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California Launches State-wide Campaign to Bank the Unbanked

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Legislators, community organizations, banks and regulators are uniting in an effort to bring stability and financial opportunity to California's working families. In an economy that has proven itself hostile and uncertain, the *Bank on California* initiative is charged with bringing Californians into mainstream banking, and thus helping them to achieve financial mobility.

The statewide campaign was recently announced as a collaborative effort led by Governor Arnold Schwarzenegger and the FDIC, that will develop and market starter accounts that work best for unbanked consumers. The initiative will also educate Californians on the benefits of account ownership as well as provide tools and resources to build their money management skills, according to Governor Schwarzenegger.

Supporters of *Bank on California* cite staggering figures such as the 28 million unbanked people living in America, and 1.2 million in California, as an impetus for an aggressive campaign. In fact, a recent study explored the financial implications of such a large number of unbanked Americans, finding that more than 20 million Americans cash more than \$60 billion in checks each year at non-bank establishments, and a full-time worker could save nearly \$40,000 by using a low-cost checking account instead of high-cost check-cashing services. To learn more about this study, visit [the Brookings Institution](#).

Proponents also cite the success of a similar, smaller scale program, *Bank on San Francisco*, as a model for bringing the unbanked into the financial mainstream. This initiative, a joint effort of California Treasurer Jose Cisneros, the Federal Reserve Bank of San Francisco and the non-profit group EARN, resulted in the opening of nearly 10,000 low-cost, starter bank accounts over the course of a year.

The Success of the *Bank on San Francisco* campaign as well as the great level of support behind *Bank on California*, show that various partners can come together in order to address the problem of unbanked people in America. Organizations like the Shriver Center and others concerned with moving people from poverty to prosperity, can begin to lay the foundation for a similar effort in Illinois.

To learn more about the Bank on California and Bank on San Francisco initiatives, please visit <http://gov.ca.gov/index.php?/press-release/8597/>, contact Dory Rand at doryrand@povertylaw.org or Kelly E. Slay at kellyslay@povertylaw.org.