

Table 3
Each Method of Distributing Financial Relief Has Benefits and Limitations

DISTRIBUTION METHOD	ADVANTAGES	DISADVANTAGES
<i>Direct Deposits</i>	<ul style="list-style-type: none"> • More cost-effective and secure than checks and prepaid cards. • No fees for recipient. • Does not require deliverable address. • Does not require external vendor. 	<ul style="list-style-type: none"> • Not all taxpayers have bank accounts. • Not all taxpayers share banking information with the State. • Relies on key departments that already collect banking information as the sole distributors of relief payments.
<i>Prepaid Debit Cards</i>	<ul style="list-style-type: none"> • Accessible to those who do not have personal bank accounts. • Convenient for making purchases immediately. 	<ul style="list-style-type: none"> • Less cost-effective than direct deposits and checks. • Less secure than direct deposits. • May involve fees for recipients. • Requires customer support. • Requires a valid address to deliver payment. • Requires external vendor.
<i>Paper Checks</i>	<ul style="list-style-type: none"> • More cost-effective than prepaid debit cards. • May not require external vendor, depending on volume. 	<ul style="list-style-type: none"> • Less secure than direct deposits. • Limited by the State's printing capacity. • May involve fees for recipients. • Requires a valid address to deliver payment.
<i>Existing Benefit Cards</i>	<ul style="list-style-type: none"> • More cost-effective than new prepaid debit cards. • Allows quick distribution to low-income individuals. • Does not require deliverable address. 	<ul style="list-style-type: none"> • May require research on feasibility. • Not an option for taxpayers who do not have existing benefit cards.

Source: Analysis of federal and state best practices for distributing tax refunds; comparison of MCTR program fees to debit card programs; Federal Deposit Insurance Corporation 2021 Household Survey results; review of FTB's agreement with Money Network; interviews with FTB; interview with SCO.