

MOTION ^{TRADE, TRAVEL AND TOURISM}

There is no doubt that it is in the City's interest to empower all of our residents to participate in the City's economic life, including for all our consumers to purchase goods and services. However for many City residents (for example, those who are denied access to credit, or who are unable to obtain bank accounts), the ability to engage in consumer transactions depends on the ability to pay for goods and many services in cash. This is especially true of the very poor.

Millions of Americans do not hold bank accounts, or otherwise fall outside the non-cash financial system. Some do this by choice, because they are concerned about privacy and do not want their every financial transaction recorded by banks and credit card companies; physical cash remains the most accessible anonymous medium of exchange in this country. Others may not be able to participate in the formal banking system, or may be excluded from that system against their will. By barring the use of cash as a payment method means excluding too many people.

According to the Federal Deposit Insurance Corporation (FDIC), in 2017, 17% of all African-American households and 14% of all Latino households in the U.S. had no bank account. These numbers may be much higher in Los Angeles where many African-American and Latino households are un-banked. Not accepting cash payment in the marketplace systematically excludes segments of the population that are largely low-income people of color. Cashless business practices may also have significant detrimental impacts on young people who do not meet age requirements for credit cards, for the elderly (many of whom have not transitioned to credit and digital payment modes at the same rate as younger generations), and for other vulnerable groups (such as homeless and immigrant populations).

The City must remain vigilant in ensuring that our economy is inclusionary and accessible to everyone. In order to ensure that all City residents — including those who lack access to other forms of payment — are able to participate in the City's economic life we should adopt an ordinance that allows them to pay cash for goods and many services.

I THEREFORE MOVE that the City Attorney be requested to prepare and present an ordinance, similar to one enacted by San Francisco, which would ban cashless retail businesses in Los Angeles.

PRESENTED BY:



HEATHER HUTT
Councilwoman, 10th District

SECONDED BY:



Katherine Gaudin

ORIGINAL

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