



February 22, 2021

Emily Fetsch, Director of Fiscal Policy
Kansas Action for Children
Written testimony in support of House Bill 2189
House Committee on Financial Institutions and Rural Development

Chairperson Kelly and Members of the Committee:

Thank you for the opportunity to provide testimony in support of HB 2189 as written, which would reform payday lending. Kansas Action for Children's vision is to make Kansas the best state to raise -- and be -- a child. KAC shapes state and federal policies that improve health, education, and financial outcomes for young children and the adults who care for them, especially those experiencing poverty. We support HB 2189 because we believe it will increase economic security for children and families throughout the state.

This past year has been difficult for so many Kansans, particularly Kansas families with children. Food, housing, and job insecurity shadowed too many families before COVID-19 and the related economic downturn, and now they have all worsened.

According to the U.S. Census Bureau Household Pulse Survey:

- Nearly half of Kansas families with children in the household (47 percent) have had some period of job loss since March. Latinx and Black Kansas families are more likely to have experienced job loss, 61 and 49 percent, respectively.
- Nearly one-in-five Kansas families with children in the household (18 percent) does not know if they can make their next rent or mortgage payment.
- 17 percent of adults with children living in the household say their household sometimes or often did not have enough food to eat in the past week.

Note: The most recent data is from Nov. 25-Dec. 21, 2020.

We know that low- and moderate- income families are most likely to experience food, housing, and job insecurity and are disproportionately more likely to be families of color. Families experiencing economic hardship, to feed, house, and provide necessities for their children, are often forced to make the difficult decision to access a payday loan. However, it is unfair that they should be subject to the consequences of a highly

unregulated industry, where fees and interest pile up, trapping these families into a cycle of debt. HB 2189 makes needed reforms to curb these urgent problems.

Given our current economic challenges, it is more important than ever to help Kansas families avoid debt and economic insecurity by reforming the payday lending industry. Kansas Action for Children supports this bill, as written, because it will bolster needed financial security for Kansas kids and the adults who care for them. We urge you to support this much needed and timely legislation. We are happy to answer any questions you may have. You may reach me by email at emily@kac.org.