

# American Views on Payday Loans

Survey of 1,000 Christians in 27 states

Sponsored by:  
Faith for Just Lending

**Lifeway**research

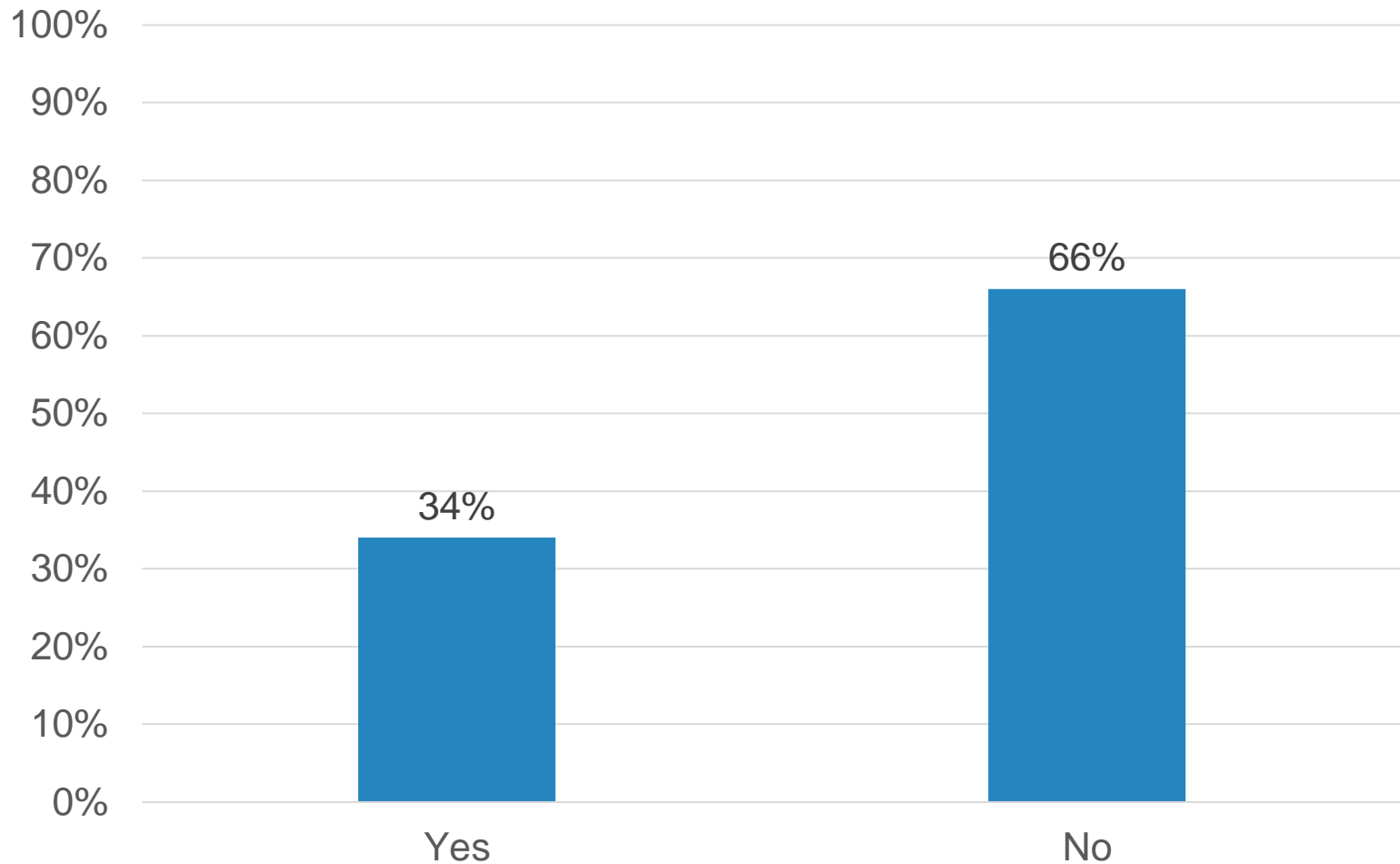
# Methodology

- The online survey of Americans in 27 states was conducted February 22-27, 2023
- The project was sponsored by Faith for Just Lending
- A demographically balanced sample from a national online panel was used
- This sample was screened to only include adults who indicate a Christian religious preference (Catholic, Orthodox, Black Churches, Mainline, Evangelical, and Non-denominational)
- Maximum quotas and slight weights were used for gender, region, age, ethnicity, and education to more accurately reflect the U.S. adult population
- The completed sample is 1,000 surveys
- The sample provides 95% confidence that the sampling error does not exceed  $\pm 3.3\%$  This margin of error accounts for the effect of weighting
- Margins of error are higher in sub-groups

# Methodology

- 27 states were selected by Faith for Just Lending because they do not have meaningful regulation on payday lending
- The following states are included in the analysis:  
Alabama, Alaska, California, Florida, Hawaii, Idaho, Indiana, Iowa, Kansas, Kentucky, Louisiana, Michigan, Minnesota, Mississippi, Missouri, Nebraska, Nevada, New Mexico, Ohio, Oklahoma, Rhode Island, South Carolina, Tennessee, Texas, Utah, Wisconsin, Wyoming

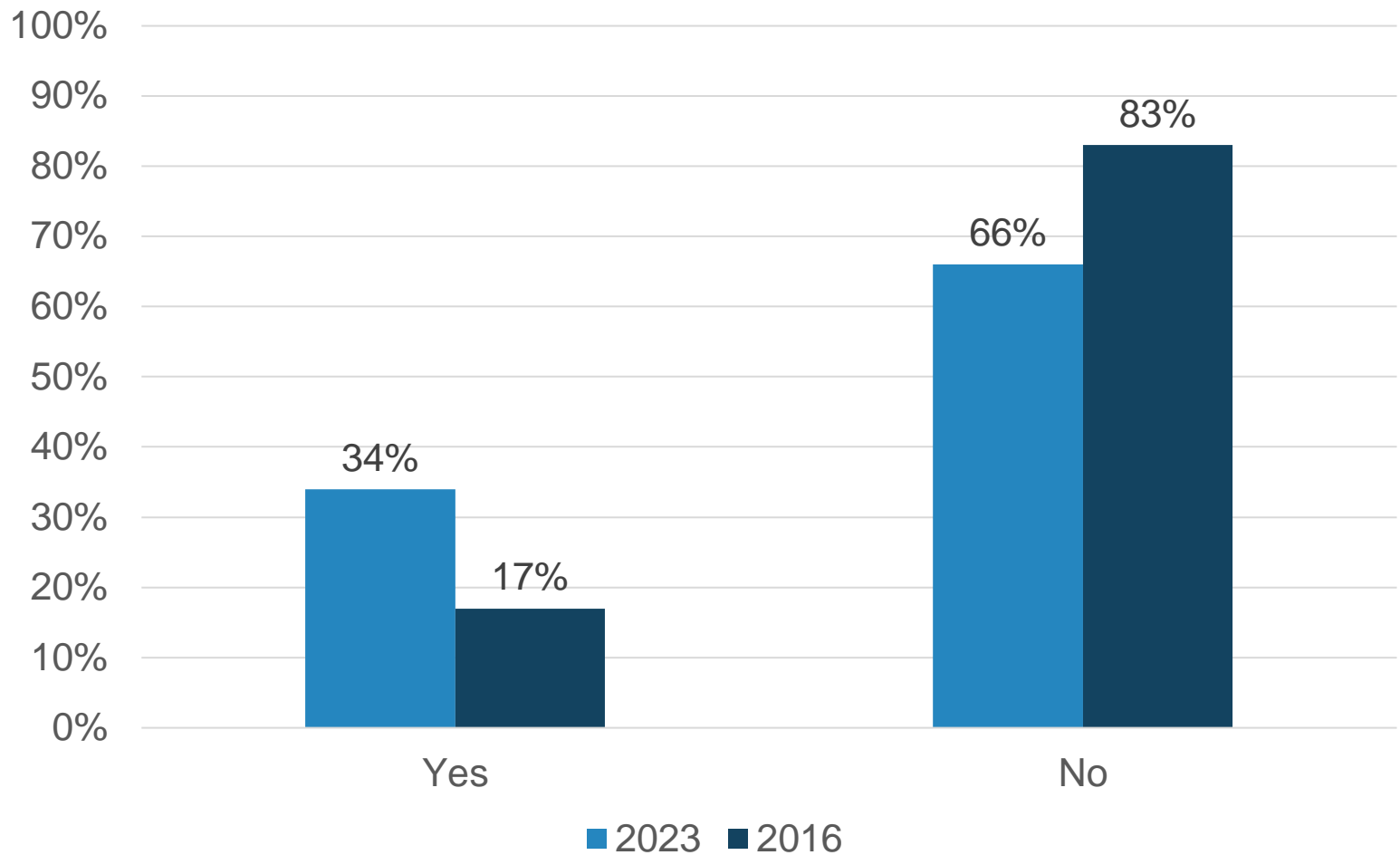
# 34% of Christians in the 27 states surveyed have obtained a payday loan



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Q16: "Have you personally ever obtained a payday loan?" n=1,000

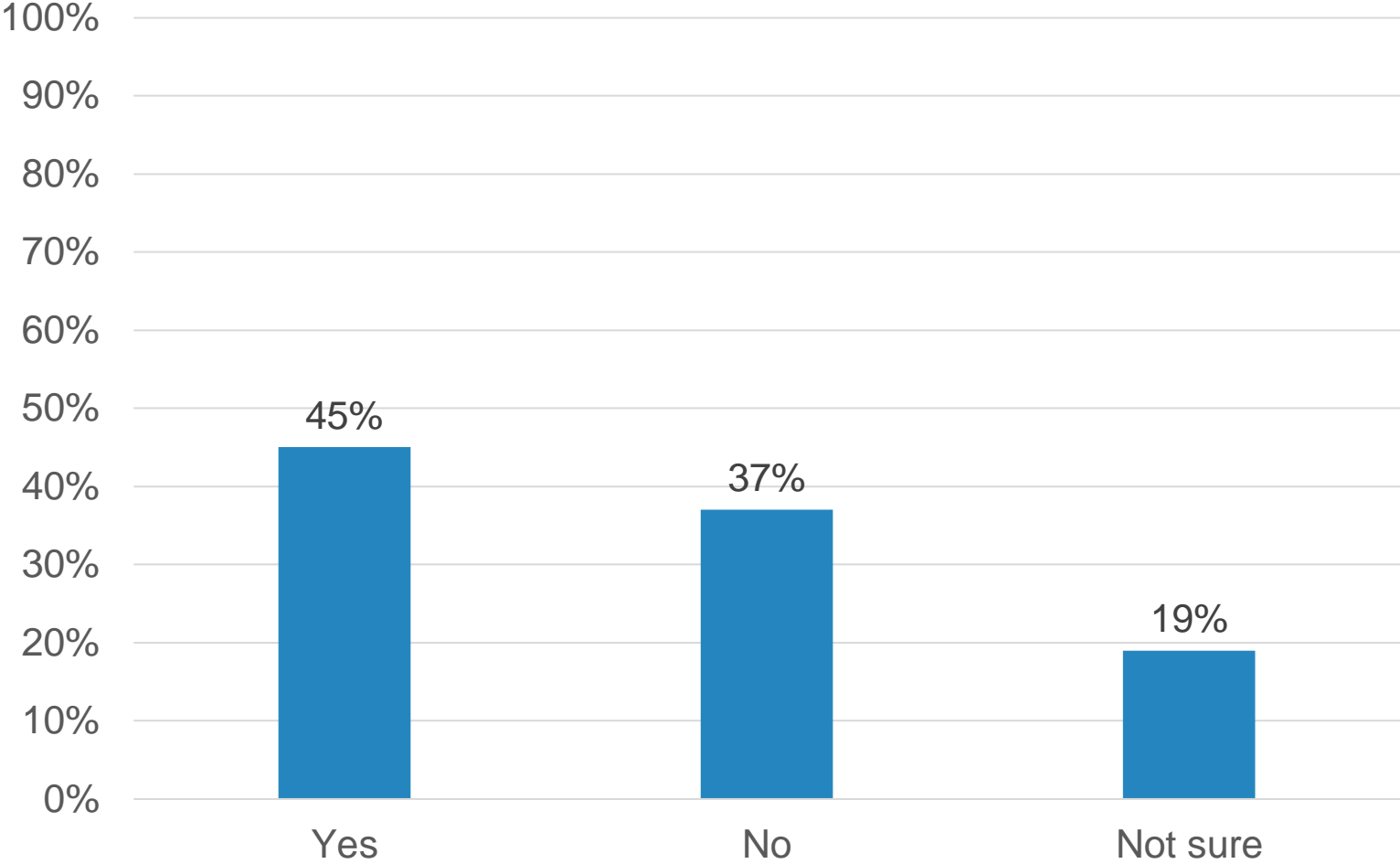
# The number of Christians who have ever obtained a payday loan has doubled since 2016



**Lifeway**research

Q16: "Have you personally ever obtained a payday loan?" n=1,000

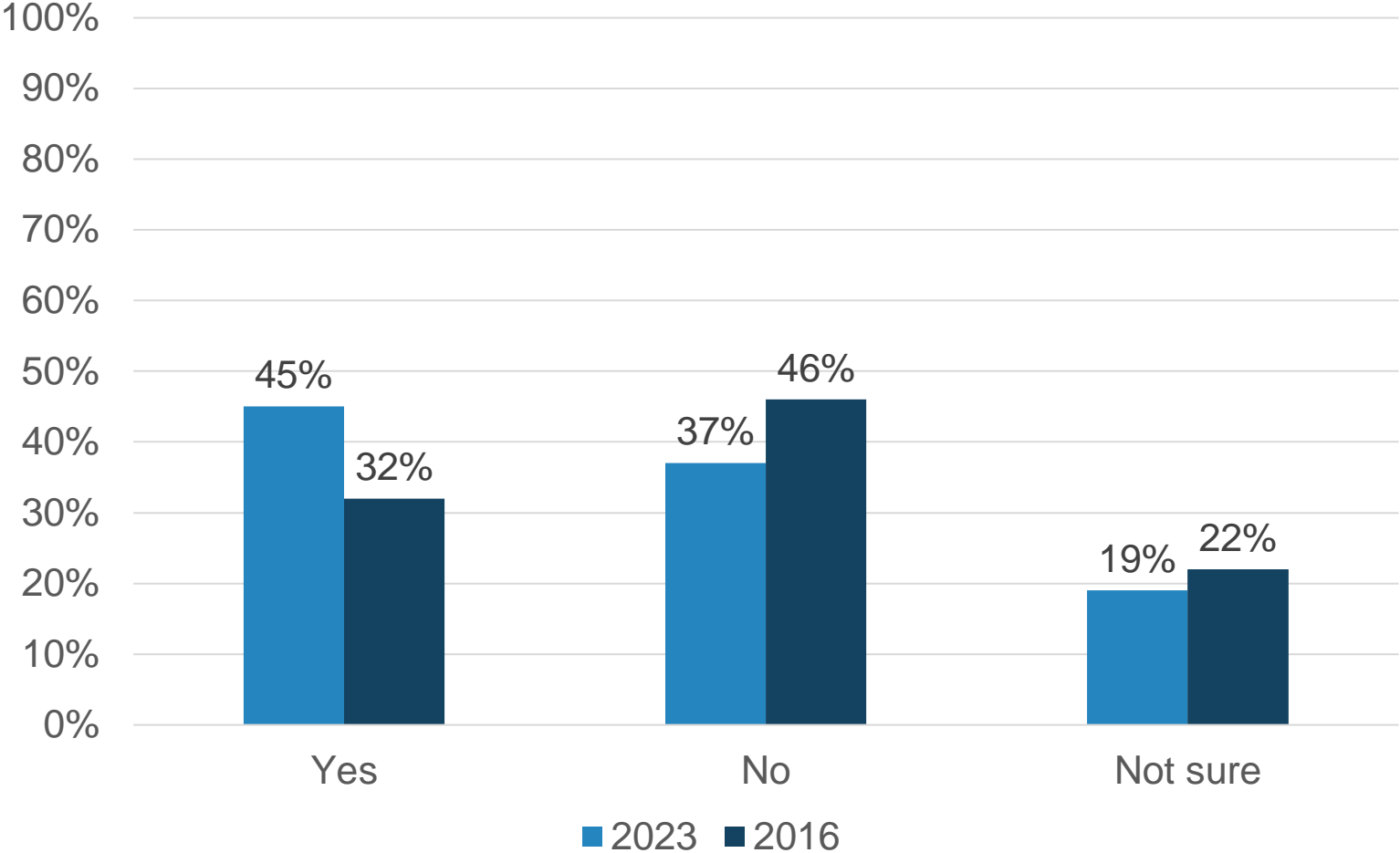
# 45% know someone who has obtained a payday loan



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Q17: "Has someone you know ever obtained a payday loan?" n=1,000

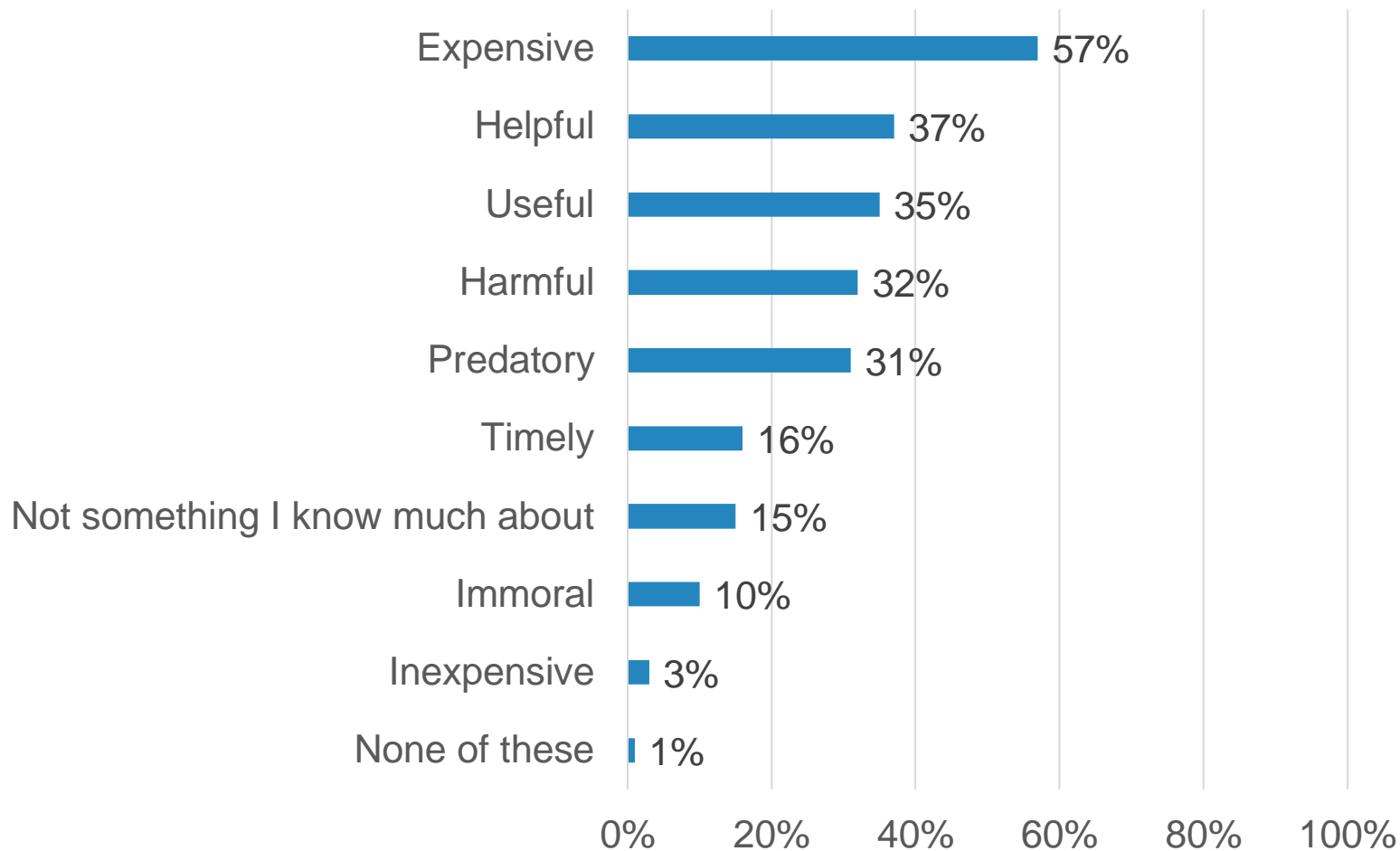
# Christians who know someone who has obtained a payday loan grew from 32% to 45%



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Q17: "Has someone you know ever obtained a payday loan?" n=1,000

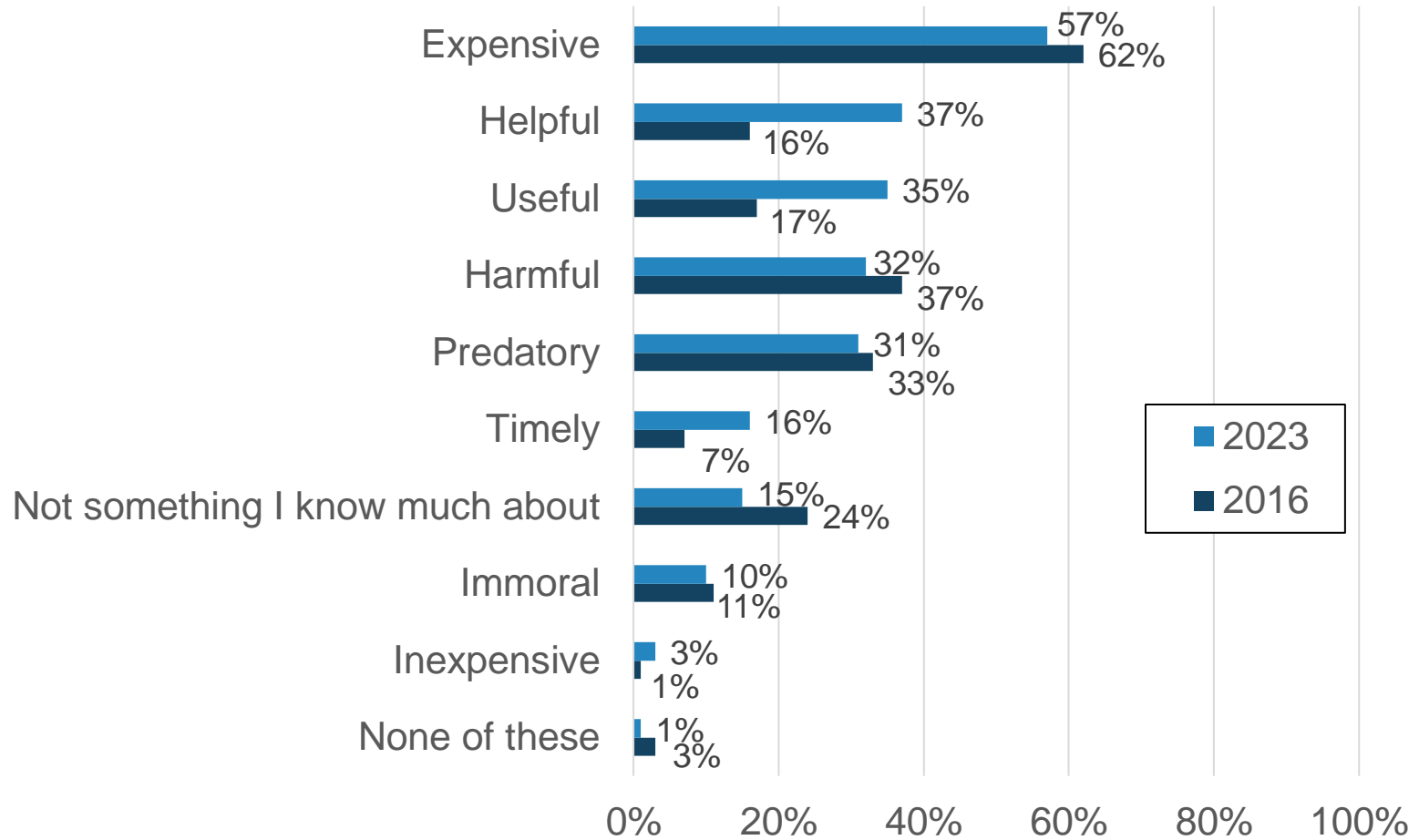
# “Which of the following characteristics would you use to describe payday loans?”



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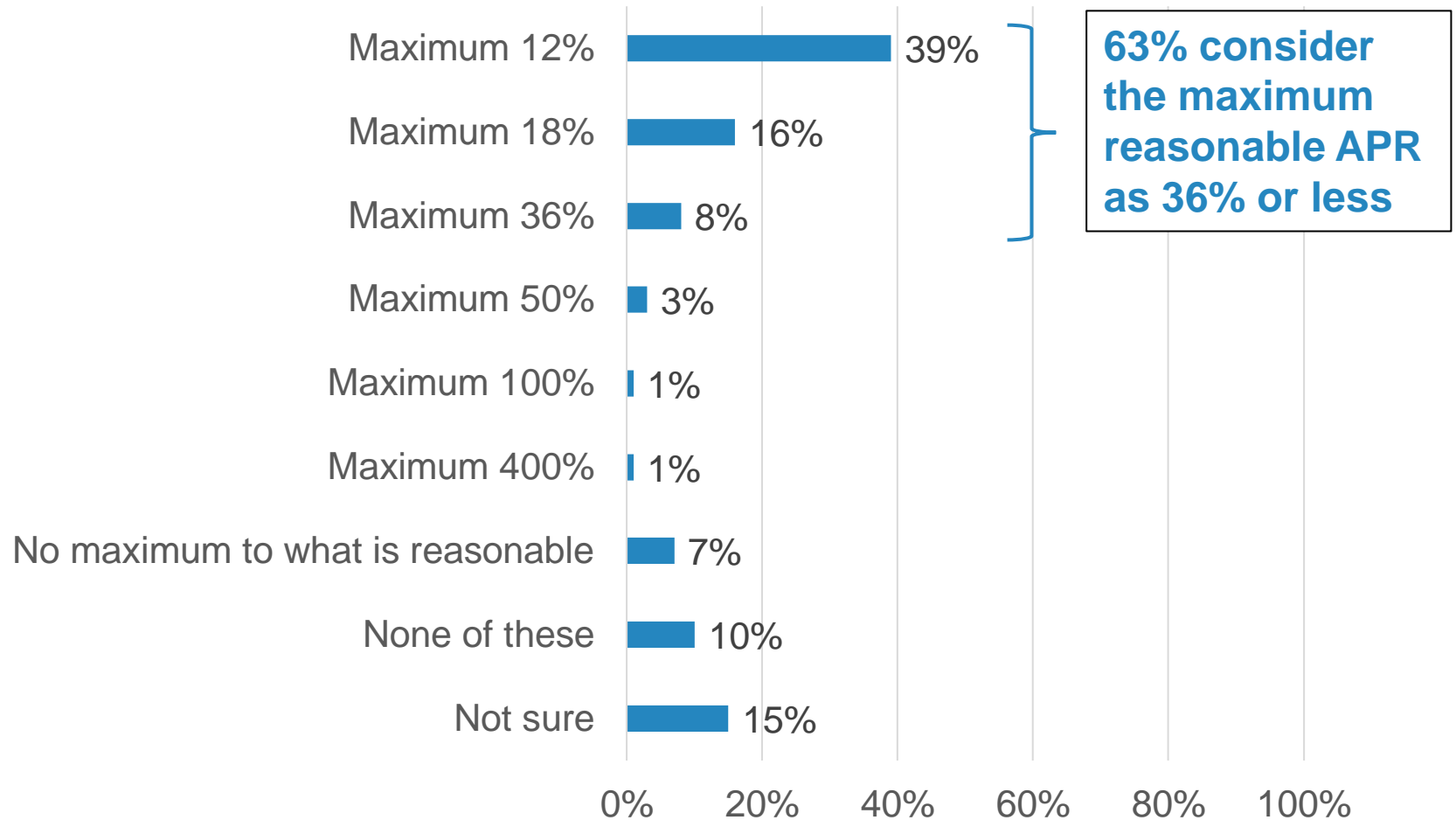


# Views of payday loans as expensive, harmful, and predatory persist, but the percentage saying they are helpful, useful, and timely doubled



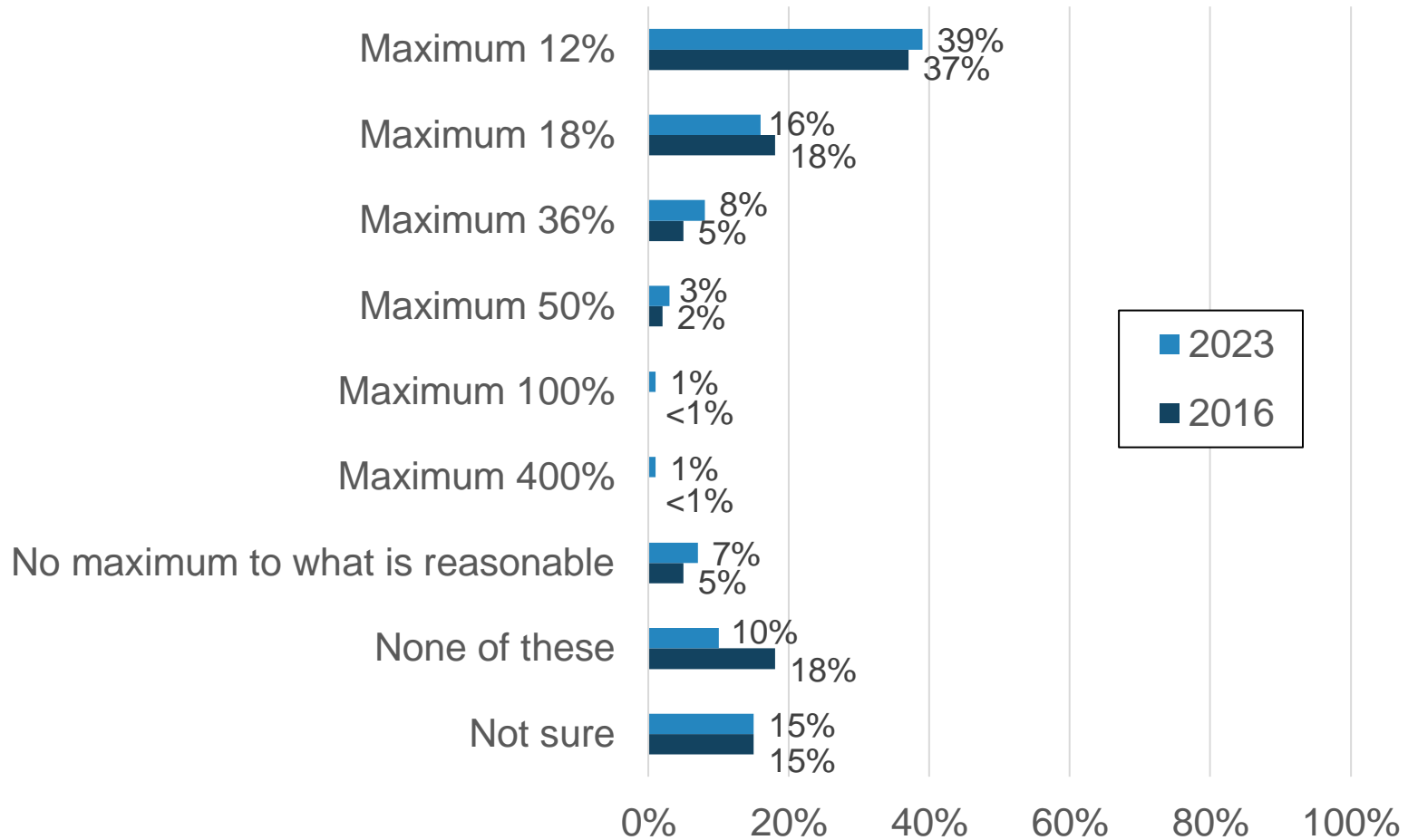
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# 39% believe the maximum reasonable annual percentage rate of a loan should be 12%

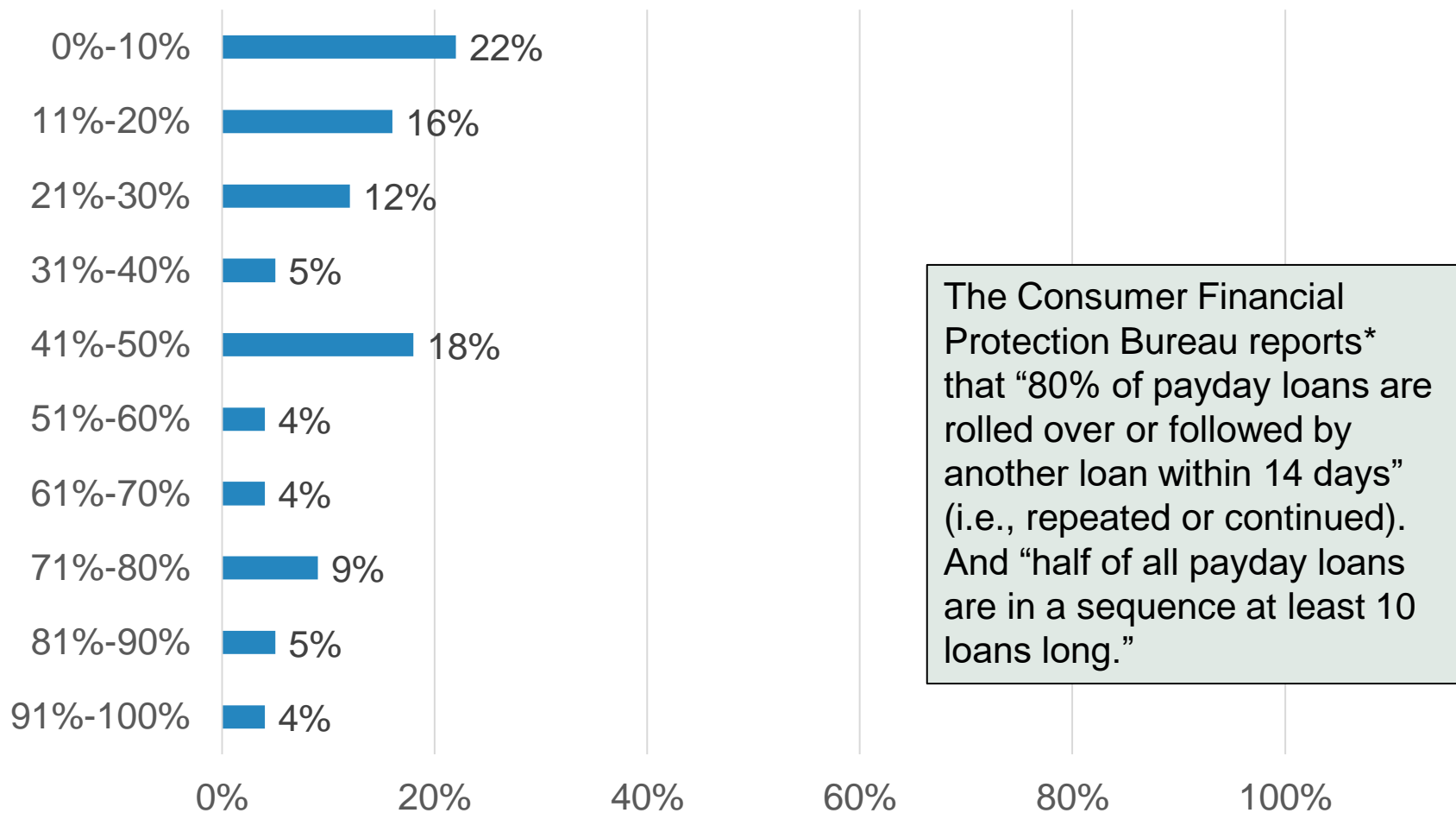


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# Beliefs about a maximum APR that is reasonable is similar to 2016, but more selected a maximum



# Most Christians underestimate the percentage of payday loans that are repeated or continued after the first 2-week loan

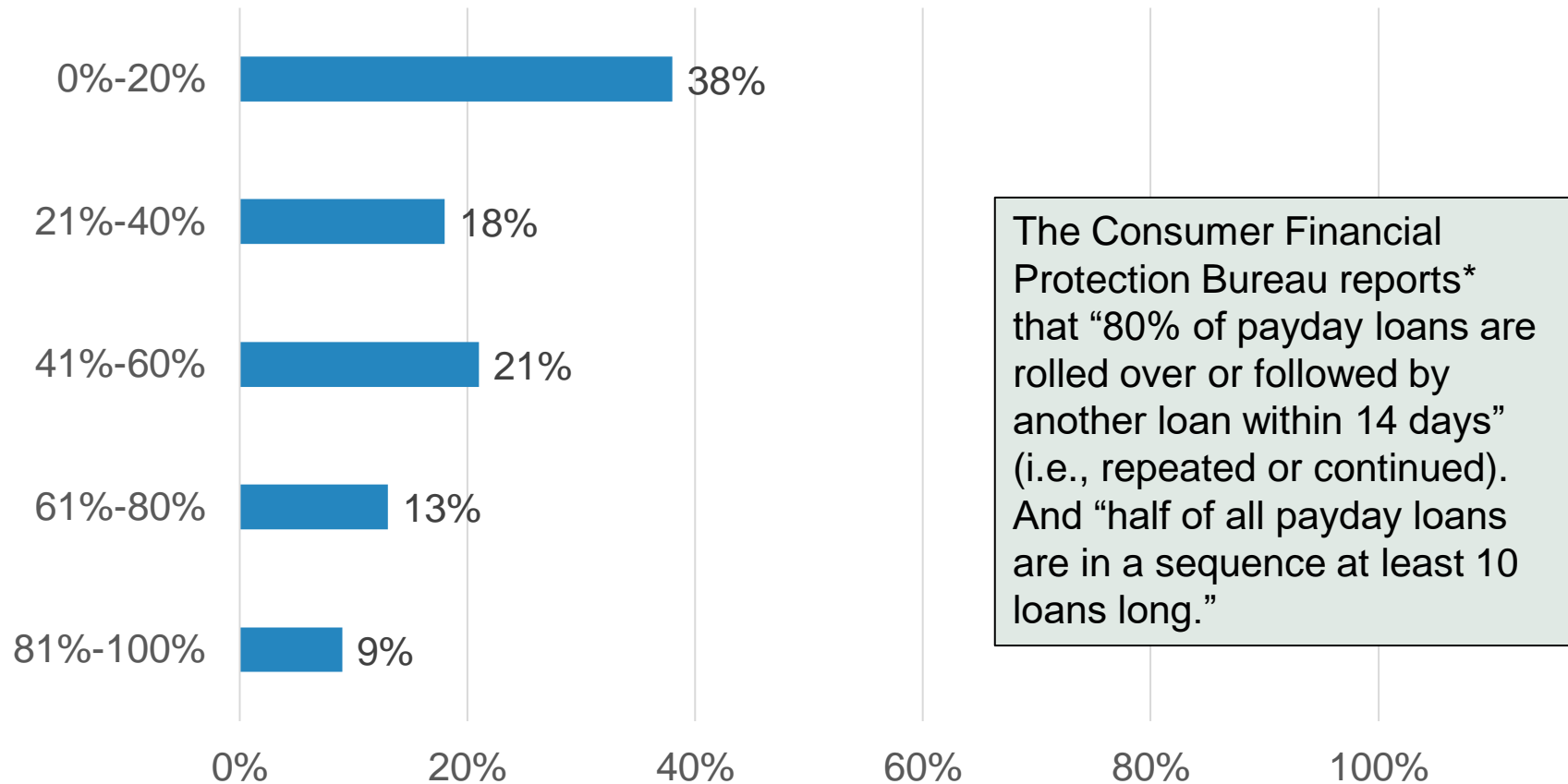


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Q21: “What percentage of payday loans do you think are repeated or continued after the first 2-week loan? (Please indicate your best estimate)” n=1,000

\* [https://files.consumerfinance.gov/f/201403\\_cfpb\\_report\\_payday-lending.pdf](https://files.consumerfinance.gov/f/201403_cfpb_report_payday-lending.pdf)

# Most Christians underestimate the percentage of payday loans that are repeated or continued after the first 2-week loan

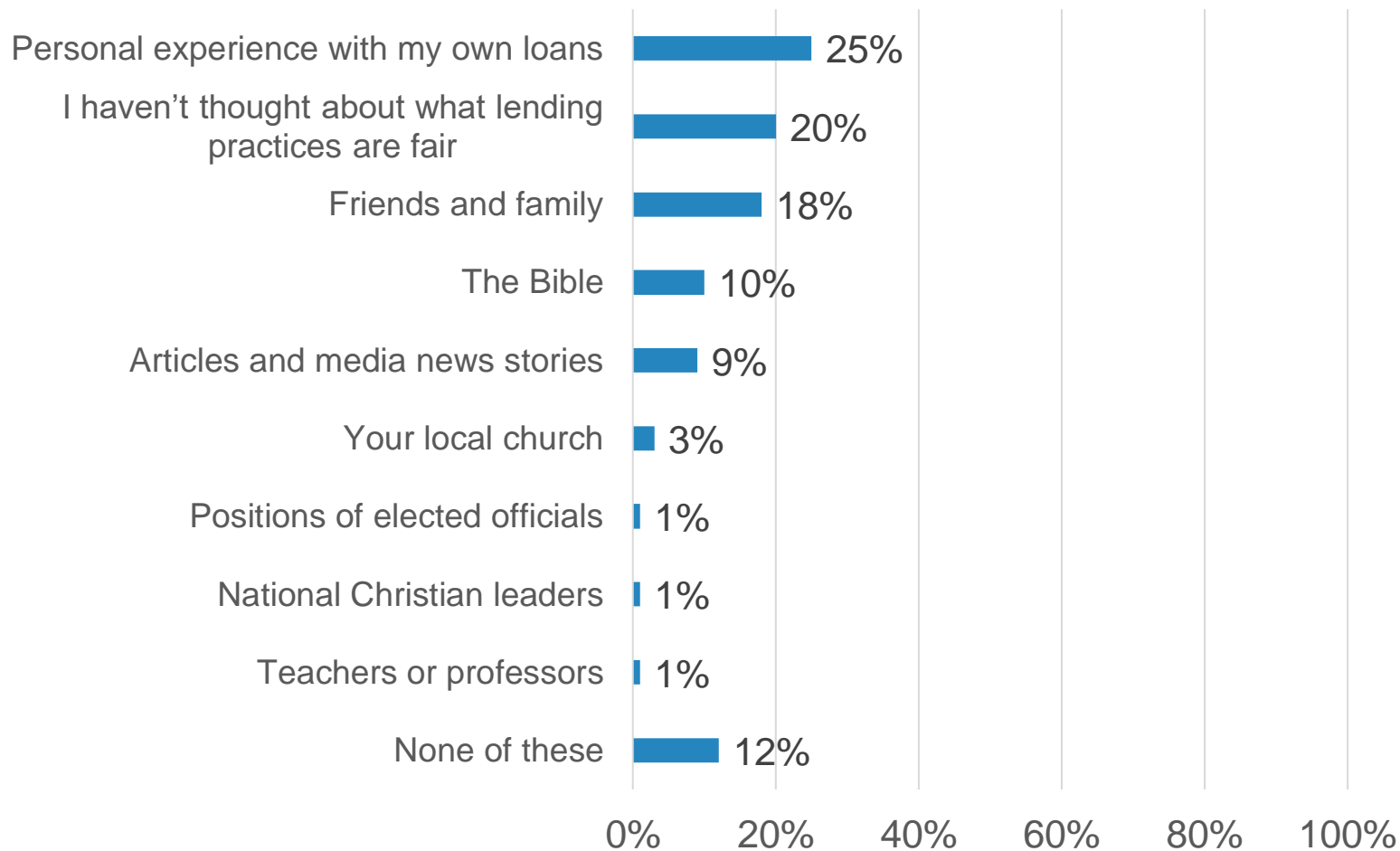


Lifeway research

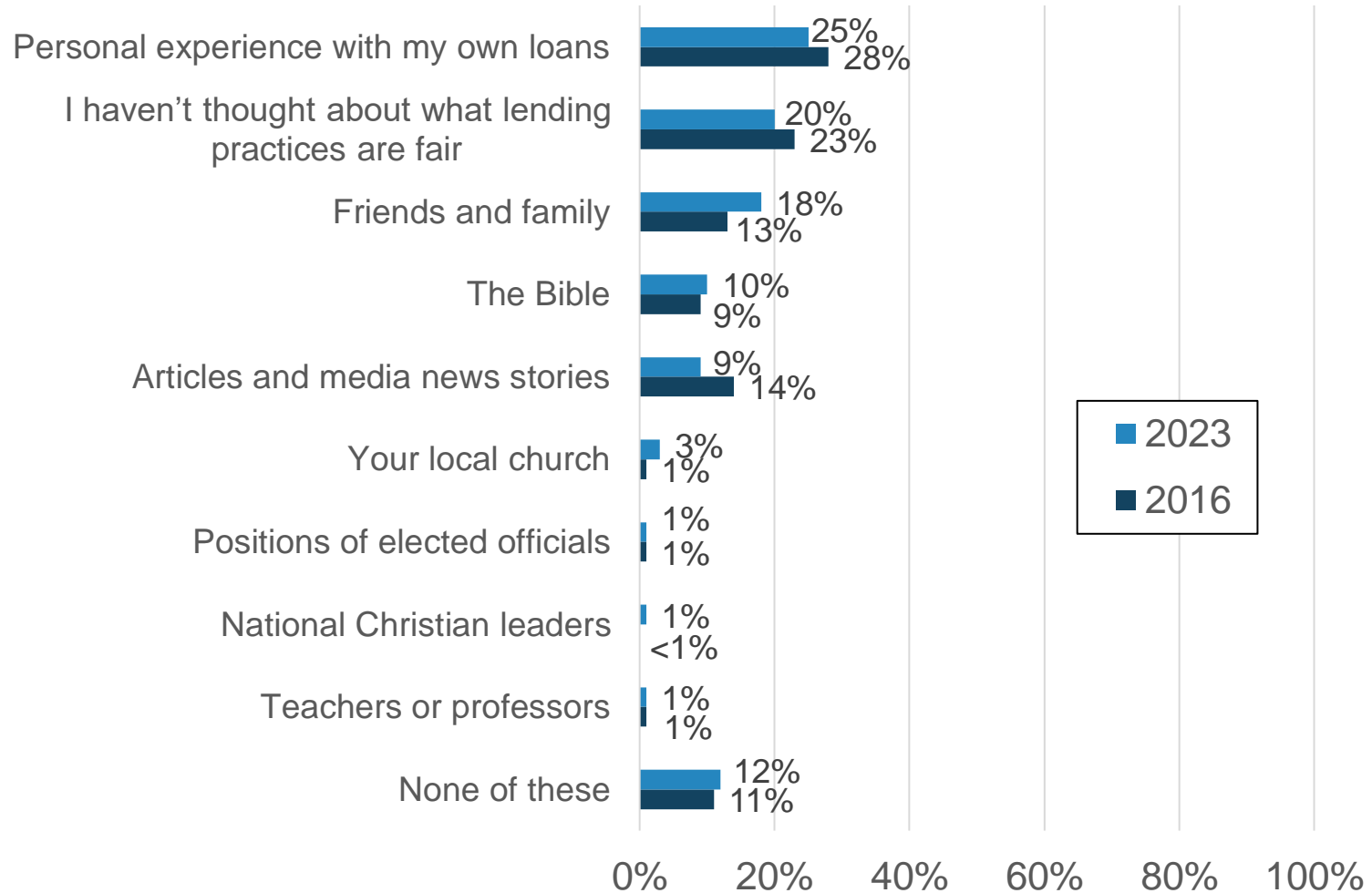
Q21: “What percentage of payday loans do you think are repeated or continued after the first 2-week loan? (Please indicate your best estimate)” n=1,000

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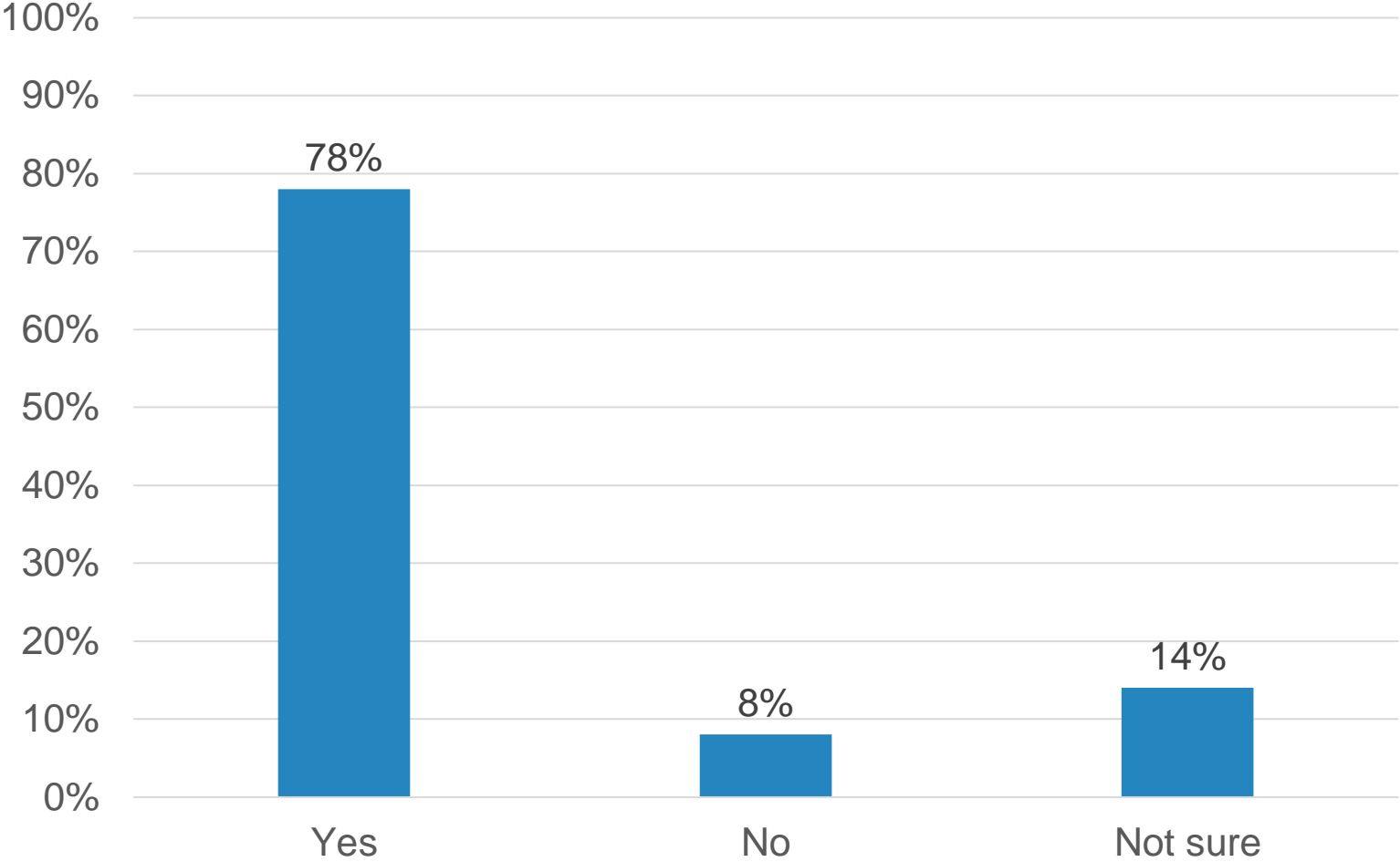
# 25% say their thinking on what lending practices are fair was influenced by their own personal experience with loans



# Compared to 2016 Christian views on fair lending practices are more influenced by friends and family and less by articles/media



# 78% believe laws or regulations should protect borrowers from loans that can't be repaid

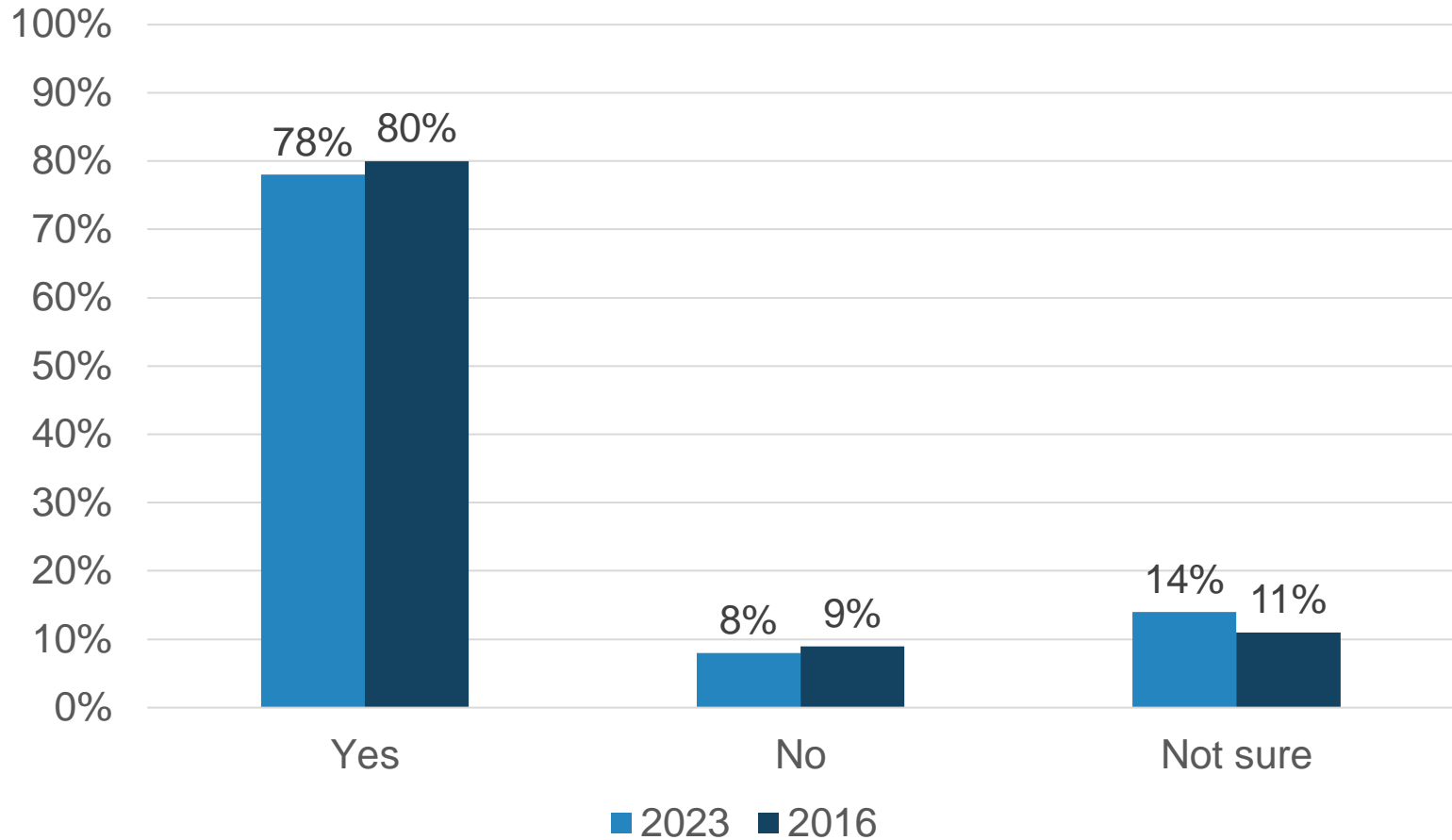


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Q23: "Do you believe laws or regulations should protect borrowers from lending practices that create loans that borrowers can't realistically repay without additional loans?" n=1,000



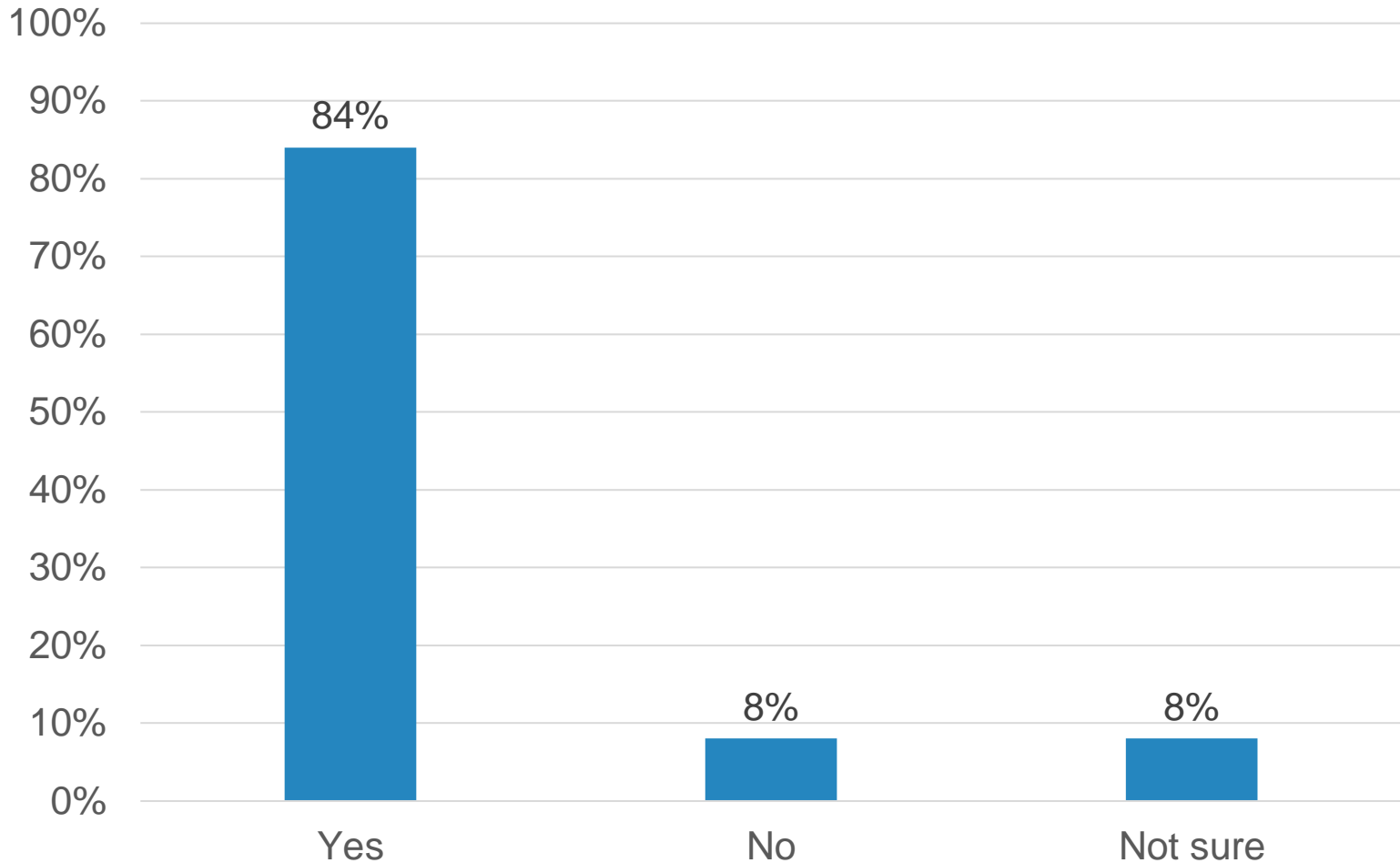
# A similar percentage of Christians believe laws or regulations should protect borrowers from loans that can't be repaid (2023 v. 2016)



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Q23: "Do you believe laws or regulations should protect borrowers from lending practices that create loans that borrowers can't realistically repay without additional loans?" n=1,000

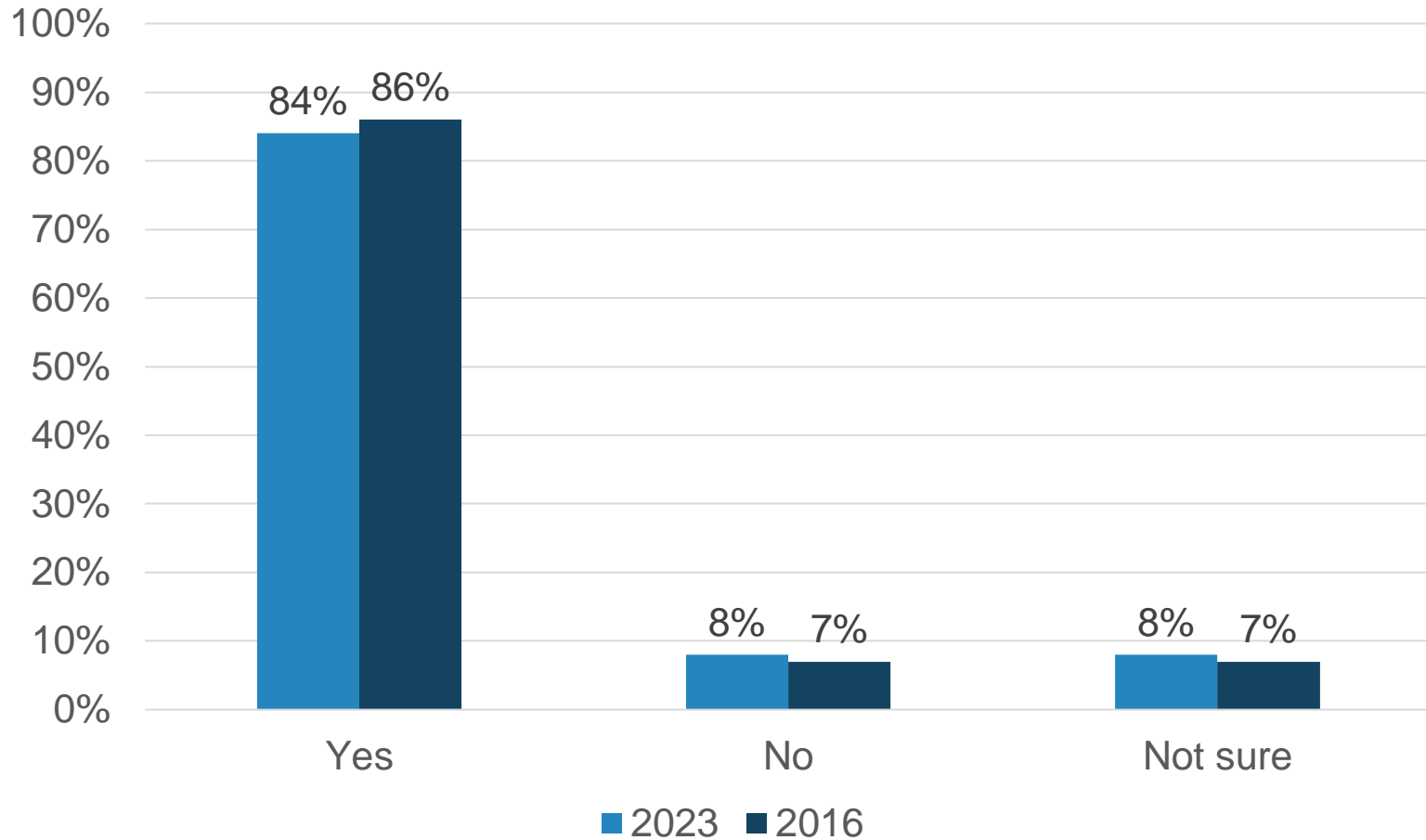
# 84% believe laws or regulations should prohibit lending at excessive interest rates



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Q24: "Do you believe laws or regulations should prohibit lending at excessive interest rates?" n=1,000

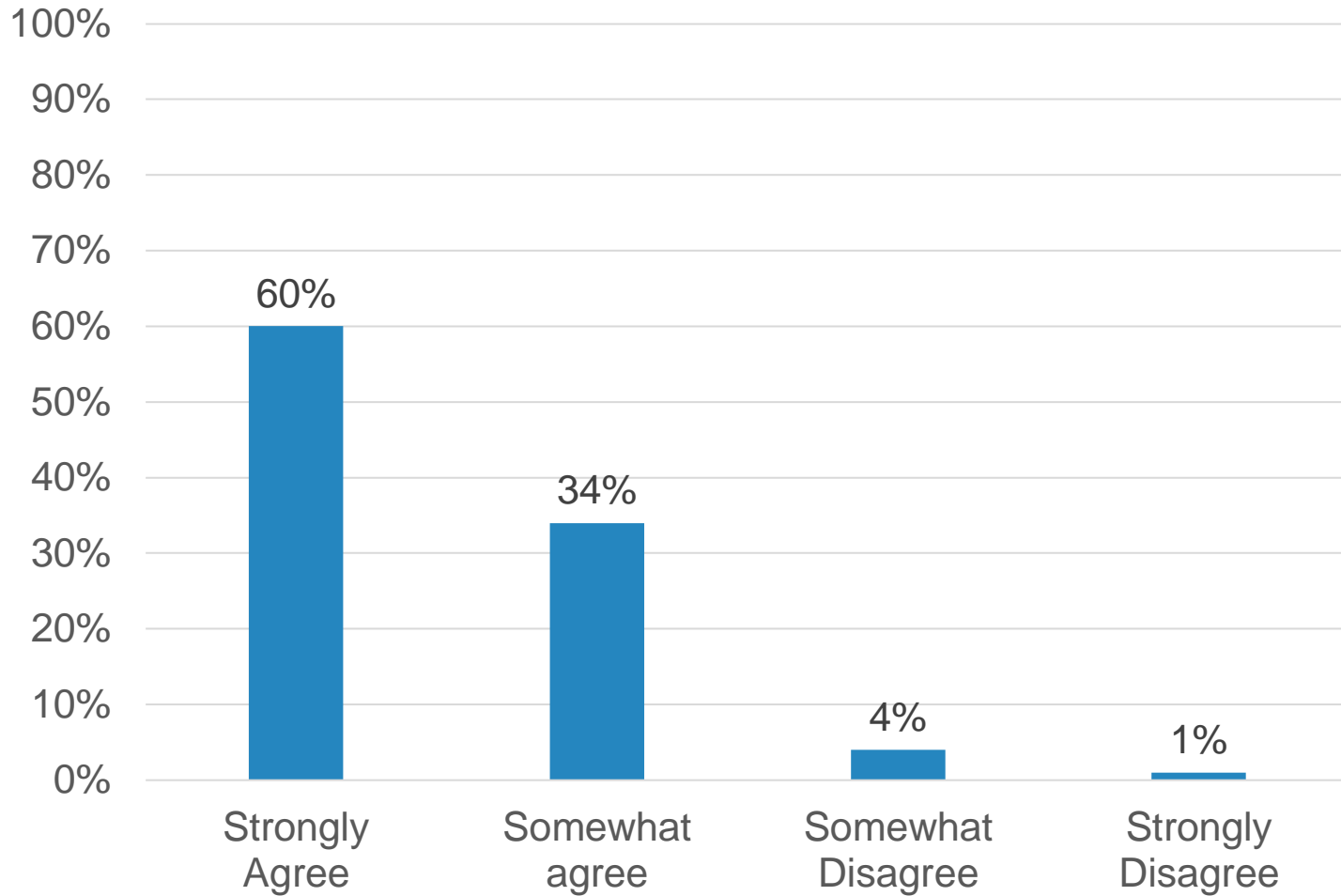
# A similar percentage of Christians believe laws or regulations should prohibit lending at excessive interest rates (2023 v. 2016)



Lifeway research

Q24: "Do you believe laws or regulations should prohibit lending at excessive interest rates?" n=1,000

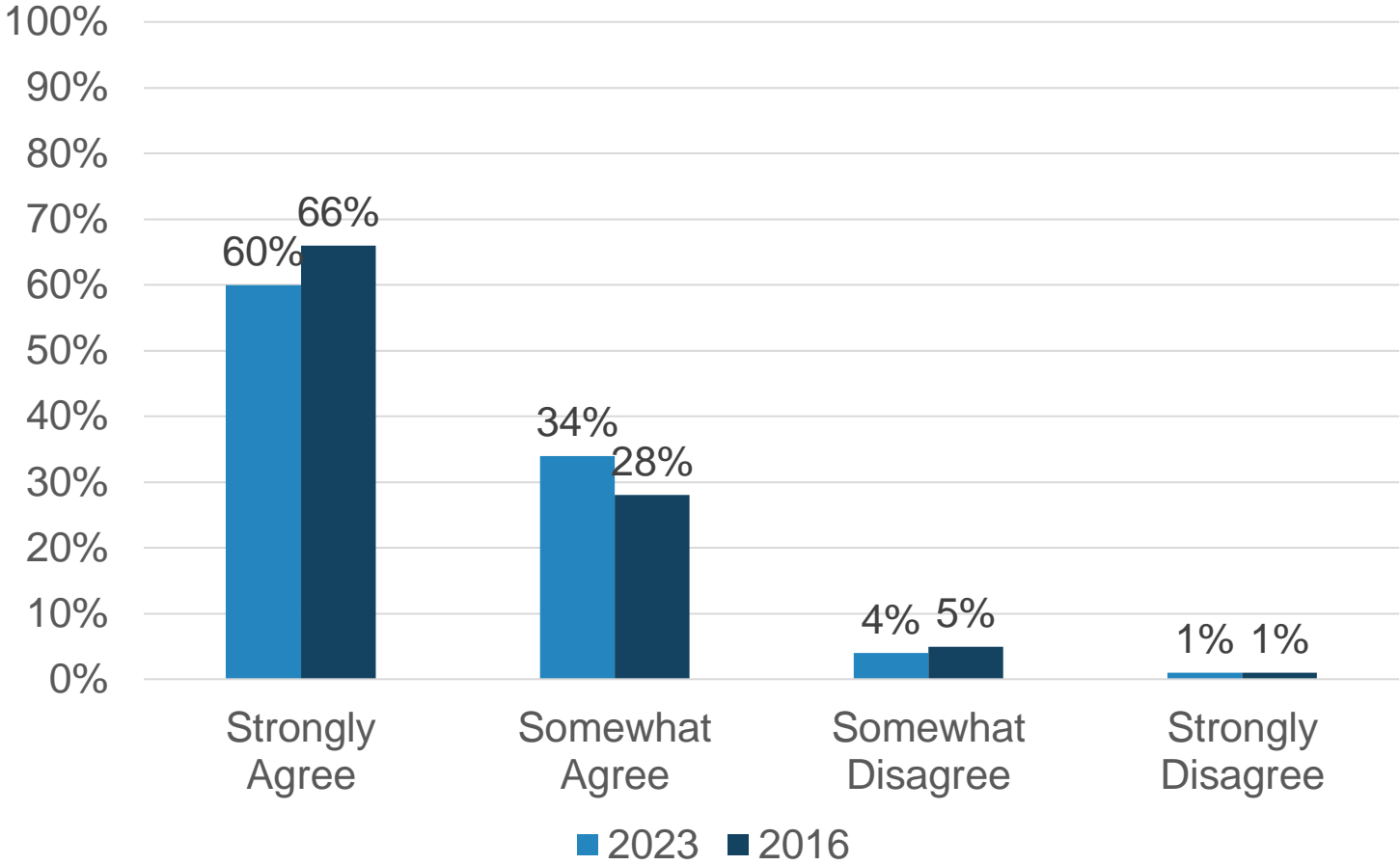
# 94% agree that lenders should only extend loans at reasonable interest rates based on ability to repay



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Q25: "Lenders should only extend loans at reasonable interest rates based on ability to repay within the original loan period, taking into account the borrower's income and expenses." n=1,000

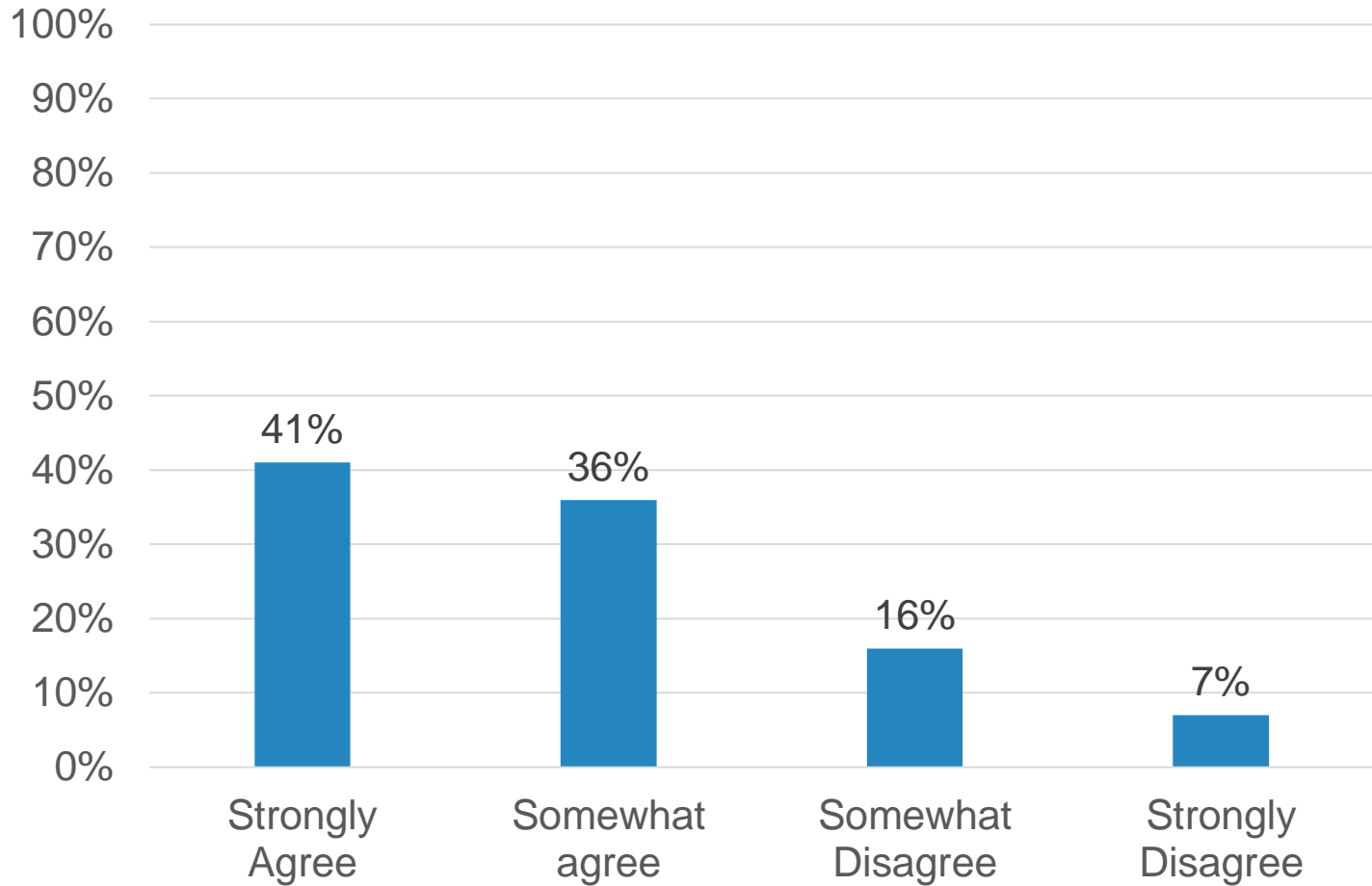
# Fewer Christians strongly agree lenders should only extend loans at reasonable rates to those able to repay, but total agreement remains at 94% (2023 v. 2016)



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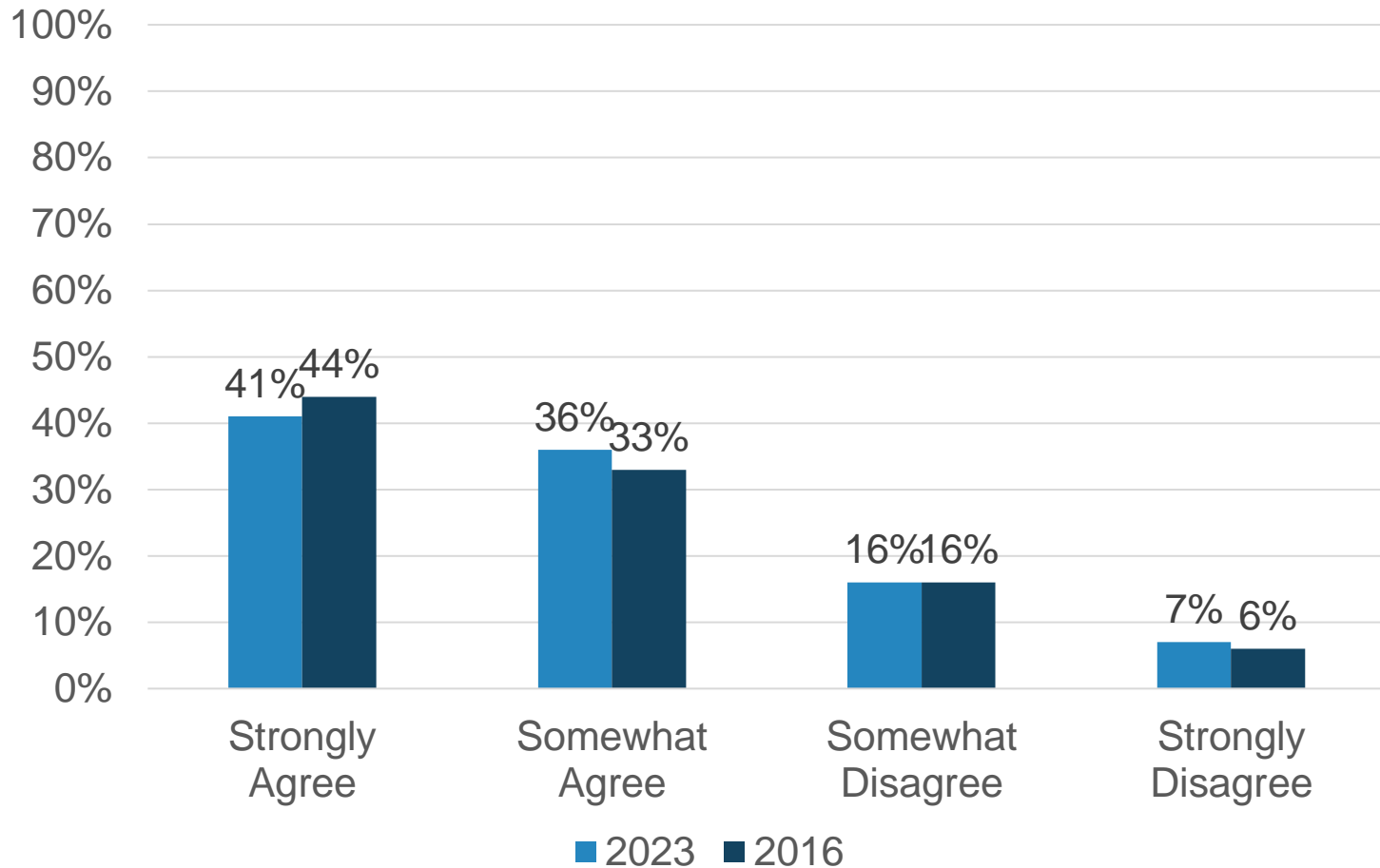
Q25: “Lenders should only extend loans at reasonable interest rates based on ability to repay within the original loan period, taking into account the borrower’s income and expenses.” n=1,000

# 77% agree that it is a sin to loan someone money in a way that the lender gains by harming the borrower financially



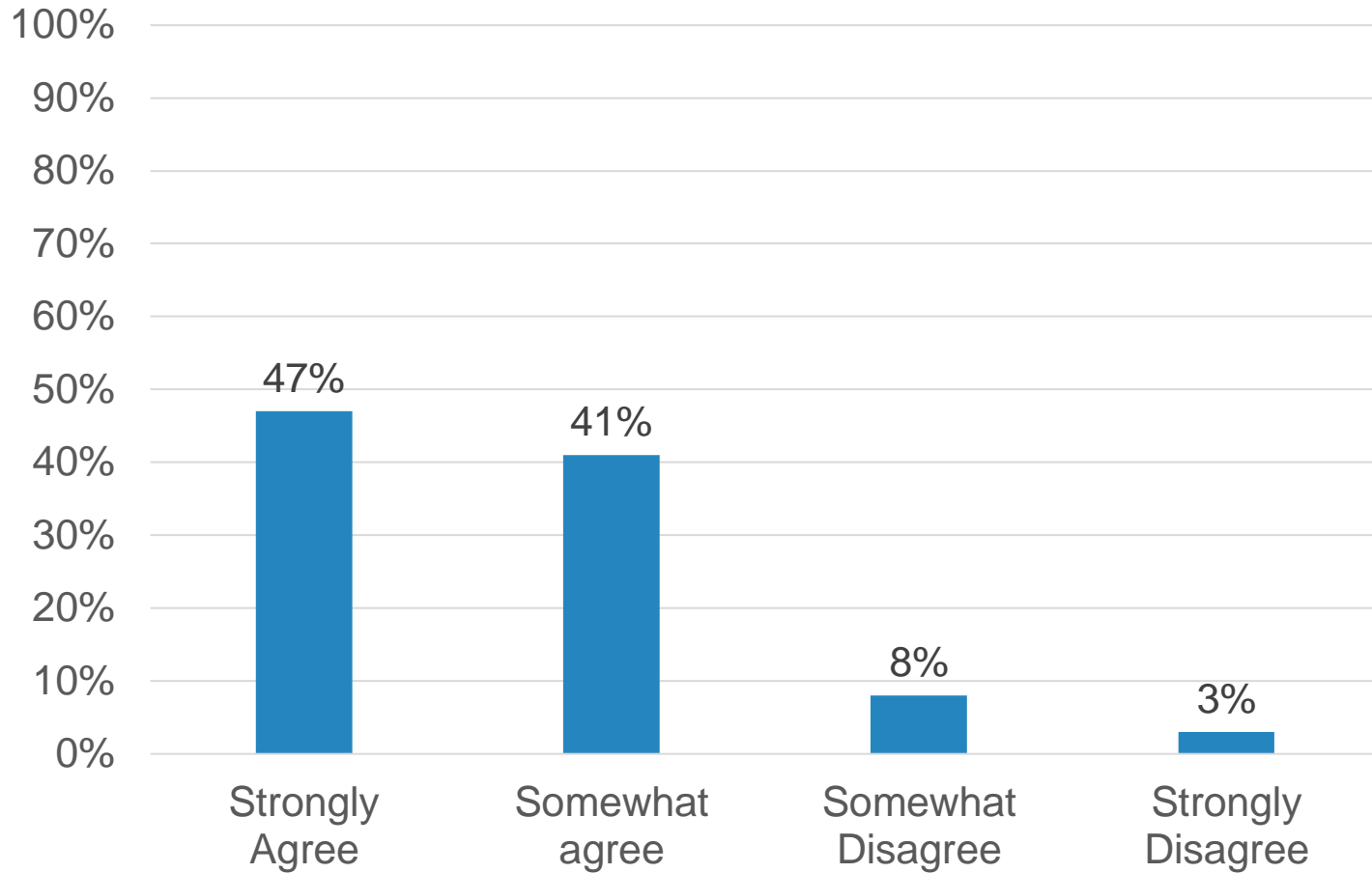
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# A similar percentage of Christians agree it is a sin to loan someone money in a way the lender gains by harming the borrower financially (2023 v. 2016)



Lifeway research

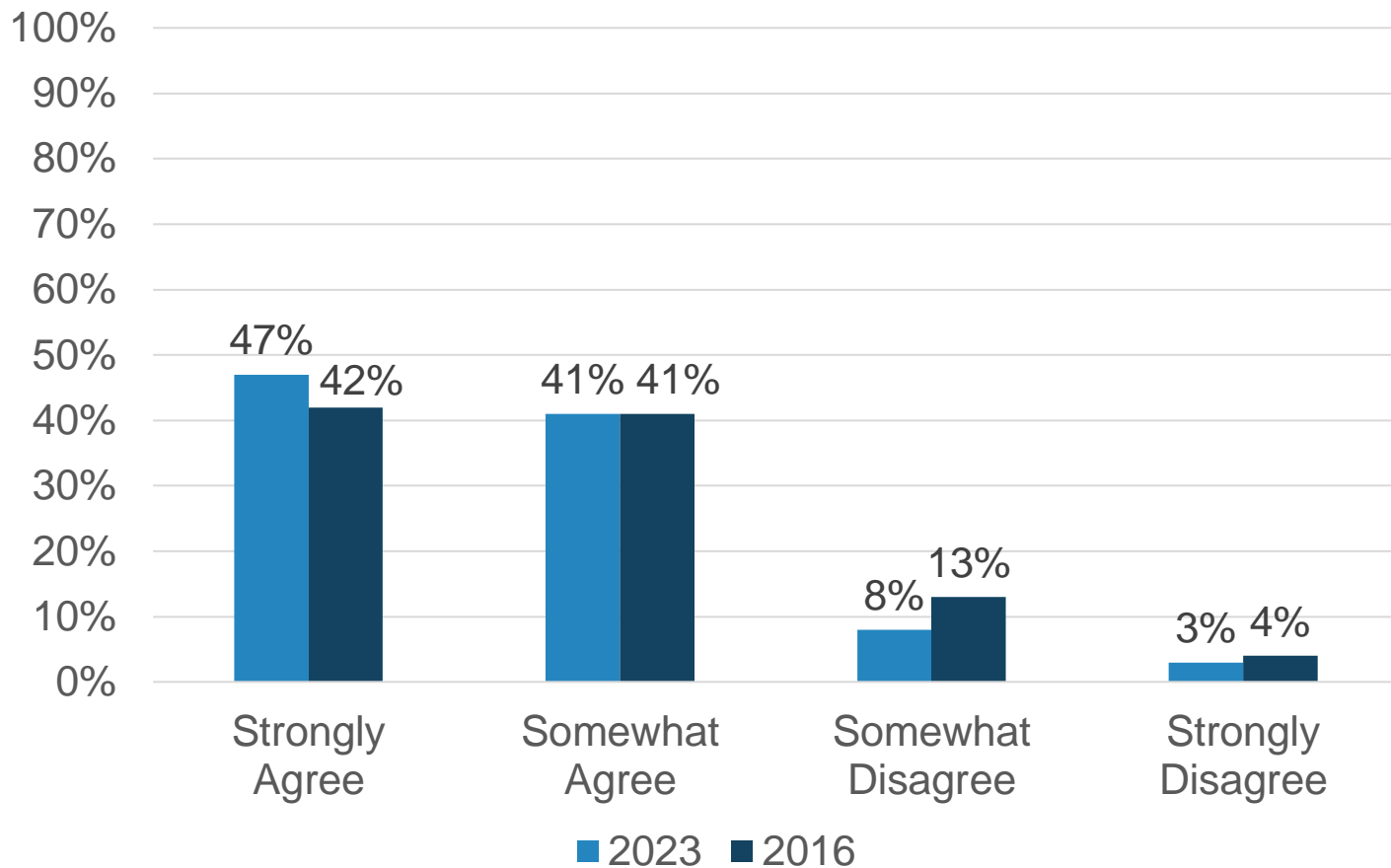
# 89% agree churches should teach and model responsible stewardship and offer help to neighbors in times of crisis



Lifeway research

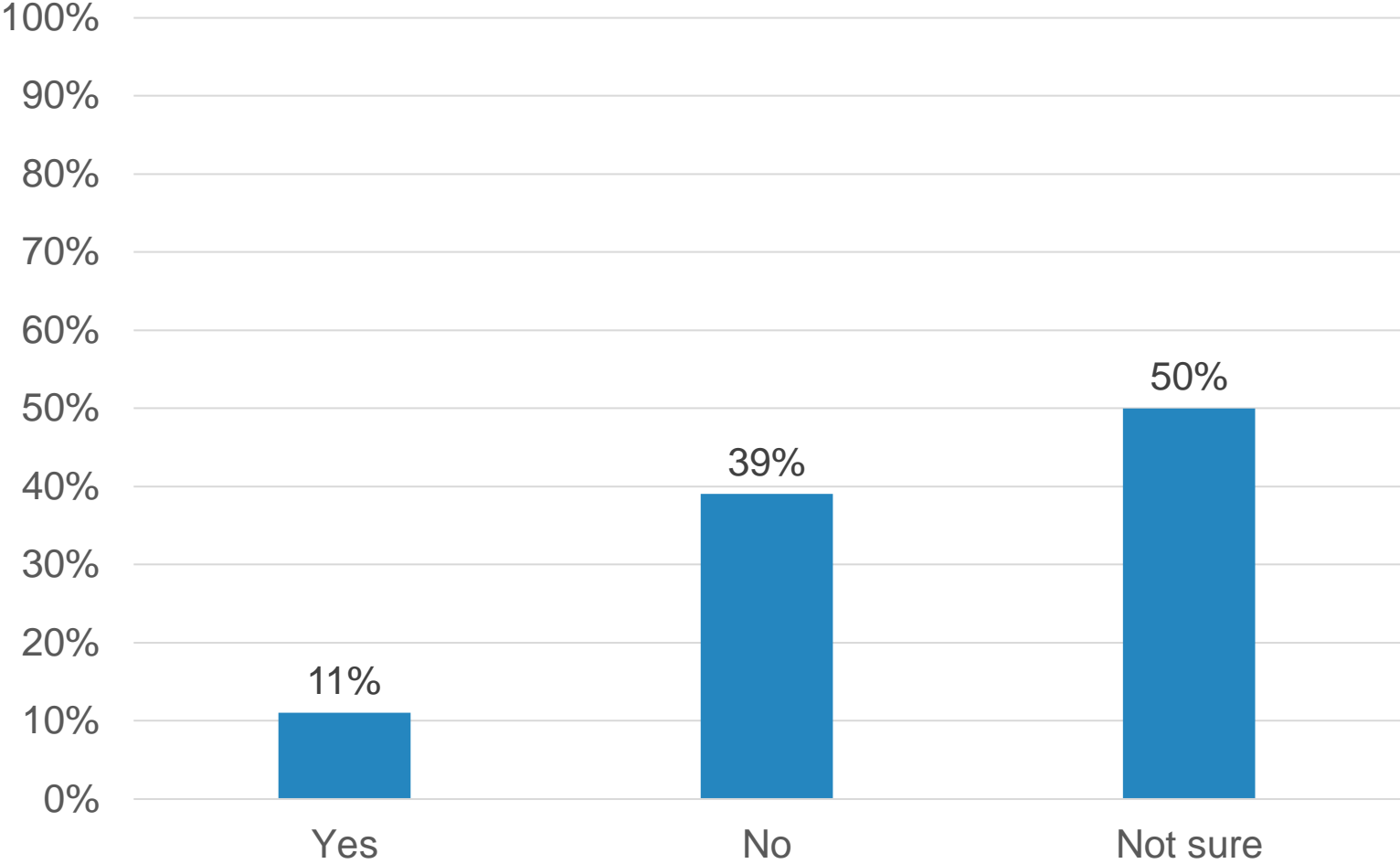


# More Christians strongly agree (and agree in total 89% v. 83%) churches should teach stewardship and offer help in times of crisis than in 2016



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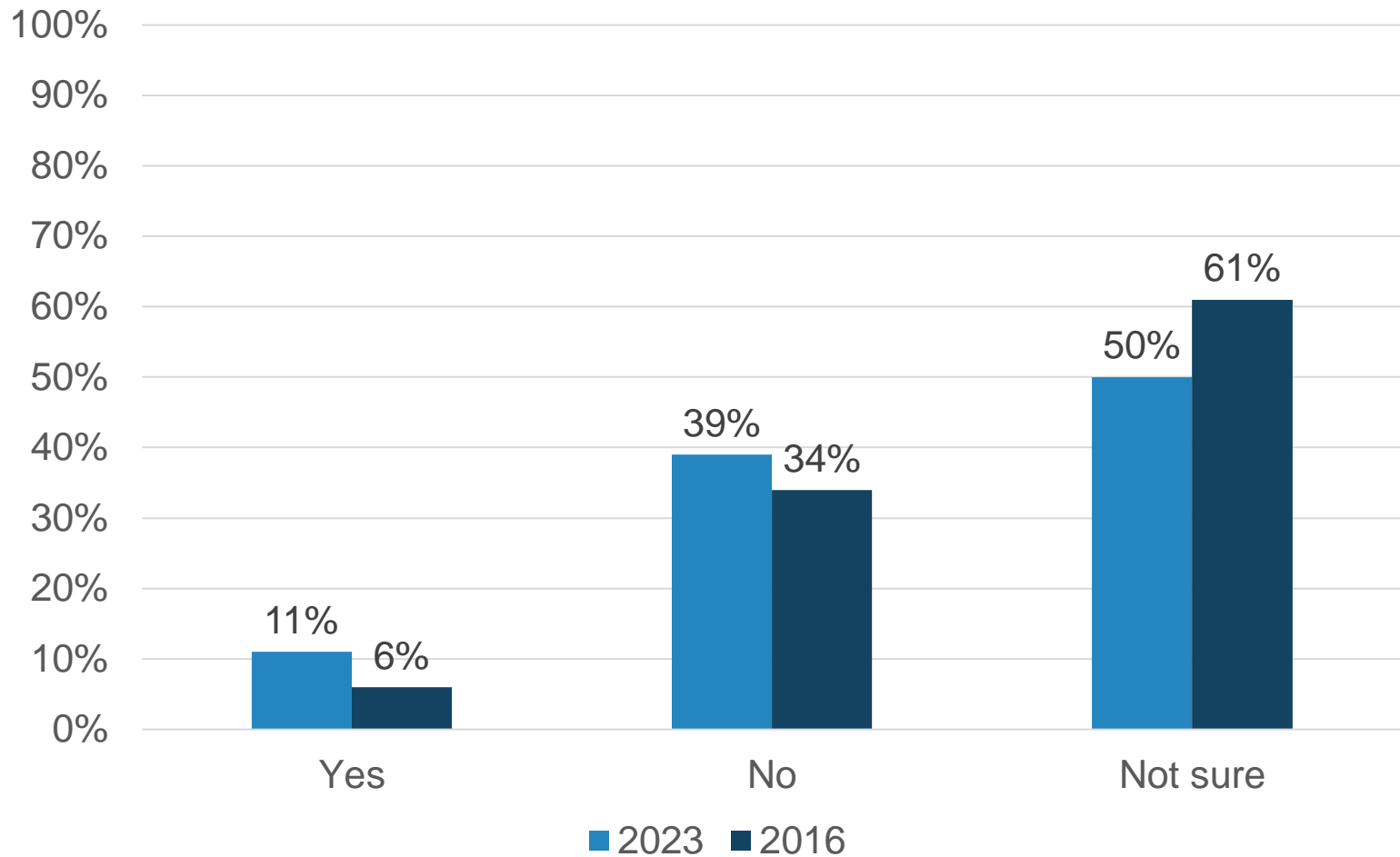
# 39% say their local church does not offer guidance or assistance related to payday loans; 50% are not sure



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Q28: "Does your local church offer guidance or assistance related to payday loans?" n=1,000

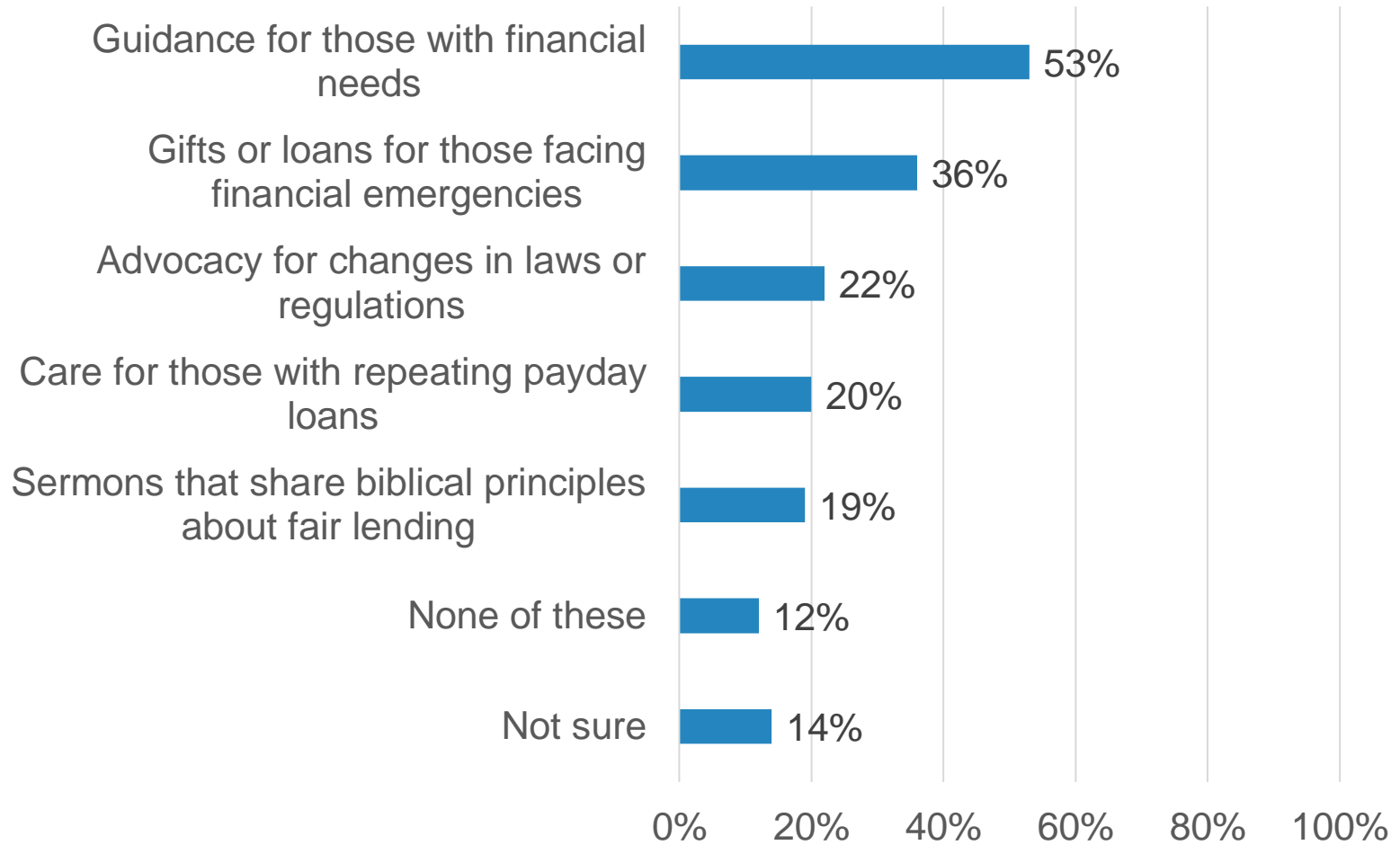
# Those saying their church offers payday loan guidance or assistance increased from 6% to 11%, but more are also sure their church does not



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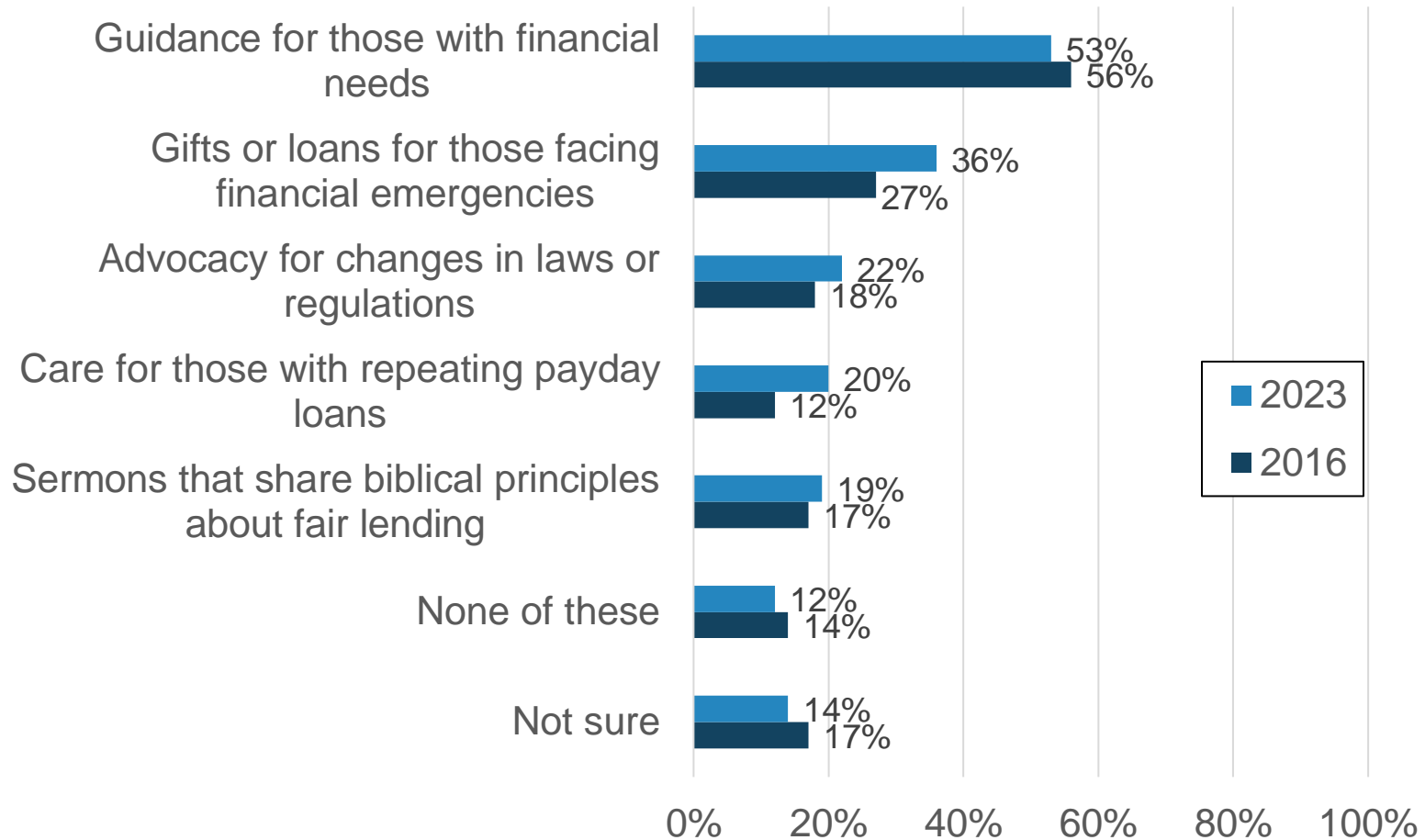
Q28: "Does your local church offer guidance or assistance related to payday loans?" n=1,000

# “Which, if any, of the following would you like to see your local church offer related to payday loans?”



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# More Christians want their church to help in financial emergencies, to care for those with repeating payday loans, and to advocate for changes in laws than did in 2016



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# Significant Differences

Gender

Region

Age

Ethnicity

Education Level

Religious Service Attendance

Christian Religious Tradition

Personally Received Payday Loan

# Significant Differences

Comparisons were made to determine if there are any significant statistical differences among gender, region, age, ethnicity, and education.

GENDER	REGION	AGE	ETHNICITY	EDUCATION
Male	Northeast	18-34	White	High School graduate or less
Female	Midwest	35-49	African American	Some college
	South	50-64	Hispanic	Bachelor's Degree
	West	65+	Other Ethnicities	Graduate Degree

Note: Region is defined by the US Census locations

# Significant Statistical Differences

Comparisons were made to determine if there are any significant statistical differences among religious service attendance at a Christian church, Christian religious tradition, and personally obtained a payday loan.

RELIGIOUS SERVICE ATTENDANCE	RELIGIOUS TRADITION	PERSONALLY OBTAINED PAYDAY LOAN
At least about once a week	Evangelical	Yes
Once or twice a month	Black Protestant	No
Only on religious holidays	Mainline	
Rarely or Never	Catholic	



## “Have you personally ever obtained a payday loan?”

- Those in the South (38%) and West (36%) are more likely to select “Yes” than those in the Midwest (25%)
- Those age 65+ are the most likely to select “No” (88%)
- African Americans are the most likely to select “Yes” (56%) followed by Hispanics (44%) and Whites (26%)
- Those who are High School Graduates or less (36%) or with some college (40%) are more likely to select “Yes” than with a Bachelor’s Degree (24%) or a Graduate Degree (24%)
- Those who attend a religious service at least about once a week (39%) or once or twice a month (40%) are more likely to select “Yes” than those who rarely or never attend (26%)
- Black Protestants are the most likely to select “Yes” (51%)
- Mainlines are the most likely to select “No” (83%)

## “Has someone you know ever obtained a payday loan?”

- Those in the South (48%) are more likely to select “Yes” than those in the Midwest (38%)
- Those age 65+ are the most likely to select “No” (58%)
- Those age 25-34 (63%), 35-44 (67%), and 45-54 (57%) are more likely to select “Yes” than those age 18-24 (34%), 55-64 (37%), and 65+ (21%)
- African Americans are the most likely to select “Yes” (65%)
- Hispanics (49%) are more likely to select “Yes” than Whites (39%)
- Those with some college (51%) are more likely to select “Yes” than with a Bachelor’s Degree (36%)
- Those who attend a religious service at least once about week (49%) and once or twice a month (53%) are more likely to select “Yes” than those who attend only on religious holidays (31%) and rarely or never attend (38%)
- Black Protestants are the most likely to select “Yes” (72%)
- Mainlines are the most likely to select “No” (52%)
- Those who have personally obtained a payday loan (82%) are more likely to select “Yes” than those who have not (25%)

# “Which of the following characteristics would you use to describe payday loans?”

## Helpful

- Those in the West (45%) are more likely to select than those in the Midwest (32%) and South (36%)
- Those age 65+ are the least likely to select (19%) followed by age 55-64 (29%)
- African Americans (54%) and Hispanics (46%) are more likely to select than Whites (30%)
- Those who are High School Graduates or less are the most likely to select (43%)
- Those who attend a religious service at least once a week (41%) and once or twice a month (46%) are more likely to select than those who rarely or never attend (30%)
- Black Protestants (50%) are more likely to select than Evangelicals (36%) and Mainlines (28%)
- Those who have personally obtained a payday loan (57%) are more likely to select than those who have not (27%)

# “Which of the following characteristics would you use to describe payday loans?”

## Harmful

- Those in the Midwest (37%) and South (34%) are more likely to select than those in the West (24%)
- Those age 45-54 (39%) and 65+ (35%) are more likely to select than those 18-24 (23%) and 25-34 (26%)
- Whites (34%) and Hispanics (34%) are more likely to select than African Americans (23%)
- Those with some college (37%) or a Bachelor’s Degree (37%) are more likely to select than those who are High School Graduates or less (27%)
- Those who rarely or never attend a religious service (38%) are more likely to select than those who at least about once a week (29%) and attend once or twice a month (28%)

# “Which of the following characteristics would you use to describe payday loans?”

## Timely

- Those age 18-24 (26%), 25-34 (24%), and 35-44 (30%) are more likely to select than those 45-54 (11%), 55-64 (10%), and 65+ (8%)
- African Americans (23%) and Hispanics (22%) are more likely to select than Whites (12%)
- Those with a Graduate Degree (23%) are more likely to select than with a Bachelor’s Degree (13%)
- Those who attend a religious service at least about once a week (18%) and once or twice a month (22%) are more likely to select than those who attend only on religious holidays (6%) and rarely or never attend (12%)
- Those who have personally obtained a payday loan (25%) are more likely to select than those who have not (11%)

# “Which of the following characteristics would you use to describe payday loans?”

## Useful

- Those in the West (40%) are more likely to select than those in the Midwest (31%)
- Those age 65+ are the least likely to select (17%)
- African Americans (46%) and Hispanics (42%) are more likely to select than Whites (31%)
- Those who are High School Graduates or less (40%) are more likely to select than with some college (33%) or a Bachelor’s Degree (29%)
- Those who attend a religious service at least about once a week (40%) and once or twice a month (41%) are more likely to select than those who rarely or never attend (28%)
- Those who have personally obtained a payday loan (54%) are more likely to select than those who have not (26%)

# “Which of the following characteristics would you use to describe payday loans?”

## Predatory

- Males are more likely to select than females (37% v. 25%)
- Those in the Midwest (37%) are more likely to select than those in the South (27%)
- Those age 18-34 are the least likely to select (7%)
- Whites (36%) and Other Ethnicities (38%) are more likely to select than African Americans (16%) and Hispanics (23%)
- Those who are High School Graduates or less are the least likely to select (18%)
- Black Protestants are the least likely to select (19%)
- Those who have personally obtained a payday loan (25%) are less likely to select than those who have not (33%)

# “Which of the following characteristics would you use to describe payday loans?”

## Immoral

- Males are more likely to select than females (13% v. 8%)
- Other Ethnicities (20%) are more likely to select than Whites (10%)
- Those with a Bachelor’s Degree (13%) or a Graduate Degree (16%) are more likely to select than who are High School Graduates or less (7%)



# “Which of the following characteristics would you use to describe payday loans?”

## Expensive

- Males are more likely to select than females (61% v. 54%)
- Those in the Midwest (67%) are more likely to select than those in the South (53%) and West (53%)
- Those age 65+ are the most likely to select (72%)
- Those age 18-24 are the least likely to select (25%)
- Whites (64%) are more likely to select than African Americans (41%) and Hispanics (49%)
- Those with some college (65%) or a Bachelor’s Degree (61%) are more likely to select than who are High School Graduates or less (50%)
- Those who attend a religious service only on religious holidays (71%) and rarely or never attend (63%) are more likely to select than those who attend once at least about a week (53%) and once or twice a month (53%)
- Black Protestants are the least likely to select (38%)

**“Which of the following characteristics would you use to describe payday loans?”**

### **Inexpensive**

- No significant differences (only 33 people selected)

# “Which of the following characteristics would you use to describe payday loans?”

## Not something I know much about

- Females are more likely to select than males (18% v. 12%)
- Those age 18-34 (35%), 55-64 (16%), and 65+ (25%) are more likely to select than those 25-34 (9%), 35-44 (4%), and 45-54 (8%)
- Those who attend rarely or never attend a religious service (19%) are more likely to select than those who attend once or twice a month (8%)
- Black Protestants are the least likely to select (5%)
- Those who have personally obtained a payday loan (1%) are less likely to select than those who have not (23%)

## **“What do you believe should be the maximum reasonable annual percentage rate of a loan (including fees and interest)?”**

- Males are more likely to select “Maximum 18%” than females (20% v. 14%)
- Those age 65+ (45%) are more likely to select “Maximum 12%” than those 18-24 (25%) and 55-64 (35%)
- African Americans (13%) are more likely to select “No maximum to what is reasonable” than Whites (5%)
- Those with a Bachelor’s Degree (21%) or a Graduate Degree (22%) are more likely to select “Maximum 18%” than who are High School Graduates or less (12%)
- Those who attend a religious service once or twice a month (21%) are more likely to select “Maximum 18%” than those who rarely or never attend (13%)
- Black Protestants are the most likely to select “No maximum to what is reasonable” (14%)
- Those who have personally obtained a payday loan (13%) are more likely to select “Maximum 36%” than those who have not (5%)

## **“What percentage of payday loans do you think are repeated or continued after the first 2-week loan?”**

- Females are more likely to answer “0%-10%” than males (24% v. 19%)
- Those in the South (25%) are more likely to answer “0%-10%” than those in the Northeast (18%)
- Those age 18-24 (34%) and 25-34 (29%) are more likely to answer “0%-10%” than those 55-64 (18%) and 65+ (16%)
- African Americans (33%) and Hispanics (26%) are more likely to answer “0%-10%” than Whites (18%)
- Those who are High School Graduates or less (26%) are more likely to answer “0%-10%” than with a Bachelor’s Degree (18%) or a Graduate Degree (17%)
- Those with a Bachelor’s Degree (13%) or a Graduate Degree (16%) are more likely to answer “71%-80%” than those who are High School Graduates or less (6%)
- Those who attend a religious service once or twice a month (21%) are more likely to answer “11%-20%” than those who attend at least about once a week (14%)

## **“What percentage of payday loans do you think are repeated or continued after the first 2-week loan?” Continued**

- Black Protestants (31%) are more likely to answer “0%-10%” than Mainlines (14%)
- Mainlines (16%) are more likely to answer “71%-80%” than Black Protestants (4%) and Catholics (8%)
- Those who have personally obtained a payday loan (17%) are less likely to answer “0%-10%” than those who have not (24%)

## **“Which one of the following has influenced your thinking the most on what lending practices are fair?”**

- Females are more likely to select “Friends and family” than males (20% v. 15%)
- Those in the South (13%) are more likely to select “The Bible” than those in the Midwest (8%) and West (6%)
- Those age 18-24 (29%) and 25-34 (26%) are more likely to select “Friends and family” than those 35-44 (16%), 55-64 (17%), and 65+ (11%)
- Those age 18-24 are the most likely to select “The Bible” (26%) and the least likely to select “Personal experience with my own loans” (5%)
- Hispanics (23%) are more likely to select “Friends and family” than Whites (17%)
- African Americans are the most likely to select “The Bible” (25%)
- Those with some college (30%) are more likely to select “Personal experience with my own loans” than who are High School Graduates or less (21%)

## **“Which one of the following has influenced your thinking the most on what lending practices are fair?” Continued**

- Those who attend a religious service once or twice a month (34%) and only on religious holidays (34%) are more likely to select “Personal experience with my own loans” than those who rarely or never attend (21%)
- Those who attend a religious service at least about once a week are the most likely to select “The Bible” (16%)
- Those who rarely or never attend religious services are the most likely to select “I haven’t thought about what lending practices are fair” (28%)
- Black Protestants (19%) are more likely to select “The Bible” than Mainlines (8%) and Catholics (7%)
- Those who have personally obtained a payday loan (45%) are more likely to select “Personal experience with my own loans” than those who have not (15%)



## **“Do you believe laws or regulations should protect borrowers from lending practices that create loans that borrowers can’t realistically repay without additional loans?”**

- Males are more likely to select “Yes” than females (82% v. 75%)
- Those in the West (85%) are more likely to select “Yes” than those in the Midwest (77%) and South (75%)
- Those age 35-44 (80%) and 65+ (87%) are more likely to select “Yes” than those 18-24 (68%) and 25-34 (68%)
- Whites (80%) and Other Ethnicities (89%) are more likely to select “Yes” than Hispanics (72%)
- Those who are High School Graduates or less are the least likely to select “Yes” (71%)
- Those who attend a religious only on religious holidays (17%) are more likely to select “No” than those who attend once or twice a month (7%) and who rarely or never attend (7%)
- Black Protestants (13%) are more likely to select “No” than Evangelicals (6%)

## **“Do you believe laws or regulations should prohibit lending at excessive interest rates?”**

- Those age 65+ are the most likely to select “Yes” (92%)
- Whites (87%) are more likely to select “Yes” than African Americans (79%) and Hispanics (79%)
- Those with some college (89%) or a Bachelor’s Degree (88%) are more likely to select “Yes” than who are High School Graduates or less (78%)
- Those who attend a religious service at least about once a week (11%) are more likely to select “No” than those who rarely or never attend (5%)
- Those who have personally obtained a payday loan (87%) are more likely to select “Yes” than those who have not (82%)

**“Lenders should only extend loans at reasonable interest rates based on ability to repay within the original loan period, taking into account the borrower’s income and expenses.”**

- Those in the Midwest (96%) and West (97%) are more likely to Agree than those in the South (92%)
- Those age 45-54 (96%), 55-64 (97%), and 65+ (97%) are more likely to Agree than those 18-24 (88%) and 25-34 (90%)
- Whites (96%) are more likely to Agree than African Americans (90%)
- Evangelicals (97%) and Catholics (96%) are more likely to Agree than Black Protestants (85%)

**“It is a sin to loan someone money in a way that the lender gains by harming the borrower financially.”**

- Those age 55-64 (80%) and 65+ (82%) are more likely to Agree than those 18-24 (65%) 25-34 (69%)
- Whites (78%) and African Americans (81%) are more likely to Agree than Hispanics (70%)
- Those with some college (84%) are more likely to Agree than those who are High School Graduates or less (72%) or with a Graduate Degree (74%)

**“Churches should teach and model responsible stewardship, offering help to neighbors in times of crisis.”**

- Whites (90%) and African Americans (94%) are more likely to Agree than Hispanics (82%)
- Those who attend a religious service at least about once a week (93%) are more likely to Agree than those who rarely or never attend (85%)
- Catholics are the most likely to Disagree (18%)

## “Does your local church offer guidance or assistance related to payday loans?”

- Males are more likely to select “Yes” than females (13% v. 9%)
- Those age 25-34 (44%) and 35-44 (48%) are more likely to select “No” than those 65+ (32%)
- African Americans (23%) are more likely to select “Yes” than Whites (10%) and Hispanics (6%)
- African Americans (45%) and Hispanics (50%) are more likely to select “No” than Whites (34%)
- Those with a Graduate Degree (17%) are more likely to select “Yes” than with some college (8%)
- Those who attend a religious service at least about once a week (42%) and once or twice a month (46%) are more likely to select “No” than those who rarely or never attend (33%)
- Black Protestants are the most likely to select “Yes” (22%)
- Those who have personally obtained a payday loan (19%) are more likely to select “Yes” than those who have not (7%)
- Those who have personally obtained a payday loan (43%) are more likely to select “No” than those who have not (36%)

# “Which, if any, of the following would you like to see your local church offer related to payday loans?”

## Sermons that share biblical principles about fair lending

- Those in the South (22%) are more likely to select than those in the Midwest (15%)
- Those age 35-44 (25%) are more likely to select than those 65+ (15%)
- Hispanic (24%) are more likely to select than Whites (17%)
- Those who attend a religious service at least about once a week (29%) are more likely to select than those who attend once or twice a month (17%) and rarely or never attend (11%)
- Evangelicals (24%) are more likely to select than Black Protestants (12%) and Catholics (18%)
- Those who have personally obtained a payday loan (26%) are more likely to select than those who have not (16%)

# “Which, if any, of the following would you like to see your local church offer related to payday loans?”

## Guidance for those with financial needs

- Those with a Graduate Degree (65%) are more likely to select than who are High School Graduates or less (47%) or with some college (53%)
- Those who rarely or never attend a religious service are the least likely to select (44%)
- Those who have personally obtained a payday loan (58%) are more likely to select than those who have not (50%)



# “Which, if any, of the following would you like to see your local church offer related to payday loans?”

## Care for those with repeating payday loans

- Those in the South (23%) are more likely to select than those in the Midwest (17%)
- Those age 65+ are the least likely to select (11%)
- African Americans (32%) and Other Ethnicities (30%) are more likely to select than Whites (18%)
- Those with a Graduate Degree (30%) are more likely to select than who are High School Graduates or less (17%) or with some college (20%)
- Those who attend a religious service at least about once a week (23%) and once or twice a month (28%) are more likely to select than those who rarely or never attend (14%)
- Those who have personally obtained a payday loan (29%) are more likely to select than those who have not (16%)

# “Which, if any, of the following would you like to see your local church offer related to payday loans?”

## Gifts or loans for those facing financial emergencies

- Those age 35-44 (47%) are more likely to select than those 25-34 (35%), 55-64 (34%), and 65+ (31%)
- Those who attend a religious service at least about once a week (42%) are more likely to select than those who rarely or never attend (32%)
- Evangelicals (39%) and Black Protestants (43%) are more likely to select than Catholics (31%)
- Those who have personally obtained a payday loan (46%) are more likely to select than those who have not (31%)

**“Which, if any, of the following would you like to see your local church offer related to payday loans?”**

### **Advocacy for changes in laws or regulations**

- Those with a Graduate Degree (32%) are more likely to select than who are High School Graduates or less (20%) or with some college (22%)
- Those who attend a religious service at least about once a week (25%) and once or twice a month (26%) are more likely to select than those who rarely or never attend (17%)
- Mainlines (33%) are more likely to select than Evangelicals (19%)
- Those who have personally obtained a payday loan (27%) are more likely to select than those who have not (20%)

# American Views on Payday Loans

Survey of 1,000 Christians in 27 states

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