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# The Impact of Banking and Fringe Banking Regulation on the Number of Unbanked Americans

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## Abstract

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Thirty-five to 45 percent of low-income American households do not possess a bank account. This statistic coupled with claims of price gouging by check cashers has prompted government intervention. I find that state legislation requiring banks to offer low-cost accounts slightly decreases the number of low-income minority unbanked households, but only with a substantial lag. Caps on check-cashing fees also lead to a small, but more immediate, reduction in the number of unbanked among this population. Because price caps may lead to a reduction in supply, welfare effects are indeterminate.

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