

ECONOMIC IMPACT OF PAYDAY LENDING INDUSTRY

- WISCONSIN -

IHS Global Insight conducted a comprehensive study analyzing the economic impact of the payday loan industry nationally and in states with storefront locations. Findings illustrate “measurable and significant” economic benefits to local economies directly through employment, compensation and taxes, as well as through indirect and induced relationships with suppliers and other industries.

Full results of the study, including national and state-level data, are available online at:

http://www.cfsa.net/downloads/eco_impact.pdf

Key Findings:

- In addition to being a valuable source of credit for many consumers, the payday loan industry makes significant contributions to U.S. and state economies.

WISCONSIN - TOTAL ECONOMIC IMPACT			
Value Added to GSP	Employment (# of employees)	Labor Income (employee compensation)	Tax
\$213,910,000	3,462	\$135,340,000	\$58,800,000

- The industry contributed nearly \$214 million to Wisconsin’s gross state product (GSP) in 2007.
- The payday lending industry supports nearly 3,500 jobs¹ in Wisconsin, including 1,684 people directly employed in 516 storefront locations.²
 - The industry indirectly created another 639 jobs in supplier industries.
 - Payday loan store and supplier industry employees induced the creation of 1,139 jobs through the purchase of goods and services using earned wages.
- In Wisconsin, the total labor income impact from the payday loan industry is \$135.3 million:
 - Through direct employment, payday loan stores contributed \$62.4 million in labor income.³
 - Suppliers to the payday lending industry contributed \$28.2 million in labor income as an indirect result of the revenues generated by the payday loan industry.
 - \$44.8 million was generated from the wages of payday loan store employees and supplier industries’ employees as they were spent in Wisconsin’s economy.
- The payday lending industry helped to generate nearly \$59 million in federal, state and local taxes in 2007.

Note: Findings based on 2007 data from IHS Global Insight study.

¹ Includes jobs in industries supplying input goods to the payday lending industry as well as jobs sustained due to the spending of wages in local economies by payday ending employees.

² Direct employment includes only store employees and not those employed in corporate headquarters or parent organizations.

³ Labor income includes other benefits besides wages, such as employer paid health insurance benefits, and employer contributions to Social Security, Medicare and 401K plans.

Highlights prepared by:

