

# A Guide to Meeting with the National Association of Convenience Stores (NACS)

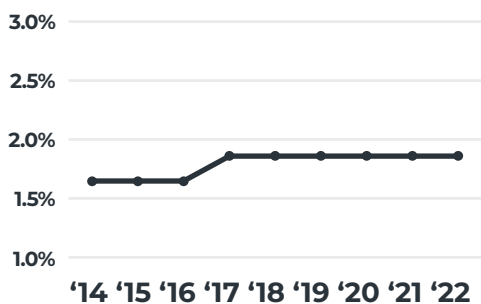
This week, as you meet with NACS members, they will likely bring up the Durbin-Marshall credit card mandates and interchange. Here is a helpful guide to interpreting their talking points.

**✗** NACS will try to tell you interchange rates have increased and are driving up prices for consumers.

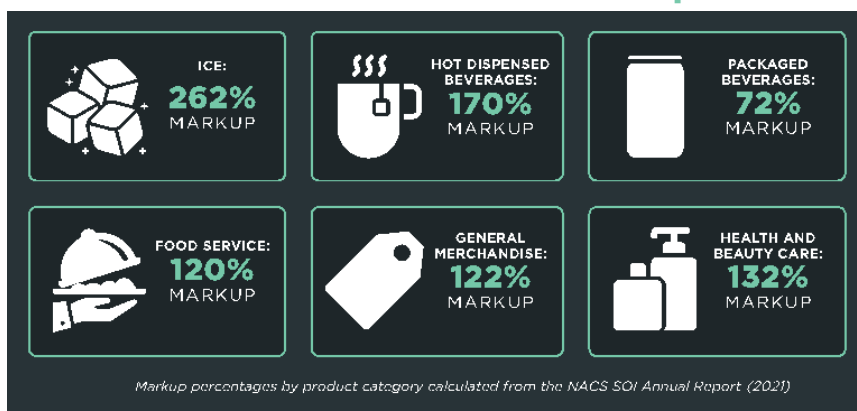
**✓** Interchange has remained flat for nearly a decade. Convenience store mark-ups, however, are squeezing consumers.

## Credit Cards:

Avg. Credit Card Interchange Rate:  
0.1% change from 2014-2022



## Convenience Store Mark-Ups:

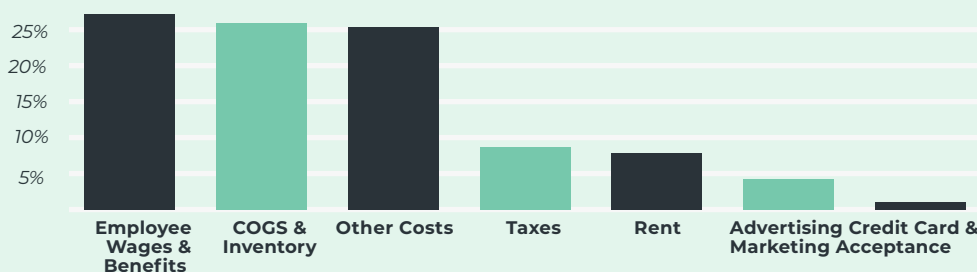


**✗** NACS will also lead you to believe interchange is one of their highest expenses.

**✓** The average small business pays ~2% to accept credit cards. For interchange to be among their highest expenses, that would mean wages, inventory, rent, taxes and utilities are less than 2% of their overall revenue.

## 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



NACS will say the Durbin-Marshall credit card mandates will help small businesses and consumers.



Study after study has reported consumers and small businesses would not benefit, but the largest corporate mega-stores stand to pocket billions in savings.

**CRS Report:  
Unclear  
Who  
Durbin-  
Marshall  
Benefits.**

**Not Consumers**  
*"It is not clear whether retailers would pass interchange savings on to consumers."*

**Not Small Businesses**  
*"It is unlikely a small business would be aware of a smaller network ... [and] might face higher incidences of fraud if payment security is weakened."*

**Just Corporate Mega-Stores**  
*"Major retailers [could create] a payment network ... tighten links between commerce and banking, and potentially lead to conflicts of interest."*

**University of Miami Study:  
Imposing Alternative Payment Networks  
on Credit Cards Will Likely Hurt Low  
Income Households & Small Merchants**

The benefit to the top 5 largest retailers will be approximately \$1.2 billion.

Almost all of those savings will accrue to retailers with \$500 million or more in annual sales, with little going to small businesses

The typical SME would receive little savings from the legislation. The benefits accruing to the larger merchants would distort the competitive landscape and disadvantage smaller merchants.



NACS will even tell you the alternative networks Durbin-Marshall will force tens of millions of credit cards to run on are just as safe as the current networks.



Unlike debit cards, a credit card has NEVER run on an alternative network. The Durbin- Marshall bill is a giant gamble, betting these untested alternative networks will have the same safeguards for the personal and financial data of American credit card users.