

# CalAccount: The Time Is Now



Millions of Californians – disproportionately Latina/Latino, Black, low income people and single mothers – are locked out of the banking system and paying too much to use their own money.



***“Bank of America .. they charge me \$12 per month in fees .. \$144 per year! At one point the bank told me that if I do all my banking on my phone and only use the ATM .. they wouldn’t charge me, but then they charge me anyway. .. Sometimes I think I should just keep my money under the mattress.”***

**–Guillermina Calvo,  
McDonald’s Worker,  
San Jose**

Now is the time to create a state-sponsored, privately managed zero-fee, no minimum balance retail banking option: [CalAccount](https://www.CalAccount.com). It will offer debit card, bill pay, direct deposit of paychecks and public benefits.



**Un/Underbanked  
in California**  
ABOUT **2.5 Million**  
HOUSEHOLDS

lack bank accounts and/or rely on check cashers, prepaid cards and other costly financial alternatives.<sup>1</sup>



**Financial Fees**  
**\$5 Billion**

(estimated) paid by Californians for account maintenance fees and other financial transaction fees in 2024. That’s about \$363 per household.<sup>2</sup>

**The drain on Californians’  
pocketbooks will only worsen as  
the federal government guts  
protections for bank customers.**

## OVERDRAFT FEES ARE RISING

- **Overdraft fees were rising in 2024<sup>3</sup>** even as banks faced pressure to curb them.<sup>4</sup>
- The Trump Administration and Congress **killed a proposed rule to cap overdraft fees<sup>5</sup>** and has pledged to [shut down](#) the Consumer Financial Protection Bureau.<sup>6</sup>
- No fee/no minimum balance accounts are already “**rare in California.**”<sup>7</sup>

### **Customers of color and low-income people bear the brunt of these fees.**

That disparity is likely to worsen as the federal government all but greenlights discrimination.

*“I have had a bank account with Chase for the last five years. I have had to pay overdraft fees of \$35, and sometimes they charge me three times for one transaction. I used to have an account with Wells Fargo. .. They made it very hard to get my money back .. for example, I cancelled Netflix, but they continued to charge me for four months. .. I provided a lot of evidence .. and then I still never got my money back.”*

–Esteben Butts, Security Officer,  
Sacramento



- **Black and Latina/Latino households pay more for financial services** – in absolute dollars and as a share of their incomes.<sup>8</sup>
- **Banks charge customers of color higher opening balances, higher ongoing minimum balances and higher maintenance fees** than white customers.<sup>9</sup>
  - Latina/Latino households nationally pay an average of \$560 a year in bank and other transaction fees. That’s more than twice the \$257 white households pay.<sup>10</sup>
  - Black households in the U.S. pay an average of \$374 a year – almost one and a half times the transaction fee average for white households.<sup>11</sup>
- **“Financially vulnerable” households spend 17 percent of their income on interest and fees.** Those are households whose expenses are higher than their incomes or face other financial stresses. “Financially healthy” households pay only 1 percent of their incomes on interest and fees.<sup>12</sup>

## BANKERS AND THE TRUMP ADMINISTRATION HAVE MOVED REGULATORS AWAY FROM FIGHTING DISCRIMINATION

- The American Bankers Association and others won an order **barring the CFPB from addressing racial discrimination** as an unfair practice.<sup>13</sup>
- Trump’s CFPB has proposed a rule that would destroy fair lending protections and **“permit unfettered gender, age, and racial discrimination** in all consumer lending decisions.”<sup>14</sup>

## BANKS ARE FAILING WOMEN

- **Nearly one in seven single mothers do not have bank accounts.** That's nearly twice the rate of single fathers and nearly six times the rate for married couples.<sup>15</sup> For comparison one in 24 U.S. households is unbanked.<sup>16</sup>
- **Nearly one in five survivors of domestic abuse surveyed do not have bank accounts.**<sup>17</sup>
- Most domestic abuse survivors face attempts by their abusers to monitor or control their finances, and **most survivors who seek help from their banks do not receive it.**<sup>18</sup>

## THE SOLUTION

### CalAccount would offer every Californian:

- a zero-fee, zero-penalty, no-minimum balance banking account
- a debit card, electronic bill pay, and no-fee withdrawals at partner ATMs
- direct deposit for paychecks and government benefits
- financial literacy tools

The governor and Legislature will appoint a board of experts in banking and financial inclusion to oversee CalAccount, chaired by the California State Treasurer. They will ensure that the program maximizes options for Californians left behind by the banking system.



*“Everything is so expensive. And banks make it worse by taking more money from my pocket . . . If my savings account goes below \$500 monthly, they charge \$5 . . . the \$34 I pay in overdraft fees every time can go to gas and groceries [instead] . . . those \$1,000 I have paid in overdraft fees, I could have instead used it to put more food on the table for my son.”*

– Yaneta Lacey, Home Care Worker, Solano County

## BENEFITS OF CALACCOUNT: SAVINGS

- **CalAccount would save households up to \$1.4 billion over 10 years**, according to a report to the Treasurer's Office.<sup>19</sup>
- **Direct deposit of state benefits could save the state** on mailing checks and issuing prepaid debit cards.<sup>20</sup>
- **CalAccount's benefits outweigh the costs** for all versions of the program analyzed in the report to the Treasurer.<sup>21</sup>

# BANKING WITHOUT DISCRIMINATION

- **CalAccount means customers of color will not pay more to access their money** and “could significantly reduce” racial disparities in banking access, according to the feasibility study for the Treasurer’s office.<sup>22</sup>
- **CalAccount will not rely on ChexSystems, a screening company that has disproportionately excluded Black customers** from banking services.<sup>23</sup>
- **CalAccount will serve immigrants:** Under federal know-your-customer law, immigrants can, in theory, open bank accounts. But non-citizens are disproportionately unbanked,<sup>24</sup> and CalAccount will allow use of country-of-origin ID and other state and local ID documents in compliance with federal law.
- **CalAccount will offer domestic abuse survivors security** and privacy protections to keep abusers from finding them or accessing their banking accounts.<sup>25</sup>

## CalAccount is feasible, according to the State Treasurer’s office:

- CalAccount’s features are “similar or identical” to accounts already offered by banks and fintechs.<sup>26</sup>
- Nearly four in 10 unbanked Californians – and three-fourths of underbanked Californians – are already using online services similar to those CalAccount would offer – but often at a high cost.<sup>27</sup>

1 SEIU analysis of data from 2023 FDIC National Survey of Unbanked and Underbanked Households, Unbanked and underbanked for California, <https://household-survey.fdic.gov/custom-data>.

2 SEIU analysis of data from 2023 FDIC National Survey of Unbanked and Underbanked Households, Unbanked and underbanked for California, <https://household-survey.fdic.gov/custom-data>, and Hannah Gdalmán et al. FinHealth Spend Report 2025, Financial Health Network, October 2025, <https://finhealthnetwork.org/wp-content/uploads/2025/10/FinHealth-Spend-Report-2025.pdf>.

3 Hannah Gdalmán et al. FinHealth Spend Report 2025, Financial Health Network, October 2025, p. 9. <https://finhealthnetwork.org/wp-content/uploads/2025/10/FinHealth-Spend-Report-2025.pdf>.

4 Emily DiVito, “The Business of Bank Fees: How Public Alternatives Can Ensure Equitable Economic Participation,” Roosevelt Institute, June 2024, p. 3, [https://rooseveltinstitute.org/wp-content/uploads/2024/06/RI\\_Business-of-Bank-Fees-Economic-Participation\\_Brief\\_202406.pdf](https://rooseveltinstitute.org/wp-content/uploads/2024/06/RI_Business-of-Bank-Fees-Economic-Participation_Brief_202406.pdf).

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6 Jonathan Delozier, Russell Vought says he will shut down CFPB, HousingWire, October 16, 2025 <https://www.housingwire.com/articles/russell-vought-says-he-will-shut-down-cfpb/>.

7 Jonathan W. Welburn et al., Banking the Unbanked: CalAccount Market Study and Feasibility Assessment, report to the California State Treasurer’s Office, RAND Corp., August 2024, p. 7 <https://www.treasurer.ca.gov/cbr/c/comments/study.pdf>.

8 Hannah Gdalmán et al. FinHealth Spend Report 2025, Financial Health Network, October 2025, p. 10. <https://finhealthnetwork.org/wp-content/uploads/2025/10/FinHealth-Spend-Report-2025.pdf>.

9 Jacob Faber and Terri Friedline, “The Racialized Costs of Banking,” New America, June 21, 2018, <https://www.newamerica.org/family-centered-social-policy/reports/racialized-costs-banking/overview/>.

10 SEIU analysis of data from Hannah Gdalmán et al. FinHealth Spend Report 2025, Financial Health Network, October 2025, 36.

11 SEIU analysis of data from Hannah Gdalmán et al. FinHealth Spend Report 2025, Financial Health Network, October 2025, 36.

12 Hannah Gdalmán et al. FinHealth Spend Report 2025, Financial Health Network, October 2025, p. 17. <https://finhealthnetwork.org/wp-content/uploads/2025/10/FinHealth-Spend-Report-2025.pdf>.

13 Jody Godoy, U.S. judge rules against consumer-watchdog anti-discrimination effort, Reuters, September 11, 2023. <https://www.reuters.com/legal/us-judge-rules-against-consumer-watchdog-antidiscrimination-effort-2023-09-11/>; Eric Halperin and Lorelei Salas, Cracking down on discrimination in the financial sector, Consumer Financial Protection Bureau, March 16, 2022 <https://www.consumerfinance.gov/about-us/blog/cracking-down-on-discrimination-in-the-financial-sector/>; Rajashree Chakravarty, CFPB agrees to dismiss appeal in UDAAP lawsuit, Banking Dive, May 5, 2025. <https://www.bankingdive.com/news/cfpb-agrees-dismiss-appeal-udaap-lawsuit/747125/>.

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15 Federal Deposit Insurance Corporation, 2023 FDIC Survey of Unbanked and Underbanked Households, November 2024, page 25. <https://www.fdic.gov/household-survey/2023-fdic-national-survey-unbanked-and-underbanked-households-report>.

16 Federal Deposit Insurance Corporation, 2023 FDIC Survey of Unbanked and Underbanked Households, November 2024, page 1. <https://www.fdic.gov/household-survey/2023-fdic-national-survey-unbanked-and-underbanked-households-report>.

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27 State Treasurer Fiona Ma, Recommendation of the Implementation of the CalAccount Program, letter to Assembly and Senate Banking Committee chairs, (n.d) <https://www.treasurer.ca.gov/cbr/c/docs/CalAccount-Feasibility-Study-Letter-Response.pdf>.