

## ENDING PREDATORY SALES GOALS IN THE FINANCE INDUSTRY

In the past, banks derived their profits by making loans and charging interest. Now, they derive most of their profits by charging us fees for each transaction. Customers are simply an income stream and exploiting that income stream has increasingly become the purpose of the banks. Without proper regulation, banks will continue to implement a predatory system of financial products on our communities.

### FINANCIALIZATION

According to Forbes the new economy – financialization- is defined as the “growing scale and profitability of the finance sector at the expense of the rest of the economy and the shrinking regulation of its rules and returns.” The financialization of the American economy has had adverse consequences for all customers. Some banks, namely U.S. Bank, Regions Financial and Wells Fargo, are luring low-income consumers to sign up for things such as prepaid debit cards and payday loans—products that typically come with all sorts of fees and charges, the Times reports.

### BANKS REMAIN PROFITABLE WHILE WE ACCUMULATE DEBT

- Wells Fargo, Bank of America, and J.P. Morgan all seeing increases of 3 to 4 percent in the first three months of the year.
- Overdraft fees at the 628 banks reporting to the Federal Financial Institutions Examination Council totaled \$11.16 billion and accounted for 5.5 percent of their pre-tax profits.

### CONSUMERS PAY THE PRICE FOR AGGRESSIVE SALES GOALS AND PREDATORY PRACTICES

The shift toward fee- based banking incentivized banks to sell more loans and credit cards regardless of the quality of those financial products. Aggressive sales quotas rest on low employee wages and complicated commission and incentive programs, creating a system where bank workers are forced to implement a predatory system of financial products for our communities.

- In the first quarter of 2016, Bank of America issued about 1.2 million new credit cards
- Wells Fargo reported a steady \$459 billion in consumer loans
- Citibank saw a significant increase in its average card loans in North America.

**THE LOS ANGELES COMMITTEE FOR BETTER BANKS (LA-CBB) is a coalition of bank workers, community and consumer advocacy groups, and labor organizations coming together to improve conditions in the bank industry. Our mission is to hold banks accountable for their predatory practices that fleece it's customers and harm its workers. We also work for just wages, uplifting career paths and job security for front-line bank workers. ITS TIME TO MAKE OUR BANKS WORK FOR US.**