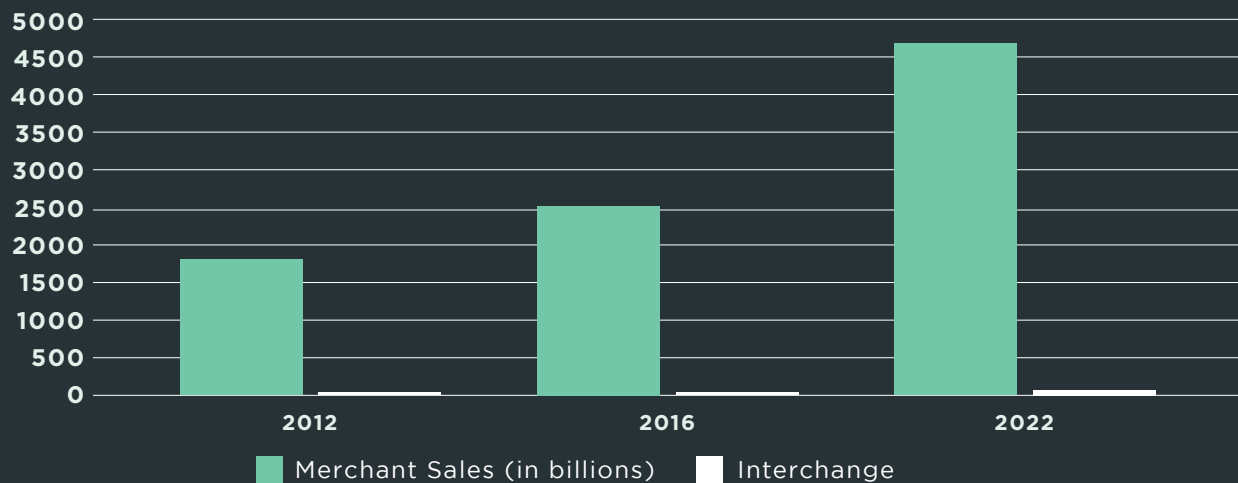


# THE TWO BIG MYTHS

## OF THE DURBIN-MARSHALL BILL

1. The narrative that merchant interchange fees continue to increase leaves out the critical fact that it is impossible for “swipe fees” to increase if sales do not increase. The rate of interchange has remained flat for the past seven years, as sales have grown substantially.

### MERCHANT SALES VS. INTERCHANGE FEES



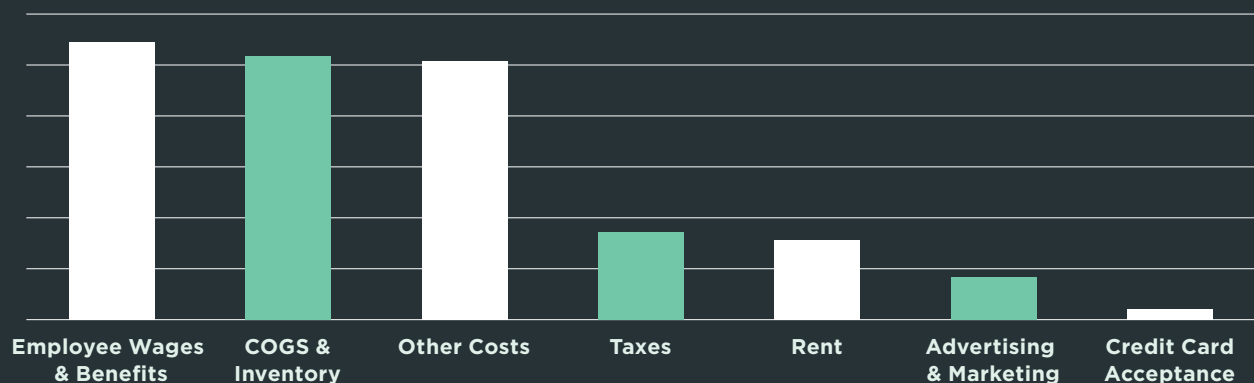
\*revenue assuming 2% credit card fee

Source: CMPSI [How Have U.S. Card Fees Grown Since 2006? \(cmpsi.com\)](https://cmpsi.com)

2. Despite merchant group claims, data shows that credit card interchange fees are NOT a small business' 2nd or 3rd highest expense.

### SMALL BUSINESS EXPENSES

Percentage of Total Expenses



Depending on the business, **Other Costs** also include: Utilities, Franchise Fees, Setup Fees, Costs of Handling Cash Systems, Hardware, Software, Theft/Shrink, Scholarships/Employee Training, Equipment Rentals, and more.

Source: Oxford Economics

# THE TWO BIG MYTHS

## OF THE DURBIN-MARSHALL BILL

Credit interchange costs for a typical small business is only ~1% of their expenses.

According to a [2020 study](#) by the National Federation of Independent Business (NFIB), the top problems for small businesses (associated with expenses) include cost of health insurance, federal taxes on business income, property taxes, state taxes on business income, cost of supplies/inventories, and cost/availability of liability insurance.

In the 2016 version of this study, credit card processing fees ranked as the 38th problem (out of 75) for small businesses. In the 2020 study, credit card fees were not even included as one of the 75 potential business problems.

The average small business manages costs including rent, employee wages and benefits, taxes, advertising, inventory, utilities, insurance, cost of goods sold, theft, and cost of managing cash – one of the very smallest costs, at ~1%, is accepting credit card payments.<sup>[1]</sup>

To put this in perspective, employee wages and cost of goods sold are each over a quarter of expense costs, and rent and taxes each are nearly 10%. Other costs, including marketing, utilities, insurance, cost of handling cash, and theft add up as well.<sup>[2]</sup>



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<sup>[1]</sup> Profile expenses and expense percentages averaged across multiple small businesses, assuming ~2% cost of credit card acceptance. Franchise disclosure documents for small business across Quick Service Restaurant and Auto Parts & Repair segments; Oxford Economics.

<sup>[2]</sup> Profile expenses and expense percentages averaged across multiple small businesses, assuming ~2% cost of credit card acceptance. Franchise disclosure documents for small business across Quick Service Restaurant and Auto Parts & Repair segments; Oxford Economics.