ComplexSearch

Online edition: https://complexsearch.com/reports/us-check-cashing-market/

The U.S. Check-Cashing Market

ComplexSearch Research | Pilot market report, revised edition | November 2026

A shrinking market that still sells immediate access to money

2026 modeled fee revenue	2026 modeled check face value	2031 base-case fee revenue
$317 million	$20.1 billion	$246 million

Our base case puts U.S. household nonbank check cashing at **30.8 million transactions in 2026**, falling to **21.0 million in 2031**. Fee revenue declines more slowly because the effective fee per remaining transaction rises in the model. The 2031 faster- and slower-substitution cases span **$161 million to $337 million** in nominal annual fees. The range is a set of conditional paths, not a statistical interval.

The lead statistic: About **72% of U.S. households that used nonbank check cashing in 2023 already had a bank account**. That is 2.582 million banked households out of 3.610 million user households, based on the FDIC household survey, Table D.5[1]. It is a share of user households, not a share of checks cashed or fees paid.

The estimate begins with the FDIC's 2023 household survey and appendices[1], then applies explicit assumptions about transaction frequency, check size, and fees. We compare the result with 2024 NMLS transaction reporting[2]. No source directly measures the fee total presented here.

Reading key: "Reported" identifies a source's observation, "estimated" identifies ComplexSearch's 2024–2026 model, and "forecast" identifies 2027–2031 scenarios. Face value is the sum printed on the checks, not what providers earn. Model values are in nominal U.S. dollars.

02 | Executive findings

The likely winner is not necessarily the company that cashes the most checks. It is the service that can make funds reliably usable at a known price when a household still receives a paper check. That distinction matters: if customers move to electronic payroll, a transaction disappears; if they switch from a storefront to a paid mobile service, the provider changes but the fee market may retain some of that activity. We model both forces through net transaction attrition and separately modeled fees.

1. https://www.fdic.gov/household-survey/2023-fdic-national-survey-unbanked-and-underbanked-households-appendix-tables
2. https://mortgage.nationwidelicensingsystem.org/knowledge/Products/nmls/aboutNMLS/BusinessReports/2024%20MSB%20Annual%20Report.pdf

Finding	Evidence	Interpretation
Household use has declined substantially.	**2.7%** of households reported use in 2023, versus **6.9%** in 2013 (FDIC report[3]).	The decline predates the recent federal push away from paper.
Account ownership does not eliminate demand.	**2.58 million banked** and **1.03 million unbanked** households used it in 2023 (FDIC appendix, D.5[1]).	Banked households were the larger group of users, not necessarily the larger source of transactions.
The fee pool could grow more concentrated as it shrinks.	Our model puts the unbanked share of fees at **60%** in 2024 and **66%** in 2031.	This is a conditional result of higher assumed repeat use and slower transaction attrition, not an observed share.
The national size is much less certain than the direction.	The survey counts households, while the NMLS reports[2] count reported dollar throughput. Neither measures national consumer fees.	Validate frequency and transaction-weighted fees before quoting the estimate as a precise market figure.

Contents: Market definition and observed demand (03–07); providers, pricing and regulation (08–11); sizing and calibration (12–15); forecast and implications (16–20); reproduction and sources (21–22).

03 | Market definition: three different numbers

The market in this report is household use of nonbank check cashing in the United States. It is anchored to survey-reported use and primarily describes physical retail and specialist providers. The pricing analysis includes paid mobile check cashing as a substitute or overlapping channel. The household instrument does not establish consistent mobile-channel coverage, so we neither add a separate estimate of app volume nor claim to measure every app transaction.

Metric	Counts	Does not count
Transactions	Estimated check-cashing events represented by the household model	Number of stores, number of customers, or all checks written
Check face value	Sum of the checks' printed amounts before fees	Revenue, deposits held, or the money a provider retains
Consumer fee revenue	Modeled gross consumer-facing fees for the cashing service	Profit, payroll float, cross-sell, ATM withdrawal charges, transfers, or lending revenue

Ordinary deposits at a bank or credit union, free mobile check deposits, payroll advances, money orders sold as a separate product, and business-only check cashing are outside the target market. The model uses an effective fee across modeled events, rather than independently estimating how many carried a fee. A zero-fee event that is captured by reported household use lowers the effective yield; it is not a separate fee stream.

The FDIC survey instrument[4] asks whether anyone in the household went somewhere other than a bank to cash a check in the prior 12 months. NMLS[5] describes a business activity that can

include drafts, money orders, and other commercial paper. That mismatch is why the model uses the NMLS number as a scale check, not a component to add or a guaranteed floor.

04 | The household trend: a long decline, at different speeds

Survey year	All households	Banked households	Unbanked households
2013	6.9%	4.3%	38.0%
2015	6.9%	4.9%	33.8%
2017	6.4%	4.7%	30.2%
2019	5.5%	4.0%	31.9%
2021	3.2%	2.3%	21.8%
2023	2.7%	2.0%	18.2%

Rates are within each group, not shares of all users. Source: FDIC national survey, Figure ES.10[3].

The national use rate fell by **4.2 percentage points**, or about **61% relative to 2013**. The steep 2019–2021 drop is not the only useful benchmark: the 2021–2023 move from 3.2% to 2.7% implies roughly 8% annual relative decline in household prevalence. That is not the same as transaction decline, since use frequency and total households can change. We use it as one guide rather than simply extending that rate to 2031.

The 2023 national estimate's **90% survey confidence interval is 2.5% to 2.9%**. The corresponding unbanked-user rate interval is **16.2% to 20.5%**. These reflect sampling uncertainty for prevalence, not uncertainty around market revenue (FDIC appendix, D.2[1]).

Interpretation: A falling user count and a sticky set of repeat transactions can coexist. If infrequent users exit first, provider activity can fall more slowly than the number of households who report any use. The reverse is also possible if one payroll change removes frequent check use for an entire workplace. The model does not force these two measures to grow at the same rate.

05 | Who uses it: prevalence and customer counts

Among households with incomes under $15,000, **5.9%** reported using nonbank check cashing, against **1.3%** of those with incomes of $75,000 or more. Yet the top income group represented about **818,000** user households in the survey, compared with about **650,000** in the lowest group. The larger absolute count does not imply higher reliance or spend; it illustrates the difference between a group's size and its probability of use (FDIC appendices, D.2 and D.5[1]).

Family income	Share reporting use	Survey-weighted user households
Less than $15,000	5.9%	650,000

4. https://fdic.gov/resources/regulations/federal-register-publications/2023/2023-fdic-household-survey-instrument.pdf
3. https://fdic.gov/household-survey/2023-fdic-national-survey-unbanked-and-underbanked-households-report

Family income	Share reporting use	Survey-weighted user households
$15,000 to $30,000	5.2%	798,000
$30,000 to $50,000	3.5%	788,000
$50,000 to $75,000	2.3%	556,000
At least $75,000	1.3%	818,000

Source: FDIC 2023 appendices, D.2 and D.5[1]. These are rounded household estimates; they do not identify payment frequency or average check size across income bands.

A better segmentation strategy: Classify users by what they need to do today. Some need to convert an income payment to cash to meet a bill. Others need occasional help with a check their usual channel will not accept. These are hypotheses about different use cases, not explanations measured in the FDIC table. A provider survey should ask about the last check, the alternatives available at the time, and how long the customer could wait.

06 | Account ownership and recurring use

The key distinction for market sizing is between trying the service once and relying on it repeatedly. The FDIC asked households who used the service whether any of their checks came from work, retirement, or a government agency. The answers give a useful segmentation variable, but do not establish frequency or reveal which income stream a specific check came from (FDIC instrument[4]).

2023 survey measure	Banked	Unbanked
User households	2.582 million	1.028 million
Share of user households with at least one work, retirement, or government check	53.0%	74.5%
Implied user households in that income-check subgroup	1.37 million	0.77 million

The first two rows are survey results; the third is our multiplication of rounded inputs. A household without a reported income check could still use the service repeatedly. Conversely, a household reporting one such check need not use the service regularly (FDIC appendix, D.5[1]).

This explains the key assumption on page 12. We assign a higher effective frequency to income-check users and a higher frequency to unbanked users within each segment. If actual frequencies differ, the modeled fee split could change materially; it is not an empirical claim about which group actually paid more. For editorial use, the survey finding that most user households were banked is defensible on its own. The modeled result that unbanked users generated the majority of fees requires the assumptions to travel with it.

07 | The paper supply is shrinking

The Federal Reserve collected **3.15 billion** commercial checks in 2023 and **2.80 billion** in 2025, roughly a **5.7% annual decline**. In its November 2026 notice, the Fed said Reserve Bank forward commercial check volume through August 2026 was **8.7% lower** year over year and projected an **8.1% full-year decline** for that series (historical Federal Reserve series[6]; November 2026 notice[7]). These are checks handled through a particular clearing channel, not a census of paper checks or of paid cashing.

Federal disbursements are another pressure point. Treasury and the IRS started phasing out paper tax refunds and other paper disbursements on September 30, 2025, subject to applicable law and limited exceptions. That is a reason to watch eligible government-check volume, not a basis for assuming zero government checks or a corresponding fall in all types of check cashing (IRS implementation Q&A[8]).

Mechanism	Market effect to watch
Payer replaces paper with direct deposit or another electronic method	Removes an underlying check from the market rather than shifting the casher
Consumer changes from physical cashing to a paid app	May preserve a cashing or expedited-access fee but shift the provider
Consumer can wait for ordinary deposit or delayed funding	Reduces the likelihood of paying a fee for speed
Check type becomes harder to verify	Can reduce acceptance or raise the value of a service that does accept it

The first mechanism is the biggest reason a fee increase cannot reverse the base-case trend by itself. It removes whole transactions, whereas fee changes apply only to those that remain.

08 | Provider map: compare the product, not just the brand

Channel	What the customer gets	What to verify
Retail money desk	A physical location that may provide cash for accepted checks at a posted fee	Eligible check, maximum amount, fee, ID, local hours
Specialist storefront	A service where acceptance and pricing can vary by instrument and location	Exact check type, amount, fee, and acceptance before travel
Paid mobile / wallet service	Fast credit to an eligible account after review, not necessarily physical cash	Account eligibility, funding timing, check approval, and any cost of withdrawing

6. https://www.federalreserve.gov/paymentsystems/check_commcheckcolannual.htm
7. https://www.federalregister.gov/documents/2026/11/16/2026-23289/federal-reserve-bank-services
8. https://www.irs.gov/newsroom/questions-and-answers-about-executive-order-14247-modernizing-payments-to-and-from-americas-bank-account

Channel	What the customer gets	What to verify
Delayed mobile or bank deposit	A potential substitute for people who can wait or already have the right account	Holds, release time, the cost of waiting, and account access
Check issuer's bank	A possible walk-in alternative, often subject to ID, funds and policy	Whether noncustomers can cash the check and what they would pay

Walmart[9], Kroger[10], ACE Cash Express[11], and Ingo Money[12] describe different combinations of these attributes. The CFPB[13] notes that a bank or credit union is not obligated to cash a check on request and may charge a fee in certain circumstances.

The simplest competitive advantage to test is predictability. A low advertised fee is useful only if the provider will actually accept the check, release funds on time, and let the customer use the proceeds in the form they need. Future store or app comparisons should document acceptance and payout separately instead of ranking providers on fee alone.

09 | The fee comparison: a controlled, original price basket

This illustration holds the amount and instrument constant: an eligible payroll check with a preprinted signature. The table applies posted terms, a first-time promotion and one regulator's ceiling, not branch quotes. It does not mimic the market's transaction mix.

Face amount	Walmart posted maximum	Check Cashing USA first-time offer	Ingo standard expedited	NY licensed-casher ceiling
$250	$4	$3.75	$6	$5.50
$500	$4	$7.50	$10	$11.00
$750	$4 (0.53%)	$11.25 (1.50%)	$15 (2.00%)	$16.50 (2.20%)

Inputs reviewed November 22, 2026: Walmart's posted maximum for eligible preprinted checks up to $1,000[9], Check Cashing USA's first-time payroll promotion up to $5,000[14], Ingo's standard expedited terms[12], and New York DFS's ceiling for other checks, including ordinary payroll in this illustration[15]. Walmart advertises cash with valid ID; Ingo credits an eligible account, whose issuer determines availability. These examples are not guaranteed to be available to the same customer, and the legal ceiling is not an offer.

At **$750**, Ingo's posted standard expedited fee is **$11 above** Walmart's posted maximum, or **$264 per year** under a hypothetical schedule of 24 identical accepted checks. This is not a claim about typical savings: it excludes travel, possible withdrawal fees, and the value of the two payout methods.

9. https://www.walmart.com/cp/check-cashing/632047
10. https://www.kroger.com/o/money-services/check-cashing
11. https://www.acecashexpress.com/services/
12. https://ingomoney.com/terms-conditions/
13. https://www.consumerfinance.gov/ask-cfpb/can-i-cash-a-check-at-any-bank-or-credit-union-en-931/?
14. https://www.checkcashingusa.com/
15. https://www.dfs.ny.gov/industry_guidance/industry_letters/il20230130_max_check_casher_fee

Minimum fees matter more on small checks: a $6 fee on a $250 check is **2.4%**, not 2%. Conversely, the same $4 maximum on a $1,000 eligible check is **0.4%**. A useful consumer comparison needs both dollars and percentage of proceeds.

Five-metro online disclosure screen

On November 22, 2026, we screened 50 selected locations, 10 each in New York, Chicago, Miami-Dade, Houston and Los Angeles. The disclosure screen recorded the official listing for each location and distinguishes branch pages from shared directories and provider-wide terms. The provider mix is concentrated: New York uses the CFSC New York directory[16] and Miami-Dade uses the Check Cashing USA directory[17]. The sample is not representative of any metro or the U.S.

The screen verified no branch-specific quotes for the three check amounts. A blank fee means not verified from the reviewed material, not free, refused or unavailable. “Not coded” means the acceptance detail, ID requirement or payout was not independently documented in that record. No stores were contacted, no checks were presented, and the results cannot be used to rank metros by price or estimate an industry disclosure rate.

10 | The economics of waiting

The premium for speed is visible when one provider sells two payout windows. For approved checks under its published standard terms, Ingo Money[12] describes a no-fee 10-day option subject to conditions and an expedited option that charges a fee. Funds supplied to an eligible account are not the same as cash in hand. A check that is declined or returned under those terms may not fund at all.

Consider a hypothetical $500 eligible payroll check with a $10 expedited fee and an available $0 delayed option. The trade-off might not be about the $10 alone. For someone with a bill due tonight, the cost of delay could exceed the fee. For someone who can wait, payment of the fee might offer little incremental utility. This example explains demand for a faster tier without treating it as credit or quoting an annual interest rate.

A comparison a reader can actually use

Start with the net amount available: check amount less the cashing fee and any required cost to access the funds. Then compare when those funds can be spent, whether the check type is eligible, and whether the customer has the required ID or account. Travel time matters for a physical comparison, but it should not be silently added to a provider’s advertised fee.

For research purposes, record four separate fields: posted price, quoted price for the standardized check, completed transaction price when observed, and funding time. The pilot has posted terms only. We did not submit real checks, obtain branch quotes, test hours, or measure customer approval rates.

16. https://locations.cfsc.com/new-york/new-york/
17. https://www.checkcashingusa.com/locations/

11 | Regulation: ceilings, coverage and comparable prices

New York's schedule sets a **1.5% ceiling for specified eligible government-related checks** and **the greater of $1 or 2.2% for other checks, drafts or money orders** within the rule's scope. For an eligible $750 government check the first ceiling implies $11.25, compared with $16.50 for an equivalent-dollar ordinary payroll check under the second formula. These are ceilings for covered transactions and payees, not observed prices or national law (DFS industry letter[15]).

In November 2026, DFS requested data from licensees on fees charged between January 2023 and September 2026. That request is a useful lead for a future update. It is not itself a change in the ceiling, a release of actual prices, or evidence that all providers charge the maximum (DFS request for information[18]).

Why a state rule is not a price survey

Regulations may differ by customer and instrument. A defensible state comparison should use a defined check amount and type, verify the legal text and applicable exemptions, and separately confirm provider quotes. It should also label whether a figure is a statutory maximum, a posted commercial price, or a price actually paid. Merging those levels would systematically inflate some comparisons and bury real variation in others.

For a second pilot state, Florida is useful because its reporting requirements cover transaction fields such as instrument amount, type and fee. That makes aggregate, non-personal reporting worth requesting; the statute does not establish that a usable aggregate series is already public (Florida check-cashing recordkeeping statute[19]).

12 | Bottom-up model: turn households into checks

We estimate each cohort separately so a high-use household need not behave like an occasional user. In 2023 there were **2.582 million banked** and **1.028 million unbanked** households reporting any use. Of those, **53.0%** and **74.5%**, respectively, reported an income-connected check (FDIC appendix, D.5[1]). Those four headline inputs are observed survey estimates. All 2024 multipliers, frequencies, check values and fees are our assumptions.

2024 input	Banked	Unbanked	Why it was chosen
Share of 2023 user count carried into 2024	94%	95%	A modest first-year decline after 2023; this is net change, not tracked retention
Checks/year, users who reported an income-connected check	12	24	Monthly and roughly twice-monthly usage equivalents; not evidence of actual payroll schedules

18. https://www.dfs.ny.gov/industry-guidance/industry-letters/il20261118-request-for-information-regarding-check-cashing-fees
19. https://www.flhouse.gov/Statutes/2024/0560.310/?QueryTerms=849.086

2024 input	Banked	Unbanked	Why it was chosen
Checks/year, other users	2	3	Occasional-use anchors above the minimum of one event
Weighted checks/year per active household	7.30	18.65	Calculated from the two subgroup frequencies and FDIC mix
Average check face value	$650	$595	Scenario anchors, not differences observed by the survey
Average effective fee per check	$8.00	$11.50	Assumed lower fee mix in the banked cohort, not a measured price difference

Transaction formula: user households in 2023 × 2024 multiplier × (income-check user share × income-group frequency + remaining share × other-group frequency). Face value and fee revenue each multiply the resulting transaction count by their respective per-check estimates.

We selected the baseline assumptions using consumer prices, the survey segmentation and the scale of the NMLS benchmark. This is not independent proof of frequency or fee levels. The $650 and $595 ticket estimates could be too low if high-face-value transactions are a larger share of the household market than our model allows.

To see what the assumed fees require, take illustrative low, middle and high fee points of $4, $10 and $16.50 from the examples on page 09. A 50% / 35% / 15% mix averages $7.98; a 25% / 30% / 45% mix averages $11.43. The weights are hypothetical and the $16.50 example is a ceiling, not a realized charge. This is a plausibility check, not the method used to estimate real channel shares. More transactions at low or zero fees would reduce these averages.

13 | 2024 model results and the headline bridge

Modeled 2024 metric	Banked	Unbanked	Total
Active households	2.427m	0.977m	3.404m
Checks cashed	17.718m	18.209m	**35.926m**
Check face value	$11.516bn	$10.834bn	**$22.351bn**
Consumer fee revenue	$141.741m	$209.400m	**$351.142m**

Totals are calculated before rounding. The 2024 blend implies a **$622** average face amount, a **$9.77** effective fee, and a **1.57%** yield measured as aggregate fees divided by aggregate face value. Neither the average fee nor the yield is observed. In the base case, the 2026 output reflects two annual steps of shrinking transaction counts and rising nominal average fees.

Worked example: banked households

Start with 2,582,000 reported 2023 user households. Applying the 94% multiplier gives 2,427,080 estimated active 2024 households. The weighted frequency is 0.53 × 12 + 0.47 × 2 = 7.30. Multiplying gives 17,717,684 transactions, then multiplying by $650 gives $11.52 billion of face value. Multiplying those same transactions by $8 gives $141.74 million of estimated fees.

The unbanked cohort accounts for roughly **29%** of modeled 2024 active households but **51%** of transactions and **60%** of fees. That concentration is driven by assumptions about frequency and average fee, not just by the source data. The limited claim we can make independently is that the FDIC survey[1] found broader household reach among banked users in absolute numbers and greater income-check use among unbanked users in percentage terms.

14 | Supply-side cross-check: the NMLS benchmark

Report year	Check-cashing volume reported	Companies reporting activity	Jurisdictions requiring their licensees to file
2023	$13.159 billion	133	36 states, D.C. and Puerto Rico
2024	$17.925 billion	135	42 states, D.C. and Puerto Rico

Sources: NMLS 2023 MSB report[5] and NMLS 2024 MSB report[2]. The annual reports describe coverage and reporting limitations; company-wide totals can include some activity in jurisdictions that do not require call reporting.

The reported volumes rose approximately **36%**, but the reporting footprint changed. The two-year increase does not establish a national market growth rate. Reporting definitions also include instruments and potentially customer types outside our household target, while other providers or transactions may be missing. As a result, we neither treat 2024's $17.925 billion as a clean market floor nor gross it up by the percentage of companies not reporting.

The reported 2024 volume is **80% of the $22.35 billion household-model estimate**. This ratio is descriptive, not a measured coverage rate. If the NMLS figure had exactly the same scope, that relationship would be consistent with roughly 80% coverage. If part of the reported value is outside scope, the effective coverage of household checks could be lower. Conversely, a household model that is too high would also produce a low ratio. No 2025 or 2026 observed NMLS check-cashing volume is used in the model; the later headline numbers are estimates, not annual filings.

The historical 2009 FDIC Quarterly article[20] cited industry estimates of more than 170 million checks and $58 billion in annual face value. Those figures reflect a different era and scope and are included only as context. They are not a backcast of our model or an input to the forecast.

20. https://www.fdic.gov/system/files/2024-07/fdic140-quarterlyvol3no1-afs-final.pdf

15 | Sensitivity: what could make the estimate wrong?

The most consequential uncertainty is repeat use. The survey gives us a household count and an income-check flag, but not the average number of checks per subgroup. If frequency is 25% lower or higher in both cohorts, all else equal, 2024 modeled revenue is **$263–$439 million** instead of $351 million. A 25% shift in both effective fees generates the same fee range without changing transaction count or face value.

On the 2026 base estimate, those same one-at-a-time stresses move the unrounded $316.51 million estimate to **$237–$396 million**. Changing frequency also changes modeled checks and face value; changing fees leaves those two totals unchanged. The 2026 stress range tests the starting estimate; the $161–$337 million 2031 scenario spread tests future substitution assumptions. Neither is a statistical interval.

Change from 2024 baseline	Effect on modeled revenue	What to measure
±1 check per income-check household in both cohorts	±$19m	Recent counts by check type and household banking status
±$2 per transaction across both cohorts	±$72m	Transaction-weighted realized price after discounts and no-fee events
±10% check face value, holding effective fees fixed	No direct change; ±$2.24bn face value	Instrument amounts and pricing tiers; fees could move in reality
Both frequency and effective fee 25% below or above baseline	About $198m to $549m	Joint distribution of frequency, ticket and price

A separate top-down stress test

If, purely for comparison, the NMLS volume were aligned to our scope and represented 65%–90% of the total, it would imply **$19.9–$27.6 billion** of face value. Applying hypothetical weighted fee yields of 1.15%–2.00% yields a mechanically wide **$229–$552 million** fee envelope. These are assumptions, not measured coverage or fee rates. The agreed direction across methods is a substantial but hundreds-of-millions fee pool at baseline; the overlap is not a statistical validation because we use the industry benchmark to calibrate model scale.

16 | Base case: fewer checks, slightly higher fees per check

Year	Status	Transactions	Face value	Fee revenue
2024	Modeled baseline	35.9m	$22.35bn	$351m
2025	Estimate	33.2m	$21.18bn	$333m
2026	Estimate	30.8m	$20.08bn	$317m
2027	Forecast	28.5m	$19.04bn	$301m
2028	Forecast	26.4m	$18.05bn	$286m
2029	Forecast	24.4m	$17.13bn	$272m
2030	Forecast	22.6m	$16.25bn	$258m

Year	Status	Transactions	Face value	Fee revenue
2031	Forecast	21.0m	$15.43bn	$246m

The base case assumes transactions decline **9% annually for banked users** and **6% for unbanked users**. Nominal check face amounts rise **2.5% annually** in both cohorts; effective fees rise **2.0% and 2.5%**, respectively. These are structural scenario inputs, not forecasts from the FDIC, Fed or NMLS.

From 2024 to 2031, transactions decline at about **7.4% annually**, face value at **5.2%**, and fee revenue at **5.0%**. The average modeled fee rises from **$9.77 to $11.71**. That does not require every provider to raise its price: a shift toward higher-fee transactions and channels could produce some of the same effect. This report does not separately forecast posted fee inflation versus mix, so these forces should not be added on top of the model.

The average fee would have to be about **$16.75 per transaction** for the 2031 base-case volume to sustain 2024 nominal revenue. That is about **43% above** the $11.71 fee the model already assumes. It is a mechanical benchmark, not a pricing recommendation: raising fees could itself cause customers to leave or choose a lower-priced service.

17 | Faster and slower substitution scenarios

These scenarios share the same modeled 2024 baseline. They change future transaction growth, check face amounts and effective fees. They do not incorporate uncertainty about the starting level; page 15 handles that separately.

Annual inputs, banked / unbanked	Faster	Base	Slower
Transactions	−13% / −10%	−9% / −6%	−5% / −3%
Average check face value	+2% / +2%	+2.5% / +2.5%	+3% / +3%
Effective fee per check	0% / +1%	+2% / +2.5%	+3% / +3.5%
2031 transactions	**15.4m**	**21.0m**	**27.1m**
2031 face value	**$10.94bn**	**$15.43bn**	**$20.66bn**
2031 fees	**$161m**	**$246m**	**$337m**

Faster substitution: Electronic payroll and government disbursement adoption removes more repeat check use while cheaper digital options restrain effective fees. This case is most plausible if forward-check clearing and repeat household use fall together and quoted expedited fees stay flat.

Slower substitution: Paper checks persist in some private payment flows, and the remaining customer mix puts a premium on same-day access. This case is most plausible if same-provider transactions fall only modestly despite broader check-processing declines.

These are three coherent sets of assumptions, not equally likely outcomes. The 2031 fee endpoints are conditional on today's modeled baseline. For example, holding the base forecast's per-year growth rates fixed but starting with baseline effective fees that are 25% lower or higher would produce roughly **$184–$307 million** in 2031 fees before considering any separate uncertainty in transactions.

18 | Where the remaining fees may concentrate

In the base case, banked-user fees move from **$142 million** in 2024 to **$84 million** in 2031. Unbanked-user fees move from **$209 million** to **$161 million**. Both decline; the unbanked share rises because its modeled transaction count falls more slowly and its effective fee increases somewhat faster.

Modeled base case	2024	2026	2031
Unbanked share of transactions	50.7%	52.3%	56.3%
Unbanked share of fee revenue	59.6%	61.4%	65.7%
Banked fee revenue	$142m	$122m	$84m
Unbanked fee revenue	$209m	$194m	$161m

We do not forecast an increase in the number of unbanked households. Banking status is a cohort label for the demand estimate; future transaction attrition blends changes in household composition, repeat use, and switching to alternatives. The relative shares are not a forecast of the percentage of households without accounts.

There are two distinct product questions here. First, can a household receive future payments electronically at a price and in a form it can actually use? Second, when a household receives a paper check anyway, what is the lowest-cost reliable conversion route? The answers need not be the same. An account comparison alone won't answer the second question; an accessible check-cost comparison won't move the next payroll run to digital.

19 | What would change the forecast?

The 2031 base case is a working hypothesis. It should be revised when better evidence changes one of the three parts of the model: how many people use the service, how often they use it, and how much they pay. We would not revise the forecast merely because the two annual NMLS totals diverge; scope and filing coverage need to be reconciled first.

Signal	What would cause an update	Model component
Next public FDIC household results	Comparable nonbank check-use rates and counts materially above or below the modeled household trend	Baseline active users and subgroup mix

Signal	What would cause an update	Model component
State or provider data	Evidence of a large change in transaction counts among comparable filers, or per-user frequency that contradicts our 12/24 assumptions	Transactions
Observed receipts or provider aggregates	Transaction-weighted fees materially different from $8 and $11.50, or a major shift toward no-fee and lower-fee funding	Effective fees
More evidence on federal paper payments	Paper disbursements persist longer, or fall faster, than anticipated for customer groups that rely on cash access	Substitution speed
Mobile check-cashing disclosures	Separately identifiable paid app transactions show major substitution or unmet coverage	Channel scope and potential overlap

For the next release, the highest-value exercise is to obtain **checks and fees from the same reporting panel** in two consecutive periods. A panel that supplies dollar throughput but no check count still helps test the scale. A panel with counts, face value and fees by instrument would test all three modeled measures. Collect weekly or monthly time series when possible so tax season and payroll cycles are not mistaken for structural shifts.

20 | Implications for providers, households and editors

Providers: watch repeat use

Lower paid volume does not tell an operator which locations or instruments are unprofitable. Compare accepted checks, rejects, fees per paid check, payout costs and repeat use at the location or product level. Our market forecast speaks to gross fees, not margins. Raising a fee can offset some volume loss on paper, but the outcome depends on how many customers can move to retail, switch to delayed funding, or stop receiving checks.

Households: compare the cost of usable money

The most practical comparison is net dollars the household can use today versus net dollars later. A fee ceiling is not a quote; a wallet deposit is not cash in hand; a nearby location may not accept the instrument. A consumer-facing companion should let readers specify the amount, the type of check, and how soon they need the funds, while making assumptions visible.

Editors: publish the findings separately from the model

Use source-observed figures for claims about use and eligibility; identify reports of legal ceilings as such. For headlines about the size of the market, use “ComplexSearch estimates,” state the year, and label fees versus face value. A sound excerpt is: “ComplexSearch estimates U.S. households cashed about $20 billion in checks through nonbank channels in 2026, with roughly

$317 million in consumer fees under its base-case model." Do not remove the qualification from the fee figure or imply the industry filed that number.

The most defensible original companion would be a downloadable fee basket for eligible checks of $250, $500, $750 and $1,000, with posted price, observed local quote, acceptance conditions and funding speed defined separately. Readers can verify a provider's price example even if they disagree with the national model.

21 | Reproduce the estimate

The accompanying **U.S. Check-Cashing Market: Scenario Model** research dataset gives one row per scenario, cohort and year, including source input values, assumed annual rates and unrounded calculation outputs at practical precision. Sum the two cohort rows for the same year and scenario to reproduce the headline numbers. The 2024 value repeats across scenarios by design; do not sum across scenarios.

Symbol	Calculation
(U)	Survey-weighted 2023 user households × 2024 user-count multiplier
(F)	Income-check user share × assumed frequency of that group + remaining share × assumed frequency of other users
(T_t)	(U \times F \times (1 + g_T)^{t-2024}), where (g_T) is assumed transaction growth
(V_t)	(T_t \times V_{2024} \times (1 + g_V)^{t-2024}), where (V_{2024}) is assumed average check amount and (g_V) is its growth
(R_t)	(T_t \times P_{2024} \times (1 + g_P)^{t-2024}), where (P_{2024}) is assumed average fee and (g_P) is its growth

Scenario growth rates are applied first to each cohort, then totals are formed. Market average fee is total fees divided by total transactions, not the simple average of the two cohort prices. Growth over a multi-year span is ((\text{ending}/\text{starting})^{1/\text{years}} - 1), with seven steps from 2024 to 2031.

Replication checks: The two cohorts produce 35,926,391 modeled transactions in 2024 and $351,141,602.50 in baseline fees. In 2031 the base case produces about $245,550,343 in fees. Extra precision here is for reproducing the calculation only. Public-facing figures are rounded so the implied accuracy does not exceed the evidence.

22 | Evidence register and limitations

Evidence	Supports	Does not support
FDIC 2023 report[3], appendices[1] and instrument[4]	Household prevalence and income-check subgroup	Fees paid, transaction frequency, or mobile channel penetration

Evidence	Supports	Does not support
NMLS 2023[5] and 2024[2] annual MSB reports	Face value reported by filers and reporting footprint	Total household revenue or same-panel market growth
Fed check collection series[6] and November 2026 Fed notice[7]	Direction in check clearing handled through the Reserve Banks	The number of checks converted to cash by households
IRS paper-check Q&A[8]	Federal transition and exceptions	Date when all customers cease receiving paper checks
Walmart[9], Ingo[12], and NY DFS[15]	Posted prices, terms and applicable ceiling in defined examples	National realized prices, transaction-weighted yields, or always-available offers

This pilot contains no paid survey, provider transaction panel, mystery shopping, or proprietary national revenue data. It makes no state-by-state estimates. The model's main innovation is the combination of household count, banking status, check-purpose segmentation and a regulatory scale check, not a new direct observation of national fee revenue.

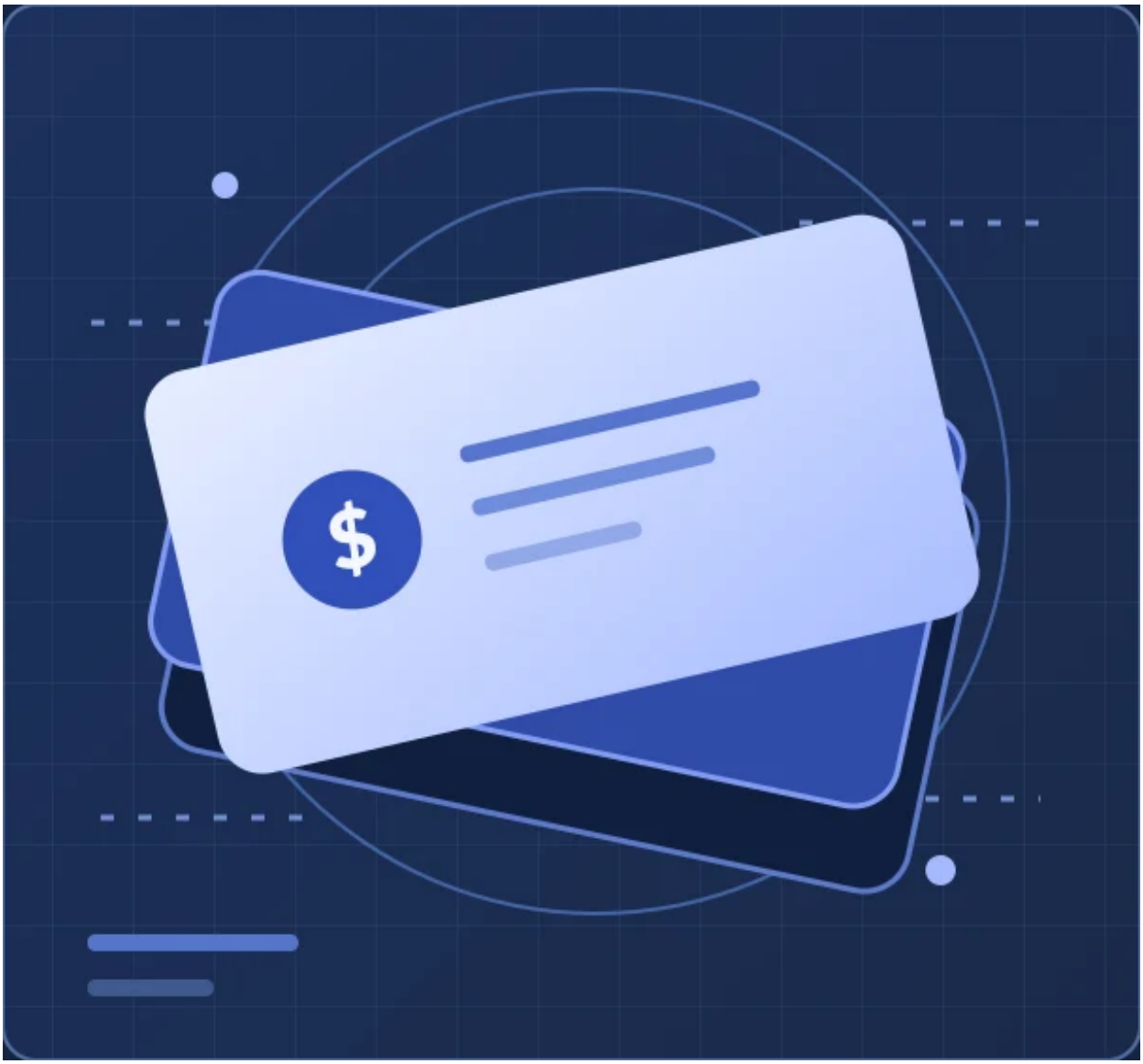
Fieldwork that could validate the model

Use the quote template to ask: "If I bring a preprinted paper payroll check payable to me for $250, $500 or $750 and have valid government-issued photo ID, would you consider it? What is the regular total fee at each amount, including any mandatory enrollment or other charges? What ID is accepted, when can I use the funds, and would I receive cash or account credit?" Record first-time terms separately. Log unanswered calls, quote refusals, conditional estimates and completed transactions separately; do not record customer information or treat a phone quote as a price paid.

For effective fees, ask regulators or providers for the transaction count, total face value and consumer fees for the same period and reporting population, ideally split by instrument, size band, channel and geography, including zero-fee transactions. For repeat use, also request anonymized aggregate counts of distinct households or a frequency distribution for the same scope; transaction totals alone do not identify household repeat use. The New York DFS November 2026 request[18] sought fees charged from January 2023 through September 2026. The notice does not release the underlying records, and ComplexSearch has not sent the draft requests.

Suggested footnote when citing the model: ComplexSearch Research, "The U.S. Check-Cashing Market," November 2026. Household-anchored estimate with explicit frequency, transaction-size and effective-fee assumptions; benchmarked against reported 2024 NMLS throughput of different scope.

Report charts



Banking & FinanceMarket outlook to 2031

ComplexSearch

03 / HOUSEHOLD USE

Most user households were banked

U.S. households that used nonbank check cashing in the prior 12 months, 2023



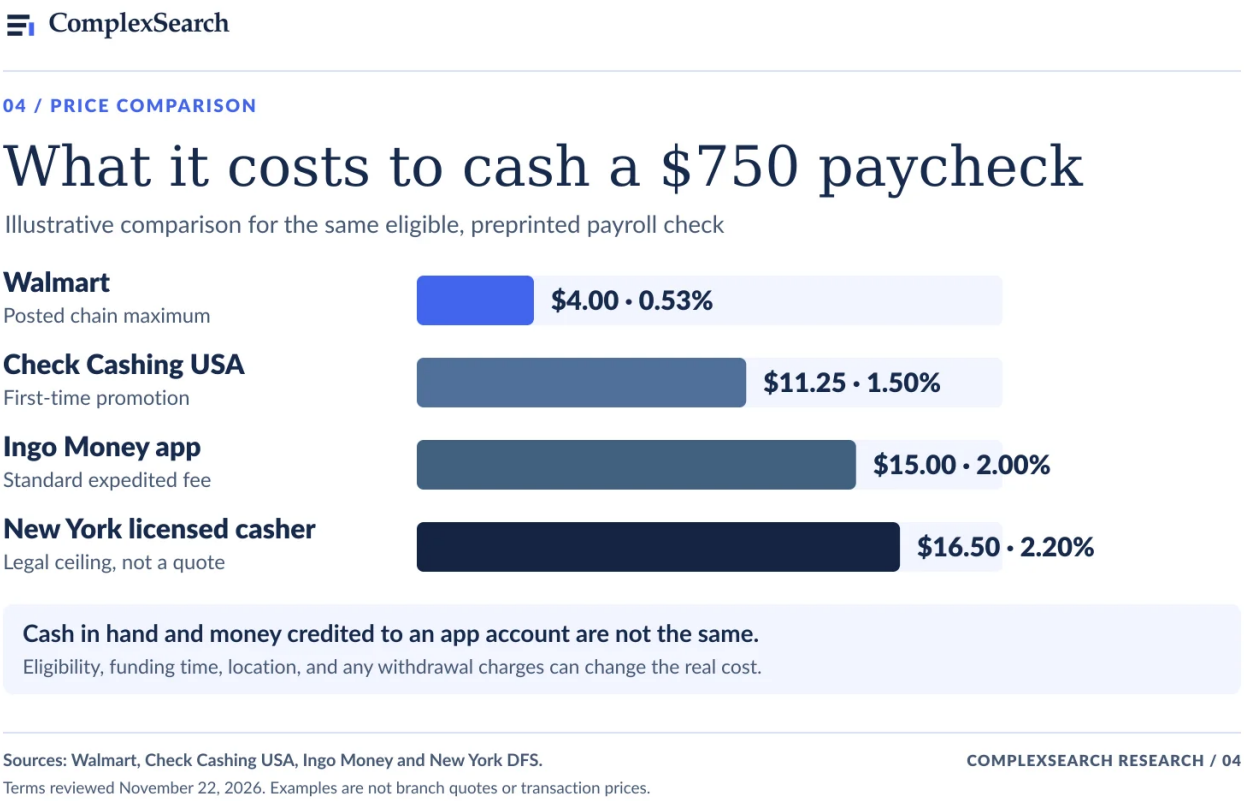
About 72% of households using the service already had a bank or credit union account.

Source: FDIC 2023 Household Survey, Appendix D.5.

COMPLEXSEARCH RESEARCH / 03

Counts are survey-weighted. They do not measure how often households cashed checks.

Source: FDIC Household Survey, Appendix D.5



Published terms and a legal ceiling, not local quotes. The table lists the sources.