

RESOLUTION 46

SUPPORT POSTAL FINANCIAL SERVICES AND POSTAL BANKING

WHEREAS, the U.S. Post Office operated the Postal Savings System from 1911 through 1967 and, at its peak, had \$3.4 billion in deposits; and

WHEREAS, the Office of the Inspector General (OIG) of the Postal Service issued a report recommending that the Postal Service provide basic financial services to the 68 million American adults throughout rural and urban America who don't have bank accounts or who have limited access to bank services; and

WHEREAS, "legal loan sharks" prey on the underserved by trapping them in a cycle of payday loans, check-cashing fees, and interest that costs families an average of \$2,400 per year when their entire annual family incomes average just \$25,000; and

WHEREAS, the U.S. Postal Service operates more than 33,000 retail locations nationwide, 59 percent of which are located in bank deserts, which are zip codes with either zero banks or only one bank branch; and

WHEREAS, the U.S. Postal Service has a mandate to serve all Americans, regardless of geography, at uniform price and quality; and has a skilled workforce which processed more than 378,000 money orders per day in 2014; therefore, the Postal Service has the infrastructure to provide the desperately needed services; and

WHEREAS, the OIG stated that the Postal Service could generate \$8.9 billion per year in new revenue by providing financial services, while at the same time protecting good-paying jobs; and

WHEREAS, the Postal Service is consistently rated one of the most trusted institutions and enjoys a high level of confidence from the public; and

WHEREAS, only 27 percent of Americans have confidence in banks, according to a Gallup Poll that was taken even before the full extent of the Wells Fargo fraudulent account and insurance scandal was revealed; and

WHEREAS, postal banking is one of the pillars of Wall Street reform called for by the AFL-CIO-backed "Take on Wall Street" campaign;

THEREFORE, BE IT RESOLVED, that the AFL-CIO endorses and supports the "Campaign for Postal Banking," including the ongoing efforts to compel the Postal Service to provide basic financial services such as paycheck cashing and electronic funds transfer, as a step toward establishing nonprofit, public postal banking.