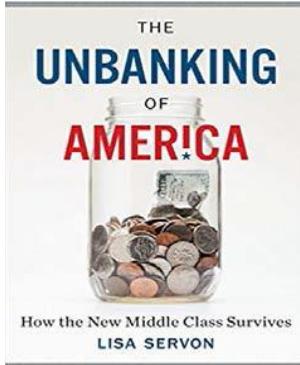


Book Review



The Unbanking of America: How the New Middle Class Survives

by Lisa Servon

New York: Houghton Mifflin Harcourt, 2017

Reviewed by: Mark J. Kay, Montclair State University

Banks regularly gouge customers with their absurdly high fees and overdraft charges, often motivating many consumers to forego the services of these institutions entirely. Check cashers, payday lenders, and credit alternatives have sprung up in the wake of the growing financial instability of many Americans, often making things worse. In this concise, engaging, and readable book, Servon investigates the institutional foibles of financial systems and the expanding income volatility of Americans. She goes undercover, first as a teller at RiteCheck, a check-cashing business in the South Bronx, and then at a payday lender in Oakland, California. She discovers how the mainstream bank-centered view of economic stability has become completely outdated, and explores the problems of financial insecurity spreading among the middle class.

Servon certainly delivers a forceful criticism of America's banks for their lack of transparency or authentic customer concern. The story is far more engaging than an academic polemic, however. Servon compassionately explores financial struggles among, for example, contractors dependent on short-term credit. She observes high fees charged to the disabled that are needed for simple bill payments and account withdrawals. She also examines why people elect to pay high fees and dispels the idea that all of these lenders are necessarily predatory and odious.

Several financial issues are looming. For example, in 2014, Americans paid nearly \$32 billion in overdraft fees. While clearly avoidable with better systems, such costs are hardly likely to decline. There is clearly much more scrutiny needed on banking systems today that thrive on predatory practices that marginalize hard-working individuals that have nowhere else to turn.

The book concisely delivers the critical facts needed to inform public policy dialogue and avoid the destabilizing policies that led to the financial problems of the 2008 recession. While the economy has surely recovered, Servon further explores current issues of the growing financial insecurity of the "new middle class" that need close attention. Support is obviously needed for financial oversight, including that of the Consumer Financial Protection Bureau.

While the book is accessible to all, academics should not ignore it. Clearly there is an important need for economists to recognize the controls and regulations needed to insure a safe and effective banking system. As a highly competent academic, Sevron supports assertions accurately with sources cited in the notes, references, and reinforcing research. The book is also recommended reading for marketers interested in enhancing services, managers coping with workforce concerns, and especially by entrepreneurs willing to developing better technologies to launch far better and more affordable financial services.