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May 2011

## RESEARCHERS INVESTIGATE THE POTENTIAL LINK BETWEEN PAYDAY LENDING AND CRIME

TALLAHASSEE, FLA—In a recent study published in *Criminology & Public Policy* (CPP) [Volume 10, Issue 2], researchers found that areas with a high concentration of payday lenders also have increased rates of violent and property crime. Professors Charis Kubrin and Gregory D. Squires of George Washington University along with Professor Steven M. Graves of California State University, Northridge, and Professor Graham C. Ousey of the College of William and Mary argue that payday lenders have increasingly become the prominent banking institution for residents living in poor neighborhoods. The authors find that these lenders often trap the United States' most vulnerable populations in a cycle of debt and subject the broader neighborhood to an increase in crime.

To mitigate the negative effects associated with payday lenders, the authors offer several policy recommendations that could be taken by government regulators, private industries, and law enforcement agencies. Financial regulators could cap interest rates and private lending industries could offer small loan programs to disadvantaged citizens. Further, state regulators could enact zoning restrictions to limit the number of payday lending establishments located in a given area. Finally, the authors suggest that law enforcement officers should increase the amount of services provided to the areas with the highest concentration of payday lenders.

Policy essayist, Eric Stewart of Florida State University places the findings from Kubrin, et al. into a broader political context. Stewart argues that the high concentration of payday lenders in poor, minority neighborhoods is just another undesirable consequence of disadvantage. Residents in these areas lack the resources to secure beneficial neighborhood services and cannot prevent the spread of these “problematic institutions”. Thus, Stewart argues that the policy implications should focus on the overall revitalization of the infrastructure of the disadvantage neighborhoods in a way that would empower the residents.

Policy essayists, Pamela Wilcox and John Eck of the University of Cincinnati, argue that payday lending establishments are part of a group of facilities that generate high traffic, especially in disadvantaged neighborhoods. Wilcox and Eck assert that the areas surrounding these high traffic facilities typically have higher rates of crime, despite the services that are offered at these facilities. Regarding the policy implications, Wilcox and Eck caution against eliminating payday lenders all together because it may do little to reduce the overall crime rate. However, addressing other social problems in these neighborhoods may have more positive crime-prevention effects.