

**Opening Statement**  
**Ranking Member Sherrod Brown**  
**6.30.2020 The Digitization of Money and Payments**

Big Tech companies have made a lot of big promises about the better society they were going to allow us to build.

And they have not lived up to them.

They sold us the idea the technology they'd unleashed would help us level the playing field for people whose voices have been silenced, they insisted it would democratize industries, and they promised it could build a more just and equal country.

Instead, like so many corporations before them, they just created new ways to pay themselves, at the expense of everyone else.

They've disrupted industries and institutions – from taxi cabs to local journalism to our democracy itself. Instead of building something better, they tear things down for their own profit.

And as usual, it's workers – especially low-wage workers and Black and brown workers, mostly women – getting exploited.

As we all know, essential workers clean our hospitals, feed our families, drive our public transportation, deliver our packages, and so much else that we take for granted.

And these essential workers are the ones most likely to get sick when people don't wear masks —we continue to see that, as cases spike again.

Newsflash – four months into a pandemic, four months after public health officials said we should wear masks, the Secretary of HHS says he agrees. Even the Vice President is wearing a mask, and Leader McConnell is saying we should wear masks.

Finally, most people in high places, at least, are wearing masks.

Essential workers are largely women, often people of color, and they've been taken advantage of by corporations for decades – they aren't paid a living wage, they don't have control over their schedules, they don't have good benefits or safety protections on the job, and they're usually sabotaged if they try to organize a union.

Big Tech has just made it easier for corporations to exploit them.

Tech companies give other corporations new tools to mine people's data, to target them with ads for predatory lending. They created facial recognition technology and sold it to law enforcement, to better target protestors. Their app-based business models have made it even more efficient to turn thousands of workers into, quote, "independent contractors," with no job security or workplace protections.

Facebook even created a new tool called "Facebook Workplace" to let corporations censor and spy on workers trying to organize unions. They've backed off for now, and of course they claim that's not what it was intended for – but it was right there in their marketing materials, selling other corporate executives on a tool that would allow them to blacklist the word "unionize."

So given that history, why on earth would we trust Big Tech with our banking system?

We do need some disruption in the banking system.

As many working families in this country know, it is expensive to be poor. You have to pay to cash the check from a hard weeks' work. You have to move money around at just the right time and in just the right way. You have to pay a transfer fee pocketed by your bank. You make one misstep, you get smacked with a late fee that could have covered food or diapers. And if you need to borrow a little money because your pay day doesn't line up with the due dates on your bills? Be prepared to pay loan-shark rates.

For rich people with money in the bank, the bank pays you. For everyone else, you pay the bank.

Many essential workers also interact with the economy mostly in cash. Since the pandemic, it's only gotten harder and more dangerous, as people try to use digital platforms to pay for as much as possible, to reduce contact and exposure to the virus.

These are problems we need to tackle – but I'm skeptical financial technology firms will solve them. Given these companies' record, it seems more likely they'll only make the problems worse.

Yes, these fintech firms claim that low-paid workers and communities of color stand to benefit the most from their “innovation.”

But even with all the fintech hype over the last decade, it's hard to think of any revolutionary products or services that have actually helped the people they say it will.

Marketplace lending and small-dollar credit underwriting promised affordable and abundant credit, but if you look at the punishing terms that come with these products, they're really just payday lenders with a website or an app.

We heard all kinds of promises about how cryptocurrencies like Bitcoin or Ethereum would fundamentally change our relationship with the banking system. Workers would be able to efficiently and cheaply transfer money, make online payments, or buy groceries, all without a bank account. But that's not what happened—Bitcoin is primarily used by wealthy investors.

These companies promised their algorithms would guarantee “innovative” products and services to people locked out of the financial system. That's simply not true – the algorithms use biased data, and we end up with more discrimination against the very people they say their products will help.

And let's not forget that many of these companies have argued that they should have all the benefits of a bank, but not be regulated like one, and do not provide their customers the protections they deserve.

The people who really benefit are always the same – the CEOs and their wealthy investors.

For corporations, the U.S. banking system is a public good.

The dollar carries the full faith and credit of the government. Deposit insurance protects banks from runs. The Fed operates an enormous payment and clearing and settlement system that makes possible trillions of dollars commerce every year.

We need a different approach. The banking system in the United States should be a public good for everyone.

That's why I introduced the *Banking for All Act*. It would allow every American to walk into any bank or post office in the country – or go online – and set up a free, secure bank account, backed by the Federal Reserve and hooked directly into the Federal Reserve's payment systems.

Banking for All means no more check cashing fees. No more paying to use the money you already earned. No more waiting until Wednesday to use money you were paid on Friday.

It means all workers would be able to fully participate in the economy that they keep being told they're essential to.

And it means if you're lucky enough to have some savings at the end of the month, you get the same great interest rate the big banks do.

Technologies like Central Bank Digital Currencies and full digitization of the payments system can help make this a valuable tool for everyone. And it doesn't require us to gut financial protections to make this solution work.

This is an opportunity to offer real, tangible benefits to workers and their families, right now, and to fight the inequality that has locked too many Black and brown Americans out of the banking system.

Thank you to the witnesses for your testimony, and thank you Mr. Chairman for holding this hearing.

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