660 members of the military have taken payday loans in the last five years and 16,520 currently have a payday loan outstanding. The margin of error with this sample size is +/-3.1% at the 95% confidence level.

While some media reports have estimated that usage of payday advance loans among military personnel could be as high as 30% to 40%, PSB's polling has found that figure to be radically overstated. **Clearly, only a small segment of the military has used the service in the last five years.**