Why it costs so much to be poor in the U.S.

By Karen Weese, Washington Post

Sirrea Monroe never expected her electricity to get shut off – she was only $70 behind, and she planned to pay it off after her next paycheck. What happened next shocked her: "I called to get it turned back on, paid the $70 with what was supposed to be my rent money, and then the lady says, 'Great, thank you for your payment! Now I need $250 for the 'new customer' deposit.'" Monroe, a convenience-store manager who has a child with special health needs, was in disbelief. "I'm like, 'Look, I couldn't afford $70. Where am I going to get $250?' Now I'll be more in the hole than I was before."

Monroe had been a customer of the electric company for more than a decade, and the power had been off for less than an hour. It did not matter: She had to pay it. It took more than six months to pay off.

It has never been easy to be poor in America, but decisions made in company boardrooms about seemingly modest financial matters – about fees, fines, interest rates, minimum balances – make life far harder than it has to be for low-income families. This week, Bank of America announced its free, no-minimum-balance checking account, popular with many low-income customers, will require a $1,500 minimum daily balance or $250 in direct monthly deposit (totaling $3,000 per year). If customers fall below that threshold, they will be forced to pay a monthly fee.

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