



JOB OPPORTUNITIES TASK FORCE

Advocating better skills, jobs, and incomes



FOR IMMEDIATE RELEASE

February 1, 2007

NEW REPORTS SHOW THE HIGH COST OF BEING POOR IN MARYLAND

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Recent reports by the Maryland Consumer Rights Coalition and Job Opportunities Task Force showcase the high costs of being poor. These reports examine existing laws and practice and make recommendations for improvement.

Limiting the Cost of Being Poor, commissioned by the Annie E. Casey Foundation, examines high cost financial services including pay day lending, refund anticipation loans, debt management services, check cashing, and bankruptcy. Overpriced and Underserved, commissioned by the Abell Foundation, examines financial services, home-related costs, automotive costs, and groceries.

Both reports draw similar conclusions:

- There is a significant “snowball effect” of the high fees and transaction costs for low-income families. These families often use a variety of financial products each month to manage their finances.
- Low-income workers need access to appropriate financial products that help them to rebuild credit and build wealth in addition to financial education and counseling.
- The state needs to provide additional oversight and accountability over providers of debt management, refund anticipation loans, pay day loans, and tax preparation.

Workers with good credit and higher incomes have more options for financial products and pay lower fees to access them. Lower income workers are more likely to have immediate shortfalls due to job loss, medical illness, or car repair and are not able to access affordable short-term credit.

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Maryland Consumer Rights Coalition (410-528-1591) is a non-profit organization that seeks to advance and protect the interests of Maryland consumers through education and advocacy, and works to ensure fairness and safety in the marketplace.

Job Opportunities Task Force (410-234-8040) is a non-profit that develops and advocates for policies and programs to increase the skills, job opportunities, and incomes of low-skill, low-income workers and job seekers.

Maryland CASH Campaign (410-971-3918) is a coalition of organizations that serve low- and moderate-income taxpayers throughout the state. Collectively, these sites expect to serve 17,000 low-income Marylanders through free tax preparation this tax season, saving them over \$1.2 million in tax prep fees and helping them claim over \$17 million in federal refunds.