

Mega-Stores'

Mega-Billions Scheme:

Mayhem for Small Businesses

& Consumers

New mandates on Americans' credit cards jeopardize data security, rewards for families & put small businesses at a competitive disadvantage

The Reality Behind the Mandates

Corporate megastores and a few D.C. politicians claim new credit card mandates will help small businesses. The reality? These mandates will disrupt the payments system causing chaos for consumers and small businesses alike. The real goal? Corporate megastores stand to make billions by shifting the costs onto consumers and small businesses.

Fact Check | Credit Cards Benefit Small Businesses

- **Efficiency & Security:** Credit cards are one of the most efficient and secure ways for consumers to make purchases and small businesses to accept payments.
- **Going Cashless:** Businesses are increasingly going cashless due to the convenience, security, and guaranteed payments provided by credit cards.
- **Cost of Cash:** Convenience stores spend 15-20 hours per week counting cash ([National Association of Convenience Stores](#)). Accepting and handling cash can cost businesses between 4.7% to 15.5%, a cost significantly higher than credit card processing costs. ([The IHL Group](#))

Fact Check | Consumers Will Not See Any Savings

- **Unlikely Savings:** Research indicates it is unlikely consumers would see lower prices. ([The Congressional Research Service Report](#))
- **Price Hikes:** 98% of retailers actually raised prices or kept them the same following the original Durbin amendment's debit caps. ([Richmond Federal Reserve](#))
- **Corporate Windfall:** \$186 billion+ has been pocketed by corporate megastores since the debit card caps. [Home Depot's](#) CFO even publicly noted the company would gain \$35 million in revenue annually due to debit price caps.

Fact Check | Credit Card Processing Costs Have Remained Flat, Driven Economic Growth

- **Steady Rates:** The average cost of credit card acceptance has remained stable at just over 2% for nearly a decade.
- **Increase Sales:** Credit cards have driven approximately \$90 trillion in economic growth since 2006.
- **Costs Are Proportionate to Revenue:** The only reason a business or retailer would pay more for processing services is because the business had a proportionately equal increase in sales.

Fact Check | Small Businesses Will Be Left Behind

- **Disproportionate Benefits:** A [study by the University of Miami](#) found that the proposed mandates would primarily benefit the top 5 U.S. businesses, putting small retailers at a competitive disadvantage.
- **Negative Impact on Small Biz:** Retailers with less than \$500 million in sales would see no savings, while small businesses would experience a \$1 billion loss.
- **Increased Fraud Risk:** The Congressional Research Service Report also warned that small businesses might face higher fraud risks due to untested payment networks.

Fact Check | Corporate Megastores Are Shifting Blame for Their Inflationary Price Hikes

- **Corporate Price Hikes:** Kroger's executives admitted the grocery giant increased prices more than inflation.
- **FTC Findings:** A [Federal Trade Commission report](#) found retailer revenues exceeded cost increases, with dominant firms using the COVID pandemic to profit at the expense of smaller competitors and communities.

Bottom Line:

Corporate Mega-Stores are using small businesses to trick Congress into passing new mandates on Americans' credit cards. These mandates will give mega-stores a free ride – But they still expect you to pay.