



Caltrans Mobility Wallet Implementation Guide

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Purpose

This guide is intended as a reference for transportation agencies planning and scoping a mobility wallet project in California. There is growing interest by local governments and transportation agencies in offering mobility wallets to advance transportation goals. This guide is a primer on considerations and tradeoffs for program design to inform decision-making.

Background

A Mobility Wallet refers to an electronic or card-based payment account that can be used to pay for public and private shared mobility services. To be effective at encouraging the use of multimodal transportation, Mobility Wallets include the provision of monetary subsidies that increase use of sustainable travel behavior. These subsidies can be distributed to users of sustainable mobility before a trip has been taken as an incentive to do so, or after a trip as a reward. Regardless of when a subsidy is provided, a Mobility Wallet program is a way to pay and be paid for choosing to use sustainable mobility services.

Program goals

A mobility wallet is a tool to achieve public policy goals and provide community benefits. Transportation agencies planning and scoping a mobility wallet project should carefully weigh various program design considerations in order to use a mobility wallet to achieve their specific goals. For example, transportation agencies have used a mobility wallet to increase the affordability of transportation options for people who are low-income. Other agencies have used a mobility wallet to incentivize behavior change for transportation demand management purposes during peak periods or on corridors with recurring congestion.

Some common transportation agency goals for mobility wallets are:

- **Transportation equity:** address historic and persistent disparities in transportation access by vulnerable communities
- **Affordability:** to increase access to transportation services that might cost more to use or access but also provide necessary services
- **Vehicle miles traveled (VMT) mitigation:** to offset increases in VMT through other projects
- **Congestion relief:** to decrease single occupancy vehicles and increase use of shared travel modes, like carpools or not driving at all, and reinforce use of sustainable models of transportation
- **Customer service:** as a means to compensate people for travel interruptions



While a mobility wallet project can achieve multiple objectives, it is important to define a *primary* goal in order to design the program to achieve those outcomes.

Program design

A mobility wallet program can be customized based on the primary goals of the program identified by the transportation agency. Below are some program design considerations to evaluate and assess.

Type of subsidy

- Will the program provide participants with a travel budget up-front, or reward them after the fact for trips taken?
- What modes of travel and/or mobility service providers will be included?
- How will the program track if travel has occurred?
- Will it include trips that don't require payment (i.e. biking, walking, and use of private cars?)
- Will the program cover the full cost of travel, or only a portion of a trip?

Identifying subsidy recipients

- What is the target population to receive the wallet? Some agencies want to maximize affordability for those who can't pay, while others seek to focus on optimizing sustainable mode shift.
- How important is it to segment participants by geography, income, or access to transportation options? What information is needed from participants before the program to meet program design goals (for program evaluation and/or for participant eligibility)?
- How do we want to recruit, onboard, and educate participants about the use of the wallet? Some regions have used a trusted community partner to reach participants, others have used direct mail or marketing. Some regions have chosen to select participants first come/first served, others have used a lottery or a 'needs-based framework' that prioritizes potential recipients by income level.
- And specifically in case of a carpool program, do we want to subsidize the driver, the rider, or both?

Subsidy distribution

- What payment options are preferred today and how might they change? If a region has a very high number of un/underbanked people who are expected to participate, a prepaid card may be preferred. If the participants are likely already banked, a bank transfer or points system might be more effective.
- Will the payment method be easily accepted at all participating mobility service providers? Some transit agencies in California do not accept bank cards, for example, while some shared mobility providers require users to create an account linked to a digital payment account.
- Do funds need to be restricted to prescribed merchants or merchant categories or can funds be treated as cash, where participants can choose to spend it how they wish?



- Is the subsidy a cashback (potentially restricted for a specific spending?) or will it be distributed as points that can be transferred into a purchase of a specific service or product.

Sources of subsidies

- What is the source of the funding for the subsidies? It could be from government programs, transportation toll revenues, or a private sector partner.
- Are there funding limitations based on the funding source? Some do not allow funds to be used for certain modes or outside of a defined geography.
- How much funding and how often is it to be provided to participants? Some agencies have chosen to automatically load an account while others have it set to autoload when it reaches a certain threshold. Sometimes the maximum amount of subsidy to participants is capped due to tax regulations.

Program management and reporting

- How will we document and aggregate trip data from different travel modes and platforms? If so, how will this be accomplished while protecting the privacy of participants?
- How can we prevent misuse, such as individuals creating multiple accounts or reporting trips that were never made?

Funding

Any entity seeking to launch a mobility wallet program will need to secure funding to design and launch the program, in addition to the funding distributed to participants during the length of the program. Common sources of funding for these purposes are:

- **Transportation program funds.** Regional and local governments have funding through local, state, and federal programs that can be used for mobility wallet projects. At the federal level, the Reconnecting Communities program and/or Congestion Mitigation and Air Quality Improvement (CMAQ) Program could be used.
- **Grant funding.** Programs that offer limited use or one-time funds to develop a concept or evaluate an approach can be a great way to test the mobility wallet concept, monitor use and impact, and determine long term feasibility. In California, grant programs administered by Caltrans, CARB, and regional governments are available. At the federal level, the SMART grant program has funded mobility wallet projects and at the state level, the STEP program has been used.
- **Toll revenues.** In areas where there are existing or planned Express Lanes that generate excess toll revenues, these funds could be used for mobility wallets along the corridor.

Selecting a Vendor

The California integrated travel project (Cal-ITP) has prepared an in-depth guide to the use of prepaid cards for distribution of mobility wallets in California. Version 1.0 can be found [here](#) and an updated version is expected in early 2025. These documents



highlight the capabilities and features of prepaid cards and program administrators for consideration in developing and executing a program.

Impact evaluation

Mobility wallet programs should allow for monitoring and verification of transportation spending to verify the sustainable impact of incentives. As a result, Mobility Wallets can shift travel behavior from single occupant vehicles (SOV's) to higher occupancy modes, reducing congestion, vehicle miles travelled and emissions. In addition, they can be focused on low income and disadvantaged individuals and communities to lower their transportation costs and improve transportation equity.

Options for gathering data to determine the impact:

- **Via surveys:** participants can be asked about things like their considerations for changing their behavior, experiences while doing so, user friendliness of the mobility wallet etc.
- **Via travel data from the mobility wallet program enabler:** data collection about number of trips taken with sustainable modes, number of unique users, user profiles, total amount of subsidy disbursed, financial savings, etc.
- **Via transaction data from payments schemes:** data collection about purchases made, such as merchant name, merchant location, merchant ID, and amount paid.



Appendix A. Sample Program Design

Program objective

Incentivize travel on sustainable mobility options that do not increase VMT by people living near transit stations and stops.

Pilot Program design

Provide 100 people with \$100/month for 1 year that can be used on sustainable mobility providers, like transit, rail, carpool, rideshare, and micromobility.

Research method

1. Surveys of participants before the program, at two points during the program, and at the end of the program regarding mobility choices, experience, comfort, and use.
2. Analysis of participant amount spent and transaction volume by merchant ID and category code

Program costs

Subsidies: \$120,000

Account Administration: \$10,000

Program management (customer services, marketing, etc): \$10,000

Evaluation and surveys: \$30,000

Program marketing: \$10,000

Total: \$180,000