

Resolution No. 1246-18

Council Members Brady, B. Jones, J. Jones, Bishop, McCormack, Johnson, Cleveland, Griffin, Polensek, Conwell, Hairston, Brancatelli, Kelley, Santana, Zone, Kazy, Keane

FOR ADOPTION
October 8, 2018

AN EMERGENCY RESOLUTION

Urging the U.S. Postal Service to expand and enhance existing services such as check cashing and international money transfers, and to take necessary steps towards designing and implementing additional financial services.

WHEREAS, an astounding one in four U.S. households (26.9%) is at least partially outside the financial mainstream, or underserved by traditional banks, according to a 2015 survey by the Federal Deposit Insurance Corporation; and

WHEREAS, those underserved by traditional banks must rely on high-cost and often predatory “alternative” financial services including payday loans and check-cashing services, resulting in underserved households with an average annual income of \$25,000 spending an average of \$2,400 per year on interest and fees; and

WHEREAS, access to financial services is key to ensuring economic and social opportunity for low-income Americans, a vital priority at a time of growing inequality in our nation; and

WHEREAS, large banks have closed branches in low-income communities (where the largest number of underserved Americans reside); and

WHEREAS, the U.S. Postal Service operates more than 33,000 retail locations nationwide, many of which are located in “bank deserts” (59 percent of post offices are in zip codes with either zero banks or only one bank branch), including 22 locations in Cleveland; and

WHEREAS, the U.S. Postal Service has a mandate to serve all Americans, regardless of geography, at affordable and uniform pricing; and has a skilled workforce which processes more than 286,000 money orders every day; therefore, the Postal Service has the infrastructure to provide much-needed financial services;

WHEREAS, worldwide, 1.5 billion people receive some financial services through their postal service and the U.S. Post Office Department successfully offered financial services, including savings accounts, for more than 50 years from 1911-1967; and

WHEREAS, the Postal Service is consistently rated one of the most trusted institutions and enjoys a much higher level of confidence from the public than do banks and payday lenders; and

WHEREAS, the USPS Office of Inspector General asserts that the Postal Service can act now to provide consumers with affordable financial services, by expanding and enhancing services including money orders and international money transfers, and introducing new services such as check-cashing, bill pay, and no-fee ATMS, and can do so under current legal and regulatory authority; and

WHEREAS, providing these services would strengthen our national treasure, the public Postal Service; and

WHEREAS, the U.S. Conference of Mayors endorsed postal banking in 2014, and the communities of Lakewood, Brookpark, Fairview Park, and Berea join Cleveland in adopting resolutions;

WHEREAS, this resolution constitutes an emergency measure for the immediate preservation of public peace, property, health or safety, now, therefore,

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF CLEVELAND:

Section 1. That this Council urges the U.S. Postal Service to expand and enhance existing services such as check cashing and international money transfers, and to take necessary steps towards designing and implementing additional financial services.

Section 2. That the Clerk of Council is directed to send copies of this resolution to the Campaign for Postal Banking.

Section 3. That this resolution is hereby declared to be an emergency measure and, provided it receives the affirmative vote of two-thirds of all the members elected to Council, it shall take effect and be in force immediately upon its adoption and approval by the Mayor; otherwise it shall take effect and be in force from and after the earliest period allowed by law.

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REPORT
after second Reading

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READ FIRST, SECOND AND THIRD TIME

and referred to READ FIRST TIME REPORTS

CITY CLERK

READ SECOND TIME

CITY CLERK

READ THIRD TIME on OCTOBER 8, 2018

PRESIDENT

CITY CLERK

APPROVED

MAYOR

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