Advancing Equity through Transit and Financial Inclusion

Transit agencies in California

Passenger trips taken in 2019

Collected in fare revenue in 2019

300+
1.2b
$1.8b

Cal-ITP has helped launch demonstrations of contactless payment acceptance with Monterey-Salinas Transit, Sacramento Regional Transit, Santa Barbara Metropolitan Transit District and the Santa Barbara Clean Air Express, with more on the way.

Potential benefits for payment issuers

Gain more potential customers and greater contactless payment card adoption

Build trust with un- or under-banked communities with marketing and branding on public transit

Enroll transit riders in more robust financial products and services once an account is established

Make tap-to-pay a habit among transit customers, bringing contactless payment cards to the ‘top-of-wallet’ beyond mobility

Digital payment options to meet transit riders’ needs should be:

- Widely available
- Usable without an ID
- Free for basic use
- Usable with cash

Cal-ITP is also improving and modernizing how transit agencies verify and approve requests for benefits/discounted fares that could have exciting opportunities for payment issuers to participate.

Transit as a path to financial inclusion

Public transit provides an essential lifeline to jobs, schools, appointments, and healthcare for many low-income families and communities of color.

55% of US transit riders have a household income under $50k

Source: APTA

50% of California Black & Latino households are unbanked or underbanked.

Statewide, 25% of all households are unbanked or underbanked.

Increasing awareness and use of contactless payment options by transit riders is an opportunity not only to improve mobility equity, but to address disparities in financial inclusion through the issuance of more accessible payment card products.