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# Banking the Unbanked

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CalAccount Market Study and Feasibility Assessment—  
Annex III: RAND California Survey of Household Finance  
Methodology

This publication has completed RAND's research quality-assurance process but was not professionally copyedited.

For more information on this publication, visit [www.rand.org/t/RR3117-1](http://www.rand.org/t/RR3117-1).

This annex was updated in August 2024 to reflect changes based on public comments, as described in Appendix J.

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## About This Annex

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This annex presents Appendixes G through I to the RAND report *Banking the Unbanked: CalAccount Market Study and Feasibility Assessment*, available at [www.rand.org/t/RRA3117-1](http://www.rand.org/t/RRA3117-1). Appendix G describes the RAND California Survey of Household Finance, and Appendix H describes the survey instrument. (Please note the survey instrument in Appendix H is formatted for survey programmers to program the survey into a web-based format. Consequently, it includes code and instructions for question order, pre-loaded responses, and skip logic.) Appendix I presents a crosswalk between the report contents and the project's contract requirements.

The study was funded by the California Treasurer's Office and led by Principal Investigator Jonathan Welburn and Project Director Robert Bozick. For all inquiries, email [CalAccountProject@rand.org](mailto:CalAccountProject@rand.org).

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## Appendix G. Survey Description

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The RAND California Survey of Household Finance was designed to understand the financial management practices of the unbanked and underbanked population with the goal of assessing their receptivity toward a potential state-run public bank. The sample was developed so that the results can generalize to the population of unbanked and underbanked California state residents. In planning for the survey, we determined that we would need approximately 750 sample members to have adequate statistical power to answer our research questions. We projected that we would need to invite sample members from approximately 12,000 households to obtain 750 unbanked and underbanked residents. We used the U.S. Postal Service's (USPS) computerized delivery sequence file, which includes a list of all addresses serviced by the agency, as our population frame to develop an address-based sample. Our sampling approach was guided by two goals. First, we wanted to ensure that the sample reflected both the geographic and socioeconomic diversity of the state. Second, because data collection included door-to-door home visits, we needed to geographically cluster our sample to minimize travel costs and to maximize efficiency for our data collection staff.

To achieve both goals, we used a two-stage stratified clustered design. We first stratified addresses based on rural versus urban designations, with tracts where more than half of the addresses were identified as rural being designated as rural. We chose 8 tracts from the rural frame, and 16 from the urban sampling frame. In the first stage, we randomly sampled census tracts within each strata with a probability proportional to the distribution of tract-level household income. Tracts were categorized based on median household incomes, with categories less than \$15,000; \$15,000 to \$30,000; \$30,000 to \$50,000; \$50,000 to \$75,000; and over \$75,000. We sampled tracts with proportion equal to a rough estimate of the number of unbanked and underbanked households in these tracts, with the estimated tract-specific unbanked and underbanked rates ranging from 41.6 percent for the lowest income tracts to 3.2 percent for the highest income tracts. In the second stage we selected addresses at random. Our final address-based sample frame included 12,523 addresses.

We sent a recruitment package to each address in the sample frame that invited the head of household to participate in the survey. This invitation included a web url for the survey along with a personal identification number linked to their address. Once accessing the web url and entering their personal identification number, the sample member first answered a set of screener questions which included the same questions used in the FDIC's National Survey of Unbanked and Underbanked Households to determine one's banked status. If the sample member was considered to be banked, they were informed that they were not eligible for the survey. If the sample was considered to be underbanked or unbanked, they were then invited to complete the full survey. To encourage participation, we sent two follow-up postcard reminders to addresses

that did not respond to the original invitation. Additionally, we deployed a team of bi-lingual data collection staff across the state to directly administer the survey in-person to households who did not respond to the original invitation. Of the 12,523 addresses invited, we secured the participation of 1,776 households. This included, 1,146 households who completed the screener questions via the web and 630 households who completed the screener questions via an in-person interview. After accounting for valid mailing addresses, incomplete surveys, break-offs, sample members who were incapable of participating, and duplicate cases, the final response rate was 9.8 percent. Of the 1,146 cases who filled out the survey, 957 were classified as eligible for the survey and went on to complete it in full. All survey materials were provided in both English and in Spanish, and all participants received a \$20 pre-paid electronic debit card to thank them for their time.

A limitation to using address-based sampling is that typical population frames such as the USPS computerized delivery sequence often excludes mobile homes and accessory dwelling units that are used by migrant farmworkers who are temporarily in the country for work. Because this population is of importance to the CalAccount program and because it is a difficult population to locate and recruit, we augmented our address-based sample with a convenience sample of migrant farmworkers. To obtain this convenience sample, we partnered with La Cooperativa Campesina de California which is an association of agencies implementing and administering farm worker service programs across the state. In partnering with an association that has already developed a level of trust and rapport with its clients, we were able to survey a population that is typically skeptical of providing personal information to the government. We requested the association to select a diverse sample of their client base to include migrant farmworkers of different ages and various locations across the state. La Cooperativa Campesina de California was able to procure the participation of 140 migrant farmworkers. Of those 140 migrant farmworkers, 77 were classified as eligible for the survey and went on to complete it in full.

Our final analytic sample includes 1,034 sample members, with 957 coming from our address-based sample and 77 from our convenience sample of migrant farmworkers. This exceeded our initial target of 750 by 284 sample members. So that our findings generalize to the population of California's unbanked and underbanked residents we created a sample weight based on our sampling design, which accounts for the fact that households in rural and/or low income tracts were more likely to be sampled. The sampling weight also accounts for differential response rates across tracts. All estimates provided in this report are weighted using this sample weight, except for Table 2.1 which shows unweighted descriptive statistics for key demographic characteristics.

**Table G.1 Unweighted Descriptive Statistics for Key Demographic Characteristics of the 2021 FDIC National Survey of Unbanked and Underbanked Households and the 2023 RAND California Survey of Household Finance Sample Members**

	FDIC Survey California Subsample	RAND California Survey of Household Finance		
	Total underbanked and unbanked	Total underbanked and unbanked	Underbanked	Unbanked
<b>Sex</b>				
Female	48.7%	53.3%	53.6%	52.6%
Male	51.3%	41.6%	41.6%	41.7%
Prefer not to say	NA	5.1%	4.8%	5.8%
<b>Race/Ethnicity</b>				
Hispanic	46.0%	57.8%	60.4%	52.9%
White	25.3%	13.4%	15.5%	9.5%
Black	11.5%	12.6%	8.7%	20.1%
Asian	16.3%	2.9%	3.8%	1.2%
Other	0.9%	13.3%	11.6%	16.4%
Age (mean)	49.9	46.0	45.8	46.5
<b>Nativity</b>				
Native-born	51.1%	35.2%	38.3%	28.9%
Foreign-born	48.9%	59.6%	56.9%	65.0%
Prefer not to say	NA	5.2%	4.8%	6.1%
<b>Educational attainment</b>				
12th grade or less	23.1%	26.6%	21.6%	36.5%
High school graduate	31.7%	33.6%	32.9%	35.1%

	FDIC Survey California Subsample	RAND California Survey of Household Finance		
Some college	21.4%	31.2%	33.9%	25.8%
Bachelor's degree	23.8%	8.5%	11.6%	2.6%
<b>Employment status</b>				
Employed	55.5%	49.3%	56.3%	35.5%
Unemployed	5.5%	10.0%	8.2%	13.7%
Not in the labor force	39.0%	40.7%	35.5%	50.8%
<b>Married</b>				
Yes	43.8%	27.4%	32.8%	16.9%
No	56.2%	72.6%	67.2%	83.1%
<b>Sample</b>				
Address-based sample	100.0%	92.5%	92.1%	93.4%
Migrant farmworker sample	0.0%	7.5%	7.9%	6.6%
<b>N</b>	<b>454</b>	<b>1,034</b>	<b>686</b>	<b>348</b>

## Appendix H. Survey Instrument

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### **CALACCOUNTS**

**Coord.: B. Weidmer**  
**Programmer: E. Bogdon**

1 -

Thank you for your interest in the California Survey of Household Finance. Please select the language you prefer to continue:

Gracias por su interés en la Encuesta de California Sobre Las Finanzas Del Hogar. Por favor seleccione el idioma and el que prefiere continuar:

English/Inglés (9)  
Español/Spanish (10)  
intro

Dear survey participant:

Before you begin this web survey, please read the following information about the purpose of the California Survey of Household Finance.

**Introduction:** The State of California, in collaboration with the RAND Corporation, is conducting a survey of California residents to collect data about your banking experiences and how you make decisions about your finances. The survey will help us identify the tools and services that Californians need to better manage their finances.

**Who should complete the survey:** The survey should be completed by the adult (age 18 or older) in your household who is primarily responsible for making financial decisions for the household.

**Survey Length:** You will first be asked to answer a few questions to verify that you are eligible for the survey. If you are eligible, the survey will only take about 15 minutes to complete. Depending on your responses, it may take you more or less time.

**Payment:** If you are eligible and complete the survey, we will send you a \$20 VISA gift card to thank you for taking the time to complete the survey.

**Voluntary Participation:** Your participation is completely voluntary. There are no consequences for deciding not to participate, for skipping questions, or for deciding to stop the survey after you begin. If you need to break off before completing the survey, you may log on again later to complete it. If you decide to stop after beginning the survey, the questions you have already answered will be retained.

**Privacy:** The information you provide is kept confidential. Only members of the RAND study team will have access to your survey answers, and we will take great care to protect your privacy and data. Our research team has safeguarding procedures in place to ensure that survey data are protected from accidental disclosure.

Risks of Participation: For most respondents, the survey involves no risks of participation. The survey does include some questions about your finances and how you make financial decisions. A breach of confidentiality could result in you feeling embarrassed or upset, however, we have taken many steps to protect your confidentiality. Your name or other identifying information will not be associated with your survey responses. Your survey responses will only be identified with a numeric ID. The data is collected using password-protected devices and it will be encrypted and stored in a password-protected network with access limited to the research team.

Who are we? The study is being conducted by the RAND Corporation, an independent, nonprofit research organization.

Who do you contact if you have questions or concerns about the survey?

Questions about the overall study or RAND: Contact the RAND research team by calling toll free at 1-888-846-1197 or email us at [financesurvey@rand.org](mailto:financesurvey@rand.org).

Questions about computer, technical, or survey problems:

Contact the RAND Survey Research Group at [srgwebhelp@rand.org](mailto:srgwebhelp@rand.org). If you have questions about your rights as a research participant or need to report a research-related injury or concern, you can contact RAND's Human Subjects Protection Committee toll-free at (866) 697-5620 or by emailing [hspcinfo@rand.org](mailto:hspcinfo@rand.org). If possible, when you contact the committee, please reference Study Number IRB00004525.

Press the Next button if you agree to do the survey. Please remember that the adult (age 18 or older) in your household who is primarily responsible for making financial decisions for your household should be the person who should complete the survey.

How many people are living or staying at  
^getAddress()^?

Include yourself and everyone who has lived or stayed here for the last two months.

- 1 (1)
- 2 (2)
- 3 (3)
- 4 (4)
- 5 (5)
- 6 (6)
- 7 (7)
- 8 (8)
- 9 (9)
- 10 (10)
- 11 (11)
- 12 (12)
- 13 (13)
- 14 (14)
- 15 or more (15)
- S7

[*Not required*]

How many of the ^f('S6')^ people living or staying at

^getAddress()^

are under the age of 15?

- 0 (0)
- 1 (1)
- 2 (2)
- 3 (3)
- 4 (4)
- 5 (5)
- 6 (6)
- 7 (7)
- 8 (8)
- 9 (9)
- 10 (10)
- 11 (11)
- 12 (12)
- 13 (13)
- 14 (14)
- 15 or more (15)

S8

[Not required]

Do ^f('youanyone')^ currently have a checking or savings account at a bank or credit union?

Yes (1)

No (2)

Don't know (3)

S9

[Not required]

In the past 12 months, did ^f('youoranyone')^...

	Yes (1)	No (2)	Don't know (3)
go to some place other than a bank or credit union to purchase a money order? (a)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
use money transfer services from a company like Western Union, MoneyGram, Walmart Money Center, or Ria Money Transfer? Do NOT include services from a bank or online or mobile services such as PayPal, Venmo, or Cash App. (b)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
go to some place other than a bank or credit union to cash a check? (c)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
take out a payday loan or payday advance from a provider other than a bank or credit union? (d)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
pawn an item at a pawn shop? Do not include selling an unwanted item to a pawn shop. (e)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
take out a tax refund anticipation loan? This is a way to receive your tax refund faster than the IRS would provide it. (f)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
take out an automobile title loan? Automobile title loans use a car title to borrow money for a short period of time. They are NOT loans used to purchase a car. (g)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

CONDITION

f('S8')=='1' && f('S9')['a'].toNumber()>=2 && f('S9')['b'].toNumber()>=2 && f('S9')['c'].toNumber()>=2 && f('S9')['d'].toNumber()>=2 && f('S9')['e'].toNumber()>=2 && f('S9')['f'].toNumber()>=2 && f('S9')['g'].toNumber()>=2

true

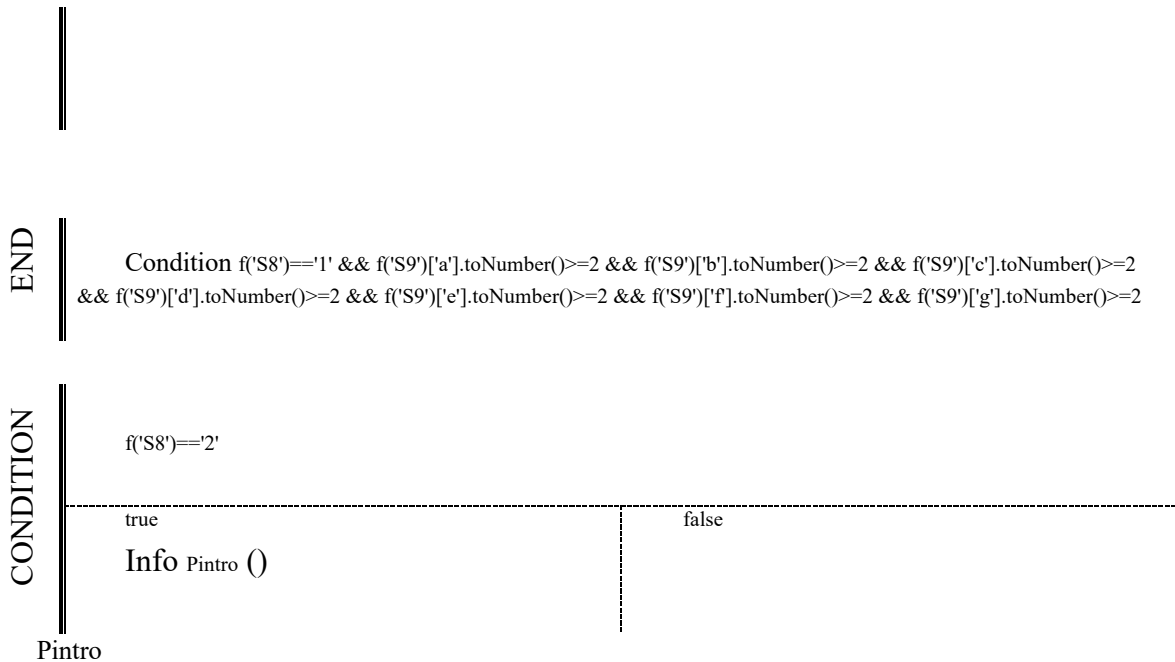
false

Question ()

STOP

Screened –

Thank you for taking the time to answer these questions. Based on the information you have provided; you are not eligible to complete the survey but we thank you for your time and cooperation.



There are different reasons people might not have a checking or savings account at a traditional bank or credit union. In the next four questions, please indicate whether any of the following reasons apply to ^f('youorother')^.

P1a

[Randomized answerlist]

Do you not have an account because...?

Check all that apply.

- Bank or credit union locations are inconvenient  (1)
- Bank or credit union account fees and service charges are too high  (2)
- Bank or credit union account fees are too unpredictable  (3)
- Banks or credit unions do not offer products and services you need  (4)
- You don't trust banks or credit unions  (5)

P1b

[*Randomized answerlist*]

Do you not have an account because...?

Check all that apply.

You don't have enough money to meet minimum balance requirements  (6)

Avoiding a bank or a credit union gives you more privacy  (7)

You don't have the personal identification required to open an account  (8)

You cannot open an account due to problems with past banking or credit history  (9)

It is not easy for you to speak with bank or credit union staff in your language  (10)

P1c

[*Randomized answerlist*]

Do you not have an account because...?

Check all that apply.

Banks or credit unions do not feel welcoming or comfortable for people like you  (11)

Information given by banks or credit unions on account rules and fees are confusing  (12)

You do not have enough money to need a bank or credit union account  (13)

Banks and credit unions take too long to clear checks  (14)

Banks and credit unions may close unexpectedly and you might lose all your money  (15)

P1d

[*Randomized answerlist*]

Do you not have an account because...?

Check all that apply.

- You do not need to write enough checks to make it worthwhile to have a bank or credit union account (16)
- The people and businesses you usually make payments to only accept cash  (17)
- You are not sure how to open and/or to manage a bank or credit union account  (18)
- You keep your savings in another country  (19)
- You prefer to handle your transactions with cash (20)

CONDITION	$(f('P1a').size() > 1 \parallel f('P1b').size() > 1 \parallel f('P1c').size() > 1 \parallel f('P1d').size() > 1) \parallel (f('P1a').size() \geq 1 \ \&\& \ f('P1b').size() \geq 1) \parallel (f('P1a').size() \geq 1 \ \&\& \ f('P1c').size() \geq 1) \parallel (f('P1a').size() \geq 1 \ \&\& \ f('P1d').size() \geq 1) \parallel (f('P1b').size() \geq 1 \ \&\& \ f('P1c').size() \geq 1) \parallel (f('P1b').size() \geq 1 \ \&\& \ f('P1d').size() \geq 1) \parallel (f('P1c').size() \geq 1 \ \&\& \ f('P1d').size() \geq 1)$
	<div style="display: flex; justify-content: space-between;"> <div style="width: 45%; text-align: center;">true</div> <div style="width: 45%; text-align: center;">false</div> </div>
P2	Question P2()

[Not required]

What is the main reason why ^f('youandother')^ do not have a checking or savings account?

- Bank or credit union locations are inconvenient  (1)
- Bank or credit union account fees and service charges are too high  (2)
- Bank or credit union account fees are too unpredictable  (3)
- Banks or credit unions do not offer products and services you need  (4)
- You don't trust banks or credit unions  (5)
- You don't have enough money to meet minimum balance requirements  (6)
- Avoiding a bank or a credit union gives you more privacy  (7)
- You don't have the personal identification required to open an account  (8)
- You cannot open an account due to problems with past banking or credit history  (9)
- It is not easy for you to speak with bank or credit union staff in your language  (10)
- Banks or credit unions do not feel welcoming or comfortable for people like you  (11)
- Information given by banks or credit unions on account rules and fees are confusing  (12)
- You do not have enough money to need a bank or credit union account  (13)
- Banks and credit unions take too long to clear checks  (14)
- Banks and credit unions may close unexpectedly and you might lose all your money  (15)
- You do not need to write enough checks to make it worthwhile to have a bank or credit union account (16)
- The people and businesses you usually make payments to only accept cash  (17)
- You are not sure how to open and/or to manage a bank or credit union account  (18)



Were the accounts used to...?

Check all that apply.

- Pay monthly bills like rent, mortgage, utilities, or child care  (1)
  - Receive money from work, retirement, or a government agency  (2)
  - Send or receive money from family or friends  (3)
  - Make purchases either in person or online (4)
  - Other (5)
- U2

You indicated earlier that you  (1)

Please indicate why you use this service instead of your checking or savings account.

Do you use  (2) because...

Check all that apply.

- Your bank or credit union location is inconvenient (1)
- Your bank or credit union's account fees and service charges are too high (2)
- Your bank or credit union's account fees are too unpredictable (3)
- Your bank or credit union does not offer the product or service you need for certain transactions (4)
- You don't trust banks or credit unions (5)
- Avoiding a bank or credit union gives you more privacy (6)
- It is not easy for you to speak with bank or credit union staff in your language (7)
- Banks or credit unions do not feel welcoming or comfortable for people like you (8)
- Banks or credit unions take too long to clear checks (9)

The people and businesses you usually make payments to only accept cash (10)

You keep your savings in another country (11)

You prefer to handle your transactions with cash (12)

Other (13)

U3

[Not required]

What is the main reason why ^f('youandhh')^ use ^s9fill2()^?

Your bank or credit union location is inconvenient (1)

Your bank or credit union's account fees and service charges are too high (2)

Your bank or credit union's account fees are too unpredictable (3)

Your bank or credit union does not offer the product or service you need for certain transactions (4)

You don't trust banks or credit unions (5)

Avoiding a bank or credit union gives you more privacy (6)

It is not easy for you to speak with bank or credit union staff in your language (7)

Banks or credit unions do not feel welcoming or comfortable for people like you (8)

Banks or credit unions take too long to clear checks (9)

The people and businesses you usually make payments to only accept cash (10)

You keep your savings in another country (11)

You prefer to handle your transactions with cash (12)

END

Condition f('S8')='1' && (f('S9')['a']='1' || f('S9')['b']='1' || f('S9')['c']='1' || f('S9')['d']='1' || f('S9')['e']='1' || f('S9')['f']='1' || f('S9')['g']='1')

CONDITION

f('S9')['a']='1' || f('S9')['b']='1' || f('S9')['c']='1' || f('S9')['d']='1' || f('S9')['e']='1' || f('S9')['f']='1' || f('S9')['g']='1'

true

false

Question U4()

U4

You indicated earlier that ^f('youorother')^ ^s9fill()^

For what purpose did you use this/these alternative(s) to traditional banking?

Check all that apply.

- To pay monthly bills like rent, mortgage, utilities, or child care (1)
- To receive money from work, retirement, or a government agency (2)
- To send or receive money from family or friends (3)
- To make purchases either online or in person (4)
- Other (5)

END || Condition f('S9')['a']=='1' || f('S9')['b']=='1' || f('S9')['c']=='1' || f('S9')['d']=='1' || f('S9')['e']=='1' || f('S9')['f']=='1' || f('S9')['g']=='1'  
U5

[Not required]

Do you use any online or mobile payment services with an account feature that allows you to receive and store money, such as PayPal, Venmo, Cash App, Apple Pay, Google Pay, among others?

- Yes (1)
- No (2)

CONDITION || f('U5)=='1'  
-----  
true | false  
Question U6()  
U6

Which online or mobile payment services do you use?

Check all that apply.

- PayPal (1)
  - Venmo (2)
  - Cash App (3)
  - Apple Pay (4)
  - Google Pay (5)
  - Other, please specify (6) \_\_\_\_\_ [Other]
- U7

You indicated that you currently use ^u6fill()^ Think about the ways you used these online or mobile payment services in the past 12 months. Did you use these to...?

Check all that apply.

- Pay monthly bills like rent, mortgage, utilities, or child care (a)
- Receive money from work, retirement, or a government agency (b)
- Send or receive money from family or friends (c)
- Make purchases either in person or online (d)

END

Condition f('U5')='1'

F1

[Not required]

Now, thinking about all the different ways that you manage your money, which one do you use most often to pay monthly bills like rent, mortgage, utilities, or childcare?

- I pay with cash that I have on-hand (1)
- I pay with a credit card (2)
- I pay a debit card that is directly linked to my checking or savings account (3)
- I pay with a pre-paid debit card (4)
- I pay with a money order or cashier's check (5)
- I write a check from my checking account (6)
- I make a direct payment from my checking or savings account (7)
- I pay using the balance in my online/mobile payment service app (e.g. PayPal, Venmo, Cash App, Apple Pay, Google Pay, other) (8)
- Other (9) \_\_\_\_\_ [Other]

F2

[Not required]

Which one do you use most often to receive money from work, retirement, or a government agency?

- I receive a paper check (1)
- I receive payment through direct deposit to my bank or credit union account (2)
- I receive a pre-paid debit card (3)
- I receive cash (4)
- I receive payment through my online/mobile payment service app (e.g. PayPal, Venmo, Cash App, Apple Pay, Google Pay, other) (5)
- Other (6) \_\_\_\_\_ [Other]

F3

[Not required]

Which one do you use most often to send money to family or friends?

- I send cash that I have on-hand (1)

- I purchase a pre-paid debit card for them (2)
- I send a money order or cashier's check (3)
- I write a check from my checking account (4)
- I make a direct payment from my checking or savings account (5)
- I pay them using the balance in my online/mobile payment service app (e.g. PayPal, Venmo, Cash App, Apple Pay, Google Pay) (6)
- Other (7)

F4

[Not required]

Which one do you use most often to make purchases either in person or online?

- I pay with cash that I have on-hand (1)
- I pay with a credit card (2)
- I pay with a debit card that is directly linked to my checking or savings account (3)
- I pay with a pre-paid debit card (4)
- I pay with a money order or cashier's check (5)
- I write a check from my checking account (6)
- I make a direct payment from my checking or savings account (7)
- I pay using the balance in my online/mobile payment service app (e.g. PayPal, Venmo, Cash App, Apple Pay, Google Pay, other) (8) \_\_\_\_\_ [Other]
- Other (9)

F5

F5

[Numeric ♦ Not required ♦ Lower limit=0 ♦ Lower limit type=GreaterOrEqual ♦ Upper limit=9999999999 ♦ Upper limit type=SmallerOrEqual ♦ Total Digits=10]

^f('S8').get() == 1 ? 'On average, about how much money do you keep in your checking and savings account (combined) during a regular month?' : 'We understand that you do not have a checking or savings account at a traditional bank or credit union. However, if you DID have a checking or savings account, about how much money would you likely be able to keep in it on average during a regular month?' ^ input[type=number]::-webkit-inner-spin-button, input[type=number]::-webkit-outer-spin-button { -webkit-appearance: none; }

.cf-numeric-answer::before { content: '\$' }

F5ver

Please confirm that you ^f('S8').get() == 1 ? 'keep' : 'would keep'^ \$^f('F5')^ in a checking or savings account during a regular month.

End of F5

F6

[Not required]

Suppose you suddenly had to come up with \$400 to deal with an unexpected emergency, like a hospital visit or a broken vehicle or appliance. How would you handle a situation like that?

- I would not be able to come up with \$400 right now and so would go into debt for this emergency (1)
- I would put it on a credit card (2)
- I would borrow money from a friend or a relative (3)
- I would withdraw money from my checking or savings account (4)
- I would use money I have on hand (NOT in a checking or savings account) (5)
- I would try to get a payday loan or payday advance (6)
- I would pawn something of value to a pawn shop (7)
- I would apply for a personal loan from my bank (8)
- I would apply for a tax refund anticipation loan (9)
- I would apply for an automobile title loan (10)
- Other (11) \_\_\_\_\_ [*Other*]

F7

[*Not required*]

Do you currently have any outstanding debts from loans such as?

	Yes (1)	No (2)
A charge card or credit card balance remaining after your last payment (1)	<input type="radio"/>	<input type="radio"/>
Mortgage or home equity loan (2)	<input type="radio"/>	<input type="radio"/>
Home equity line of credit (HELOC) that you owe money on (3)	<input type="radio"/>	<input type="radio"/>
A loan for an automobile or other type of vehicle (such as a motorcycle or boat) (4)	<input type="radio"/>	<input type="radio"/>
Student loan (5)	<input type="radio"/>	<input type="radio"/>
Payday loan (6)	<input type="radio"/>	<input type="radio"/>
Automobile title loan (7)	<input type="radio"/>	<input type="radio"/>
Other consumer or personal loan or line of credit (8)	<input type="radio"/>	<input type="radio"/>

F8

[*Not required*]

Do you currently have past due bills, payments or other debts such as?

	Yes (1)	No (2)
Past-due taxes (1)	<input type="radio"/>	<input type="radio"/>
Past-due medical bills (2)	<input type="radio"/>	<input type="radio"/>
Past-due rent (3)	<input type="radio"/>	<input type="radio"/>
Past-due phone, cable, internet or other telecommunication bills (4)	<input type="radio"/>	<input type="radio"/>
Past-due utility bills (gas, electric, and water) (5)	<input type="radio"/>	<input type="radio"/>
Past-due child support (6)	<input type="radio"/>	<input type="radio"/>

M1

[*Not required*]

^f('S8').get() == 1 ? 'We understand that you currently have a checking or savings account. However, if you were offered the opportunity to open a new checking or savings account at a different bank, what features might convince you to take advantage of this opportunity in place of your current bank or credit union...?' : 'We understand that currently you do not have a checking or savings account at a traditional bank or credit union. However, if you were offered the opportunity to open a checking or savings account, what features might convince you to take advantage of this opportunity...?' ^

	I would not consider opening this account (1)	I might consider opening this account (2)	I would likely consider opening this account (3)
The account has no fees or penalties of any kind. That means you will NOT be charged a fee for overdrawing your account, for paying bills, for taking cash out at an ATM, or for using your debit card. (a)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The account does not require you to keep a minimum amount of money in it. (b)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The account does not require you to have a government issued ID. (d)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The account allows you to deposit income from any source no questions asked. (e)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The account is at a bank that has a physical location where you can go and receive in-person service. (f)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

T1

[Not required]

How much do agree or disagree with the following statements.

	Disagree completely (1)	Somewhat disagree (2)	Somewhat agree (3)	Agree completely (4)
I trust banks in the United States (a)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I trust the United States government (b)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I trust the California state government (c)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I trust money transfer services like Western Union, MoneyGram, Walmart Money Center, or Ria Money Transfer (d)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I trust payday loan or payday advance stores (e)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

	Disagree completely (1)	Somewhat disagree (2)	Somewhat agree (3)	Agree completely (4)
I trust pawn shops (f)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I trust online payment services like PayPal, Venmo, or Cash App (g)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

S1

[Not required]

What is the month and year of your birth?

S2

[Not required]

What is your biological sex?

Male (1)

Female (2)

Prefer not to say (3)

S3

[Not required]

Are you of Hispanic, Latino, or Spanish origin?

Yes (1)

No (2)

Prefer not to say (3)

S4

From the following list, how would you describe yourself? Please select all that apply.

Would you describe yourself as...

Check all that apply.

White (1)

Black or African American (2)

American Indian or Alaska Native (3)

Asian (4)

Native Hawaiian or Other Pacific Islander (5)

Other (6)

S5

[Not required]

What is the highest level of school you have completed or the highest degree you have received?

12th grade or less, no diploma (1)

- High school graduate, including a diploma or a GED (2)
  - Some college but no degree (3)
  - Associate degree (4)
  - Bachelor's degree (For example: BA, AB, BS) (5)
  - Advanced degree, including Master's, Professional and Doctorate degrees (6)
- D1

*[Not required]*

Is the house or apartment in which you live...?

- Owned by you or someone in this household without a mortgage or a loan (1)
  - Owned by you or someone in this household with a mortgage or loan (2)
  - Rented (3)
  - Occupied without payment of rent (4)
  - Not yours, owned by a family member or friend (5)
  - Other (6)
- D2

*[Not required]*

Are you currently...?

- Married (1)
  - Living with partner (2)
  - Widowed (3)
  - Divorced (4)
  - Separated (5)
  - Single, never married (6)
- D3

*[Not required]*

The next question is about your household's income. Remember that your answers are completely confidential. What is your best estimate of your household's total annual income from all sources before taxes in 2023? Include money from jobs, social security, retirement income, unemployment payments, public assistance and so forth. Also include income from interest, dividends, net income from business, farm, or rent and any other money income.

- Less than \$10,000 (1)
  - \$10,000 to \$14,999 (2)
  - \$15,000 to \$24,999 (3)
  - \$25,000 to \$34,999 (4)
  - \$35,000 to \$49,999 (5)
  - \$50,000 to \$74,999 (6)
  - \$75,000 to \$99,999 (7)
  - \$100,000 or more (8)
- D4

*[Not required]*

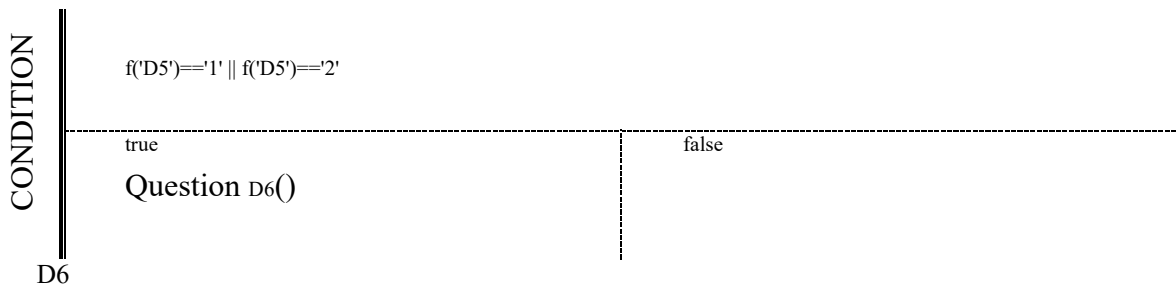
Overall, which one of the following best describes how well you are managing financially these days?

- Living comfortably (1)
- Doing okay (2)
- Just getting by (3)
- Finding it difficult to get by (4)

D5  
[Not required]

Which of the following options best describes your current employment situation?

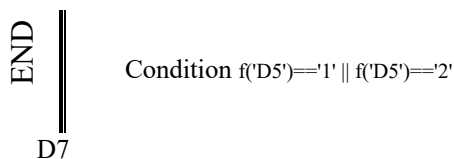
- Employed full-time (35 hours or more per week) (1)
- Employed part-time (Less than 35 hours per week) (2)
- Self-employed (3)
- Enrolled in college/school (4)
- Unemployed and currently seeking employment (5)
- Unemployed and not seeking employment (6)
- Unable to work for health reasons (7)
- Caring for children/adult relatives (8)
- Retired (9)
- Other (10)



[Not required]

How do you get paid by your employer...?

- You receive an official check or direct deposit by your employer (1)
- Your employer pays you in cash (2)
- Your employer pays you with an online or mobile payment service, such as PayPal, Venmo, Cash App, Apple Pay, Google Pay, or others (3)
- Other (4)



[Not required]

Were you born in the United States?

- Yes (1)
  - No (2)
  - Prefer not to say (3)
- END2
- [Open Text ♦ Not required]

Thank you for taking the time to complete the survey. To thank you for your time, we will mail you a \$20 Visa gift card by mail. Please enter your first and last name and the mailing address where you would like the gift card mailed.

First Name (1) \_\_\_\_\_

Last Name (2) \_\_\_\_\_

Street: (3) \_\_\_\_\_

City: (4) \_\_\_\_\_

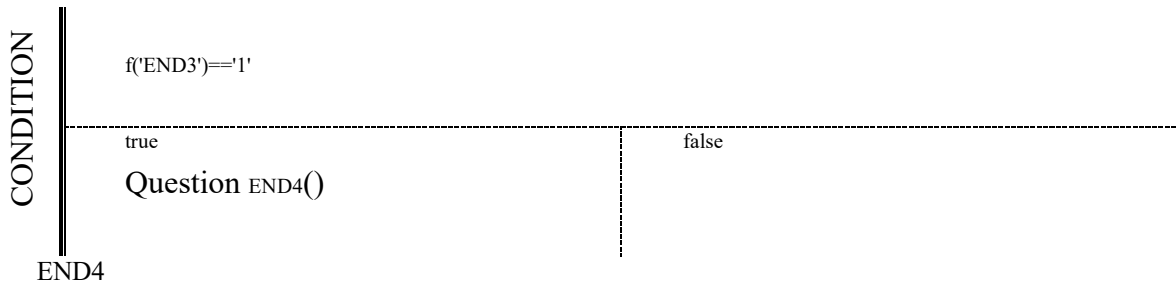
Zip: (5) \_\_\_\_\_

END3

[Not required]

In the event we have questions about your survey, may we contact you by phone or via email?

- Yes (1)
- No (2)



[Open Text ♦ Numeric ♦ Not required ♦ Lower limit type=GreaterOrEqual ♦ Upper limit type=SmallerOrEqual ♦ Total Digits=10]

What is your telephone number? Please include the area code.

Phone: (1) \_\_\_\_\_

END5

[*Open Text ♦ Not required*]

What is your email address?

table > tbody > tr:nth-child(1) > td:nth-child(1) { width: 100px !important; }

Email: (1) \_\_\_\_\_

Confirm Email: (2) \_\_\_\_\_

END  
||  
END

Condition f('END3')==1'

Thank you again for taking the time to complete this survey.

## Appendix I. Crosswalk Between Report Contents and Contract Requirements

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This appendix provides a crosswalk between contents of within the main report, “Banking the Unbanked” and Annexes I-III and the contract requirements provided by the State Treasurer’s Office. Below, we present this crosswalk as Table I.1.

**Table I.1. Location of Contract Requirements in *Banking the Unbanked***

<b>SOW Requirement</b>	<b>Location in Report</b>
Develop a sampling strategy guided by the goal of selecting a final sample of adults such that when combined with the FDIC survey, the results will generalize to all adults in the state of California. Our approach will involve balancing the competing objectives of oversampling as needed to obtain target counts within specific subgroups and minimizing the design effect yielded by the sample so as to optimize its efficiency.	Annex 3, Appendix G.
Develop a data collection strategy that maximizes response rates while allowing us to achieve survey objectives on time and within budget. We anticipate utilizing a multi-mode data collection approach including web, mail, and in person, computer assisted interviews.	Annex 3, Appendix G.
Coordinate with STO and Advisory Committee to determine key issues relevant to the development of CalAccount that require data beyond what is included in the Federal Deposit Insurance Corporation (FDIC) <i>National Survey of Unbanked and Underbanked Households</i> .	Annex 3, Appendix G.
Identify a sampling frame with adequate coverage of minority and low-income populations.	Annex 3, Appendix G.
Append contact information (e.g., address, email, phone) to the sampling frame for addresses on sampled census blocks (if available).	Annex 3, Appendix G.
Assess the overall burden of completing the survey by determining the reading level of the survey and the average time to complete the survey. If appropriate, we will make recommendations for simplifying the wording of survey items and reducing the overall length of the instrument.	Annex 3, Appendix G.
Test the programmed version of the survey.	Annex 3, Appendix G.
Develop participant recruitment materials, including survey invitation and reminder letters, a study brochure, FAQ’s, and informed consent scripts.	Annex 3, Appendix G.
Translate and program the final version of the survey and participant recruitment materials into Spanish.	Annex 3, Appendix G.
Develop a final survey and related interviewer scripts will be programmed for web and CAPI administration.	Annex 3, Appendix H.
Recruit field staff who will conduct in person interviews.	Annex 3, Appendix G.

SOW Requirement	Location in Report
Print and prepare web survey invitation letters in preparation for launching the survey in January.	Annex 3, Appendix G.
Set up a Record Management System (database) to track the sample and produce survey status reports.	Annex 3, Appendix G.
Administer the survey.	Annex 3, Appendix G.
Produce a survey status report overall, by mode, by region, by language, and by subpopulations of interest.	Annex 3, Appendix G.
Prepare field interviewer training materials.	Annex 3, Appendix G.
Train all staff that will participate in the field component of the survey.	Annex 3, Appendix G.
Generate interim survey data files, codebooks, and frequencies for each item in the survey.	Annex 3, Appendix G.
Conduct field observations to ensure that field interviewers are adhering to data collection and data safeguarding protocols and procedures.	Annex 3, Appendix G.
Produce final survey status report overall, by mode, by region, by language, and by subpopulation of interest.	Report, Chapter 2. Annex 3, Appendix G.
Analyze the population of California residents who are unbanked and the reasons they are unbanked.	Report, Chapter 2. Annex 3, Appendix G.
Construct a database of traditional bank institutions (i.e., national banks, regional and state banks, and credit unions) that operate in California, including those that file their Call Reports or are headquartered in another state.	Report, Chapter 2. Annex 1, Appendix A.
Collect account disclosures with schedule of fees for their standard/basic checking and savings account for FDIC insured institutions operating in California to create a database with the following information for each bank: minimum amount required to open a bank account; monthly service charge; minimum balance (or other ways) required to waive the service charge; overdraft/non-sufficient funds (NSF) fees. As we were unable to obtain the required fee schedules for some FDIC-insured institutions, we attempted to contact the banks in question to obtain this information.	Report, Chapter 2. Annex 1, Appendix A.
Conduct a systematic literature review and use responses to the FDIC Survey and to the Federal Reserve Bank of Atlanta <i>Survey and Diary of Consumer Payment Choice</i> to document non-traditional/alternative banking and payment systems commonly used at-scale by the target population (e.g., nonbank money orders, check-cashing services, money transfer services, payday loans, and prepaid debit cards).	Report, Chapter 2. Annex 1, Appendix A.
Construct a dataset on the costs of non-traditional/alternative banking services by collecting data from the previously mentioned surveys as well as the Consumer Financial Protection Bureau (CFBP) prepaid product agreements database and the Infogroup Historical Business database.	Report, Chapter 2. Annex 1, Appendix A.
As data analysis and existing literature proved insufficient for generating a clear description of the costs to California's un/underbanked population of non-traditional banking services, our team collected primary data. This entailed identifying a representative sample of alternative banking service providers in the state and collecting information by hand on the costs of their products.	Report, Chapter 2. Annex 1, Appendix A.
Collect detailed balance sheet information on FDIC insured institutions that operate in California to create database consisting of detailed balance sheet information for the traditional banks by using data from FFIEC <i>Reports of Condition and Income</i> (i.e., Call	Report, Chapter 2. Annex 1, Appendix A.

SOW Requirement	Location in Report
Reports) for all FDIC-insured banks that operate in California, including those that file their Call Reports or are headquartered in another state.	
Use data from CFBP reports on non-traditional payment systems and previously collected data on non-traditional/alternative banking services to start documenting the potential benefits and harms of these services for the population of interest.	Report, Chapter 2. Annex 1, Appendix A.
Analysis of the geographic location of the underbanked and unbanked.	Report, Chapter 2. Annex 1, Appendix A.
Conduct 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.	Report, Chapter 2. Annex 1, Appendix A.
Conduct two discussions with subject matter experts on the impact of ChexSystems for the un/underbanked population: one discussion with a consumer advocacy group such as the CFPB, and, if possible, one with an industry stakeholder who uses the information reported by ChexSystems, such as a bank.	Report, Chapter 2. Annex 1, Appendix A.
Use responses to the FDIC <i>National Survey of Unbanked and Underbanked Households</i> to analyze the impact of monthly service charges and overdraft/NSF fees on banking rates.	Report, Chapter 2. Annex 1, Appendix A.
Use data from FFIEC <i>Reports of Condition and Income</i> (i.e., Call Reports) to compute overdraft/NSF fees as a percent of bank balance sheets and to examine trends in overdraft/NSF fee revenues.	Report, Chapter 2. Annex 1, Appendix A.
Use data on the location of branches from the FFIEC <i>National Information Center</i> to create a map that illustrates the geographic concentration of FDIC insured bank branches across the state.	Report, Chapter 2. Annex 1, Appendix A.
Combine bank branch location data from the FFIEC National Information Center with Census geospatial data (PL-94 datasets) to create a dataset with banking access indicators such as the average distance to the closest bank and the number of residents per branch. We will also use data on available community boundaries to document the number of branches per community.	Report, Chapter 2. Annex 1, Appendix A.
Examine how per-capita costs of non-traditional/alternative banking services vary across the state given the demographic composition of each area.	Report, Chapter 2. Annex 1, Appendix A.
Conduct a systematic literature review on the impact of redlining on the financial participation of the population of interest.	Report, Chapter 2. Annex 1, Appendix A.
Use data from FFIEC Reports of Condition and Income (i.e., Call Reports) to examine indicators of financial health of potential private sector competitors, including, but not limited to, measures of each bank's profitability.	Report, Chapter 2. Annex 1, Appendix A.
Use survey responses to expand on the analysis of the impact of monthly service charges and overdraft/NSF fees on banking rates.	Report, Chapter 2. Annex 1, Appendix A.
Prepare all data that has been collected by Task 2 for release.	Data was securely transmitted to the California State Treasurer's Office for public release.

SOW Requirement	Location in Report
Analyze the expected benefits to the accountholders of this program, including: estimated savings available to consumers (including those receiving public benefits or wages through paper warrants) who open a CalAccount as opposed to the use of check cashers; how the CalAccount Program could help build credit for accountholders.	Report, Chapter 2. Annex 1, Appendix A.
Conduct a literature scan to find relevant background material for informing the cost/benefit matrix, searching for academic articles, government reports.	Report, Chapter 4. Annex 2, Appendix C.
Document cost/benefit matrix with associated methods, references, and data sources in a database.	Report, Chapter 4. Annex 2, Appendix C.
Identify hypothetical scenarios to be analyzed quantitatively, including the estimated risks and costs and expected effectiveness and scalability of the scenarios.	Report, Chapter 4. Annex 2, Appendix C.
Forecast the actual number of users that will likely open and maintain an active CalAccount account each year during the first six years.	Report Chapter 4. Annex 2, Appendices C & D.
Estimate the number of customers who currently have an account with a financial institution that may choose to instead open a CalAccount per year over a six-year period.	Report, Chapter 4. Annex 2, Appendix C.
Consider whether alternative programs already exist that, if similarly adopted by the State, could allow the State to accomplish the same or similar goals.	Report, Chapter 4. Annex 2, Appendix C.
Scope appropriate quantitative methods for each hypothetical scenario.	Report, Chapter 4. Annex 2, Appendix C.
Characterize 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.	Report, Chapter 4. Annex 2, Appendix C.
Develop specific quantitative analytic approach for each scenario to be analyzed.	Report, Chapter 4. Annex 2, Appendix C.
Conduct and document a comparative evaluation of costs and benefits a quantitative cost-benefit analysis using hypothetical scenarios and the final quantitative results, including methods and findings.	Report, Chapter 4. Annex 2, Appendix C.
Determine whether or not CalAccount Program revenue is more likely than not to be sufficient to pay for CalAccount Program costs withing six years of the CalAccount Program's implementation.	Report, Chapter 4. Annex 2, Appendix C.
Analyze potential revenue streams, responsive to paragraph N of Goc. Code. § 100104(1a)(1), in Section 2.a)i.	Report, Chapter 4. Annex 2, Appendix C.
Analyze the presence and effectiveness of private sector or nonprofit competitors to the CalAccount Program.	Report, Chapter 4. Annex 2, Appendix C.
Analyze state fiscal risk from the CalAccount Program during economic downturns or economic shocks.	Report, Chapter 4. Annex 2, Appendix C.
Consider whether any of the administrative costs of the CalAccount Program could be shared by the state.	Report, Chapter 4. Annex 2, Appendix C.

SOW Requirement	Location in Report
Analyze the benefits to the state's economy (economic multiplier effect).	Report, Chapter 4. Annex 2, Appendix C.
Create an analytical file using the FDIC <i>National Survey of Unbanked and Underbanked Households</i> .	Annex 2, Appendix E.
Estimate existing disparities in banked rates using the analytical file created from the FDIC survey.	Report, Chapter 4. Annex 2, Appendix E.
Estimate use of nonbank transactions or credit products and services among un/underbanked population using the analytical file created from the FDIC survey.	Annex 2, Appendix E.
Design a template for subject matter expert discussions on the potential impact on banks and feasibility.	Annex 2, Appendix F.
Analyze the potential positive impact for banks, including increased future customers and increased opportunities for partnership with community banks, Bank On institutions, stimulus payments, etc.	Report, Chapter 4. Annex 2, Appendix F.
Review literature on the effects of cash transfer programs on long-term outcomes.	Report, Chapter 4. Annex 2, Appendix F.
Review literature on the benefits of financial inclusion and disadvantages of using alternative financial services.	Report, Chapter 4. Annex 2, Appendix F.
Review existing literature and analysis from previous tasks to describe potential impact of the CalAccount Program on banks.	Report, Chapter 4. Annex 2, Appendix F.
Review literature and policy documents to estimate fees associated with financial services.	Annex 2, Appendix F.
Review literature on the relationship between alternative financial services and public safety.	Report, Chapter 4. Annex 2, Appendix F.
Estimate the impact of the CalAccount Program on racial and gender disparities.	Report, Chapter 4. Annex 2, Appendix E.
Estimate the impact of the CalAccount Program on rural communities.	Report, Chapter 4. Annex 2, Appendix E.
Estimate potential savings to participants from participating in the CalAccount Program using estimates of fees associated with financial services.	Report, Chapter 4. Annex 2, Appendix E.
Analyze available low-cost or no-cost options of federally insured transaction accounts available or marketed to unbanked Californians (such as the Bank On program), including their risks, costs, effectiveness, and scalability.	Annex 2, Appendix E.
Identify key components in the proposed structure and inform discussion of the feasibility of key components.	Report, Chapter 3. Annex 1, Appendix B.
Review the academic literature and legal requirements for the regulatory structure of each component of the proposed structure and study successful and unsuccessful cases for best practices and lessons learned with the objective of informing on the feasibility of the proposed program.	Report, Chapter 3. Annex 1, Appendix B.

SOW Requirement	Location in Report
Look to other similar programs to evaluate the expected effectiveness of the CalAccount Program and document what criteria the ABA and Bank On use to define “accessible” and shall independently assess Bank On accessibility to California’s unbanked population.	Report, Chapter 3. Annex 1, Appendix B.
Consider whether the effectiveness of the CalAccount Program depends on certain characteristics of the participating financial institutions.	Report, Chapter 3. Annex 1, Appendix B.
Address who would be regulating the various aspects of the CalAccount Program, if implemented.	Report, Chapter 3. Annex 1, Appendix B.
Determine whether the CalAccount program can be scaled up to effectively incorporate payment transactions from other State programs that disburse funds through paper checks or through other means.	Report, Chapter 3. Annex 1, Appendix B.
Consider whether current state and federal laws provide sufficient authority for respective credit unions to admit members for purposes of establishing a CalAccount.	Report, Chapter 3. Annex 1, Appendix B.
Consider whether participating depository financial institutions would already need to have a “robust and geographically expansive financial services network of partners” (Gov. Code, § 100104, subd.(a)(1)(M)(iv)).	Report, Chapter 3. Annex 1, Appendix B.
Discuss the willingness of depository financial institutions to participate in the CalAccount program.	Report, Chapter 3. Annex 1, Appendix B.
Obtain secondary data that would help us assess feasibility.	Report, Chapter 3. Annex 1, Appendix B.
Describe key characteristics of key components that are relevant for feasibility.	Report, Chapter 3. Annex 1, Appendix B.
Produce a plan to examine the feasibility of each key components.	Report, Chapter 3. Annex 1, Appendix B.
Construct a dataset of related regulatory and policy examples that can inform feasibility.	Report, Chapter 3. Annex 1, Appendix B.
Consider modifications to the proposed structure and draft a preliminary list of recommendations for modifications.	Report, Chapter 3. Annex 1, Appendix B.
Identify areas where the proposed structure poses potential challenges, gaps, or misalignments.	Report, Chapter 3. Annex 1, Appendix B.
Identify necessary qualifications for expertise, experience, and backgrounds for board participation and evaluate executive boards at institutions of similar missions, other financial institutions to be documented in the final report.	Report, Chapter 3. Annex 1, Appendix B.
Best practices on regulatory structure and key features of CalAccount.	Report, Chapter 3. Annex 1, Appendix B.
Identify challenges and lessons learned about public-private partnerships and produce recommendations for appropriate governance and best practices to be documented in the final report, including recommendations for collaborating with public, labor, and NGO partners.	Report, Chapter 3. Annex 1, Appendix B.

SOW Requirement	Location in Report
Recommendations for how the state can maximize the number of unbanked California residents who become banked at the lowest cost and risk to the state.	Report, Chapter 3. Annex 1, Appendix B.
Analysis of relative advantages and disadvantages, compared to private sector alternatives, that the state may have in identifying, reaching, or persuading unbanked California residents to enroll in a state-administered banking program.	Report, Chapter 3. Annex 1, Appendix B.
8) Other Feasibility Considerations	Report, Chapter 3. Annex 1, Appendix B.
Examine the existence of possible financial services network administrators. If any possibilities include an out-of-state entity, examine the anticipated impact on California consumers, businesses and financial institutions and how an out-of-state financial services network administrator could or should be regulated.	Report, Chapter 3. Annex 1, Appendix B.
Examine the likely impact of the CalAccount Program on existing California depository institutions.	Report, Chapter 3. Annex 1, Appendix B.
Whether deposits can be used by the participating depository financial institutions in the same manner as the institution's current customer's deposits.	Report, Chapter 3. Annex 1, Appendix B.
What, if any, fraud and abuse controls, or other requirements, would be expected from the participating depository financial institutions.	Report, Chapter 3. Annex 1, Appendix B.
Who would bear the financial burden for mitigating fraud and abuse.	Report, Chapter 3. Annex 1, Appendix B.
Whether the participating depository financial institutions would be required to maintain a certain number of ATMs or branches, or if these would need to be in specific geographic areas.	Report, Chapter 3. Annex 1, Appendix B.
Ways to minimize the risk of overdrafts on an account if the institution cannot impose overdraft fees.	Report, Chapter 3. Annex 1, Appendix B.

## Appendix J. Public Comment

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This final appendix provides a summary of public comment received on the report, “Banking the Unbanked” and Annexes I-III, and documents RAND’s responses to the comments and changes made to the report in response to the comments. Below, we present this crosswalk as Table J.1. The California State Treasurer’s Office collected written public comment from July 1, 2024, through July 18, 2024. Spoken public comments were presented at the July 18, 2024, CalAccount Blue Ribbon Commission Meeting. The State Treasurer’s Office shared written comments and a transcript of the July 18, 2024, CalAccount Blue Ribbon Commission Meeting with RAND. RAND staff then reviewed and summarized the comments, responded to the comments, and revised the report as described in Table J.1.

**Table J.1. Summary of public comment on *Banking the Unbanked* and associated revisions**

Summary of Public Comment	RAND Response
1. The FDIC requested correction on page 39 of Annex 1 (PDF page 43), suggesting that “the references to the Federal Reserve on this page need to be modified to say something like banking regulatory agencies or simply list them all.” The five agencies are The Board of Governors of the Federal Reserve System (FRB), the Federal Deposit Insurance Corporation (FDIC), the National Credit Union Administration (NCUA), the Office of the Comptroller of the Currency (OCC), and the U.S. Department of Treasury’s Financial Crimes Enforcement Network (FinCEN).	RAND thanks the FDIC for this suggestion and have made this clarification to page 39 of Annex 1.
2. Assembly Member Santiago submitted a letter that presented points made in RAND’s feasibility study and commented that CalAccount could address inequality in California	RAND appreciates Assembly Member Santiago’s review of our report and summary of key findings. Assembly Member Santiago writes in his letter that “In fact, the report finds that banks and FinTechs are already offering no-fee/no-penalty accounts – underscoring that the issue is not whether such accounts are financially viable.” While it is indeed true that some banks offer no fee/no penalty accounts, we wanted to clarify that the vast majority of banks in California (95 percent) do charge over-draft fees.

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**Summary of Public Comment****RAND Response**

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3. MyPath encouraged making CalAccount accessible to youth by having non-custodial accounts for minors under 18. MyPath also supports the inclusion of the following account features: no fees, no minimum balances, overdraft protection, acceptance of alternative ID and address verification, digital accessibility, remote account enrollment, and financial education resources.
4. ESCA Action expressed support for CalAccount and spoke to potential benefits of implementing CalAccount. ESCA Action states: "By saving Californians an aggregated \$3.1 billion annually and generating \$5 billion in statewide economic activity."

RAND thanks the commentor for sharing their experiences and perspectives. The report was not revised in response to these comments.

The figures cited in ESCA's comments were produced by HR&A rather than RAND. We are unable to include citations to the HR&A report due to several important limitations and differences in assumptions between the two analyses that are important to consider:

- 1) The estimates in the HR&A report assume all unbanked and underbanked households in California would both enroll in the CalAccount Program and stop relying on all other fee-based traditional banking services and alternative financial services. We, RAND, do not find support for this assumption from survey data or literature. Therefore, HR&A's estimated enrollment and cost savings figures are much higher than ours.
- 2) The estimates in the HR&A report assume CalAccount would mitigate the need for both transactional services and credit services from other financial services providers. The RAND report assumed only a small subset of transactional services might be avoided due to un/underbanked households using CalAccounts. That is, the HR&A report estimates a much greater annual benefit for each household, about \$1,300 compared to our estimate of between approximately \$40 and \$185 in avoided fees. As an example, the HR&A report includes a benefit for reducing payday loans and pawn shop loans—which the RAND report did not. We also presume the HR&A report assumes that all households rely on multiple alternative financial services, whereas the RAND report assumes only a small portion of households (even among the unbanked) use certain alternative financial services.
- 3) On page 47 of their report, HR&A noted they did not net out the economic losses of financial service providers due to decreased demand for their products/services. Thus, many of these impacts are direct transfers between groups rather than new economic activity.
- 4) One of the statements in the HR&A report ("*One study found that for every dollar of interest spent on a payday loan, \$0.24 is lost to the economy. Therefore, universal banking access would likely have an even larger impact on the California economy.*") is misleading because of issues with the methodology in the original paper (see [Net Economic Impact of Payday Lending.pdf \(insightcced.org\)](#)) Specifically, the cited study applied income effects to household workers (e.g., maids, butlers) rather than households themselves, which is not the appropriate IMPLAN sector. We believe there are probably more net losses due to 'transfers' because of job/wage losses in relatively higher-income jobs in financial services as a result of

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**Summary of Public Comment****RAND Response**

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households moving funds to CalAccount to avoid paying fees to banks and alternative financial services.  
As a result of the above reasons, we do not agree with the conclusions in the HR&A report.

5. The CalAccount Community Coalition submitted a letter noting that “On behalf of millions of people in California, we are submitting this letter as public comment to be included with the Market Feasibility Study submitted by RAND Corporation July 1, 2024. We want to ensure that these documents are available to the public and on the record. A fee-free public banking platform could save Californians an aggregate \$3.1 billion annually and generate a total of \$5 billion in activity in the state’s economy. We appreciate your leadership and look forward to working with you to make this essential program a reality for the millions of hard-working California families who rely on leaders like yourself to help protect their hard-earned dollars.”

The figures cited in the CalAccount Community Coalition’s comments were produced by HR&A and not RAND. See response to comment #4.
6. The CalAccount Community Coalition submitted a letter expressing support for CalAccount and characterized the findings of the CalAccount Market Study & Feasibility Assessment and a report by HR&A advisors.

The figures cited in the California Public Banking Alliance’s comments were produced by HR&A and not RAND. See response to comment #4.
7. A commentator from the California Public Banking Alliance expressed support for CalAccount and characterized the findings of a report by HR&A Advisors.

The figures cited in the California Public Banking Alliance’s comments were produced by HR&A and not RAND. See response to comment #4.
8. A commentator from the Sacramento Environmental Justice Coalition and RISE Economy expressed support for CalAccount and spoke to the experience of unhoused people in Sacramento County.

RAND thanks the commentators for sharing their experiences and perspectives. There are no report revisions based on this comment.
9. A commentator from Academy of Financial Education asked RAND whether the survey asked respondents

RAND responded to the commentator directly at the hearing. The survey did not ask respondents how they would spend any money saved through CalAccount participation. There are no report revisions based on this comment.

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**Summary of Public Comment****RAND Response**

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how they would spend the money saved through CalAccount participation.

10. Eleven commentors expressed support for CalAccount and described their personal experiences with the banking industry, including sharing the impact that bank fees and policies have on their lives. The comments described the fees charged, difficulty opening accounts, and fraud. RAND thanks the commentors for sharing their experiences and perspectives. There are no report revisions based on this comment.
11. A commentor from the Academy of Financial Education expressed support for CalAccount and spoke to the experience of people in the Central Valley. RAND thanks the commentor for sharing their experiences and perspectives. There are no report revisions based on this comment.
12. A commentor from Security California Action expressed support for CalAccount and endorsed the findings of the report. RAND thanks the commentor for sharing their experiences and perspectives. There are no report revisions based on this comment.
13. A commentor from the California Public Banking Alliance expressed support for CalAccount and noted that 20% of Californians are banked or underbanked. RAND thanks the commentor for sharing their experiences and perspectives. There are no report revisions based on this comment.
14. A commentor from RISE Economy expressed support for CalAccount and shared their personal experience of how bank fees and policies impact them. The commentor supported banking services that consider the needs of people living on fixed incomes, such as seniors and people with disabilities. RAND thanks the commentor for sharing their experiences and perspectives. There are no report revisions based on this comment.
15. A commentor from the California Public Banking Alliance and Justice Solutions expressed support for CalAccount and noted that CalAccount can improve outcomes for vulnerable communities after disasters and spoke to the relationship between climate change, disasters, and household finances. The commentor referenced a recent report by the US Treasury Department and a 2021 FDIC survey. RAND thanks the commentor for sharing their experiences and perspectives. There are no report revisions based on this comment.
16. A commentor from the California Coalition for Rural Housing expressed support for CalAccount. The commentor spoke to the lack of trust in banks and noted that CalAccount could help address the lack of trust in banks. RAND thanks the commentor for sharing their experiences and perspectives. There are no report revisions based on this comment.

Summary of Public Comment	RAND Response
17. A commentor from Golden State Opportunity expressed support for CalAccount. The commentor spoke to the importance of building trust in communities and Golden State Opportunity's experience building trust with communities in their work helping people to submit their taxes and claim the Earned Income Tax Credit. The commentor noted the importance of direct deposit when submitting taxes.	RAND thanks the commentor for sharing their experiences and perspectives. There are no report revisions based on this comment.
18. A commentor from the Sacramento Environmental Justice Coalition and RISE Economy expressed support for CalAccount and noted the opportunity it presents for elderly and disabled people. The commentor spoke to the needs of the South Sacramento community and transportation challenges in that area.	RAND thanks the commentor for sharing their experiences and perspectives. There are no report revisions based on this comment.
19. A commentor from Inclusive Action for the City expressed support for CalAccount. The commentor spoke to their experience serving residents of Los Angeles County, including micro entrepreneurs.	RAND thanks the commentor for sharing their experiences and perspectives. The report was not revised in response to these comments.
20. A commentor from RISE Economy spoke in support of CalAccount and spoke to the needs of low-to-moderate income and immigrant communities to have financial stability, including access to financial services.	RAND thanks the commentor for sharing their experiences and perspectives. The report was not revised in response to these comments.
21. A commentor from the West Hollywood Chamber of Commerce and Connie Norman Transgender Power Center of West Hollywood expressed support for CalAccount and noted the barriers faced by trans individuals in banking.	RAND thanks the commentor for sharing their experiences and perspectives. The report was not revised in response to these comments.
22. A commentor from the Retail Payment School Consulting Group spoke in support of CalAccount and noted their experience helping Fortune 2000 companies optimize interchange costs. The commentor stated that CalAccount could create a win-win scenario for banks and individuals with low income.	RAND thanks the commentor for sharing their experiences and perspectives. The report was not revised in response to these comments.
23. A commentor from the California Public Banking Alliance and Public Banking LA expressed support for	The figures cited in the California Public Banking Alliance's comments were produced by HR&A and not RAND. See response to comment #4.

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**Summary of Public Comment****RAND Response**

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CalAccount and characterized the results of study by HR&A advisors.

24. A commentator from Clip Purchase spoke to their experience with debit cards and payment infrastructure. The commentator stated that the current payment infrastructure and Know Your Customer regulations present challenges for undocumented people. The commentator noted that he has the technical ability to build and implement the payment infrastructure and noted his availability.

RAND thanks the commentator for sharing their experiences and perspectives. The report was not revised in response to these comments.

25. A commentator from SEIU expressed support for CalAccount, noting that many SEIU members are underbanked. The commentator spoke to the impact check cashing fees have on fast food workers and gig workers.

RAND thanks the commentator for sharing their experiences and perspectives. The report was not revised in response to these comments.

26. A commentator from the California Community Economic Development Association (CCEDA) expressed support for CalAccount and spoke to both their personal experience with overdraft fees and the challenges in bank access in less densely populated areas.

RAND thanks the commentator for sharing their experiences and perspectives. The report was not revised in response to these comments.

27. The National Council of Jewish Women LA Expressed support for CalAccount and asked that the Blue Ribbon Commission consider the report's findings.

RAND thanks the commentator for sharing their experiences and perspectives. The report was not revised in response to these comments.

## Abbreviations

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ATM	Automated Teller Machine
BA	Bachelor of Arts
BS	Bachelor of Science
FDIC	Federal Deposit Insurance Corporation
GED	General Educational Development
HELOC	Home Equity Line of Credit
ID	Identification
RFP	Request for Proposal
USPS	United States Postal Service