



BUILDING THE TABLE:

**THE
COST OF
CONVICTION**



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**HIP HOP
CAUCUS**

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Overview

Financial harm is an integral component of U.S. criminal justice. From pretrial detention through post-release supervision, individuals and their families facing system impacts are subject to fines, fees, inflated costs, and limited access to trustworthy financial tools that continue to compound upon release, further hindering pathways toward stability and deepening cycles of poverty.

According to the Brookings Institution, consumers who are formerly incarcerated are 28% less likely to have a bank account than the general public.¹ This challenge is exacerbated by the fact that incarceration is linked to significantly decreased earnings over the course of a lifetime that can total well over \$500,000—impacting the consumer and their family alike.

This paper focuses on financial system access—opening bank accounts, using digital platforms, securing credit, and building wealth. It illustrates how reentry must be understood not only through the lens of criminal punishment but also through systemic financial exclusion. The co-production of harm by legal systems (policing, bail, sentencing) and financial systems (predatory lending, debt surveillance, credit scoring) uniquely impacts Black and Brown communities by criminalizing poverty and enforcing exclusion from economic life.

Guided by lived experience, this paper envisions a system of financial justice—one where fairness, accountability, and access anchor reentry, and financial institutions work to repair harm rather than reproduce it.

What is Financial Justice?

The idea of justice is often limited to concepts like police, bail, courtrooms, and prisons. The financial system, by contrast, is less visible but can be no less punishing to impacted communities. Redlining, predatory lending, wage theft, and credit scoring have long undermined Black and Brown economic life. Reentry is layered on top of these inequities. For many, coming home means trying to enter a financial system they were never permitted to fully participate in to begin with.

Financial justice means building equitable consumer access, ensuring everyone can open and maintain accounts, build credit, and borrow without being trapped by predation and confined by a web of exploitative practices. Predatory financial practices include lenders and service providers targeting individuals and communities for exploitation, funneling them into a cycle of debt and exclusion. When they lack access to affordable banking, individuals become reliant on payday loans, title loans, or check-cashing services that charge exorbitant interest rates and have hidden fees. This targeting not only drains people of their already scarce resources, but it also erodes their trust in the financial system and impacts attainment of basic human need. This targeting is a structural injustice; it reflects and perpetuates inequitable power relations, deepens disparities, and locks

¹ <https://www.brookings.edu/articles/twelve-facts-about-incarceration-and-prisoner-reentry/>

people into extractive economic loops instead of enabling them to meet their fundamental needs and exercise agency over their financial futures.

Financial justice demands access for all consumers through eliminating the structural barriers that have long excluded communities—in this case, the formerly incarcerated—from full economic participation, and it requires bold regulation of harmful financial products and expanding public options that ensure those most impacted by incarceration are at the center of financial policy areas, not left out of them.

Systemic Exclusion in Practice

ChexSystems

ChexSystems, a private reporting database used by banks to screen applicants for new checking accounts, can impact applicants ability to maintain checking accounts up to five years, due to past overdrafts or fees. For those returning from incarceration, often with little or dated banking history, this effectively locks one out of traditional banking.

“About 6% of Americans were unbanked in 2023,” meaning they’re living without access to any traditional financial services such as savings accounts, credit cards, or personal checks, according to data from the Federal Reserve.² The consumer reentering society is disproportionately represented in this group, forced into high-cost alternatives like check-cashing services with high interest rates, high-fee prepaid debit cards, or fintech platforms with opaque fees and limited consumer protections. In this way, the private banking system (via ChexSystems) creates the very conditions—exclusion and financial instability—that fuel the predatory alternative market.

Credit Scoring and Invisibility

People incarcerated for years often leave prison “credit invisible,” meaning their files are dated or unscorable. This hinders housing, employment, and borrowing. The lack of any one of these can challenge one’s financial wellbeing and spur a downward spiral to financial instability. This is especially true in Black and Brown communities, where around 15 percent of the population are credit invisible, compared to only nine percent of whites and Asians. Credit scores are needed in the lending, housing, and labor markets, resulting in credit being yet another area stalled from rehabilitation. Reforms, like New York proposals restricting the use of credit scores and background checks in housing and employment decisions, signal recognition of how economic exclusion often goes hand-in-hand with the stigma associated with conviction histories.

² <https://www.cnbc.com/2024/08/02/23percent-of-low-income-americans-are-living-without-a-bank-account.html>

Unbanked, Underbanked & Debanked

Roughly one-third of formerly incarcerated individuals are under- or unbanked.³ Common barriers include lack of ID at release, histories of closed accounts, or the institutional bias of banks, all of which limit access to basic banking services—even when employers and income are restored. Without access to banks, returned citizens tend to rely on costly alternatives from shady lenders. Debt from court fines and incarceration-related fees exacerbate this exclusion, because formerly incarcerated individuals who are locked out of the traditional banking and loan apparatus must pay more to service the debt imposed on them by the justice system. Institutional distrust of banks within impacted communities only deepens reliance on predatory practices.

At the same time, a public debate over so-called “debanking” has emerged. Driven not by impacted communities, but by wealthy firms and investors who complain when banks weigh legitimate risks before granting accounts, these institutions are pushing a narrative to get regulators to ignore and banks to disregard healthy and sound banking practices. While directly impacted people are locked out of the financial system for reasons as simple as a minor overdraft or lack of documentation, powerful players frame their denial of banking access as political persecution. This contrast underscores how financial institutions and regulators often prioritize the grievances of firms over the real, everyday exclusion experienced by impacted consumers.

Debt and the Impacted Consumer

Incarceration

For both the incarcerated consumer and their support systems, debt and incarceration are inextricably linked. There is no shortage of correctional garnishment and fee schemes that remove large percentages of funds from a person’s account balance. The average, non-industry prison labor compensation is a mere thirteen cents an hour while the national average for legal financial obligations during incarceration amounts to well over \$13,000.⁴ From court costs to child support to restitution payments, hundreds of thousands of incarcerated consumers find themselves paying both with their time and their money. This reality shifts harm to the support network, many of whom are left to shoulder the burden of choosing between paying their own bills or supporting their loved one. Recent efforts by the Federal Bureau of Prisons to amend their “Inmate Financial Responsibility Program” have been decried by impacted communities due to the policy’s mechanism to garnish money placed on correctional accounts by loved ones.⁵ In some states, individuals may leave incarceration with a bill from emergency medical care or simply for serving their sentence.⁶

³ <https://www.sciencedirect.com/science/article/pii/S0049089X24000723>

⁴ <https://static.prisonpolicy.org/scans/who-pays%20Ella%20Baker%20report.pdf>

⁵ <https://www.federalregister.gov/documents/2024/12/17/2024-29692/inmate-financial-responsibility-program-procedures>

⁶ <https://www.brennancenter.org/our-work/analysis-opinion/americas-dystopian-incarceration-system-pay-stay-behind-bars>

“During my period of incarceration, I had to have a C-section. The prison charged me for the procedure and put the cost of it on my credit.”

Surveillance

The justice system has transformed routine monitoring—income verification, expense tracking, and credit reporting—into comprehensive “digital dossiers” that capture not just individuals but family networks and communities. This system weaponizes debt to create a powerful cycle where financial surveillance extends punishment far beyond traditional boundaries.

The cycle is initiated and reinforced through digital supervision methods, where companies profit from sustained debt dependency rather than successful reintegration:

- **Electronic Monitoring (EM):** Hundreds of thousands of people under supervision are charged daily fees, sometimes \$3–35 daily, for GPS ankle monitors. This turns location tracking into a debt-generating product, where a failed payment can lead to a technical violation and reincarceration.
- **Geofence Warrants and Data Aggregation:** Beyond EM, the justice system leverages tools like geofence warrants to access large amounts of personal location data, while platforms used for paying probation fees and restitution create precise digital dossiers of financial compliance and non-compliance.
- **The Debt-to-Prison Pipeline:** Unpaid debt triggers more surveillance, which generates additional fees, creating deeper debt that dramatically increases reincarceration risk.⁷

While the justice system claims these fees ensure accountability, the reality is that it prioritizes revenue generation over rehabilitation, addressing symptoms of non-compliance rather than root causes like poverty and lack of economic opportunity. This creates the very conditions the system claims to solve—a reinforcing loop that can span decades and transforms entire communities into sites of digital surveillance and control.

Communication

Recent decisions by the Federal Communications Commission to reverse course on the full implementation of Incarcerated People’s Communication Services rules will cost families across the country.⁸ Born from the Martha Wright-Reed Act and signed into law in 2023, these regulations work to end correctional kickbacks, greatly reduce the per-minute cost of phone and video calls, and create greater transparency in how correctional agencies negotiate fee structures. In 2025, however, the Commission backtracked on their rate caps, scrapped policy that would have saved impacted consumers millions, and nearly doubled costs for most correctional institutions.⁹ This

⁷ <https://www.annualreviews.org/content/journals/10.1146/annurev-criminol-030421-035102>

⁸ <https://www.fcc.gov/general/ipcs>

⁹ <https://worthrises.org/pressreleases/2025/10/15/worth-rises-releases-impact-analysis-of-the-fccs-proposed-revisions>

policy betrayal means delaying financial relief for consumers on both sides of the phone. A new report estimates that, in total, families amass an astounding \$350 billion in costs annually tied to incarceration—with Black families spending 2.5 times more than white ones on average. If indeed these numbers maintain this trend without action and the originally intended rate relief, costs could climb well over \$3 trillion in the next decade.¹⁰

This could be easily remedied if the Federal Communications Commission commits to the originally intended implementation of Martha Wright-Reed Act without further delay. The staff-level decision to override the will of Congress is postponing millions in annual savings.¹¹ For impacted families, even the simple act of staying connected becomes a financial burden.

“My mom went into debt just to stay in communication with me. It was a lifeline I needed to survive, and it nearly broke her financially.”

Credit Repair, System Repair

The Fair Credit Reporting Act, first enacted in 1970 and later amended by the Fair and Accurate Credit Transactions Act, sets the rules for how consumer reporting agencies (CRAs) collect and share the data of impacted consumers in background checking for employment, housing, and more.¹² Under the FCRA, arrest records that are more than seven years old are generally not permitted to appear in background checks for housing and most jobs. Convictions, however, can be reported no matter how old they are, as long as there are no state laws prohibiting it. The seven-year limit also disappears for jobs paying \$75,000 or more. Some states, like California, only allow the reporting of convictions for the past seven years regardless of the setting. There is not, however, a central database that data is pulled from and private screening companies may rely on outdated court data. Ongoing issues with CRAs reporting old data, inaccurate data, or records that have been sealed, pardoned or expunged present challenges across the country for generating financial opportunity.

One Record, Thousands of Options: Consumers have no direct in-road to obtaining a free copy of their background check with the assurance it represents the data. While companies like TransUnion Rental Screening provide the report, the data included is only a sample of what a compliant CRA *may* report to an employer or housing provider. This issue is complicated by the fact that many states and other jurisdictions have not created a centralized repository for consumer reporting agencies to use as convictions and subsequent post-conviction relief proceedings occur. For the impacted consumer, this creates great

¹⁰ <https://missouriindependent.com/briefs/us-families-shoulder-nearly-350b-in-annual-costs-tied-to-incarceration-report-finds>

¹¹ <https://worthrises.org/pressreleases/2024/7/18/fcc-votes-unanimously-to-significantly-lower-phone-and-video-communication-costs-after-decades-of-exploitation-by-prison-telecoms>

¹² <https://www.ftc.gov/business-guidance/blog/2020/10/50-years-fcra>

uncertainty over which version of their reporting information will be provided in employment, credit, housing, and other application processes.

Clean Slate? Which Slate? In 2018, Pennsylvania became the first state to pass legislation allowing for the sealing and expungement of specific conviction histories. Since then, additional scrutiny has slowly increased on the use of investigative CRAs during the application process for housing and employment. With over 90% of employers utilizing background checking companies and the reported discrimination taking place at the hands of both employers and CRAs alike, it is no wonder that unemployment among people with conviction histories is well over 20 percent.¹³

At the center of the issue is the incompatibility between “clean slate” legislation versus its implementation within an underregulated, decentralized, for-profit industry. Make no mistake, clean slate legislation and automatic record clearance are essential. If, however, an individual is eligible for automatic sealing and expungement, legislative and regulatory solutions must ensure that the for-profit industry is held accountable and that states are prepared to create the infrastructure for both consumers and companies to access and ensure accuracy.¹⁴

“My offense was deferred, contingent on the completion of my probation term. Now, the background check company isn't in touch with my probation officer. When I completed probation and filed a disposition request, the screening service used by Home Depot simply didn't update their records to reflect the new disposition — despite having seven years to do so. My record was inaccurate, and I was denied the position because of it.”

Job and housing applicants can be unaware of the various compliance requirements and legal rights involved in the application process. Additionally, due to inconsistencies and outdated information among the more than 1,000 investigative CRAs, reports often include inaccurate or outdated information—such as data beyond the allowed look-back period, records linked to the wrong person, or details that have been dismissed, sealed by a court, or cleared under clean slate laws. In 2024 alone, thousands of consumers nationwide filed complaints with the Consumer Financial Protection Bureau about inaccuracies in their consumer reports.¹⁵

Predatory Lending and Emerging Alternatives

Predatory lending refers to practices by lenders to make people accept loans with predatory terms, high interest rates, hidden fees, or deceptive contracts. Examples include payday loans, rent-to-own stores, and fintech apps that lure people in with convenient solutions while trapping them in long-term cycles of debt.

¹³<https://www.uschamber.com/workforce/data-deep-dive-the-workforce-impact-of-second-chance-hiring-3#:~:text=The%20high%20rate%20of%20incarceration,was%204.2%25%20in%20August%202024>

¹⁴ <https://www.aclu-de.org/en/news/clean-slate-cant-wait-delaware-leaders-must-deliver-promise-second-chances>

¹⁵<https://www.consumerfinance.gov/data-research/consumer-complaints/search>

Returning citizens are substantially more likely to lack access to traditional banking services, placing them at heightened risk for predatory lending. According to the Federal Reserve’s 2019 Survey of Household Economic Decision-making, justice-involved adults are over twice as likely to be unbanked or underbanked and twice as likely to rely on high-cost alternative financial services such as payday loans or check cashers. This limited access to mainstream banking occurs in *banking deserts*. These are geographic areas, most often low-income neighborhoods and communities of color, with no physical bank branch within a few miles of where they live. In these areas, branches and ATMs of traditional banks have closed (or never existed), forcing vulnerability on consumers and resulting in predatory alternative financial service providers perpetuating financial instability for those in reentry.¹⁶ With limited access to the basic financial tools, securing employment, paying bills, and rebuilding financial stability can feel insurmountable.

“In my first 18 months of reentry, I lost over \$4,000 to fraud and scams through digital wallets and subscriptions. During this time I also lost at least eight jobs due to either a complaint from another employee or being fired after my background check returned (usually after I had been working for a week). I am weeks away from losing everything.”

Formerly incarcerated individuals are often framed as riskier than the average consumer, in part due to credit invisibility issues and immediate financial needs that don’t lend themselves well to traditional bank access, but mainly due to how financial institutions define “risky.” These racialized assumptions permeate reentry and are purported as the cause for exclusion. Research shows that banks and lenders engineer financial uncertainty for returning populations by denying credit, erasing them as “credit invisible,” and rejecting their loan applications at nearly twice the rate—pushing them directly into the arms of predatory lenders.¹⁷ Historically, impacted communities have been steered towards exploitative high-interest payment plans. More and more, these same repayment plans are emerging in places such as car repair shops where both storefront and non-storefront auto service providers capitalize on high interest rates for everything from an oil change to new tires.

“These services promise quick help without background or credit checks, but buy now/pay later loans are everywhere now and all with different terms. Before you realize it, you’re paying to borrow, paying subscription fees, and even more for immediate access. Charging extra when a need is immediate is bad enough but as the costs pile up, it becomes impossible to repay, because you’ve borrowed far beyond your limit. I’ve literally had to look room-to-room in my home to see what I could sell to get by.”

Life and disability insurance, for example, offers returning citizens and their families higher premiums, outright denials, or policies that exclude coverage for returning individuals. For the consumer returning from incarceration and entering the workplace, some entry-level or temporary

¹⁶ <https://fedcommunities.org/data/banking-deserts-dashboard/>

¹⁷ https://files.consumerfinance.gov/f/documents/cfpb_jic_report_2022-01.pdf

employment companies now offer earned wage access, which allows employees to access their accrued compensation early—for a price.¹⁸ Combining any of these predatory products with the possibility of falling prey to increasingly deceptive financial scams can destroy the already impacted economic mobility of those living with the stigma of a conviction. These practices demonstrate the inequities that perpetuate cycles of debt, limit wealth transfer, and undermine community stability. Without regulatory oversight, impacted communities, such as those who are currently or formerly incarcerated and their families, will continue to experience cycles of inequity that are reinforced by criminal injustice. Not only is a better way possible, but it is attainable when policymakers and regulators act. In recent years, there have been promising efforts to shift this terrain:

- **Public and Postal Banking:** Two key community initiatives include:
 - Postal banking services through the USPS, ranging from check cashing to savings accounts, to offering small-dollar loans from state-backed banks could offer low-barrier access to basic financial services and serve as potential alternatives to predatory financial services, such as payday lenders and check-cashing outlets.
 - Public banks also hold the promise of community reinvestment by using public funds to support local economic development and resilience rather than investing in traditional banks.
- **Equitable Banking Standards:** Beneficial State Foundation put forth a vision that pursues a future where financial institutions “revitalize and nourish” communities and not extract from them by creating the *Equitable Banking Standards* and to “underwrite” for racial justice.¹⁹ Their framework challenges traditional credit-risk models by incorporating metrics that account for historic racial disparities and indicators of “creditworthiness.” Instead of relying solely on credit scores and collateral, which harms those formerly incarcerated, this approach expands lending eligibility to those who have been historically impacted by financial injustice. It is another tool that addresses structural barriers in the financial system. These standards establish clear, measurable criteria for financial institutions to align their practices with principles of racial and economic justice.
- **Underwriting for Racial Justice:** Redesigning how risk is defined is essential to financial justice. Initiatives aimed at rewriting for racial justice get at the heart of racial economic equities and pilot programs bring lenders together to dismantle biased models and expand fair access to credit. By rewriting underwriting rules, these institutions can actively build racially equitable outcomes, correcting generations of exclusion. This work shows how shifting the definition of risk is not a technical adjustment, but a deliberate choice to prioritize fairness and expand opportunity.

¹⁸ <https://www.responsiblelending.org/research-publication/escalating-debt-real-impact-payday-loan-apps-sold-earned-wage-advances-ewa>

¹⁹ <https://beneficialstate.org/bankstandards/>

All these options point towards alternatives that not only reinvest in directly impacted consumers but community wellbeing as a whole by strengthening communal and familial stability, circulating local funds, and reducing reliance on predatory financial actors. By shifting resources away from predatory institutional practices, these models show how financial justice can serve as a reentry strategy.

From Punishment to Possibility

Financial justice after incarceration means having a system that does not punish individuals after their release by exposing them to inequitable access and financial risk. This requires upending injustice in both the criminal legal and financial ends of justice spectrums with an eye towards systemic reform—including regulatory action, public alternatives, and policies that affirm their ability and right to participate in the financial marketplace and economic life overall despite past challenges or barriers. Central to these reforms must be the voice of the impacted consumer to ensure that the intended impact is felt after implementation.

Federal Solutions

The Consumer Financial Protection Bureau (CFPB) must defend the impacted consumer. While past bureaus have cracked down on unfair overdraft fees and pushed for greater transparency in banking practices, the current administration has taken an anti-enforcement stance. Just last year, the former director of the CFPB finalized a rule that would save households millions in overdraft fees. If it had gone into effect, overdraft fees would have been limited to \$5 for the largest financial institutions, which have billions of dollars in assets. It has been estimated that full implementation of the rule would result in \$5 billion in annual savings and \$225 per household.²⁰

The Trump administration, with the recent, partisan passage in the House and Senate, has since nullified this rule, leaving households in a financial freefall and without that key protection from large financial institutions. Other federal measures could strengthen regulatory supervision and examinations by empowering the CFPB, state banking departments, and attorneys general to conduct unannounced examinations of both chartered and non-bank financial services providers (payday lenders, check-cashers, fintech platforms), and giving them the authority to enforce corrective orders, impose cease-and-desist directives, and suspend charters for repeat offenders. While strides have been made in this direction, these efforts and those of its kind are being threatened by rapid deregulation.

The FDIC must strengthen their Consumer Compliance Examination Manual (CCEM) to more explicitly enforce policies and protections aimed at creating financial justice in banking access. The CCEM provides key guidance to bank examiners on how to identify racial policies and practices and helps shape the practices of financial institutions. Essential elements for future updates to the CCEM

²⁰ <https://www.consumerfinance.gov/about-us/newsroom/cfpb-closes-overdraft-loophole-to-save-americans-billions-in-fees/>

should include model standards and guidance on blanket bans based on third-party reports (notification of denials, lookback periods, data accuracy, and rights of the consumer).

Congress must amend the Fair Credit Reporting Act. This would reduce the weaponization of credit and remove the indefinite ability for CRAs to report a conviction history. While a number of states have taken measures to close this permanent window, current federal statute must be strengthened to follow suit.²¹ These amendments must also be inclusive of updates to language that more accurately represent the number of post-conviction relief mechanisms available to both state and federal judiciaries.

State-level solutions

States can advance financial justice where federal action is lacking, if existent at all. Several state initiatives offer promising models that directly address barriers faced by returning citizens. Together, these reforms demonstrate how state action can dismantle barriers, protect returning citizens from financial exploitation, and build more inclusive systems of credit, banking, and consumer protection.

Fee Initiatives. States like New York have passed legislation to curb account-related fees²², but other attempts to mitigate fees of this harm at the state level have been minimal. Colorado and Illinois have implemented interest rate caps of 36% APR or lower on payday loans, effectively banning some forms of predatory small-dollar lending.

Reform payday lending and fintech abuses. Some state-level legislation has begun to address some of the more problematic practices associated with payday lending by requiring stronger consumer safeguards for emerging fintech products—an area of great need for returning citizens and impacted communities of all kinds.

Access in practice. Even absent up-to-date lawmaking on tech-based lending, there are ways to strengthen financial inclusion by requiring banks to maintain physical branches in underserved areas, expand ATM access, and align state-level Community Reinvestment Act enforcement with impact goals. These steps can help decrease banking deserts and ensure that individuals reentering have reliable alternatives to predatory lenders.

Expand UDAP to UDAAP authority. While the CFPB enforces UDAAP (Unfair, Deceptive, or Abusive Acts or Practices), most states only authorize UDAP (Unfair and Deceptive Acts or Practices). Expanding state laws to include “abusive” practices would give attorneys general stronger tools to challenge predatory products, from reentry loans to exploitative prepaid prison cards to rent-to-own schemes.

Complementary and Restorative Remedies

²¹ <https://ccresourcecenter.org/state-restoration-profiles/50-state-comparison-comparison-of-criminal-records-in-licensing-and-employment/>

²² <https://www.nyc.gov/site/dca/about/FAQ-Broker-Fees.page>

Just Transition Framework: This framework provides a roadmap for community advocates to rebuild financial autonomy by shifting resources and decision-making power towards community-driven economic models.²³ Just Transition principles call for a phased decommissioning of the extractive systems laid out above, while scaling up restorative financial services centered in healing. This justice-centered approach addresses root causes of economic exclusion, which can help returning individuals meet basic survival needs, rebuild social trust, and participate as equitable economic actors.

Community Benefit Agreements: Community Benefit Agreements (CBAs) serve as powerful instruments for ensuring that financial institutions and development projects deliver tangible, enforceable benefits to formerly incarcerated individuals and their communities. Community organizers secure binding bank-community accords—most notably through Bank On coalitions that certify low-cost, no-overdraft accounts and publicly track enrollment to spotlight unbanked neighborhoods. These pacts translate advocacy into enforceable commitments, requiring banks and credit unions to meet specific actions such as hiring targets for returning citizens, subsidized loan products for reentry entrepreneurs, and guaranteed access to financial literacy programs. By codifying community-defined priorities in legally-binding contracts with regular reporting and oversight, CBAs shift the balance of power toward those most impacted by mass incarceration and secure pathways to stable employment, affordable credit, and wealth-building services, embedding restorative practices that prioritize healing, skill-building, and long-term economic stability.

Financial Justice Campaigns: Organizing financial justice campaigns harnesses the collective power of impacted communities to apply strategic pressure on financial institutions and policymakers, forcing systemic change. Through these campaigns, impacted communities urge fellow consumers to shift deposits away from institutions that prioritize profit over people and refuse to adopt inclusive practices. Activists wield direct accountability tactics—economic boycotts, branch pickets, shareholder resolutions, town-hall meetings, and protests—to amplify excluded voices; demand equitable underwriting, transparent pricing, and inclusive products; and hold bank leadership publicly accountable. By combining advocacy, enforceable community agreements, capital reallocation, and grassroots mobilization, champions of financial justice can compel banks to abandon exclusionary practices, rebuild trust, and expand access—ensuring that returning citizens and systemically excluded communities gain genuine, lasting pathways to financial inclusion and community prosperity.

Onward

The lived experience of directly impacted consumers must be incorporated more fully into initiatives aimed at curbing the ongoing negative impact of debt, banking deserts, and predatory products. To truly facilitate successful reentry, reform must extend beyond the legal system to encompass bold regulatory oversight of the consumer financial marketplace. The co-production of legal and financial exclusion disproportionately targets and criminalizes Black and Brown communities, stripping them

²³ <https://climatejusticealliance.org/just-transition-2/>

of economic agency and reinforcing historic inequities. This necessitates urgent amendments to existing regulatory frameworks to limit the indefinite reporting of convictions and the strengthening of federal protections against predatory banking practices. Furthermore, the expansion of public banking options and the adoption of restorative models that shift resources toward community reinvestment and away from extraction must be scaled. Achieving financial justice requires centering the impacted consumer's voice through enforceable commitments and grassroots mobilization to dismantle biased risk models. Through the holistic actions outlined in this report, the system can move from punishment to possibility, affirming every impacted individual's right to full economic participation.