



BOARD/COMMISSION RECOMMENDATION

Human Rights Commission

Recommendation Number: 20200127-003c Recommendation to Ban Cashless Retail Establishments

WHEREAS, all paper legal tender printed in the United States comes with the statement, “This note is legal tender for all debts, public and private.”; and

WHEREAS, according to an Associated Press story on April 12, 2019, 6.5% of American households (approximately 8.4 million) do not have a bank account, and more than 24 million more U.S. households are underbanked (having a primary bank account but rely on alternative financial services like check cashiers), according to the Federal Deposit Insurance Corporation (FDIC); and

WHEREAS, this issue disproportionately affects African-American and Hispanic communities, again according to the FDIC, 17% of African-American and 14% Hispanic households have no bank accounts nationally, compared to just 3% of Caucasian households; and

WHEREAS, according to a 2018 Federal Reserve study, cash is still used in roughly 30% of all transactions, where most consumers (55%) prefer cash for transactions under \$10. It was also noted that 84% of white people were fully banked while 52% of African-American and 63% of Hispanic people were; and

WHEREAS, a cashless society presumes a level of financial stability in bureaucratic financial systems that many people do not possess. For instance, opening a bank account requires an ID, which many economically-disadvantaged and elderly people lack, or other documents such as a utility bill or other proof of address that work to create barriers to participating in electronic payment systems; and


WHEREAS, banks and credit unions charge significant fees that put stress on people living on the margins; and

WHEREAS, the incidents of hacked business accounts, which expose millions of credit card numbers, and outage of electronic cash registers, not to mention the long length of time to fix stolen identities are on the rise;

NOW THEREFORE, BE IT RESOLVED, that the Human Rights Commission recommends City of Austin Council Members craft and pass an ordinance that encourages inclusive commerce by banning cashless retail establishments until such time that everyone has access to banking resources that they need, to cash-to-card machines that do not charge fees, or anything similar that will allow everyone to shop at every physical, public-facing retail establishment with five or more employees.

Date of Approval: January 27, 2020

Record of the vote: 11-0; Commissioner Garry Brown motion, Commissioner Santana second. Voting in favor were Chair Davis, Vice Chair Caballero, Commissioner Breckenridge, Commissioner Garry Brown, Commissioner Jamarr Brown, Commissioner Casas, Commissioner Griffith, Commissioner Museitif, Commissioner Santana, Commissioner Weigel, and Commissioner White.

Attest:  _____
Jonathan Babiak, Staff Liaison