



Louisiana Budget Project

PROVIDING INDEPENDENT,
NONPARTISAN research and analysis
of Louisiana fiscal issues and their
impact on low and moderate
income residents.

FOR IMMEDIATE RELEASE

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PAYDAY LENDERS: PREYING ON LOUISIANA'S WORKING POOR

(Baton Rouge – July 26, 2011) A new report by the Louisiana Budget Project exposes the predatory-lending practices of Louisiana's payday lending industry and urges lawmakers to put an end to this usurious practice.

Payday lenders offer easy access to quick cash with minimum documentation requirements. However, this easy money comes at a high financial cost to the borrowers and can lead to a downward financial spiral ending in personal bankruptcy.

With Louisiana having the second highest poverty rate in the country, the state provides an attractive area for payday lenders to operate. "Louisiana's payday lenders prey on the working poor who are in financial trouble," said Edward Ashworth, Louisiana Budget Project director. "These lenders provide modest amounts of credit to desperate borrowers at annual interest rates that can exceed 600 percent."

According to the report, Louisiana has one of the highest concentrations of payday lenders in the country, with one outlet for every 4,800 people. "These predatory lenders are prevalent in high poverty areas" Ashworth noted. "Louisiana has four times as many payday lenders as McDonald's restaurants."

The Baton Rouge-based Louisiana Budget Project provides independent research and analysis of Louisiana fiscal issues and their impact on low and moderate income residents.

For a full report on payday lenders and more information on LBP, visit www.labudget.org and read [Payday Lending: Trapping Louisiana's Working Families in a Cycle of Debt](#).

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