Cal Account Project Status Report

Status as of January 20, 2024
For Task 1 (survey), RAND is fielding the survey.
 For Task 2 (landscape of banking options), RAND is analyzing the spatial distribution of bank branches and the fees associated with traditional and non-traditional banking services.
 For Task 3 (cost-benefit analysis), RAND is implementing the quantitative methods to inform the cost-benefit analysis.
 For Task 4 (impact analysis), RAND is continuing estimating how participation in the CalAccount program impacts disparities.
 For Task 5 (operations analysis), RAND is continuing conducting subject matter expert interviews.
None
 Briefing on preliminary findings scheduled for February 15, 2024 Draft report due July 1, 2024 Briefing on full set of findings scheduled for July 8, 2024 Final report due August 8, 2024

Project Schedule (pages 2-3): Reflects the final workplan.

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Task 1: Survey of the un/underbanked																				l				Н	Н							l	1																												
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1.2 Develop sampling plan							ı	ı	1											l				Н	Н							l	1											1																	
1.3 Develop data collection strategy								ı	1											l				П	il							l	1																												
1.4 Translate survey									1											l				l	Н							l	1											1																	
1.5 Program survey							ı													l				П	i							l	1																												
1.6 Pilot the survey and data collection strategy							ı		1											L				П								l	1																												
1.7 Revise survey and data collection strategy based on pilot findings									-											L				L	Ш								1											╛																	
1.8 Collect data									1											l																								L																	
1.9 Analyze survey data							ı		1											l												l	1											1																	
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Task 2: Landscape of banking options							L	L	1								L			L				П	Н							l	1																												
2.1 Identify available banking services to unbanked/underbanked							ı	ı	1											l	L			L	i								1											1																	
2.2 Document the prevalence of overdraft/monthly fees & balance requirement	nts																			l					Н							l												1																	
2.3 Assess the role and effects of ChexSystems							L	L	1											l					il							l																													
2.4 Determine the costs of alternative options							l	ı	1											l					Н							l																													
2.5 Investigate the presence and effectiveness of private sector competitors							ı		1											L												l																													
2.6 Examine the effects of historical redlining on current landscape					l					-			1		I					1		١		1	П																									l		-	-						1		

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3: Cost benefit analysis		П														H																								
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Conduct comparative evaluation of costs and benefits																H																								
Conduct quantitative cost-benefit analysis using hypothetical scenarios																																								
4: Impact analysis																П																								
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stimate immediate savings to low-income families																н																								
Describe potential longer run benefits to low-income families																H			lΙ																					
nvestigate potential impact on public safety																н			Ш																					
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5: Operations assessment																			П						Г															
Assess the feasibility of proposed structure																			$ \ $																					
Provide modifications to proposed structure to ease burden																																								
structure the process of participating without a photo ID																Н																								
Assess the feasibility of board requirements																			$ \ $																					
nform program outreach to encourage enrollment																			H																					
dentify appropriate regulatory structure for each component																			ll																					
dentify appropriate governance of public-private partnership																																								

Monthly Report	December 2023
Project Progress	 Task 1: Survey of the un/derbanked. RAND evaluated the results of the pilot test and revised the survey, recruitment materials, and data collection protocol as needed. Specifically, RAND: Finished pilot testing the web survey. Translated the final version of the survey and participant recruitment materials into Spanish. Began programming the Spanish version of the survey. This work will be finalized in January 2024 and will not cause project delays. Began recruiting field staff who will conduct in person interviews. Finished printing and preparation of web survey invitation letters in preparation for launching the survey in January. Task 2: Landscape of banking options. RAND finalized the dataset on the costs of non-traditional banking services and began reviewing the impact of ChexSystems on financial access. Specifically, RAND: Finalized the dataset on the costs of non-traditional/alternative banking services that are used by the population of interest. Used data from Consumer Financial Protection Bureau (CFPB) reports on non-traditional payment systems and previously collected data on non-traditional/alternative banking services to document the potential benefits and harms of these services for the population of interest. This documentation will be included in RAND's final report to STO.

Monthly Report	December 2023
	 Began a systematic literature review on the impact of ChexSystems on access to financial services for un/underbanked
	by taking advantage of RAND's extensive access to leading academic journals and government reports. A summary of
	the literature review will be included in RAND's final report to STO.
	Task 3: Cost-benefit analysis. RAND conducted comparative evaluation of costs and benefits, and a quantitative cost-benefit
	analysis using hypothetical scenarios. Specifically, RAND:
	 Characterized importance of qualitative costs and benefits vis-à-vis quantitative models, providing justifications and rationales based on literature scan and in consultation with sponsor, to inform assumptions underpinning quantitative analyses.
	 Identified and collected appropriate data sources for implementation of quantitative methods.
	 Adjusted cost/benefit matrix categories as necessary, based on scenarios chosen for analysis. In line with best practices, these may be updated as required.
	Task 4: Impact analysis. RAND continued to estimate how participation in the CalAccount Program impacts disparities,
	estimated immediate savings to low-income families, described potential longer run benefits to low-income families, and
	investigated potential impact on public safety. RAND also began to investigate the potential impact on banks. Specifically,
	RAND:
	 Continued to estimate the impact of the CalAccount Program on disparities.
	 Continued to review literature and policy documents to estimate fees associated with financial services.
	 Began to estimate potential savings to participants from participating in the CalAccount Program using estimates of fees associated with financial services.
	 Finished reviewing literature on the effects of cash transfer programs on long term outcomes and began summarizing
	the literature review for inclusion in the draft report.
	 Finished reviewing literature on the benefits of financial inclusion and disadvantages of using alternative financial
	services and began summarizing the literature review for inclusion in the draft report.
	 Continued to review literature on the relationship between alternative financial services and public safety and began summarizing the review for inclusion in the draft report.
	 Began to review existing literature and analysis from previous tasks to describe potential impact of the CalAccount Program on banks.
	 Continued subject matter expert discussions in coordination with Task 5.
	Task 5: Operations assessment. RAND began documenting the process of participating in banking without ID and examining
	strategies to encourage enrollment, and studying necessary regulatory structure of the proposed process. Specifically, RAND:
	Continued the review of relevant literature, regulations, similar programs and organizations, and survey data analyzed
	in other tasks (e.g., Task 2) to inform feasibility.
	 Continued describing key characteristics of key components that are relevant for feasibility as informed by the review and evaluate options to participating in banking without ID based on the literature, current financial services and similar services that do not require an ID or accept alternative IDs, and their legal implications.
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 $^{^{1}}$ RAND reports financial information on a biweekly basis that does not always align with calendar months.

Monthly Report	December 2023
	• Task 2: Landscape of banking options. RAND will start scheduling interviews with consumer advocacy groups and industry stakeholders to discuss the impact of ChexSystems on financial access, use survey responses to analyze the impact of banking fees on financial participation, analyze the spatial distribution of bank branches, and examine how overdraft/NSF fees vary geographically and over time.
	• Task 3: Cost-benefit analysis. RAND will conduct comparative evaluation of costs and benefits, and a quantitative cost-benefit analysis using hypothetical scenarios.
	• Task 4: Impact analysis. RAND will continue to estimate how participation in the CalAccount Program impacts disparities, estimate immediate savings to low-income families, describe potential longer run benefits to low-income families, investigate potential impact on public safety, and began to investigate the potential impact on banks.
	 Task 5: Operations assessment. RAND will access the feasibility of board requirements.
	Task 6: Project management. RAND will meet with and solicit advice as needed from the Commission and Advisory
	Committee. RAND and STO project leadership will continue to hold weekly meetings to monitor progress, troubleshoot issues, and share findings as they become available. RAND project leadership will attend the January 18 th Blue Ribbon Commission meeting.