



Agenda Item Summary

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Agenda Item Title

Update on Motion Regarding Cashless Businesses

Overview

Cashless businesses have been an increasing topic of discussion for many municipalities as it relates to concerns around equity. Staff will discuss the diversity, equity, and inclusion (DEI) impact of cashless businesses and provide a recommendation.

Recommendation

Continue robust engagement with the business community and local residents.

Background

Former Trustee Jim Taglia brought forth a motion that was seconded by Trustee Robinson to ban cashless businesses in Oak Park due to concerns around equity. Staff immediately began to investigate and engage with the business community to understand the landscape of the cashless community in Oak Park. Going cashless for many businesses has become a rising trend in most areas, including Oak Park. Since this upward trajectory of businesses moving towards cashless transactions, there has been a myriad of opinions both for and against going cashless. One of the rising concerns is how does cashless impact marginalized communities.

Fiscal Impact

N/A

DEI Impact

More than 5% (about 7.1 million) of American households do not have access to any checking or credit accounts. Looking at the demographics of this finding, this includes about 14% of Black households and 12% of Hispanic/Latinx ones in comparison to their white American counterparts, which is under 3%.

Data gathered from previous years shows that these households tend to rely on cash. When many people believed that cash could carry the COVID 19 virus, during the early part of the pandemic, this created a problem for unbanked Americans. The same issues are a concern for these populations if there is a continuous movement towards a cashless society.

It is understood that those who may be impacted the most in a cashless society are our immigrant communities, older adults, unbanked and/or unhoused persons, and others who are likely to depend on cash. Older individuals can

sometimes experience more difficulty adapting to technologies such as app- and phone-based payments. One population that is often overlooked are young people who may not be able to get a bank account but need to be able to transact in cash.

Using cash as the primary method of payment is ubiquitous for many Americans, including disproportionate communities of colors, unhoused persons, the underbanked and unbanked, elderly persons, youth, and immigrants without documentation, among others. Many businesses such as tech companies, restaurants, and stores are moving towards going cashless, and in some communities, such as communities with low-income or migrant populations, many stores are cash-only. Businesses moving towards a cashless system could pose potential for economic segregation amongst these populations where consumers are economically shut out of making purchases in certain communities, or possibly where they live and/or work. Additionally, for many, not being able to use cash impedes on their preference of privacy for their transactions.

Alternatives

Move forward with an Ordinance banning cashless businesses.

Previous Board Action

N/A

Citizen Advisory Commission Action

N/A

Anticipated Future Actions/Commitments

The racial equity assessment will have a business owner of color focus group that will talk about cashless businesses along with an array of other topics.

Intergovernmental Cooperation Opportunities

N/A