

Comments to the U.S Senate Special Committee on Aging:

“Unbanked and Credit Invisible: Building Financial Inclusion for America’s Underserved Populations”

Good morning, Senators! I want to thank Chairman Casey and my great Senator from South Carolina, Senator Tim Scott, for allowing me to make a few brief comments today.

As you know, the pandemic has been hard on a lot of Americans-particularly those that were vulnerable before virus. For example, our elderly, those with pre-existing conditions and our small and minority-owned businesses, just to name a few, have seen remarkable setbacks due to this incredible disease. In fact, prior to the pandemic’s onslaught, I had the privilege of representing over 15,000 African American Chamber members in my beloved state of South Carolina. As I sit here today, I can report that we have lost nearly 40% of our businesses.

As this committee attempts to address ways in which to help the unbanked and underbanked in our country, it is important to remember that many of these individuals are business owners. At the onset of the pandemic, our chamber had to think creatively about how we could help our members in a fast-changing environment. Stay- at- home measures were put in place and person-to-person business transactions become even more remote. Many of our members were not part of the traditional banking experience. Conversely, consumers begin to rapidly use digital services for their goods and services. These rapidly changing environments are hard for anyone, particularly our most fragile and vulnerable entities.

Our Chamber was fortunate to have a relationship with MasterCard. We know it as a credit card company, but the Company’s Vice President during a visit to South Carolina described MasterCard as a technology company. We were interested in this concept particularly as technology was and is revolutionizing the way we do and transact business. We believed then as we do now that it is essential to aid these small businesses with the tools and resources necessary to navigate through these remarkably challenging times.

We have learned how electronic payment technology can be a valuable tool for addressing the needs of the unbanked and underbanked. According to research done by the FDIC and MasterCard, evidence shows that large populations throughout the rural South need better access to financial tools for financial stability and upward mobility. While we need to expand the concept of “credit worthiness” we also need to continue to bring those outside the mainstream banking system into the financial mainstream. Two key tactics that will be crucial: 1) work with FinTech Companies to connect unbanked and underbanked individuals with emerging technologies that can supply low-cost financial services for working people and 2) develop tailored financial products and services for individuals on the economic margins to include seniors, people with disabilities and other vulnerable adults. We must also seek to utilize products and services that require low minimum balances and carry low or no fees. For small and rural businesses in America, accepting more electronic payments can help expand revenue with online purchases, improving cash flow and streamlining accounting.

The Chamber's goal was to develop strategies to help ensure that not only business owners, but low- to moderate-income residents could keep more of their hard-earned money-this was an essential element in increasing the standard of living for hundreds and thousands of residents particularly in the South and in rural communities across our country.

I am going to conclude my statement by saying that the pandemic has been something our country have not experienced in most of our lifetimes. But we all are blessed to still be here!

In SC, we did lose a lot of businesses, but we did not lose the very thing that makes our country great, and that is our entrepreneurs!

Again, thank you for your time and attention to this issue.