PUBLIC AFFAIRS POLICY BRIEF SERIES

NATIONAL RESTAURANT ASSOCIATION®

SWIPE FEES

THE CREDIT CARD COMPETITION ACT

Processing credit card transactions is the third largest operating expense for most restaurants, behind food and labor.

The Credit Card Competition Act (CCCA) is bipartisan legislation that would drive down the high swipe fees paid on every credit card transaction by creating competition in the broken credit card processing market.

If passed, the CCCA will lower swipe fees, improve credit card security and service, and save U.S. businesses—including restaurants—and consumers an estimated $17 billion a year.

LOWERING SWIPE FEES BY INTRODUCING COMPETITION

U.S. swipe fees are among the highest in the world because just two companies control 80% of the credit card processing market. Unchecked by competition, U.S. swipe fees paid by businesses and their customers have increased about 70% since 2020.

Restaurants cannot negotiate the exorbitant swipe fees paid on every credit card transaction, nor can they choose between networks when processing a transaction.

The CCCA is carefully targeted legislation that would prohibit the nation's largest banks (those with over $100 billion in assets) from restricting the number of processing networks on which a credit card transaction can be processed.

This change **would empower operators to choose the most cost effective and secure network** when processing credit card transactions, **forcing the credit card duopoly to finally compete for business.**

RESTAURANTS ARE ESPECIALLY AFFECTED BY HIGH SWIPE FEES

Restaurants are cornerstones of their communities, creating jobs, paying taxes, and bringing people together. In 2025, America's restaurants were the nation's second-largest private employer, generating over $1 trillion in sales.

At the same time, 9 in 10 U.S. restaurants are small businesses with fewer than 50 employees. Most operators have just one location. And a typical restaurant operates on a tight 3-5% pre-tax profit margin.

Unfortunately, high swipe fees disproportionately impact small business restaurants.

Swipe fees cost U.S. businesses over **$187 billion in 2024** when debit cards are included, driving up prices for the average family by **more than $1,200 a year.**

Credit card **processing fees have more than doubled over the past decade** and increased over 70% since 2020.

Swipe fees are centrally fixed by two dominant credit card networks, making them **insulated from true market competition.**

LEARN MORE

Visit: Restaurant.org/SwipeFees

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Because of their low volume and market power, U.S. small businesses pay some of the highest swipe fee rates in the industrialized world. One of the global card networks has already announced a 75 basis point increase for 2026.

The duopoly's consistent increases in swipe fees year over year are costs restaurants can't afford to absorb. By allowing small business restaurant operators to choose between networks when processing credit card transactions, the CCCA will help lower one of their top operating costs.

AMERICA'S RESTAURANTS, SMALL BUSINESSES NEED CONGRESS TO ACT

The swipe fee status quo is unsustainable for America's restaurants.

Without congressional action to promote free and fair competition in the credit card processing market, the credit card duopoly's swipe fees will continue to rise, squeezing restaurant operators and the communities they serve.

The restaurant industry urges policymakers to create competition in the broken credit card processing market and reduce excessive credit card swipe fees by passing the Credit Card Competition Act (CCCA).

Restaurant.org/SwipeFees