

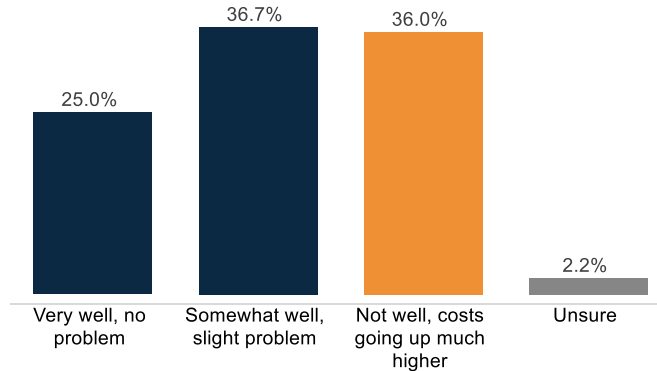


Amid Financial Hardship, Voters Oppose CCCA & its Impact

DATE: Tuesday, August 29, 2023
TO: Credit Union National Association
FROM: Brock McCleary, Vice President, Cygnal
RE: Key Findings from Survey of Registered Voters in the United States

The high cost of goods drives Americans' pessimism about the direction of U.S.

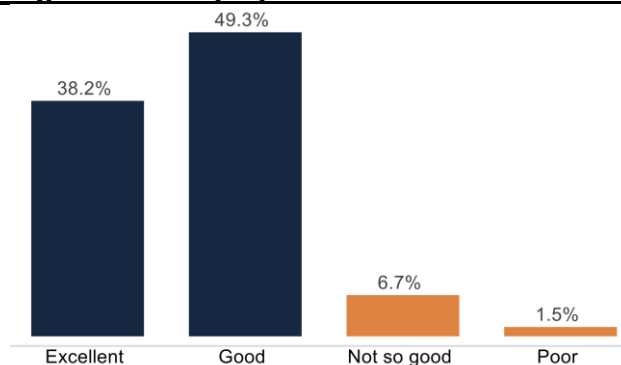
How are Americans Keeping Up with Rising Costs?



- **Rural** and **lower income** voters are most likely to say they are not keeping up with rising costs.
 - Americans are nearly twice as likely to say the **U.S. is off on the wrong track**, including 70% of Independent voters.
- More than a quarter of Americans **could not afford an unexpected \$500 expense**. Rural, Hispanic, and Black voters face greater insecurity with unexpected expenses.
- Nearly a third of Americans describe their financial **well-being as “unhealthy”**. Women and families making less than \$100,000 annually express more pessimism about their financial health.
- **Credit Unions** (+66% net favorable) remain very popular amid the uncertain economic landscape, as do **Big Retailers like Amazon and Walmart** (+62% net favorable) and **VISA/Mastercard** (+71% net favorable).

Consumer reliance on credit and satisfaction with the current system demonstrate there is no mandate for proposed changes

Rating Current Pay System for Credit & Debit Cards

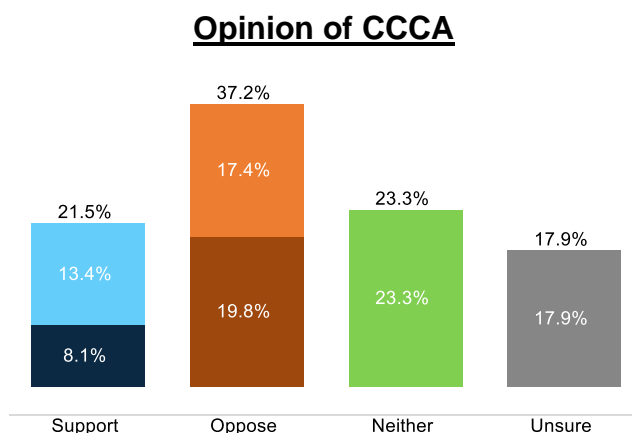


- **Visa and Mastercard customers** are the demographic most likely to describe the current credit/debit system as “excellent”.



- 62% of voters have at least two credit cards and 76% of those cards include a rewards program.
 - 42% **spend more to get rewards.**
 - 4-in-10 voters **would spend less if they did not have a credit card**, particularly Hispanic voters and people earning less than \$100,000 annually.
 - Minority and Rural voters are much less likely to use credit cards when **the merchant adds a fee.**
 - Credit cards are the preferred method of **paying for gas** by 56% of voters.

Proposed changes to credit card processing face bipartisan opposition



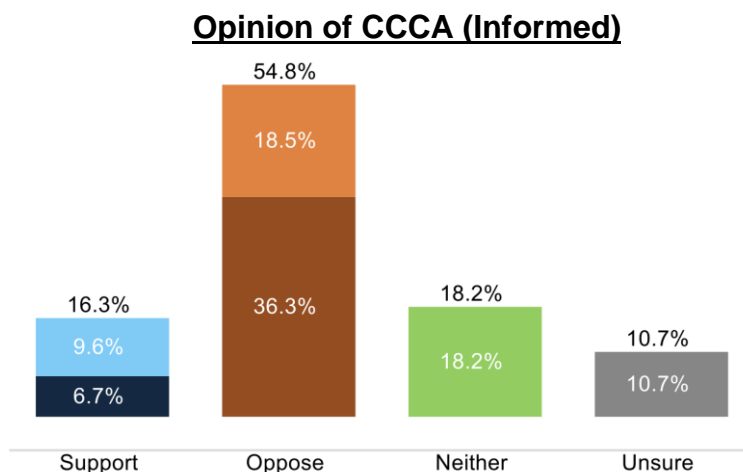
- The proposed *Credit Card Competition Act* is **unpopular across the political spectrum.**
 - Voters of all races, education levels, and income brackets express opposition to CCCA.

Wide-ranging impact of CCCA sparks fears of weakened cybersecurity and lost services

- The **most important aspects** of credit card processing for voters are **fraud prevention** and **data security**. The legislation poses a substantial risk of weakening these safeguards by mandating a third-party payment network (not *VISA* or *Mastercard*) which may not have the same level of cybersecurity sophistication and infrastructure.
- Consumers were **most effectively persuaded** *against* the CCCA legislation with messaging focused on **lost services** and **economic impacts**.
 - **Reduced Services:** *The proposed legislation will have little effect on large banks, but will destroy revenue streams for credit unions, small banks, and community lenders, forcing them to close or cut services like free checking accounts and independent credit cards.*
 - **Consumer Spending:** *The proposed legislation could cut consumer spending which pushes small business to the brink, lowers sales tax revenue, and increases taxes on individuals to make up for it.*
 - **Durbin 1.0:** *A similar law was passed on debit cards in 2010. Independent studies have shown that big retailers like Amazon and Walmart used the cost savings to increase their profits instead of lowering prices for consumers.*
 - **Winners & Losers:** *Congress is trying to pick winners and losers in the credit card processing system that fuels our economy. The legislation is designed specifically to impose regulations on two companies, Visa and Mastercard. In turn, the regulations will benefit large retail chains by allowing them to pay less in processing fees.*



- After messaging, **opposition to CCCA rises to 55%**, including among voters of every demographic group.



The data demonstrates that sweeping changes to credit card processing, as outlined in the CCCA legislation, would have far-reaching effects on businesses, the consumer, and the economy at-large while running the high risk of unintended consequences in an economic environment that is already fragile for most working-class Americans.

METHODOLOGY

On behalf of the Credit Union National Association, this probabilistic survey was conducted August 2 – 4, 2023, with n2524 registered voters nationwide. It has a margin of error of $\pm 1.93\%$. Registered voters were interviewed via online panel. This survey was weighted to reflect a representative sample of registered voters nationally.

ABOUT THE FIRM

[Cygnal](#) is an award-winning international polling, public opinion, and predictive analytics firm that pioneered multi-mode polling, text-to-web collection, and emotive analysis. Cygnal consistently ranks as the most accurate firm, and clients rely on Cygnal's ability to create intelligence for action. Its team members have worked in 48 states and multiple countries on more than 2,700 corporate, public affairs, and political campaigns.

