

## **Bank On Informational Hearing**

Testimony by Peter Manzo, United Ways of California  
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Good afternoon, Chairman Dickinson and members of Committee. I'm Pete Manzo, President/CEO of United Ways of California.

United Way works to advance opportunities for low- and moderate-income people to lead successful lives. United Ways of California is a state membership association that enhances and coordinates the advocacy and community impact work of our 34 local California United Ways.

United Way accomplishes our work by focusing on the priority areas of Health, Education and Financial Stability. Creating sustainable communities is critical to a strong California and helping build financially stable families is key to this mission and is accomplished through various strategies. Bank On is one such strategy. United Ways have supported and run Bank On programs since its inception in California.

As a national and state network, we believe in identifying evidence based programs that work, implementing them in communities, gathering the data, evaluating the results, replicating them elsewhere, and promoting the success.

While the majority of United Ways provide various financial literacy programs, which are important, those are not enough! Previously unbanked and underbanked consumers need access to good, affordable financial products, ones that will help them get back on their feet rather than fall further behind.

Unbanked consumers entering solid banking relationships puts them into a position to increase their financial stability that in turn may help them grow as well as help the community and economy grow.

More communities, such as Ventura County, want a Bank On program, but we are in jeopardy of sliding backwards: Fresno and San Jose, once strong,

successful programs, now have dormant programs and lack support, in part because there is no statewide consistency or minimum requirements for a Bank On program.

In order for Bank On to experience continued success or expand to communities where it is desperately needed, we need consistency in practice and reporting so we can evaluate whether the unbanked are becoming financially stable and moving into the main stream.

Financial institutions' participation in Bank On is voluntary. They can choose not to participate, but if they do participate, and we certainly hope they do, it must mean the same thing in Sacramento as it does in LA, Fresno and Orange County. Without minimum product offerings, and reporting of data, the Bank On brand would promise no common, core value across markets, and so would make it much more difficult to fund and sustain.

Donors want to fund programs that work, and nonprofits like United Way seek to invest resources where they'll have the greatest impact. We need data in order for Bank On programs to be competitive in this environment.

This is why we support a permanent home for Bank On California, not to be reliant on our state government, but to partner with them to make the families of California successful.

We want to see the codification of Bank On California that includes a definition of what a Bank On program should MINIMALLY be. That should include the original 5 elements asked of Financial Institutions to be a Bank On participant:

1. Starter accounts offered to the unbanked
2. Second chance accounts offered
3. Alternative identification accepted
4. Staff who are trained in Bank On products and practices
5. Minimal reporting so that we all can collectively assess the success of Bank On.

Community based organizations, such as United Way, and the public sector help banks connect to the eligible consumers. We

would continue to promote Bank On and help provide financial education. Local Bank On programs would collect the data reported by our financial partners.

In closing, we look forward to working with Chairman Dickinson and the members of the committee and other stakeholders to maintain and improve a meaningful Bank On California. We hope AB 385 that codifies Bank On California is reintroduced and supported, to create a consistent platform for communities to help consumers succeed.

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