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Go Direct SSA & SSI Survey



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About the Research



Research Objectives

- Update existing research conducted by Wirthlin and KRC Research to understand how this audience may have changed over the past four years, including:
 - Estimating the number of unbanked check recipients compared to four years ago;
 - Estimating the percent of those inclined to switch to direct deposit compared to previous research estimates; and
 - Evaluating the strength of our core messages and any new messages such as the environmental benefits of direct deposit.
- Explore receptivity to a debit card as a payment option among the unbanked.

Methodology

- Fifteen minute telephone survey of a random sample of 1,002 SSA and 1,000 SSI check recipients:
 - 758 Banked SSA recipients (Margin of error +/-3.6%)
 - 459 Banked SSI recipients (Margin of error +/-4.6%)
 - 244 Unbanked SSA recipients (Margin of error +/-6.3%)
 - 541 Unbanked SSI recipients (Margin of error +/-4.2%)
- Screening questions were used to ensure:
 - Respondents are receiving an SSA and/or an SSI payment for themselves or are a representative payee;
 - Respondents receive benefit payments as paper checks; and,
 - Respondents make decisions on receiving payment themselves or along with someone else.
- Respondents were informed that the research was being conducted on behalf of the U.S. Department of the Treasury and that their responses were confidential. Respondents were not offered an incentive for their participation.
- Data were weighted to more accurately represent the unbanked population of SSA and SSI recipients.
- Interviews were conducted between September 25 and October 9, 2007.
- The questionnaire was translated into Spanish and bilingual interviewers were available for Spanish speaking respondents.

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Executive Summary



Estimate of Banking Status

- Based on the results of this survey, we estimate that:
 - **28 percent** of SSA check recipients are unbanked.
 - This is unchanged since Wirthlin's research four years ago.
 - Based on November 2007 SSA check payment data, this indicates there are approximately **2.1 million** unbanked SSA recipients.
 - **59 percent** of SSI check recipients are unbanked.
 - This is somewhat lower than the 68 percent found in Wirthlin's research four years ago.
 - Based on November 2007 SSA check payment data, this indicates there are approximately **1.8 million** unbanked SSI recipients.



Unbanked Profile

Unbanked SSA recipients

- Are disproportionately:
 - Younger – 54 percent are under 64 years old
 - African-American – 28 percent
 - In the South – 50 percent
 - Low-income – 63 percent have household incomes less than \$20,000
- 12 percent are Hispanic

Unbanked SSI recipients

- Are disproportionately:
 - African-American – 34 percent
 - Longer term benefit recipients, with most having received benefits for six years or more – 52 percent
 - In the South – 47 percent
- 19 percent are Hispanic



Representative Payees

- The percent of representative payees (who receive a check only for someone else or for themselves and someone else) is about the same as four years ago (as found in Wirthlin's research).
 - 21 percent of SSA check recipients are representative payees, about the same as four years ago.
 - 39 percent of SSI check recipients are representative payees, slightly higher than four years ago (33 percent).
- Representative payees are younger, significantly more likely to be female, and are generally more receptive to direct deposit and debit cards.



Banked Check Recipients & Direct Deposit

- Results for banked Social Security and SSI recipients are very similar to the research conducted by KRC Research three years ago.
- There are no statistically significant differences from three years ago in:
 - Satisfaction with receiving checks (very high).
 - Awareness of direct deposit as a payment option (nearly universal).
 - Likelihood to switch to direct deposit (about one-third).
 - Impact of key messages (very effective among the inclined).



Banked Check Recipients & Direct Deposit

- Key benefit messages have a positive impact on likelihood to switch to direct deposit.
 - After hearing key messages, four in 10 SSA recipients and more than half of SSI recipients say they are likely to switch to direct deposit – almost exactly the same results as three years ago.
- **Convenience** and **safety** continue to be the most convincing reasons to use direct deposit.
- Representative payees, younger benefit recipients (50 and under), and those receiving benefits five years or less are most inclined to switch to direct deposit.



Banked Check Recipients & Direct Deposit

- These results indicate the **Go Direct** campaign has an opportunity to sustain success as the pool of inclined, banked check recipients remains large enough to effectively convert them to direct deposit and drive down check volume, especially given that:
 - The percent of inclined check recipients remains about the same as three years ago.
 - The **Go Direct** campaign has been successful the past three years, with a significant gain in conversion rates at the beginning of 2007.



Unbanked Check Recipients & Direct Deposit

- As with banked check recipients, the unbanked are overwhelmingly satisfied with receiving their payment by paper check.
- Awareness of direct deposit as a payment option is nearly universal.
- Interestingly, about one-third of unbanked SSA and SSI recipients say they are likely to get a bank account and switch to direct deposit.
 - They are equally inclined to switch to direct deposit as banked respondents (Wirthlin's mail survey of check recipients four years ago had the same finding).



Unbanked Check Recipients & Debit Cards

- Most unbanked benefit recipients are familiar with debit cards and about half have favorable impressions of them as a way to make financial transactions.
 - Of the one-third who have used a debit card before, three-fourths have had a positive experience with them and are favorable toward them.
- Nearly four in 10 SSA recipients and almost half of SSI recipients are at least somewhat likely to consider using a debit card for their benefit payment.
 - Four in 10 also say they are **very unlikely** to consider using a debit card for their benefit payment. (This is not very different from banked benefit recipients attitudes toward direct deposit).
- Representative payees, younger, and African-American recipients are most receptive to debit cards.



Unbanked Check Recipients & Debit Cards

- Nearly all the features of a debit card are important to unbanked benefit recipients, with the most important being:
 - The payment is available the day it's due.
 - Funds are FDIC insured and protected by federal laws that limit the amount of money you would lose if your card is lost or stolen.
 - There is no monthly fee for using the card.
 - The ability to make purchases at grocery stores, gas stations, and other locations.
- The ability to make purchases and pay bills by telephone and the Internet were the least important features.

Garnishment Issue

- Awareness of the garnishment issue is low among banked recipients (two in 10), but somewhat higher among the unbanked (three in 10).
- Awareness of the garnishment issue currently has no impact on the likelihood to consider direct deposit or debit cards for benefit payments.

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Detailed Findings

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Banked Benefit Recipients



Key Findings

- Satisfaction with receiving benefit payments by check remains nearly universal with three in four saying they are **very satisfied**.
- Awareness of direct deposit as a payment option also remains nearly universal.
 - Benefit recipients have heard about direct deposit through numerous ways, with most citing direct communications like inserts, back of envelope messages, and direct mail.
- About one-third of all banked benefit recipients are inclined to switch to direct deposit, the same as three years ago.
 - Three out of 10 SSA recipients are at least somewhat likely to switch.
 - Four out of 10 SSI recipients are at least somewhat likely to switch.
- As in the past, over half of SSA recipients and over one-third of SSI recipients are very resistant to direct deposit.
 - Most are resistant simply because they like receiving a check in the mail.

Key Findings

- Key messages have a positive impact on likelihood to switch to direct deposit.
 - After hearing key messages, likelihood to switch increases among both SSA and SSI recipients.
 - Among SSA recipients, likelihood to switch increases from 28 percent to 41 percent (+13).
 - Among SSI recipients, likelihood to switch increases from 40 percent to over half, 56 percent (+16).



Key Findings

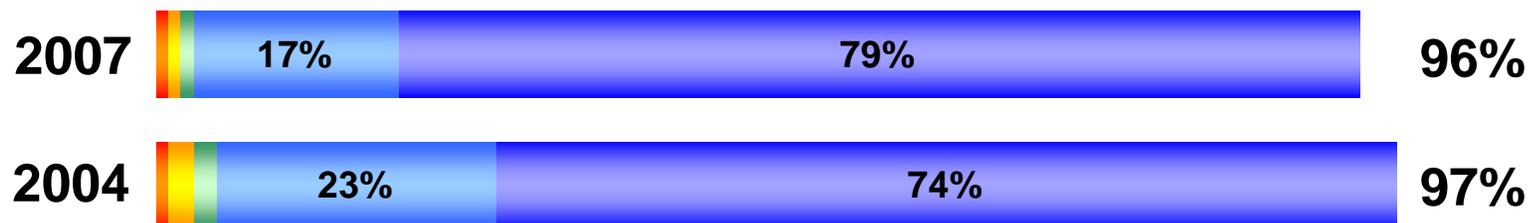
- The messages are very effective among those already inclined to switch and ineffective among those initially not inclined to switch.
- Convenience and safety continue to be the most important reasons cited to switch to direct deposit, and are the more effective messages.

Banked check recipients are very satisfied with the way they receive their payments, with nearly eight in 10 saying they are very satisfied. Satisfaction with receiving checks is unchanged since 2004

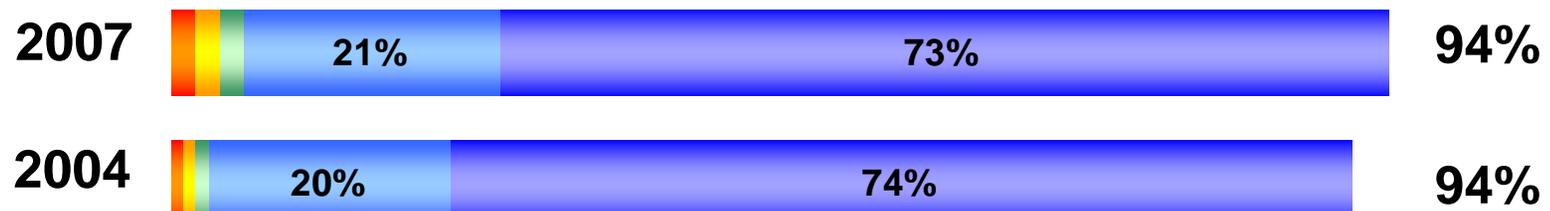
Q1. In general, how satisfied are you with the way in which you currently receive your Social Security or SSI payments – very satisfied, somewhat satisfied, neither satisfied nor unsatisfied, somewhat unsatisfied, or very unsatisfied?

Banked SSA

Satisfied



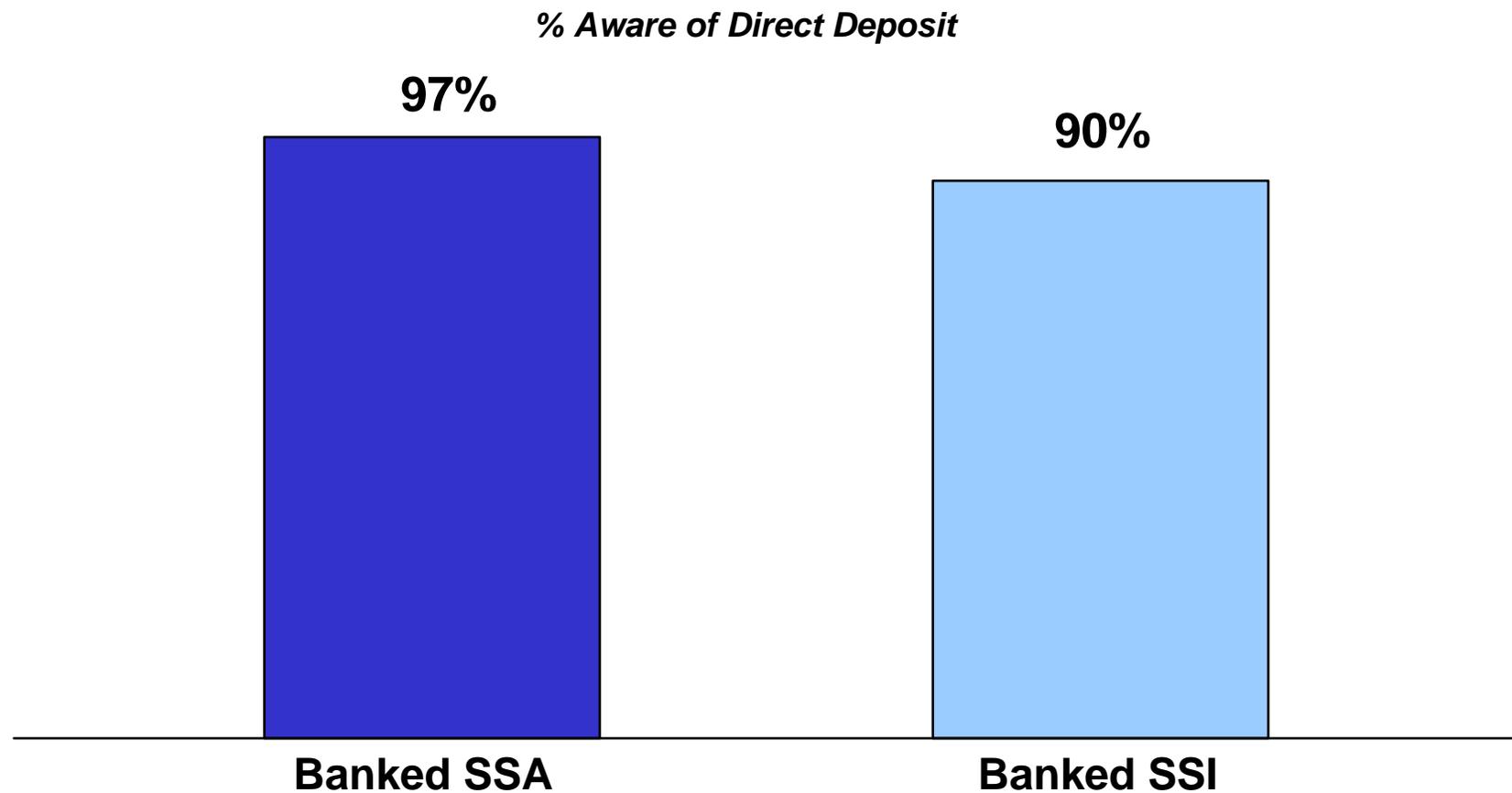
Banked SSI



■ Very unsatisfied
 ■ Somewhat unsatisfied
 ■ Neither
 ■ Somewhat satisfied
 ■ Very satisfied

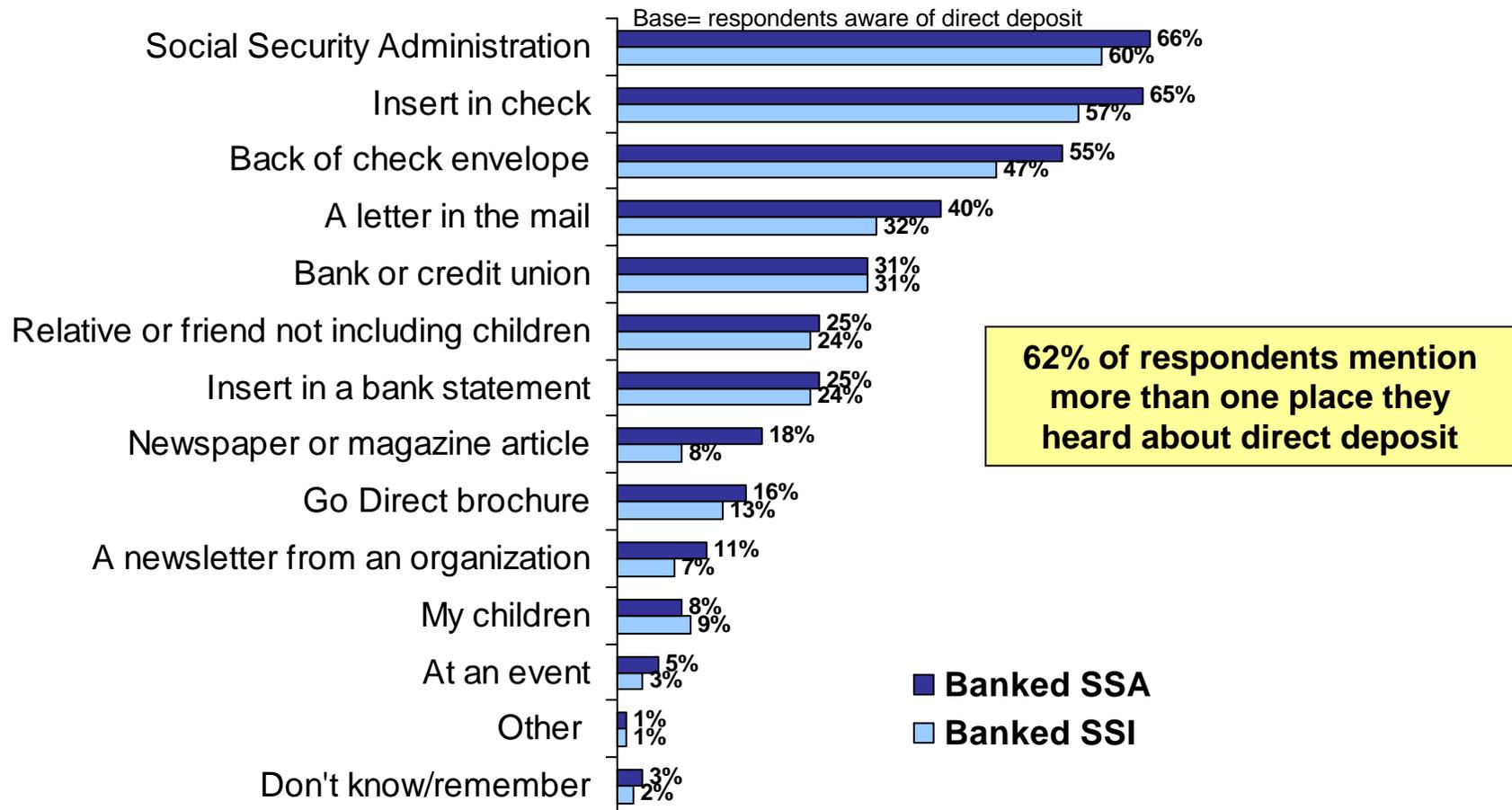
Awareness of direct deposit as a payment option is nearly universal and unchanged since 2004

Q4. Before today, were you aware that you can receive your Social Security or SSI payment through electronic direct deposit into your bank account instead of by paper check, or did you not happen to know this?

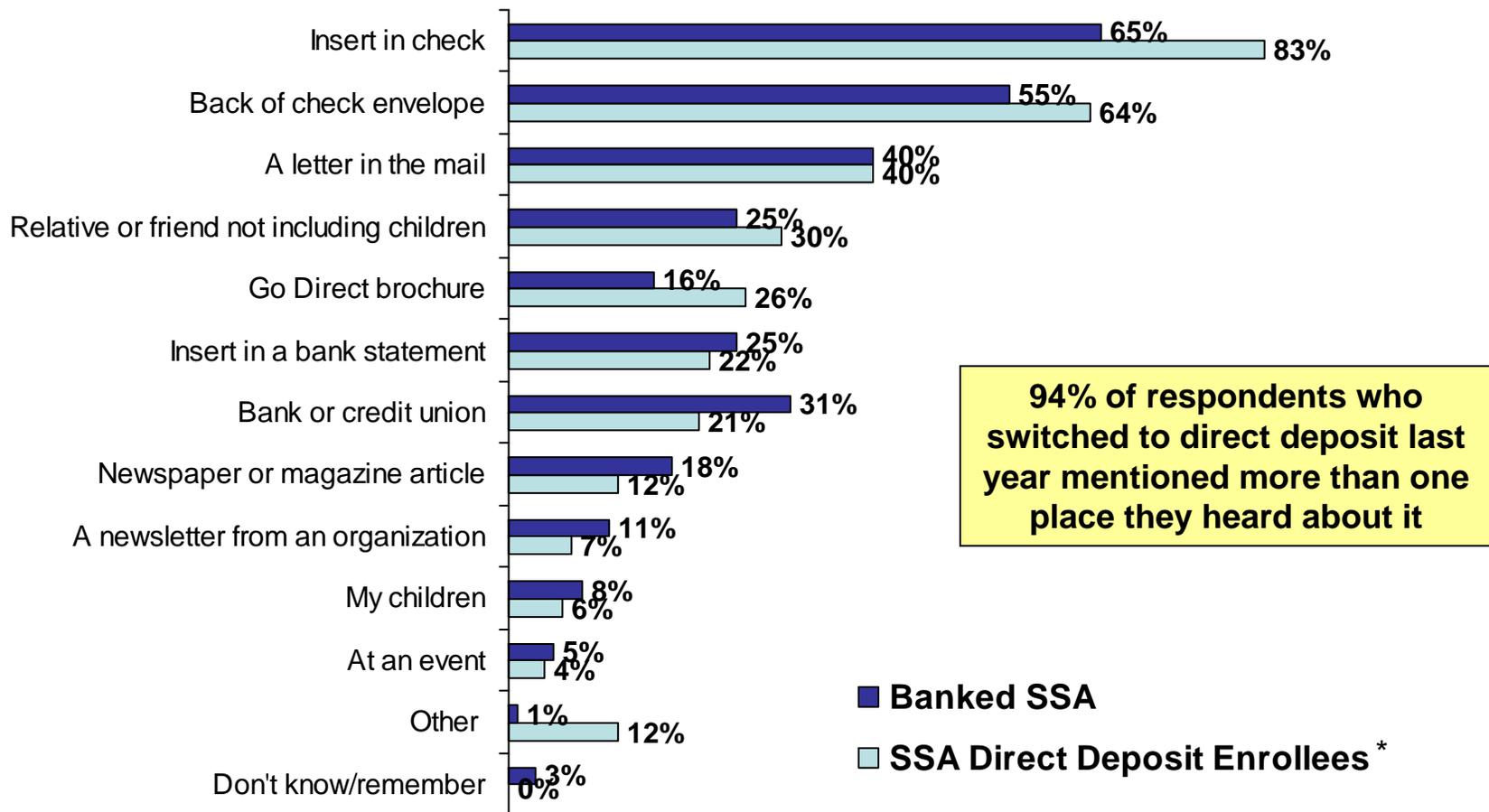


Check recipients have heard about direct deposit in numerous ways, primarily through direct communications such as inserts, back of the envelope messages, and direct mail

Q7. Now I am going to read you a list of places where you may have heard about direct deposit as an option for your Social Security payment. For each one I read, please tell me if you have or have not heard about direct deposit from that source? (Aided. Multiple Responses)



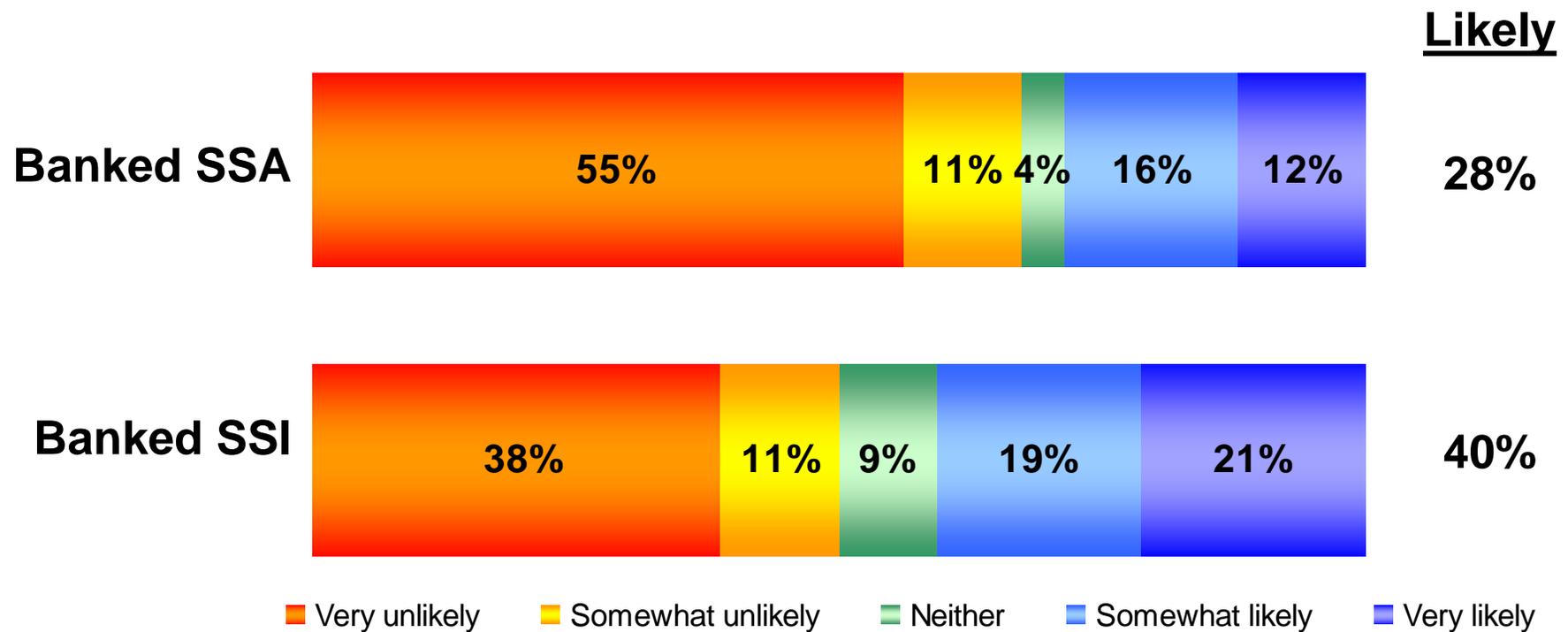
Those who have actually switched to direct deposit are more likely to have heard about it from multiple sources



* *Go Direct* Call Center Survey, December 2007
 Social Security Administration was not a response choice in 2007

Three in 10 Social Security recipients and four in 10 SSI recipients are inclined to switch to direct deposit. However, over half of SSA recipients and over four in 10 SSI recipients say they are **very unlikely** to switch

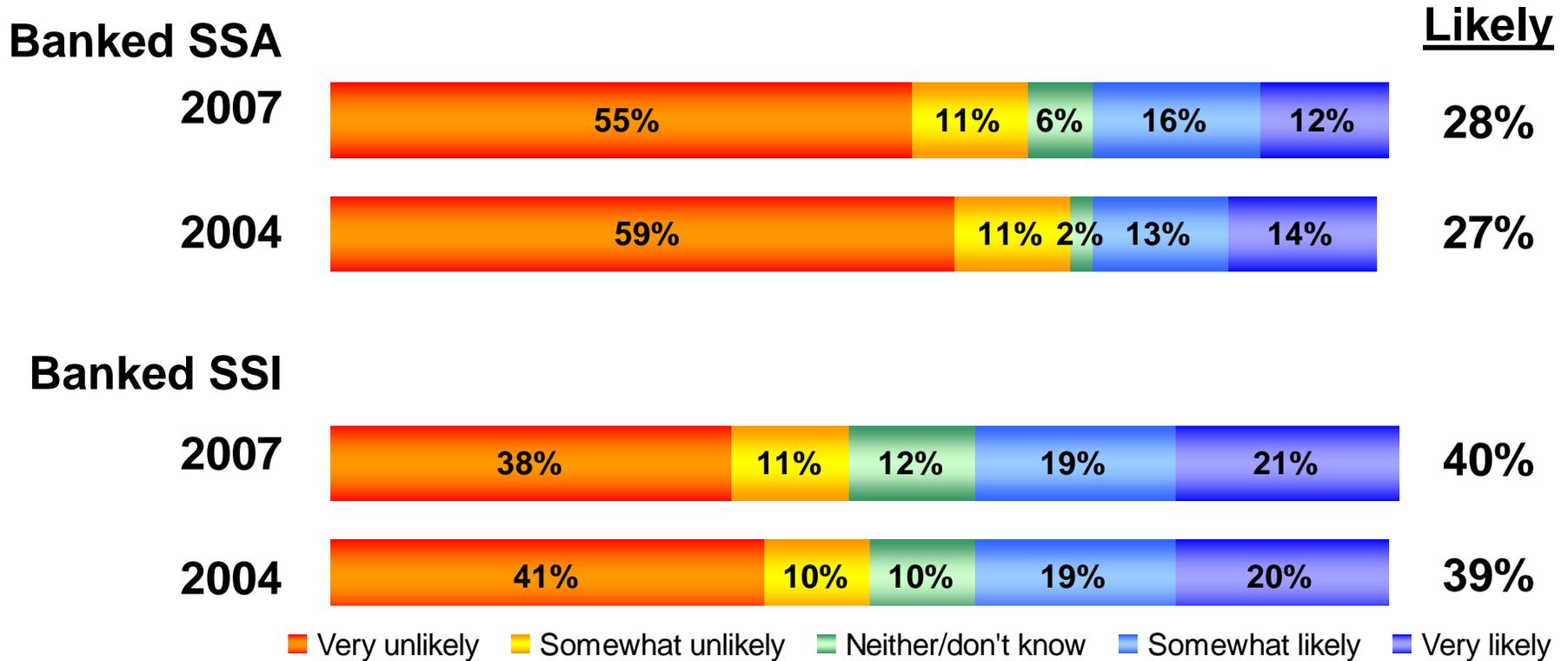
Q5. Now that you've heard how direct deposit works, how likely are you to switch your payment method from a paper check to direct deposit in the next FEW months?





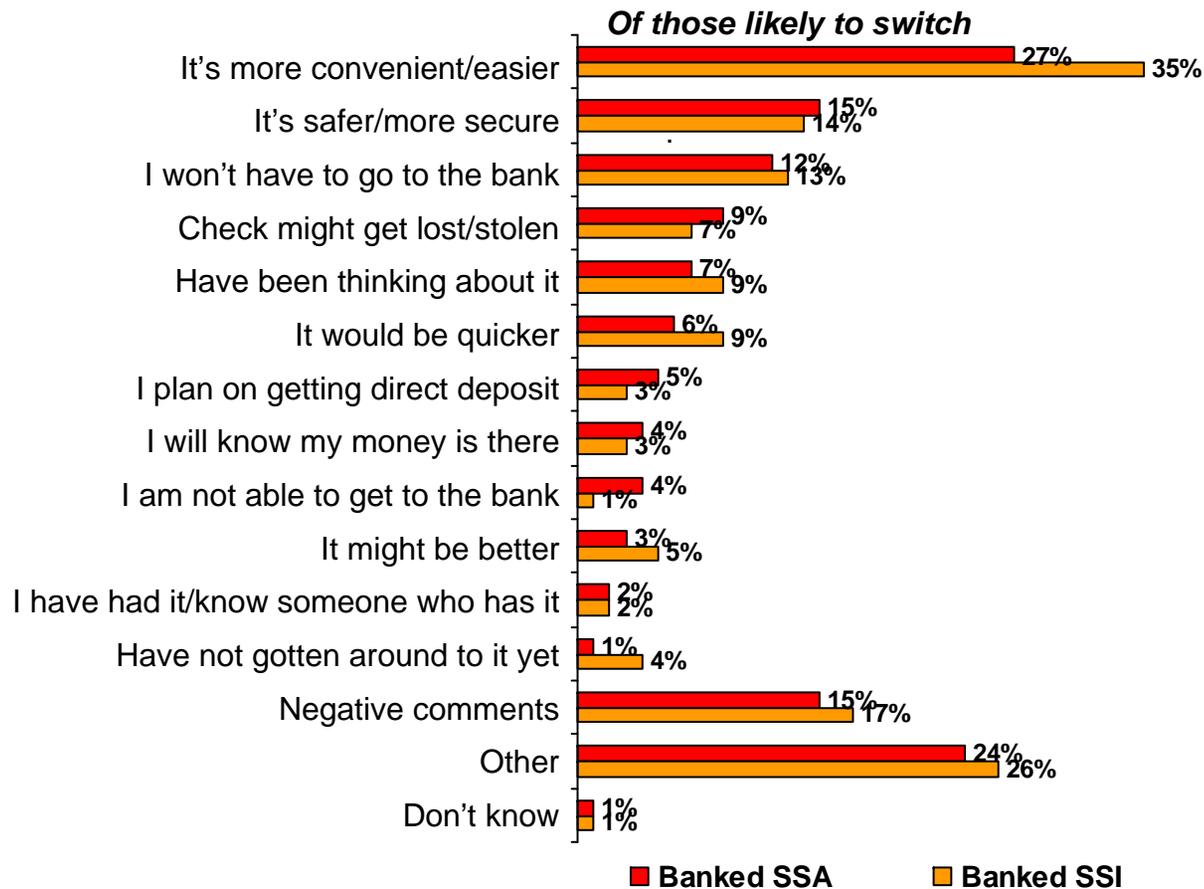
Likelihood to switch to direct deposit remains unchanged since 2004
 As in 2004, banked SSI recipients are significantly more inclined to switch to direct deposit than SSA recipients

Q5. Now that you've heard how direct deposit works, how likely are you to switch your payment method from a paper check to direct deposit in the next FEW months?



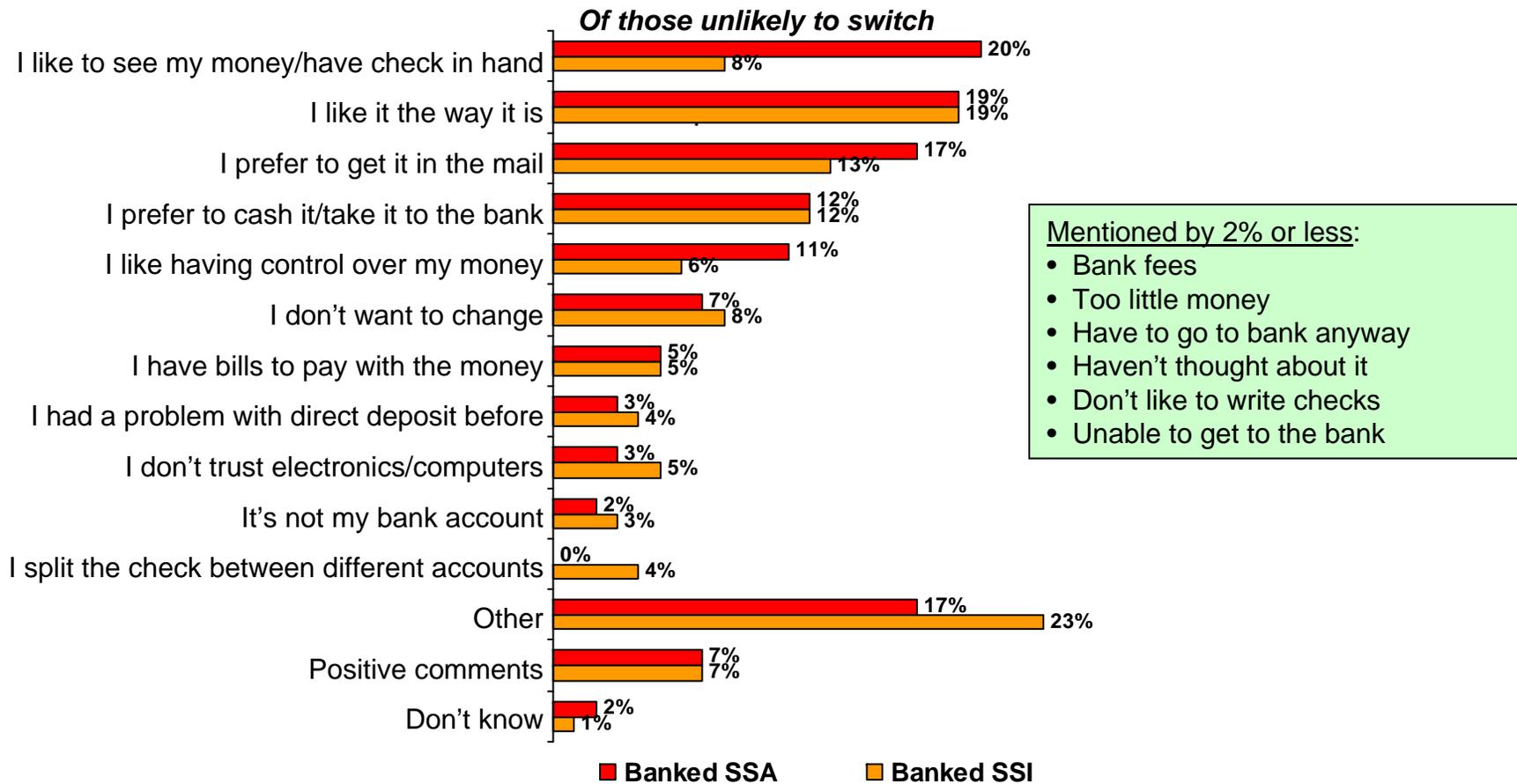
Convenience and safety are the primary reasons to use direct deposit for those inclined to switch

Q6. Why do you say you are likely to switch your payment method from a paper check to direct deposit? (Open-end)



Those unlikely to switch to direct deposit simply prefer receiving a paper check

Q6. Why do you say you are unlikely to switch your payment method from a paper check to direct deposit? (Open-end)





Most Likely to Consider Direct Deposit?

Among Banked SSA recipients:

Rep Payees	41%
Under 50	56%
< 5 years receiving benefit	53%

- Sample size for ethnic groups too small to report

Among Banked SSI recipients:

Under 50	48%
African American	55%
< 5 years receiving benefit	52%

- Sample size for Hispanics too small to report

Key Messages Tested

We tested the following key messages among banked SSA and SSI recipients

Safety: Stolen Checks and Identity Theft. Direct deposit is the safest way to receive your money so you will feel secure. Direct deposit eliminates the risk of stolen checks and forgeries, and helps protect people from identity theft and fraud. You can take comfort in the fact your money is safe in your account.

Reliable: Weather and Disasters. Direct deposit is the most reliable way to receive your money, so you will feel more secure. Direct deposit ensures Social Security and SSI payments are protected from unforeseen events such as check delays or lost checks because of severe weather or disasters. The money will be in your bank account and can be accessed from virtually anywhere.

Reliable: More Problems with Paper Checks. Direct deposit is the most reliable way to receive your money, so you will feel more secure. When there is a problem with a Social Security or SSI payment, nine times out of ten it is with a paper check, not direct deposit. Problems with direct deposit are rare and quickly fixed.

Better for the Environment. Direct deposit is better for the environment because it reduces the amount of paper and other resources that have to be used to print and mail millions of paper checks each month to federal benefit recipients.

Easier: Goes Straight to Bank Account, No Trip to Bank. Direct deposit makes your life a little easier. Your monthly payment goes straight into your account, so you don't have to go to the bank or credit union to deposit your check.

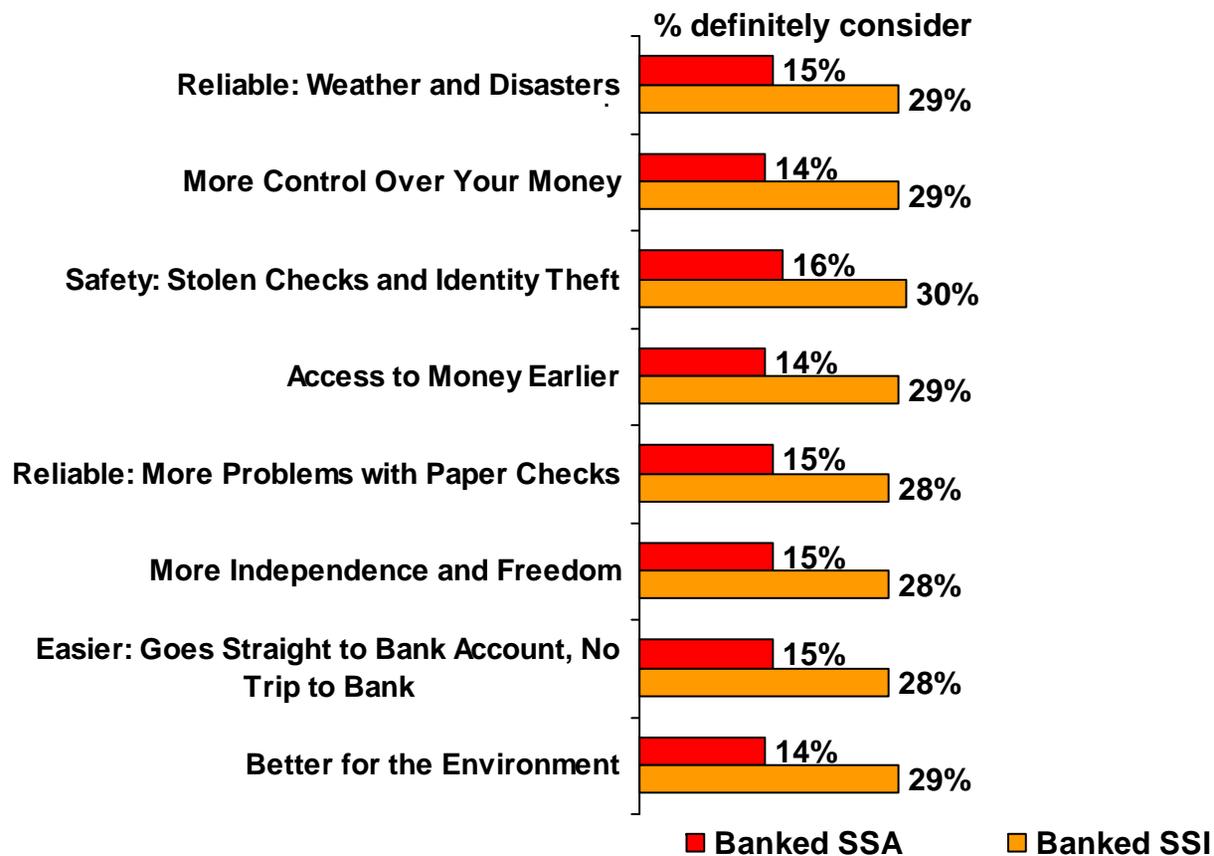
Access to Money Earlier. With direct deposit, you have access to your money earlier. Your money is there on your payment day.

More Control Over Your Money. Direct deposit gives you more control over your money because it is completely predictable. You know you will have your money at the same time each month when you need to pay your bills.

More Independence and Freedom. Direct deposit makes your life easier and lets you be more independent. You don't have to wait at home for your payment – your money is already in your account on your payment day, so you have more freedom.

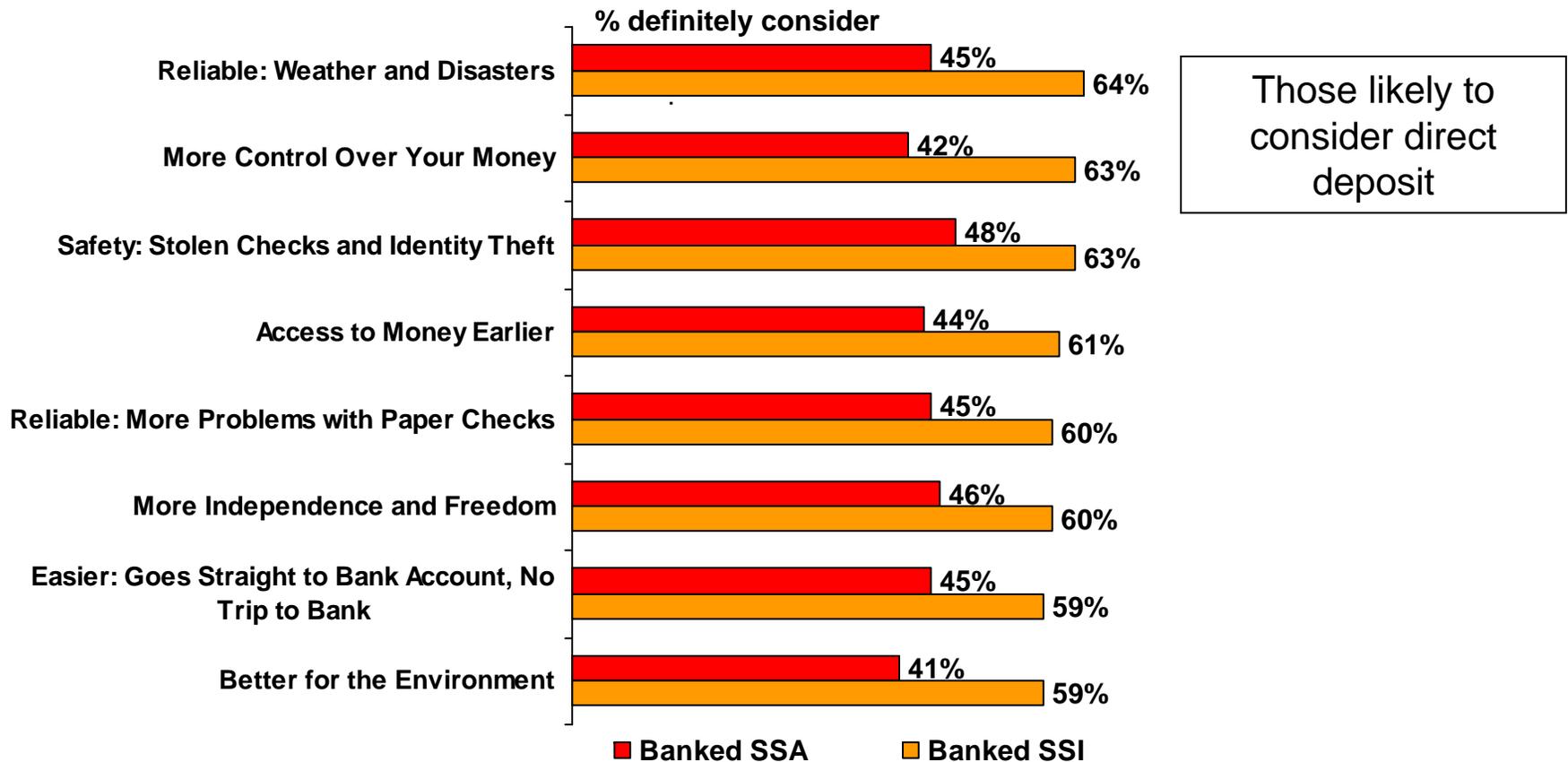
As was true three years ago, the messages are not particularly effective among all benefit recipients as a group

Q8-15. After I read each statement, please tell me how likely you would be to consider switching from a check payment to direct deposit?



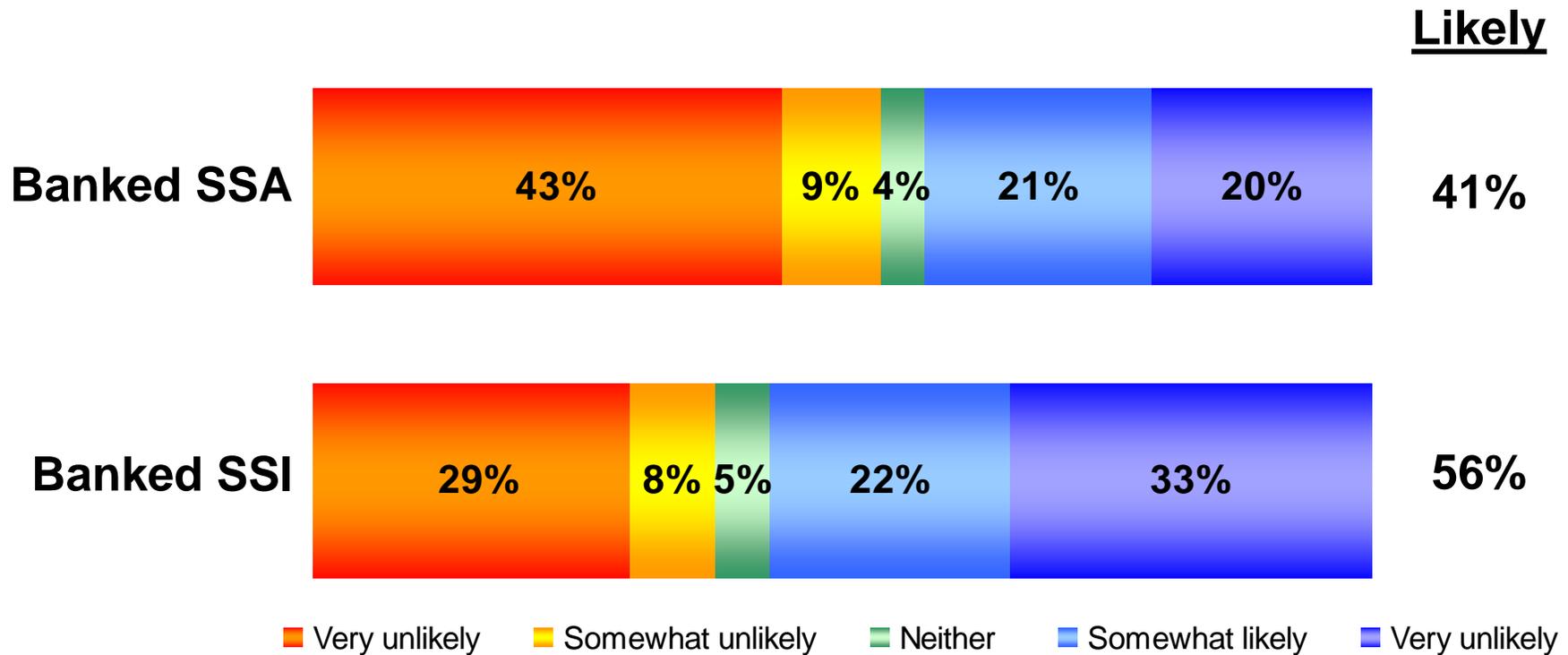
All the messages are very effective among those likely to switch to direct deposit and are significantly more effective among SSI recipients

Q8-15. After I read each statement, please tell me how likely you would be to consider switching from a check payment to direct deposit?



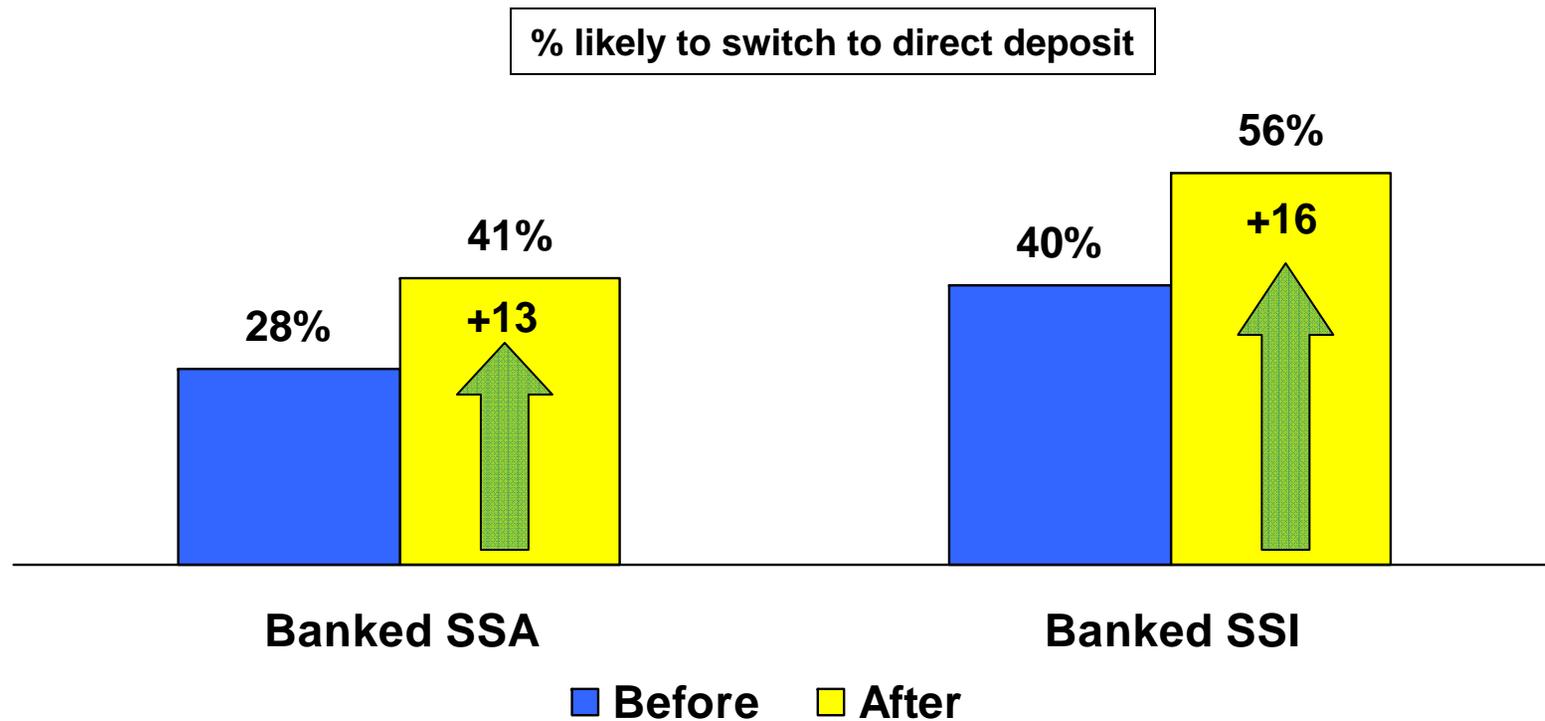
Key messages have a positive impact on likelihood to use direct deposit, with four in 10 SSA recipients and over half of SSI recipients saying they are likely to switch after hearing key messages

Q16. After hearing these statements, how likely are you to switch your Social Security or SSI payment method from a paper check to direct deposit in the next few months?



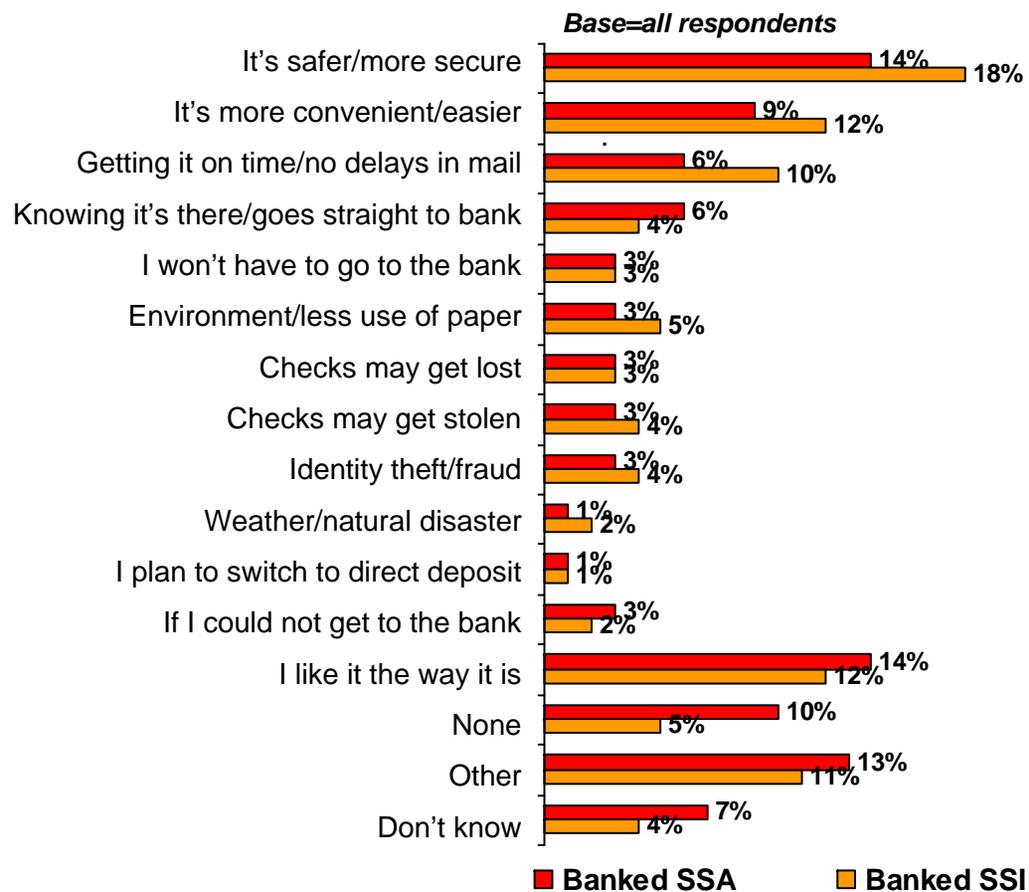
The messages have a positive impact on likelihood to switch to direct deposit

Q16. After hearing these statements, how likely are you to switch your Social Security or SSI payment method from a paper check to direct deposit in the next few months?



Safety and convenience are the most cited reasons to switch to direct deposit after hearing key messages

Q17. Regardless of whether you are likely to switch from a paper check to direct deposit, thinking back to the statements I read, what SPECIFICALLY would you say is the MOST important reason to consider switching to direct deposit? (OPEN-END.)



A plurality have no concerns about switching their payment method to direct deposit, and most of the rest say they simply like getting a check

Q18. What are your main CONCERNS about switching your Social Security or SSI benefit payment from a paper check to direct deposit? (Open-end.)

	<u>SSA</u> %	<u>SSI</u> %
I prefer to receive it in the mail	12	8
I like to have control over my money	7	5
I don't want it/I am not switching	6	4
I don't trust banks/technology	5	4
Safety/security (general)	4	4
Making sure the money is there	4	3
Identity theft/fraud	2	2
Getting the money on time/delays	2	2
Splitting the check into different accounts	2	1
I don't have enough money	2	1
Me/someone I know has had a bad experience with direct deposit	1	1
Bank fees	1	2
Overdrafts or overdrawing my account	1	1
Not being able to get to the bank/ATM	1	2
It would not be convenient for me	1	*
Not worth the time/too much hassle	1	1
I don't like writing checks	1	*
I have to go to the bank anyway	1	1
No concerns	38	42
Other	12	17
Don't know	5	6

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Unbanked Benefit Recipients: Awareness and Receptivity to Direct Deposit

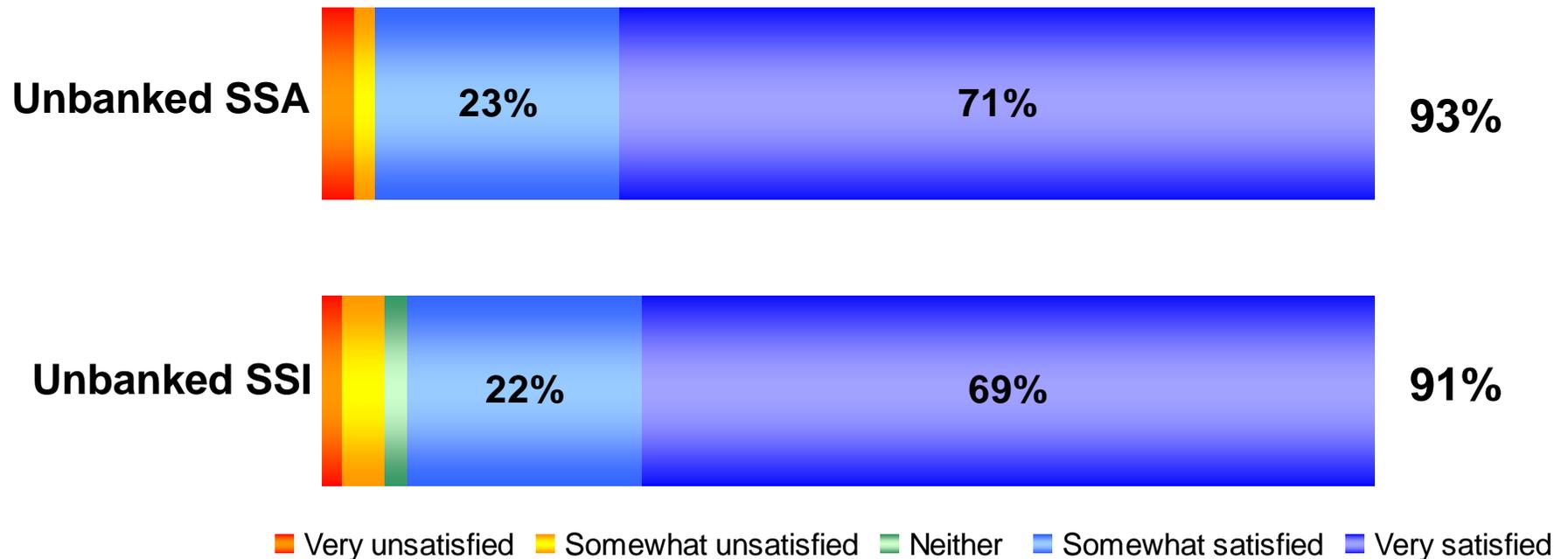
Key Findings

- Nearly all unbanked check recipients are satisfied with the way they receive their benefit payments.
 - In fact, seven out of 10 say they are very satisfied.
- Awareness of direct deposit as a payment option is nearly universal.
- One-third of unbanked SSA and SSI check recipients are inclined to switch to direct deposit (consistent with research conducted in 2003).
- Convenience is the primary reason cited to use direct deposit for those inclined to switch, followed by safety.
- Those unlikely to switch simply like getting a paper check.

Unbanked check recipients are very satisfied with the way they receive their payment, with seven in 10 saying they are very satisfied

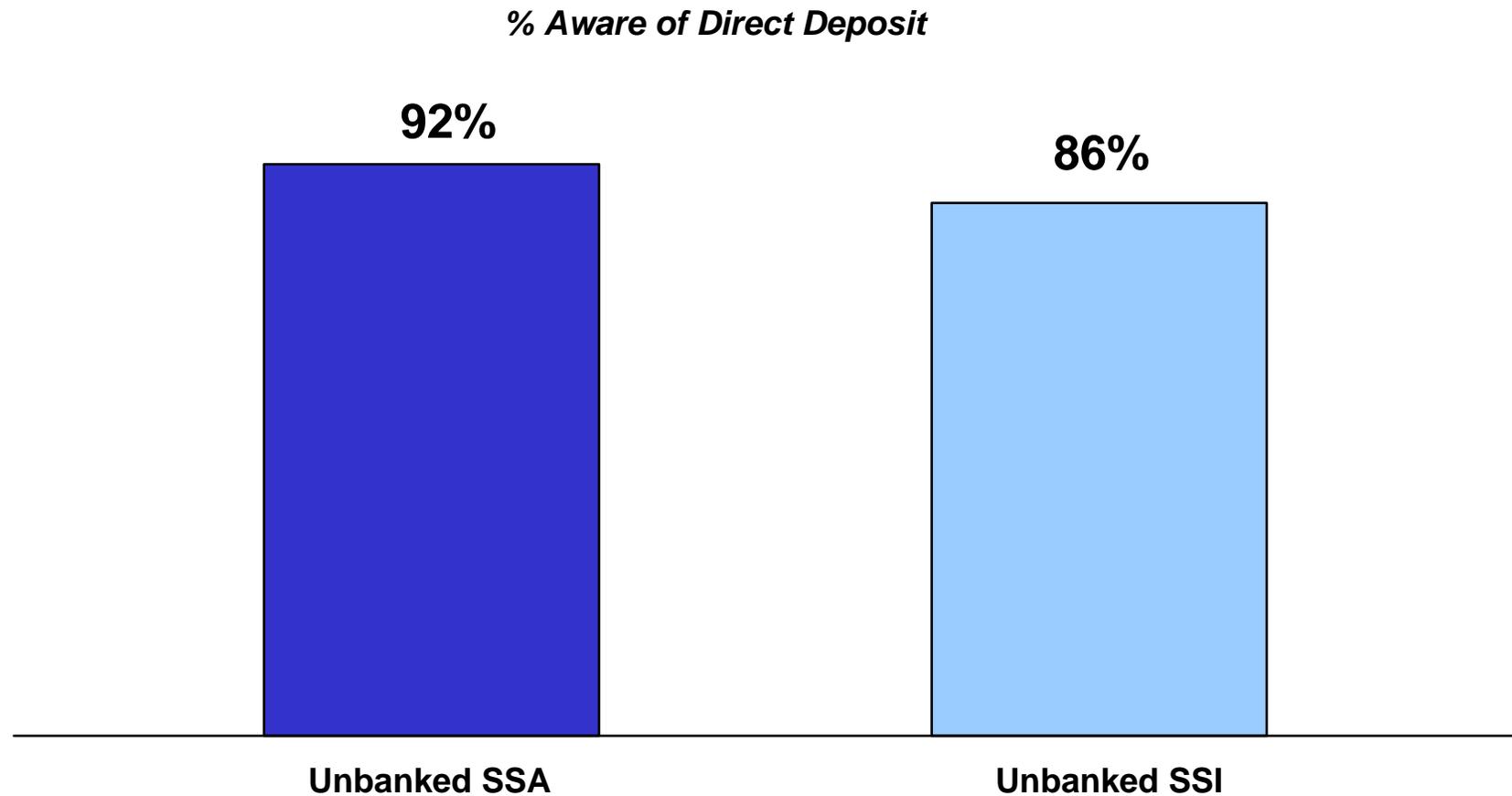
Q1. In general, how satisfied are you with the way in which you currently receive your Social Security or SSI payments – very satisfied, somewhat satisfied, neither satisfied nor unsatisfied, somewhat unsatisfied, or very unsatisfied?

Satisfied



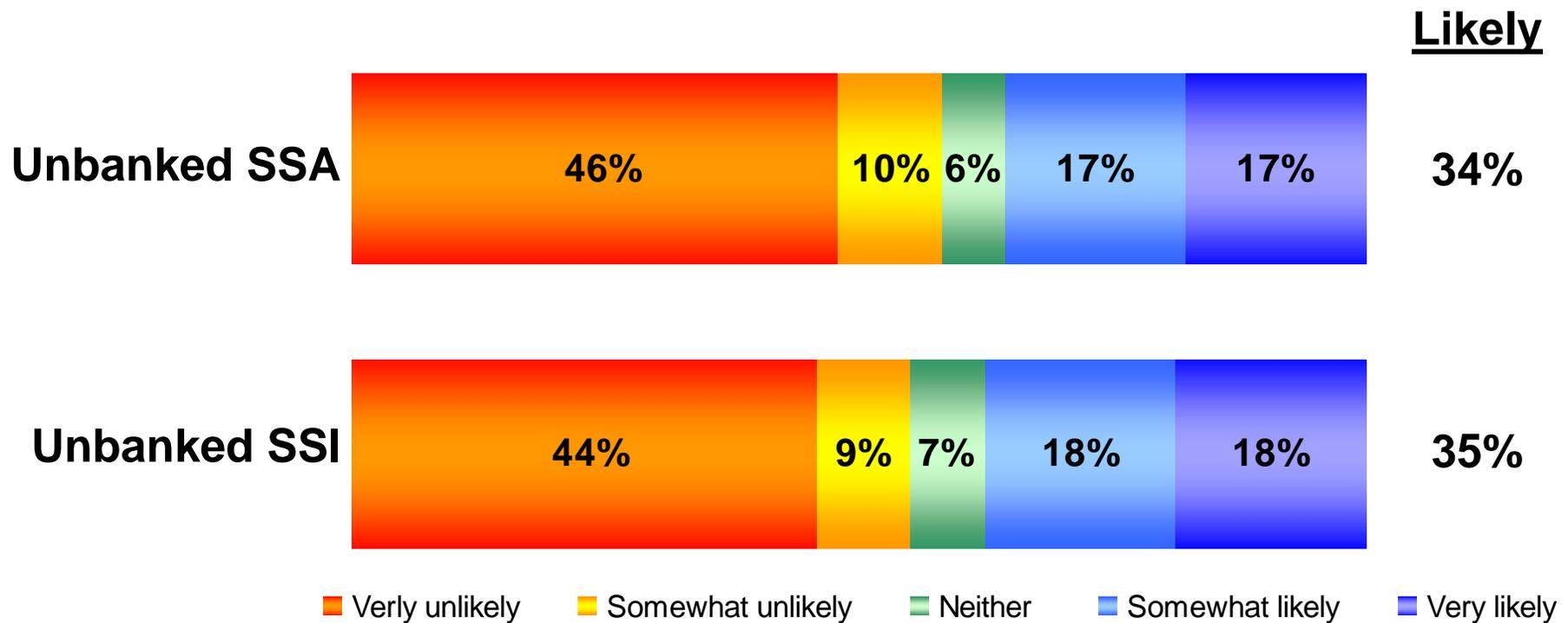
Awareness of direct deposit is nearly universal

Q22. Before today, were you aware that you can receive your Social Security or SSI payment through electronic direct deposit into your bank account instead of by paper check, or did you not happen to know this?



About one-third of unbanked benefit recipients are inclined to switch to direct deposit, about the same as in 2003; but over four in 10 say they are very unlikely to switch*

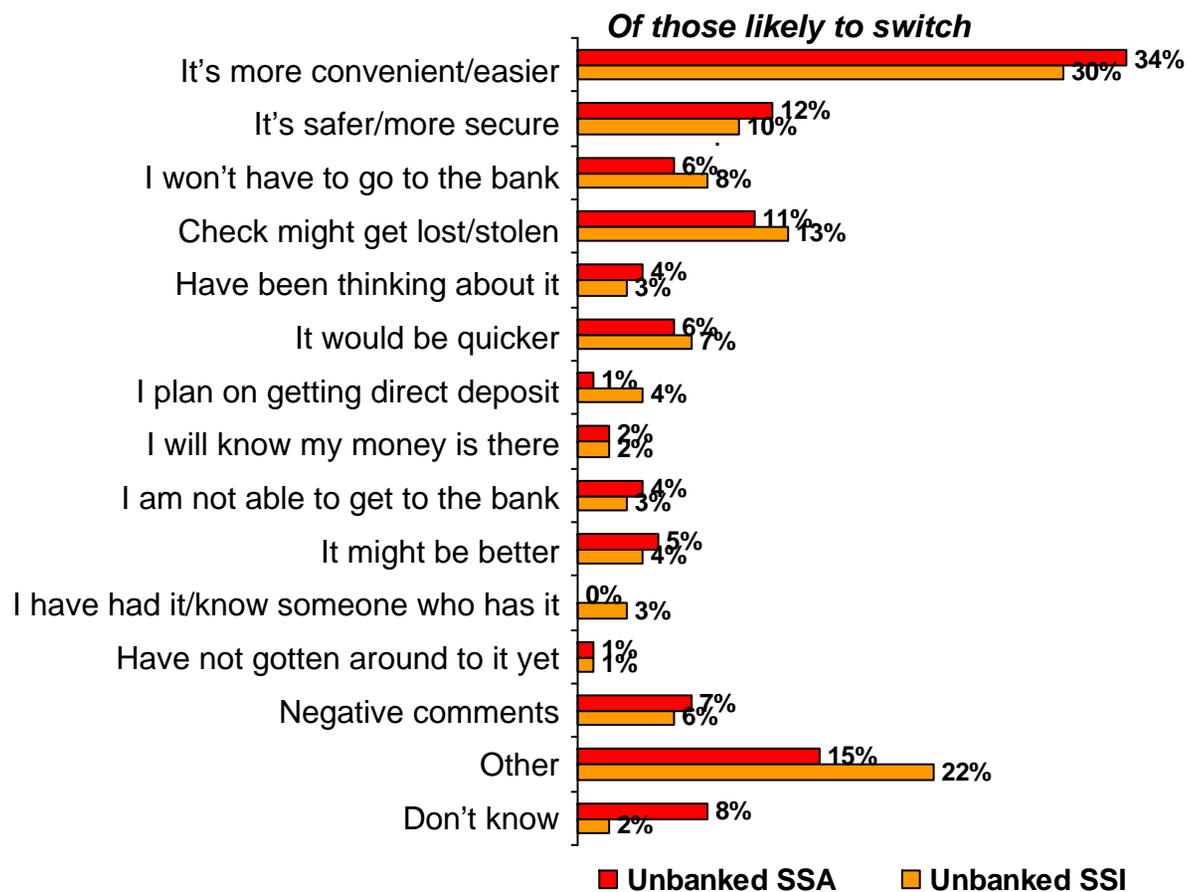
Q23. Now that you've heard how direct deposit works, how likely are you to get a checking or savings account AND switch your payment method from a paper check to direct deposit in the future?



* In 2003, Wirthlin Research also found that about one-third of unbanked check recipients were inclined

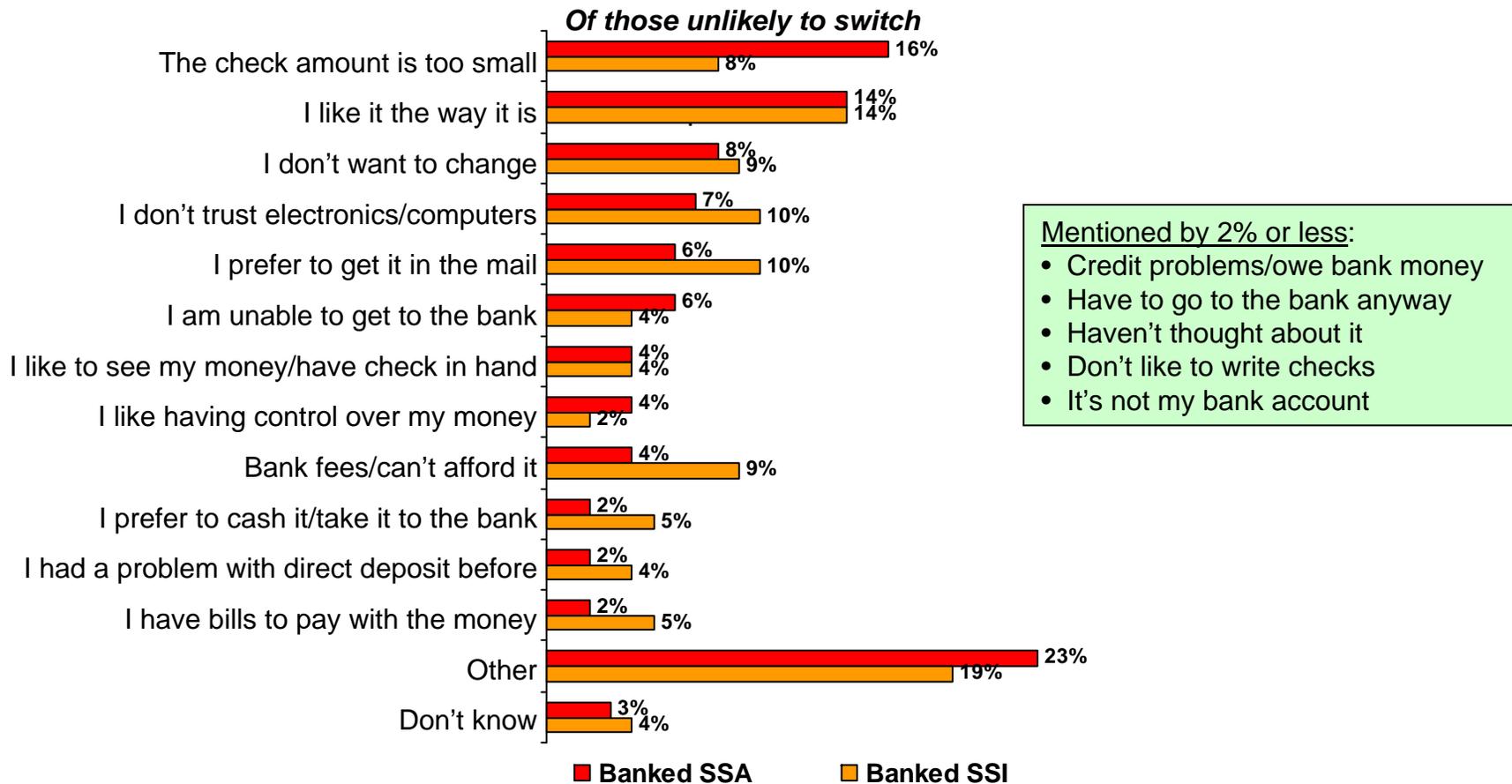
Convenience is the primary reason to use direct deposit for those inclined to switch, followed by safety

Q24. Why do you say you are likely to switch your payment method from a paper check to direct deposit?



Those unlikely to switch to direct deposit simply prefer receiving a paper check

Q24. Why do you say you are unlikely to switch your payment method from a paper check to direct deposit?



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Unbanked Benefit Recipients: Relationship to Banks

Key Findings

- While most are unbanked because they do not feel they have enough money to have a bank account, it is also clear that many have issues with banks.
 - Unaided, many cite having problems with banks in the past as a reason for not having a bank account.
 - A majority have had a bank account in the past, indicating not having a bank account is a choice for many.
 - One in four say they have been denied a bank account in the past because of credit or banking history.
 - Over one-third have negative feelings toward banks.

Key Findings

- Banks are the most common place the unbanked go to cash checks, followed by grocery stores.
- Unbanked SSI recipients cash checks at both banks and grocery stores, but are more likely to go to the bank.
 - One in four also use check cashing services or payday lenders.

Key Findings

- Many pay nothing to cash their checks. Among those who do, they report paying an average of \$6.
- Money orders are commonly used with the average cost being between \$1.20 to \$1.50.
- Only one in ten use wire transfers.



The most frequently cited reason for not having a bank account is not having enough money, although comments about having trouble with bank accounts are common

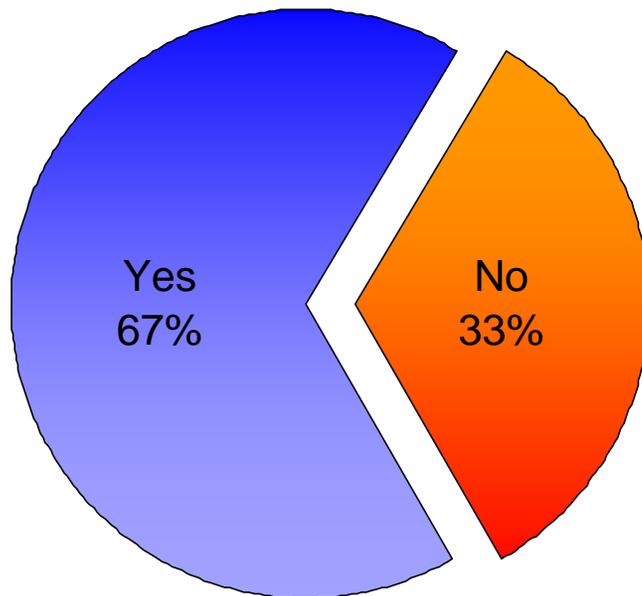
Q19. There are many reasons people do not have a checking or savings account. What are the main reasons you do not have a checking or savings account with a bank, credit union, or other financial institution?

	<u>SSA</u> %	<u>SSI</u> %
<i>I don't have enough money</i>	38	36
I'd rather have cash, it's more convenient using cash	7	4
I have not gotten around to it	6	4
Bad credit/owe money to bank	5	3
I am unable to make decisions for myself	5	4
I don't need an account	4	3
I don't trust banks/don't like putting my money in banks	4	7
Bank fees are too high	4	6
I had problems with overdrafts	4	4
I don't have transportation to and from bank	3	3
Fraud/identity theft	3	4
I had problems writing checks	3	2
Having an account is a hassle/too much trouble	2	*
I do not work	2	2
I don't know much about bank accounts	1	3
The bank tries to take my money/steal from me	1	2
Lack proper identification	*	2
None/no reason	10	11
Other	6	8
Don't know	3	3

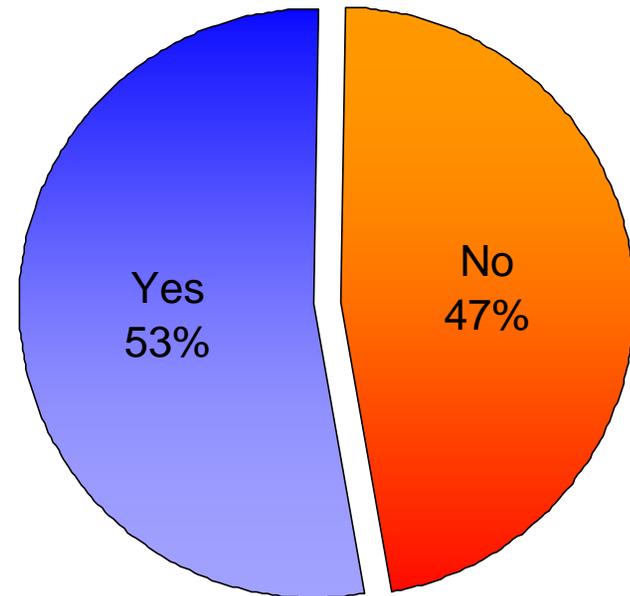
A majority of unbanked check recipients have had a bank account in the past, with two-thirds of SSA recipients saying this

Q3. Have you ever had a checking or savings account with a bank, credit union, or other financial institution?

Unbanked SSA



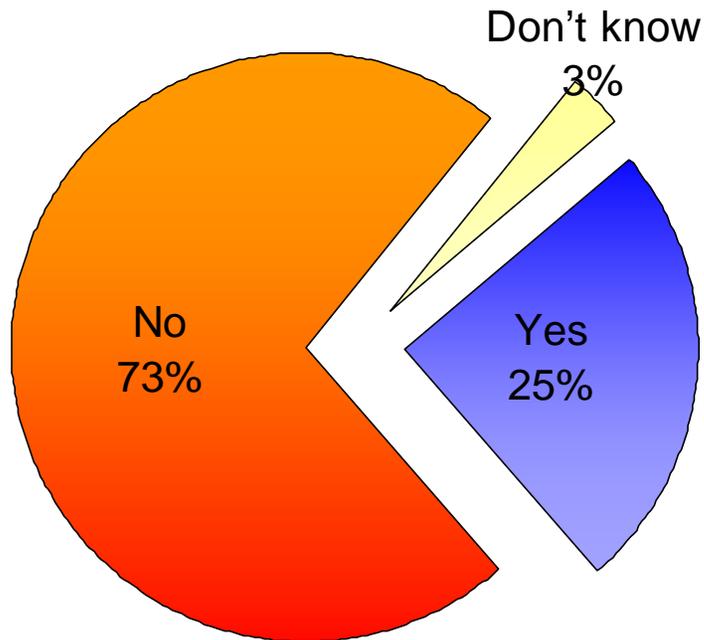
Unbanked SSI



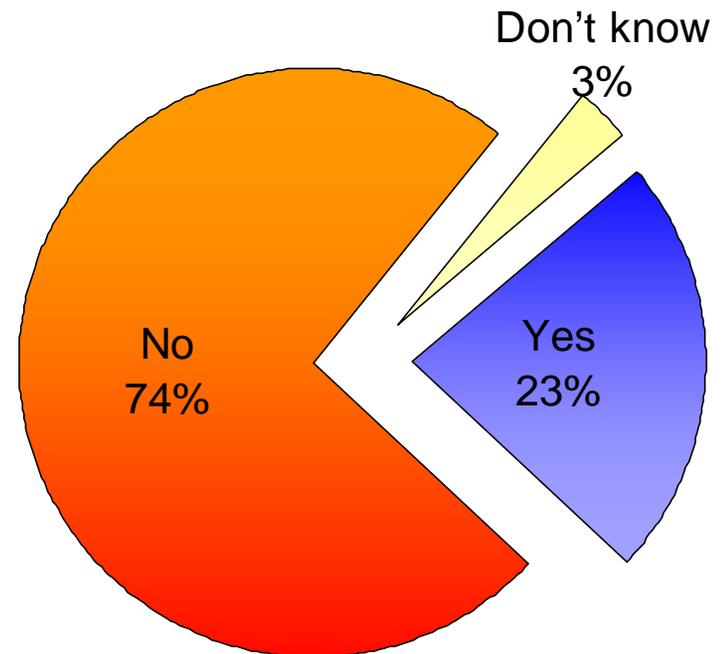
One in four unbanked benefit recipients have been denied a bank account in the past

Q62. Have you ever applied for a bank account and been turned down because of your credit history or past banking history?

Unbanked SSA

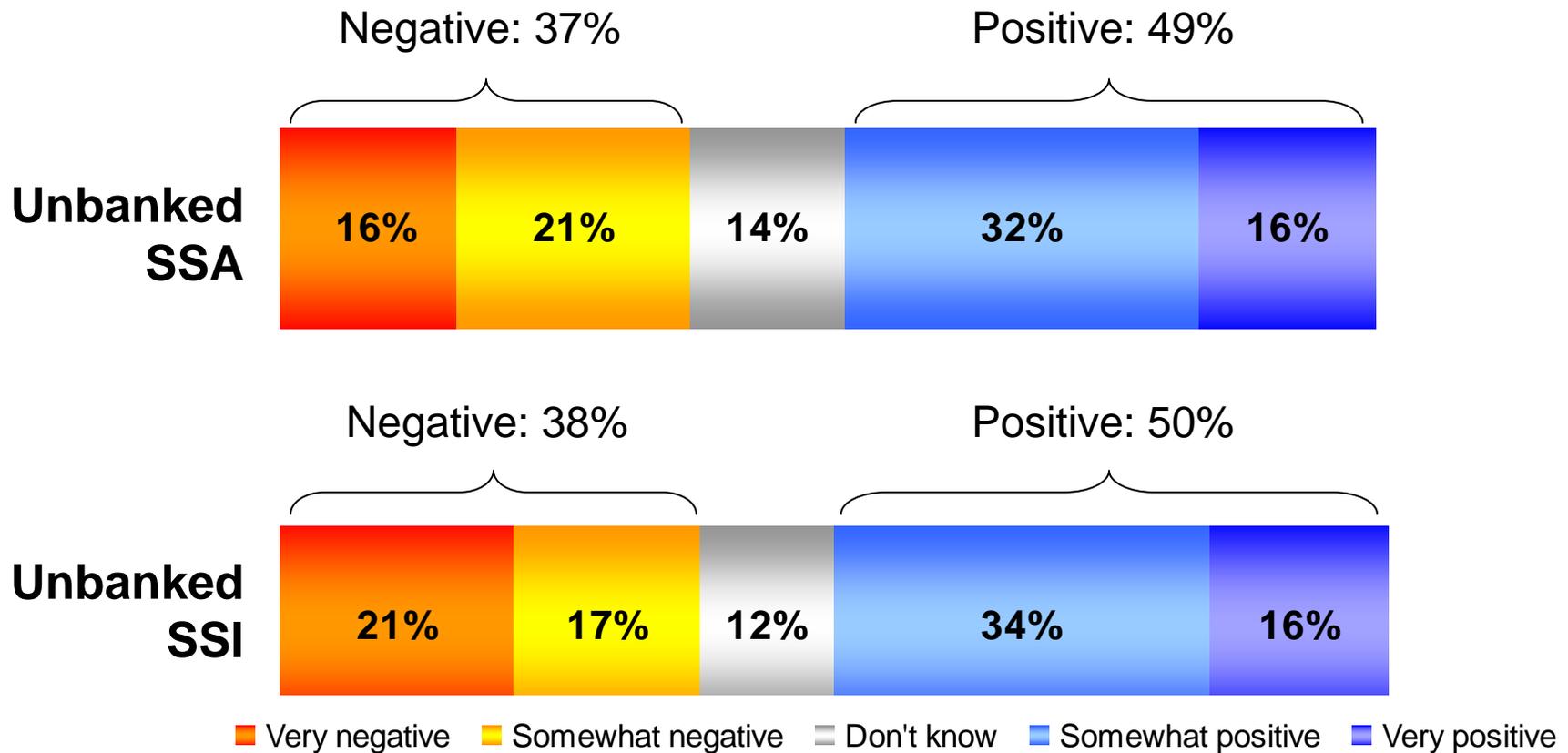


Unbanked SSI



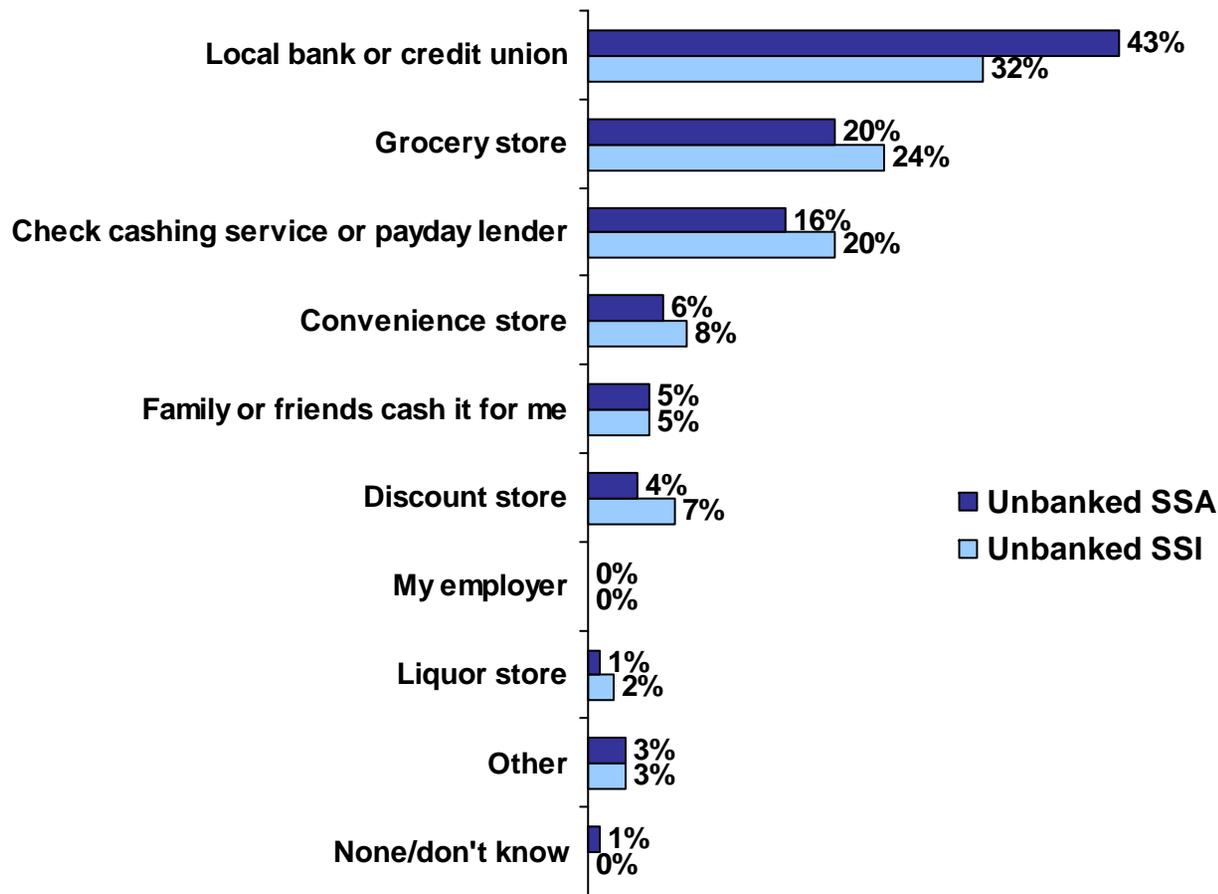
Nearly four in 10 unbanked check recipients have negative feelings toward banks and credit unions

Q61. In general, do you have a very positive, somewhat positive, somewhat negative, or very negative feeling toward banks and credit unions?



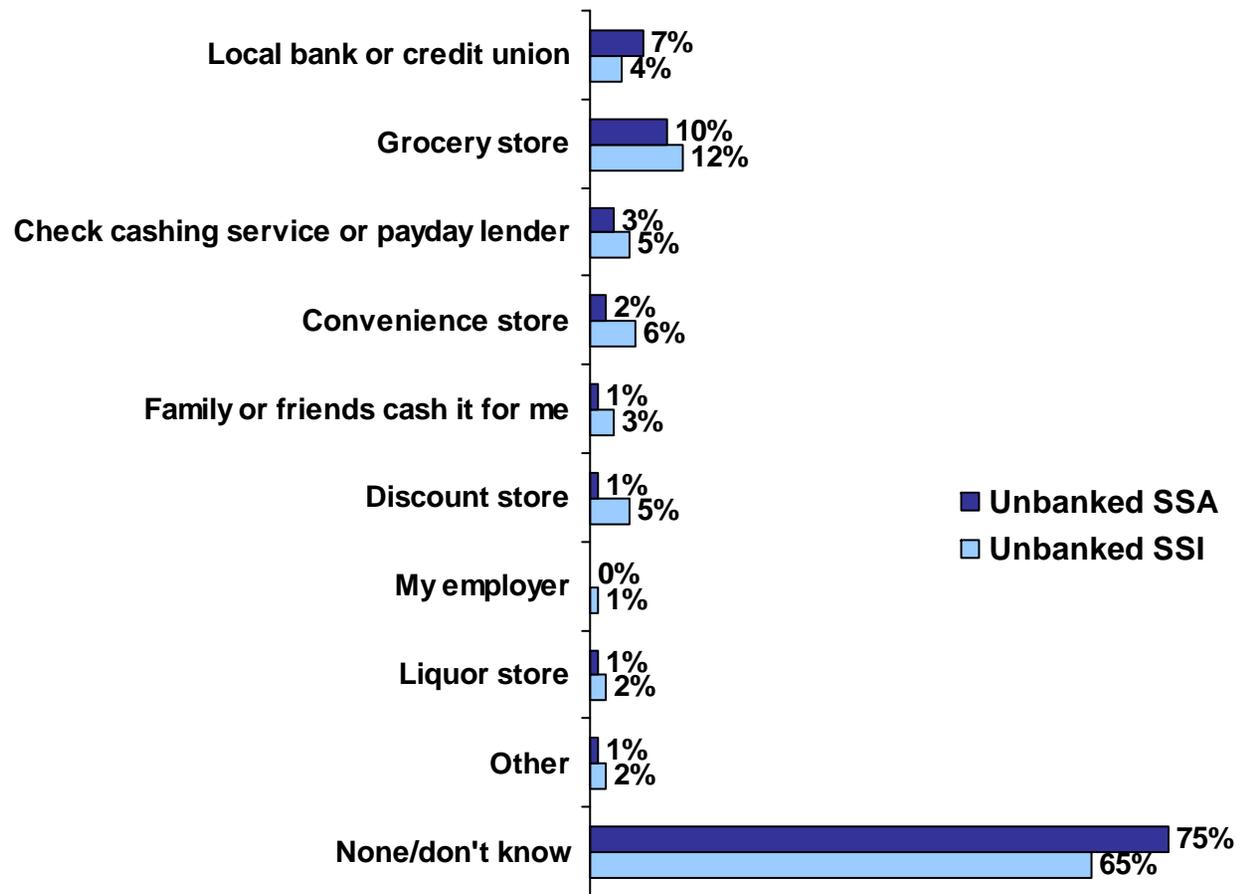
Banks are the most common place unbanked check recipients cash their check, while about one in five cash their check at a grocery store or check cashing service

Q21. Where do you go the most often to cash your Social Security or SSI check? (READ RESPONSES. ACCEPT ONE RESPONSE.)



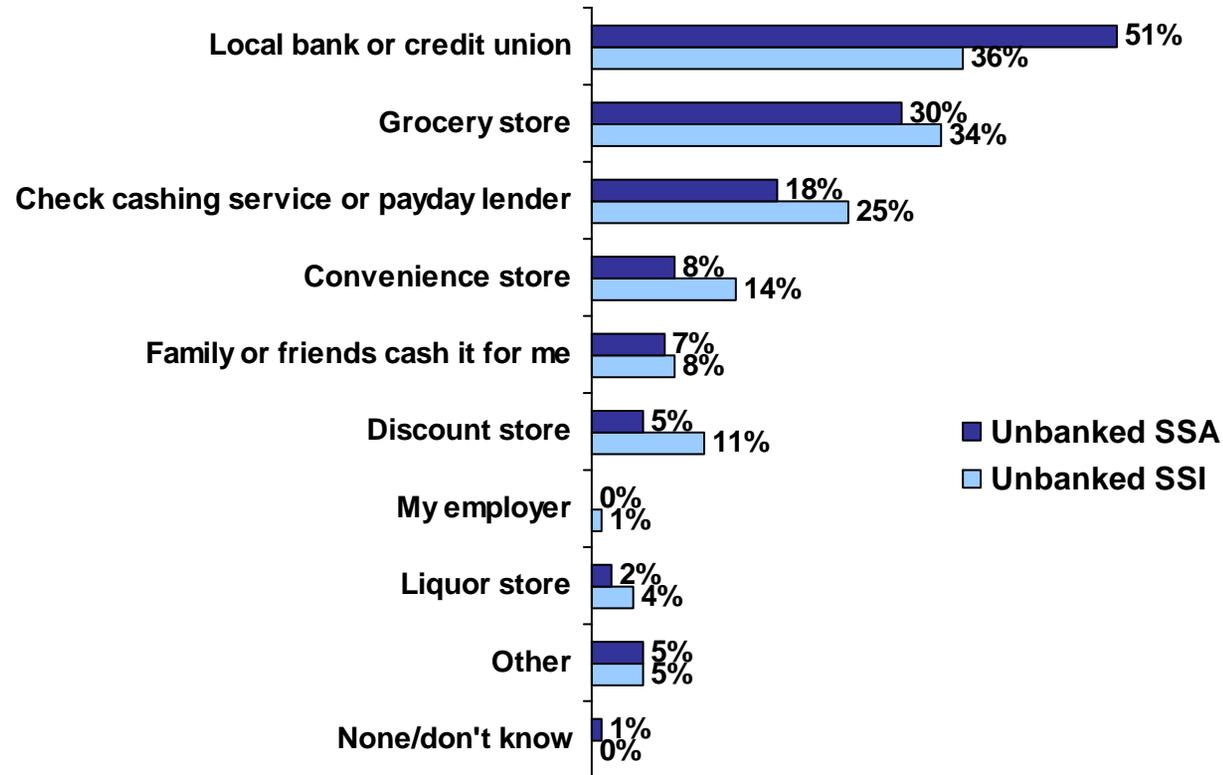
Most only cash their check at one location

Q21. What other places do you sometimes go to cash your Social Security or SSI check? (READ RESPONSES. ACCEPT ALL THAT APPLY.)



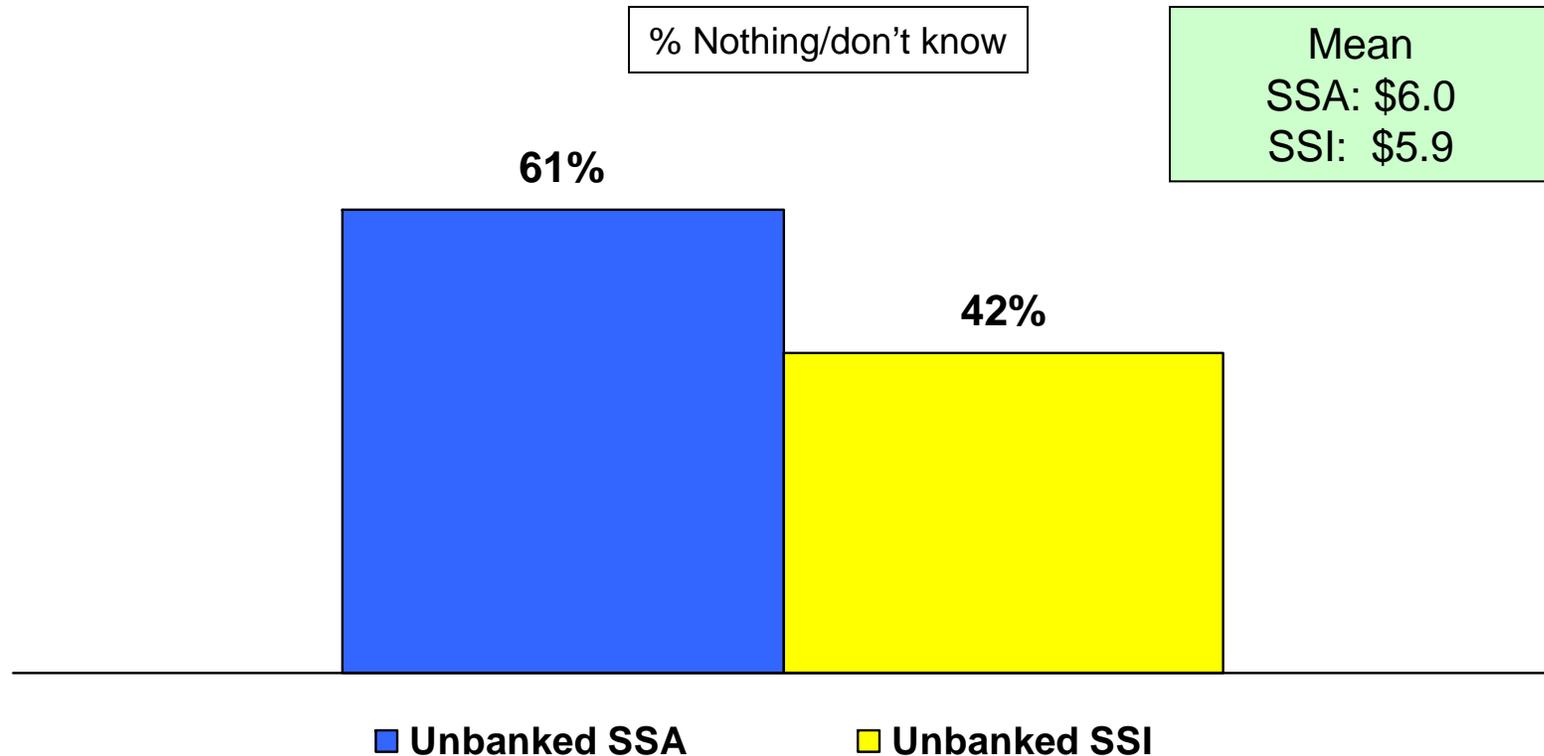
Among SSA recipients, banks are the most common place to cash their check, while about one-third also cash checks at grocery stores. One-third of SSI recipients cash checks at both banks and grocery stores (although they are more likely to go the bank). One in four use check cashing services at least some of the time

NET: Places the Unbanked Cash Checks



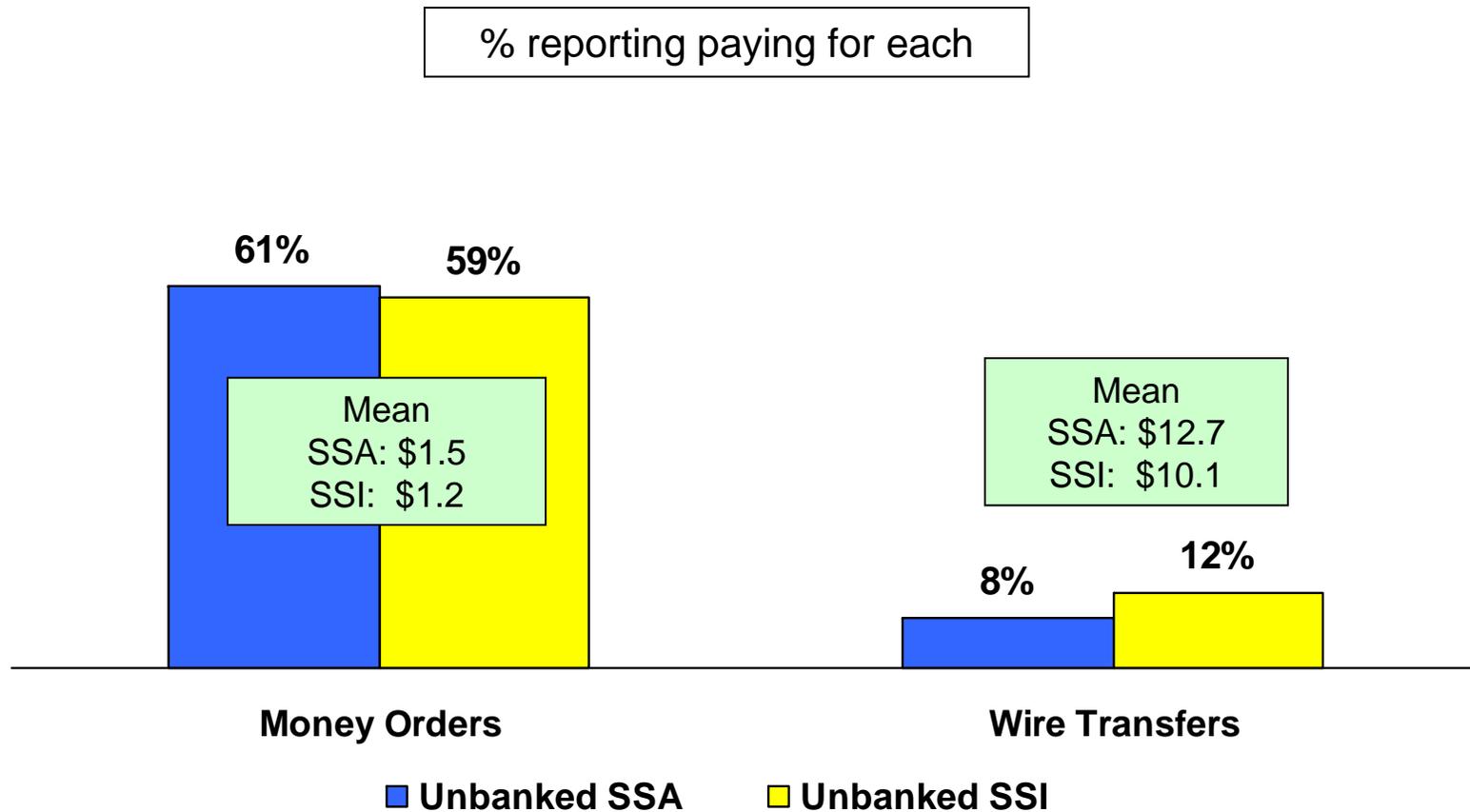
Many check recipients do not pay to cash their checks. Of those who do, the average cost is about six dollars

Q63. In general, how much do you usually pay to cash your Social Security or SSI check?



Money orders are significantly more common than wire transfers

Q64-Q65. In general, how much do you usually pay to [cash your check, for money orders, for wire transfers]?



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Unbanked Benefit Recipients: Attitudes Toward Debit Cards



Key Findings: General Awareness and Attitudes

- Most are at least somewhat familiar with debit cards in general and one-third have used them.
- Of those who have used a debit card, large majorities say they have had a positive experience with them.
 - One in four say they have had a *very positive* experience.
- About half of all unbanked recipients say they have a favorable impression of debit cards as a way to make financial transactions.
 - Those who have used a debit card before are significantly more favorable toward them than those who have not.



Key Findings: General Awareness and Attitudes

- Of those who have used a debit card:
 - Most SSA recipients bought it at a bank or credit union.
 - One-third of SSI recipients bought it at a bank or credit union and another one-third received it for state benefit payments.
 - This indicates 11 percent of unbanked SSI recipients have used debit cards for government benefit payments.
 - Those who have had a state benefit debit card are among the most receptive to receiving their SSI payments via a debit card.

Key Findings: Attitudes toward Debit Cards for Benefit Payments

- Four in 10 SSA recipients and nearly half of SSI recipients say they are at least somewhat likely to consider using a debit card for their benefit payment.
 - However, four in 10 SSA recipients and one-third of SSI recipients are **very unlikely** to consider using a debit card.
 - SSI recipients are significantly more likely than SSA recipients to consider a debit card.
- Those who have used debit cards before are significantly more likely to consider using them for benefit payments.

Key Findings: Attitudes toward Debit Cards for Benefit Payments

- Among both SSA and SSI recipients, those most likely to consider using a debit card:
 - Representative payees.
 - Under 50 years old.
 - African American.
 - At least some college.
 - Midwest (although there are fewer unbanked in the Midwest than the South and West).
 - Used debit card for state benefit payments (SSI only).
- If a paper check were no longer available, benefit recipients split between choosing *direct deposit* or a *debit card through a regular bank* as a payment option as opposed to a debit card through retailer or grocery store.



Key Findings: Attitudes toward Debit Cards for Benefit Payments

- Nearly all the features of debit cards are important.
- The most important features of debit cards are:
 - The payment is available the day payment is due.
 - Funds are FDIC insured and protected by federal laws that limit the amount of money you would lose if your card is lost or stolen.
 - There is no monthly fee for using the card.
 - Ability to make purchases at grocery stores, gas stations, and other locations.
- The least important features are the ability to make payments by phone and Internet.
- Hearing about the features of a debit card has little impact on likelihood to consider using one for benefit payments.
- The Social Security Administration, the Department of Treasury, and family members are the most trusted sources of information about the debit card option.

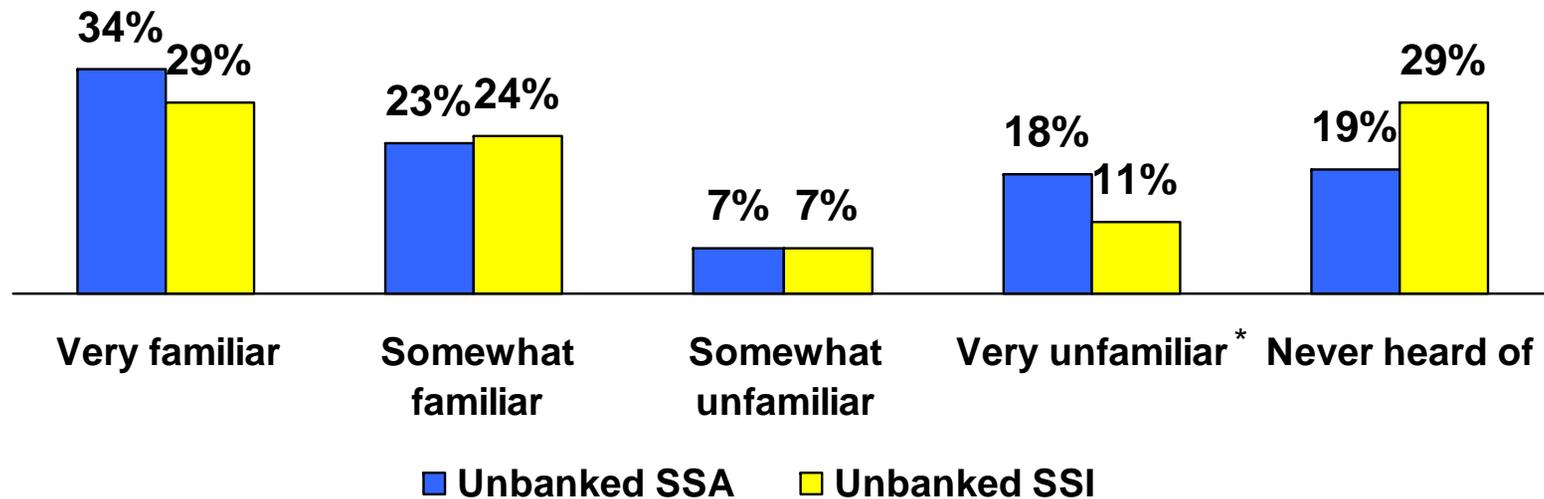
Generic Description of Debit Cards

The following generic description of debit cards was read to respondents:

Now I'm going to read you a description of debit cards, sometimes called pre-paid cards or benefit cards. A debit card allows you to receive money electronically into a debit card account and then use the debit card to buy things or get cash. You do not need a bank account to use one. With a debit card you can spend up to the amount that has been deposited on your card. You can get cash at an ATM machine or use your card to make purchases or get cash back at grocery stores and other retail locations instead of using cash. You can also use your card to pay bills, make purchases on the Internet or by phone, and buy money orders at the post office or other places that sell money orders.

Most are at least somewhat familiar with debit cards but one in five SSA recipients and three in 10 SSI recipients have never heard of them

Q25. Before today, had you heard of debit cards?
Q26. How familiar are you with debit cards . . . ?

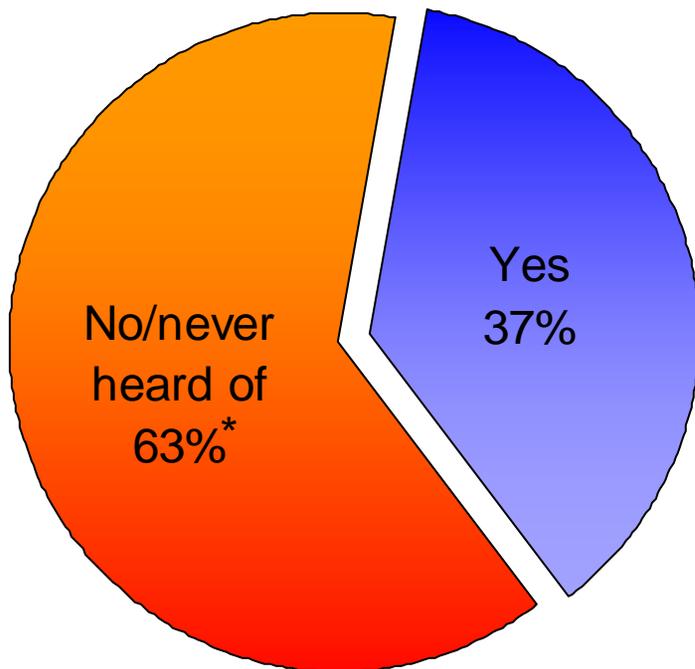


*Includes "don't know" responses

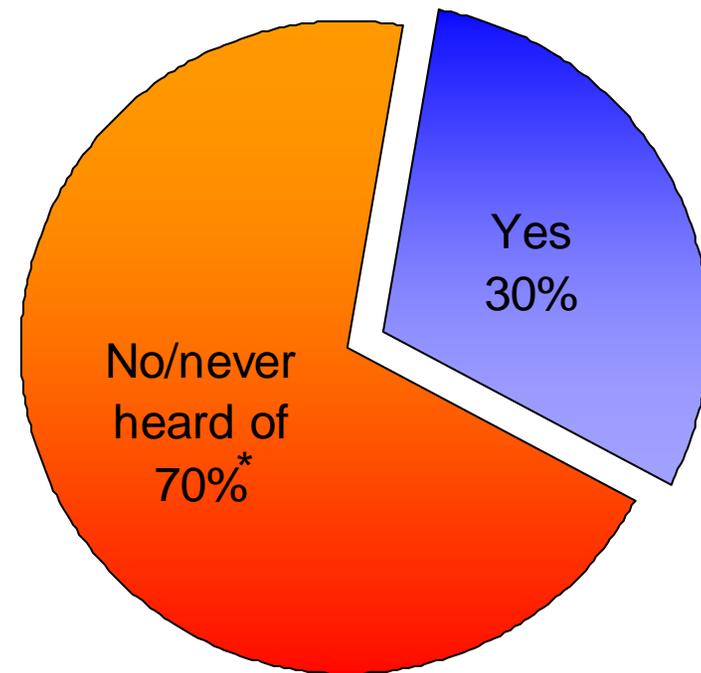
Four in 10 unbanked SSA recipients and three in 10 unbanked SSI recipients have used a debit card before

Q27. Have you ever used a debit card before?

Unbanked SSA



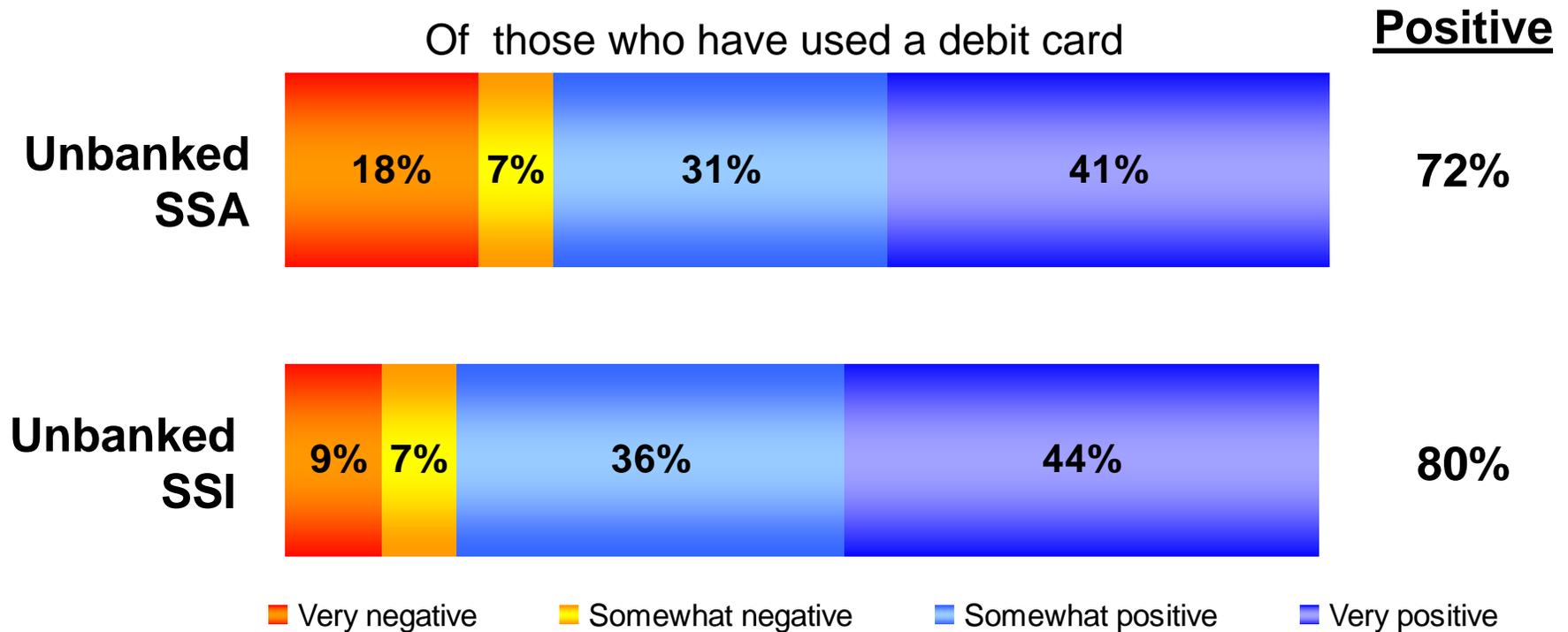
Unbanked SSI



*Includes "don't know" responses

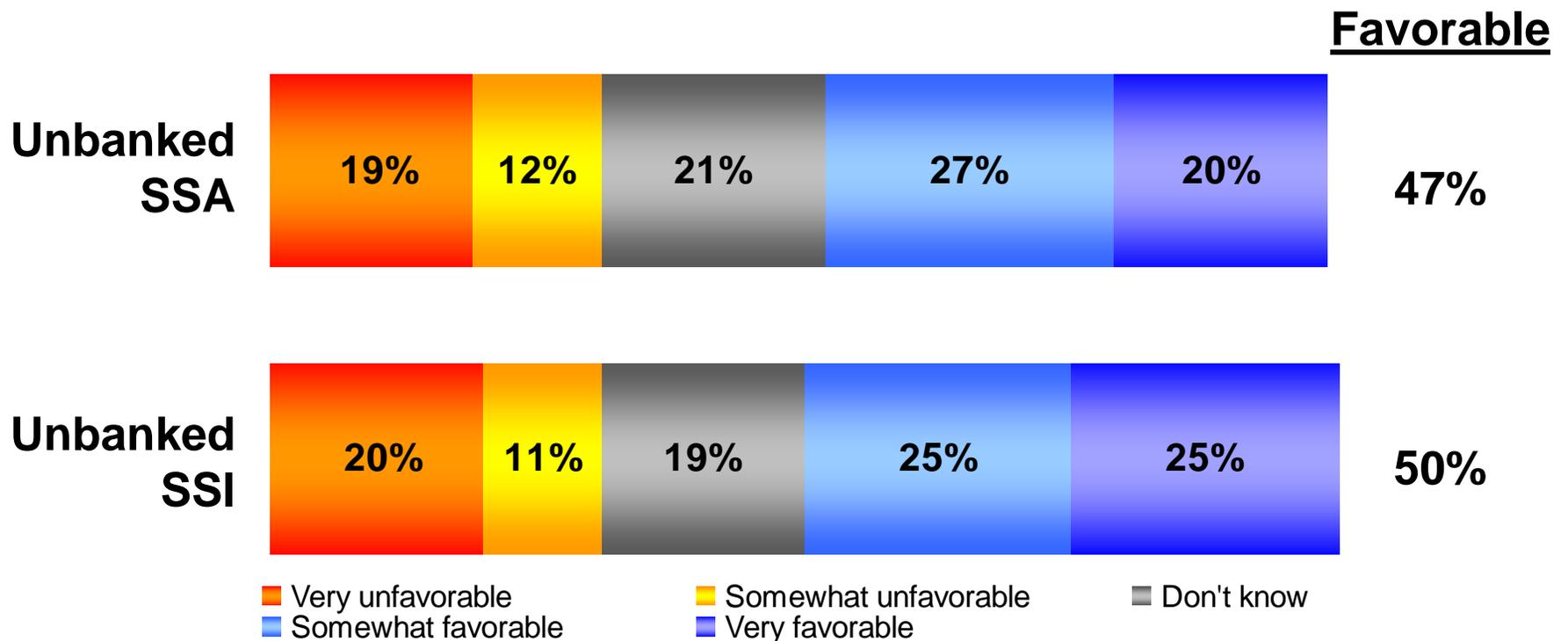
Of those who have used a debit card, most say they had a positive experience, with four in 10 saying they had a *very positive* experience

Q29. And was your experience using a debit card very positive, somewhat positive, somewhat negative, or very negative?



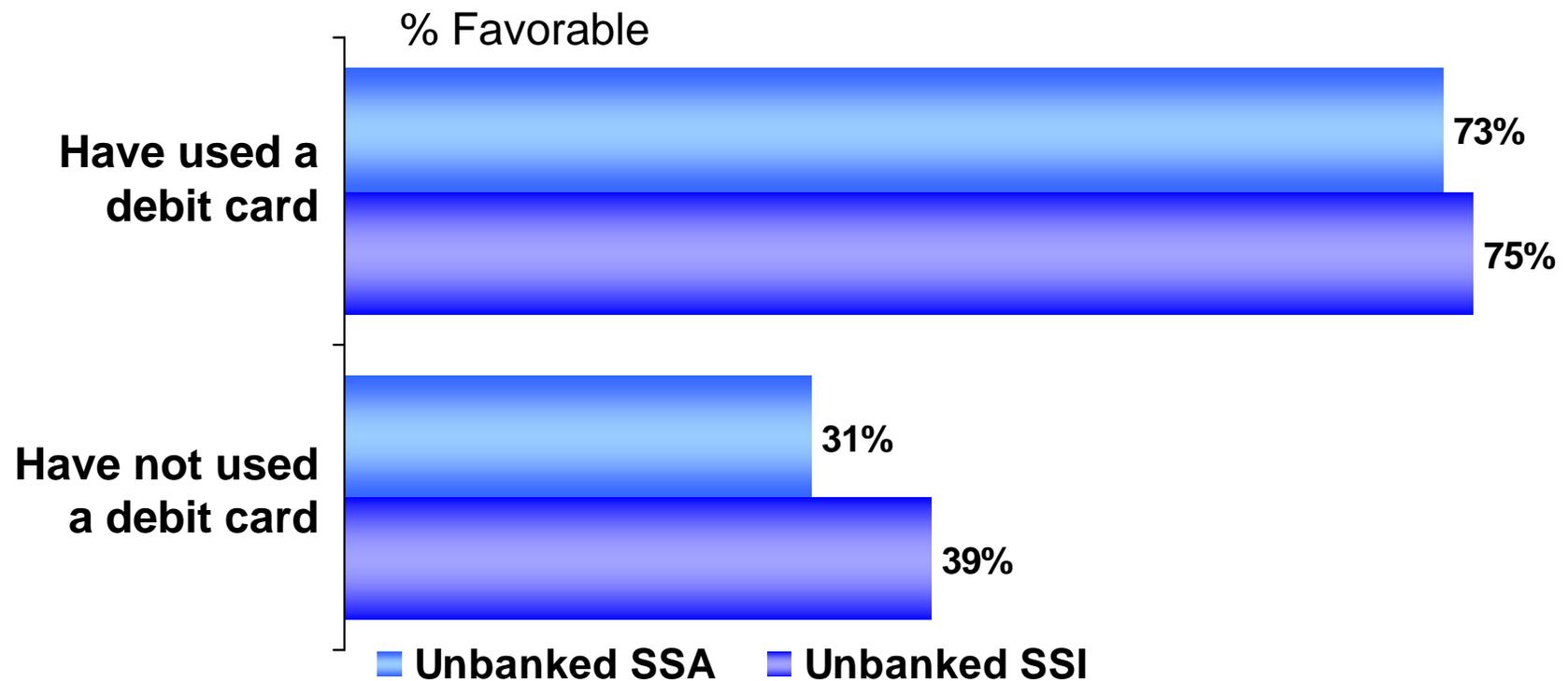
Among all unbanked recipients, about half are favorable toward debit cards as a way to make financial transactions

Q30. Regardless of whether you have used a debit card before, do you have a very favorable, somewhat favorable, somewhat unfavorable, or very unfavorable impression of debit cards as a way to make financial transactions instead of using cash?



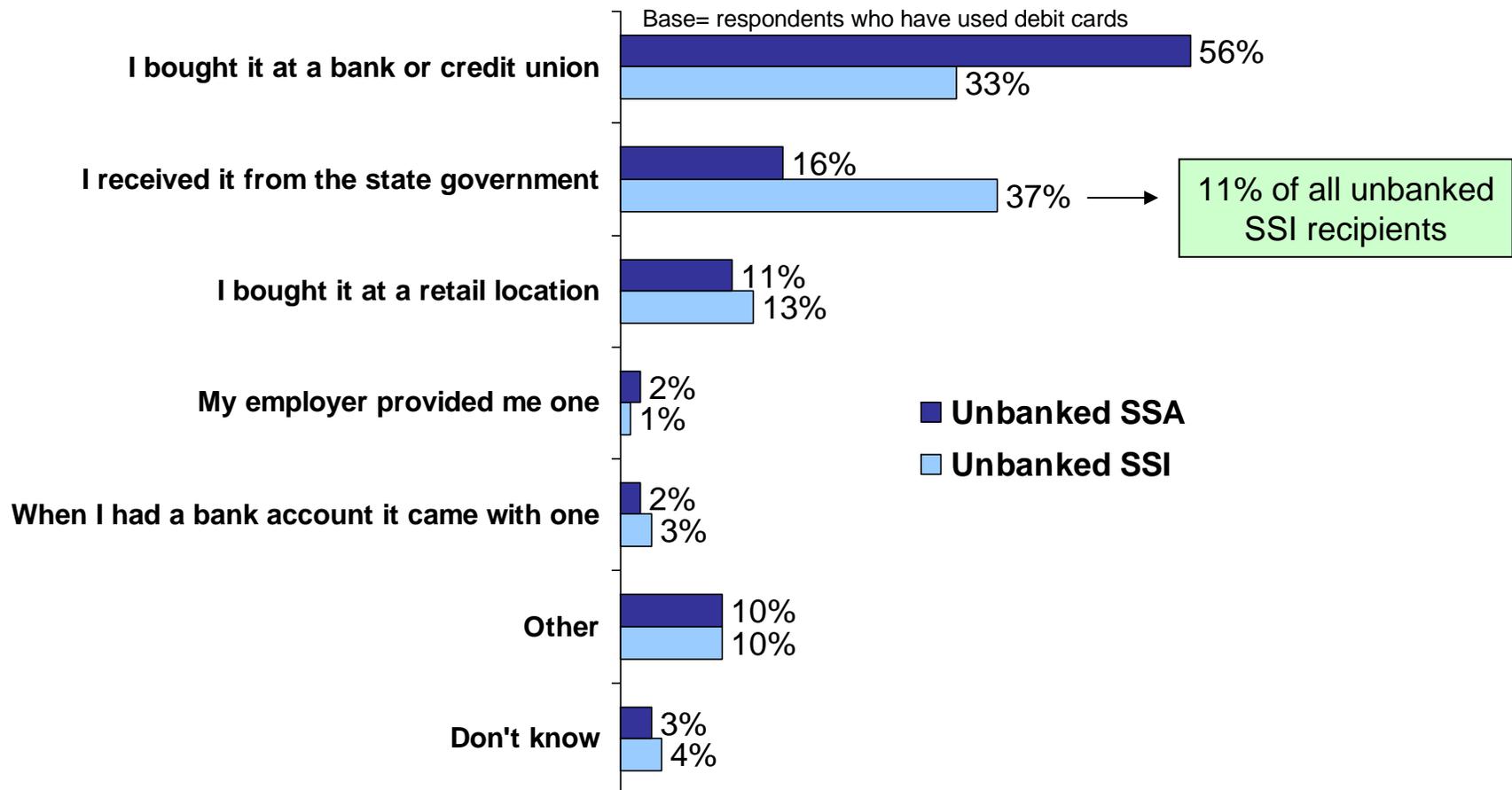
Those who have used a debit card before are significantly more favorable toward them

Q30. Regardless of whether you have used a debit card before, do you have a very favorable, somewhat favorable, somewhat unfavorable, or very unfavorable impression of debit cards as a way to make financial transactions instead of using cash?



Most SSA recipients who have used a debit card bought it at a bank or credit union. One-third of SSI recipients bought a debit card at a bank or credit union, while another one-third have received debit cards for state benefit payments like welfare

Q28. Which of the following best describes where you received your debit card?





Treasury Debit Card Description

Prior to asking how likely they would be to consider using a debit card, the following description was read:

Now I am going to read you a short description of a program sponsored by the U.S. Department of the Treasury and designed specifically for people without a checking or savings account. It will take a few moments to read through the description so please listen carefully.

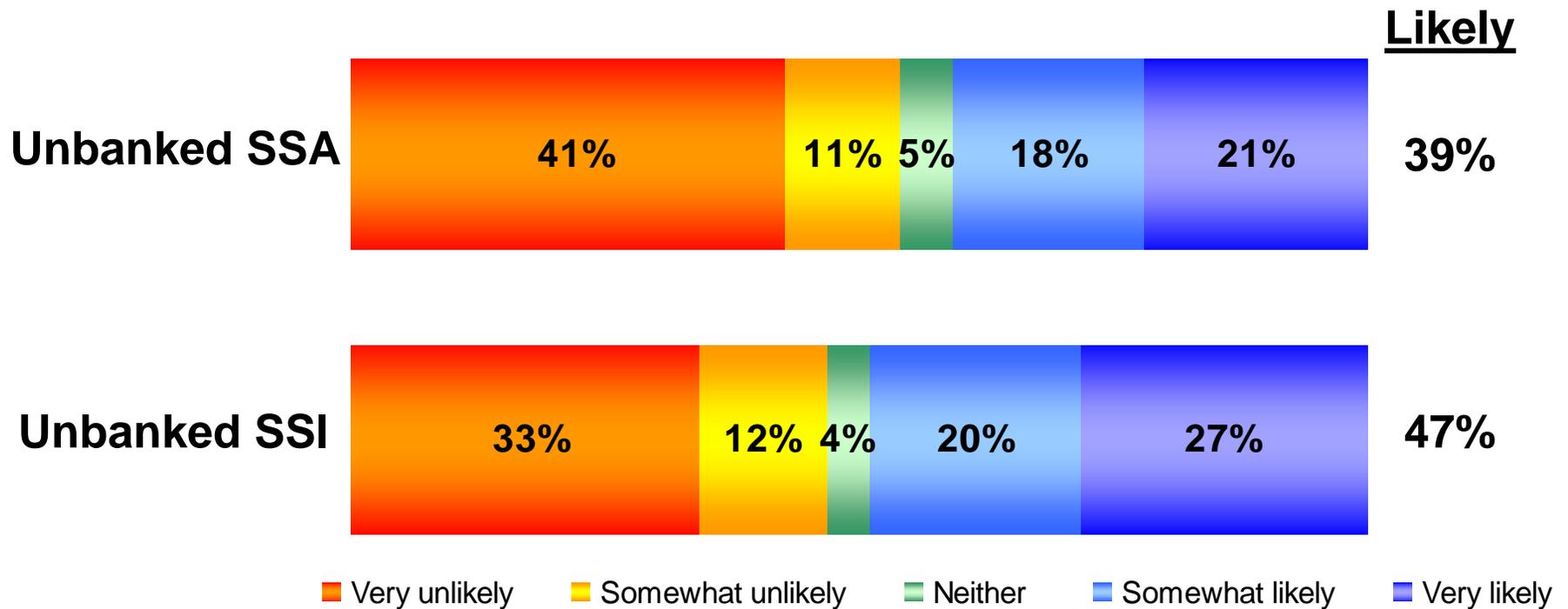
People without a bank account will soon be able to get their Social Security or SSI benefits using a debit card – also called a pre-paid card, payroll card, or benefit card. Here is how it works. Instead of getting your benefit by check, you can access your money by using the card on the day your payment is due. For example, if your payment is due on the first of the month, you could use your debit card beginning on the first of the month to get cash from an ATM machine or make purchases or get cash back at grocery stores, gas stations, restaurants, and other retail locations. You could also use your card to pay bills, make purchases on the Internet or by phone, or buy money orders.

There is no monthly fee and the card would not affect the amount of your benefit payment in any way. You can use the card in many ways without paying any fees, although there may be fees for some ATM cash withdrawals.

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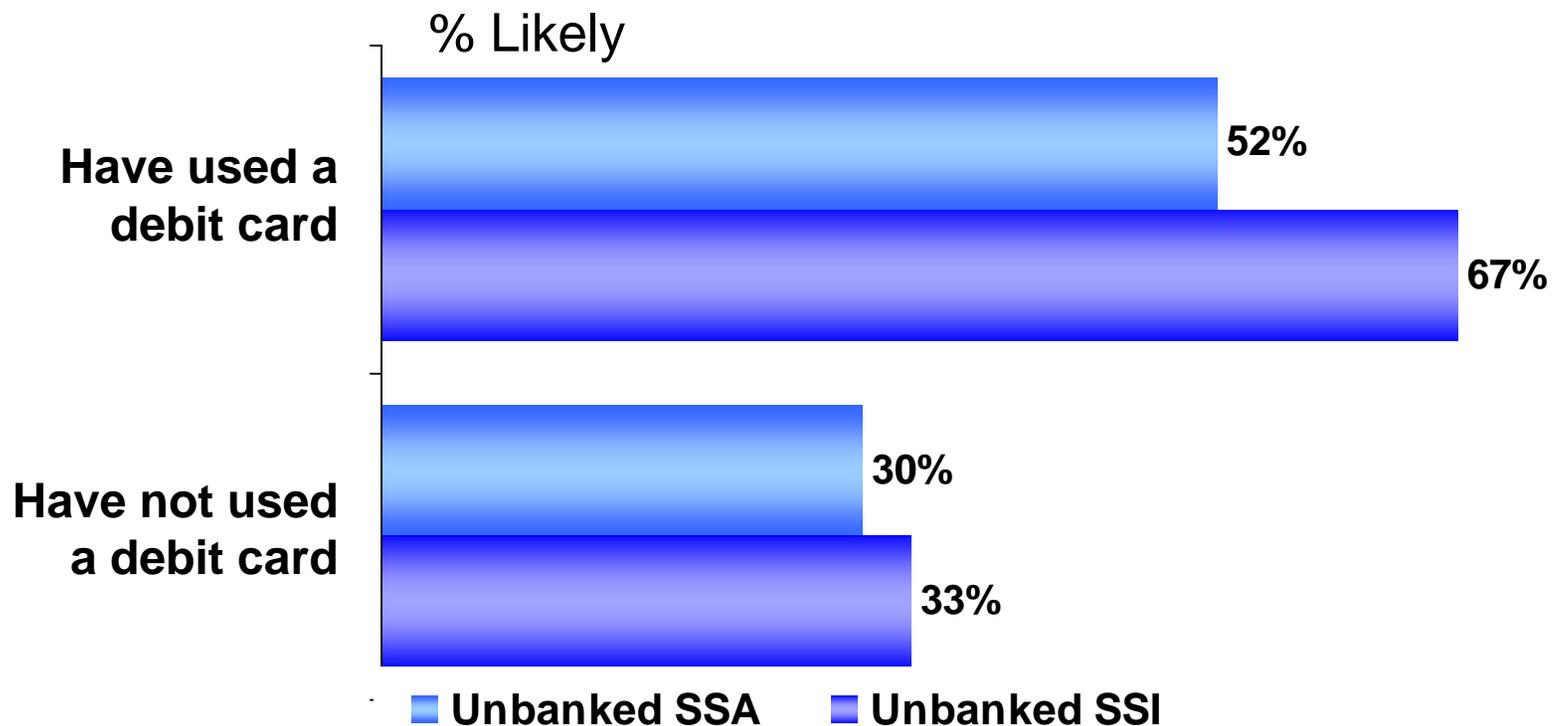
Four in 10 SSA recipients and nearly half of SSI recipients say they are at least somewhat likely to consider using a debit card for their benefit payment. However, four in 10 SSA recipients and one-third of SSI recipients say they are **very unlikely** to consider using a debit card

Q31. How likely would you be to consider using a debit card to receive your Social Security or SSI payment?



Those who have used a debit card before are significantly more likely to consider a debit card as a payment option

Q31. How likely would you be to consider using a debit card to receive your Social Security or SSI payment?





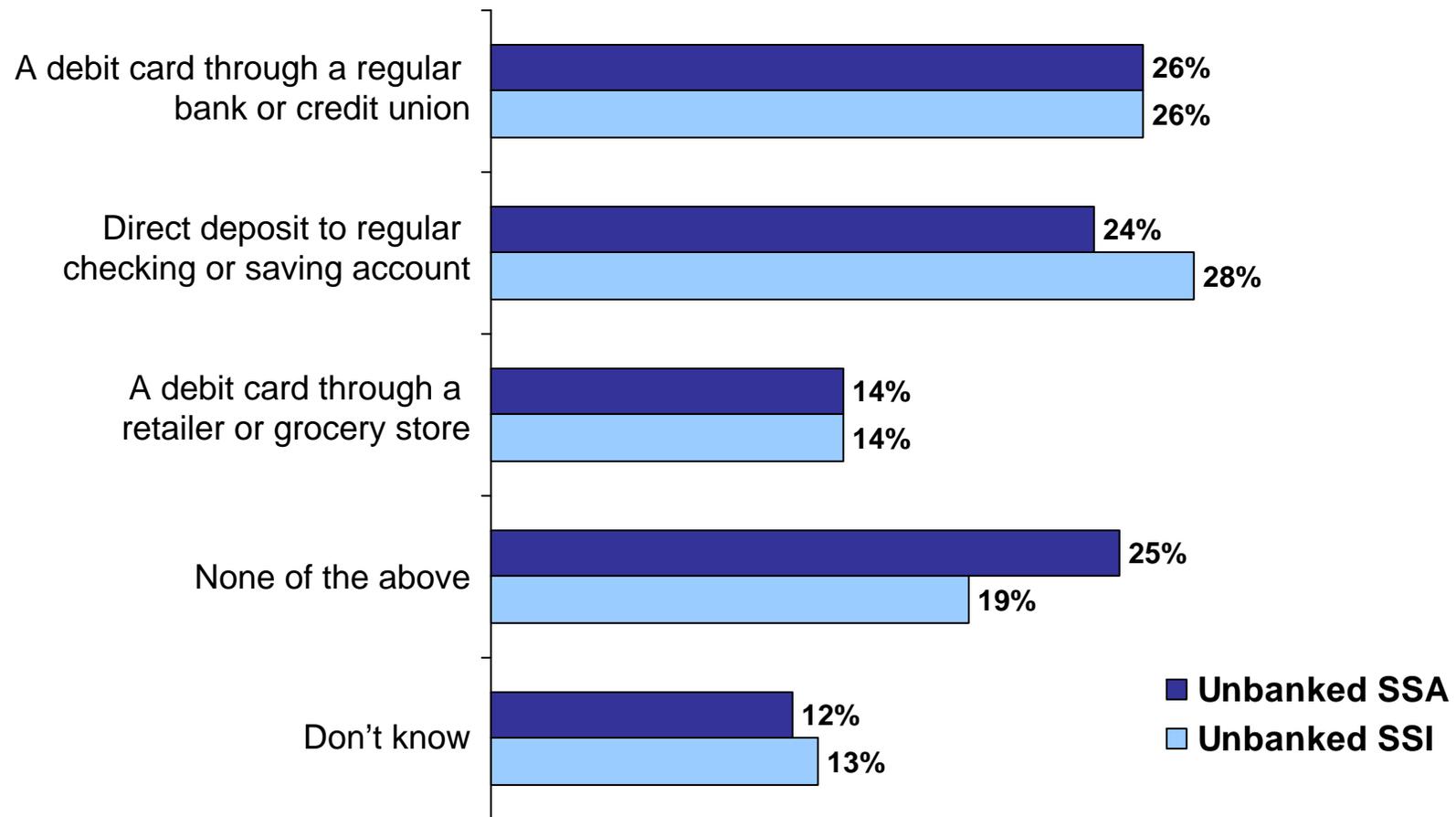
Most Likely to Consider a Debit Card?

<u>Among SSI recipients:</u>		<u>Among SSA recipients:</u>	
Rep payees	61%	Under 50	69%
Under 50	68%	African American	48%
African American	56%	At least some college	56%
At least some college	59%	Midwest	49%
Midwest	56%	< 5 years receiving benefit	45%
< 5 years receiving benefit	53%		
Had state benefit card	77%		
<ul style="list-style-type: none"> Note there are fewer unbanked in the Midwest than in the South and West Rep payees are also younger than general SSI unbanked population The Northeast is the least receptive 		<ul style="list-style-type: none"> Note there are too few unbanked SSA representative payees to report the numbers The Northeast is the least receptive 	



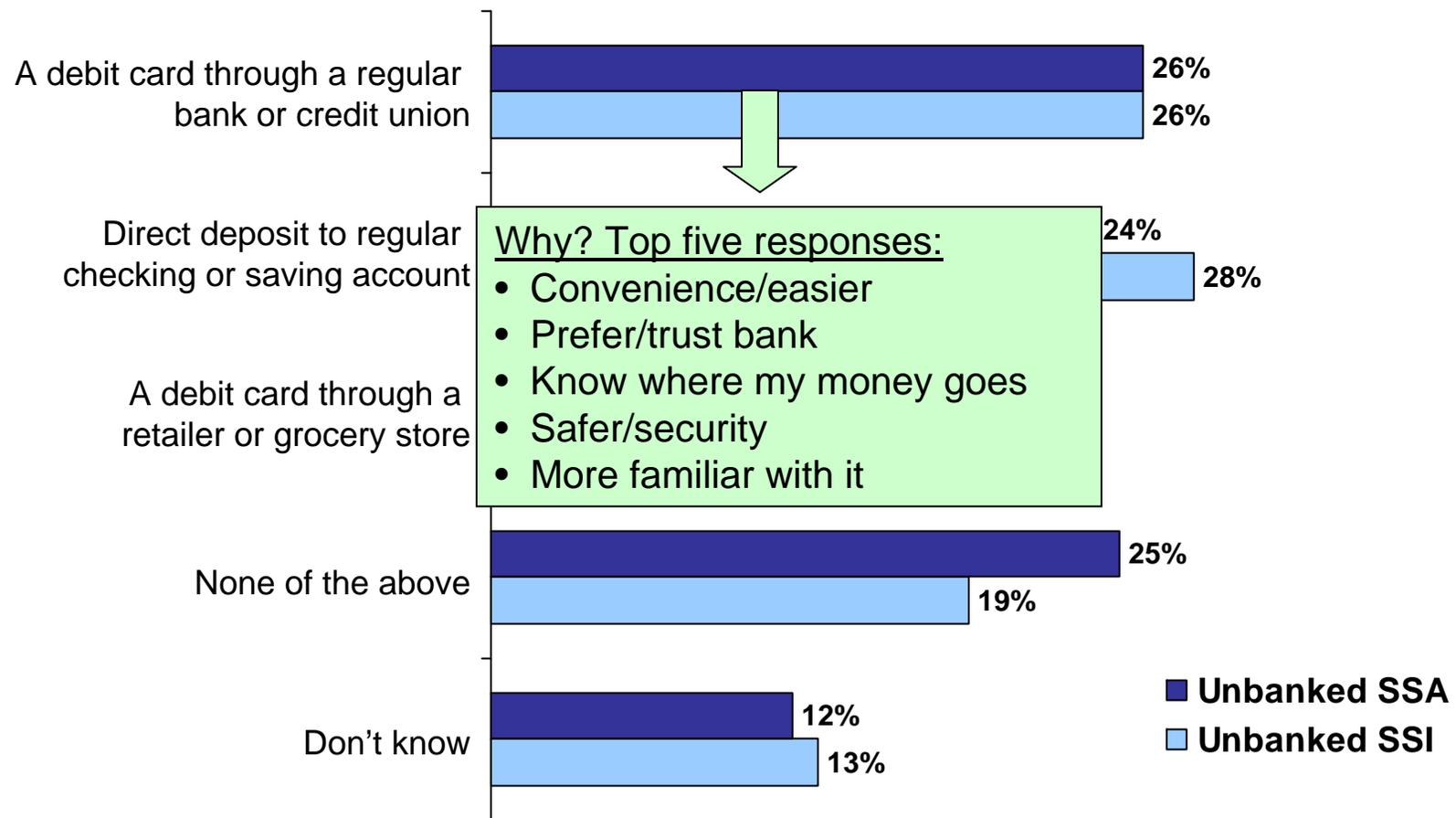
If a paper check were no longer available, most would choose a debit card through a bank or direct deposit

Q32. If you couldn't get a paper check which of the following payment methods would you prefer?



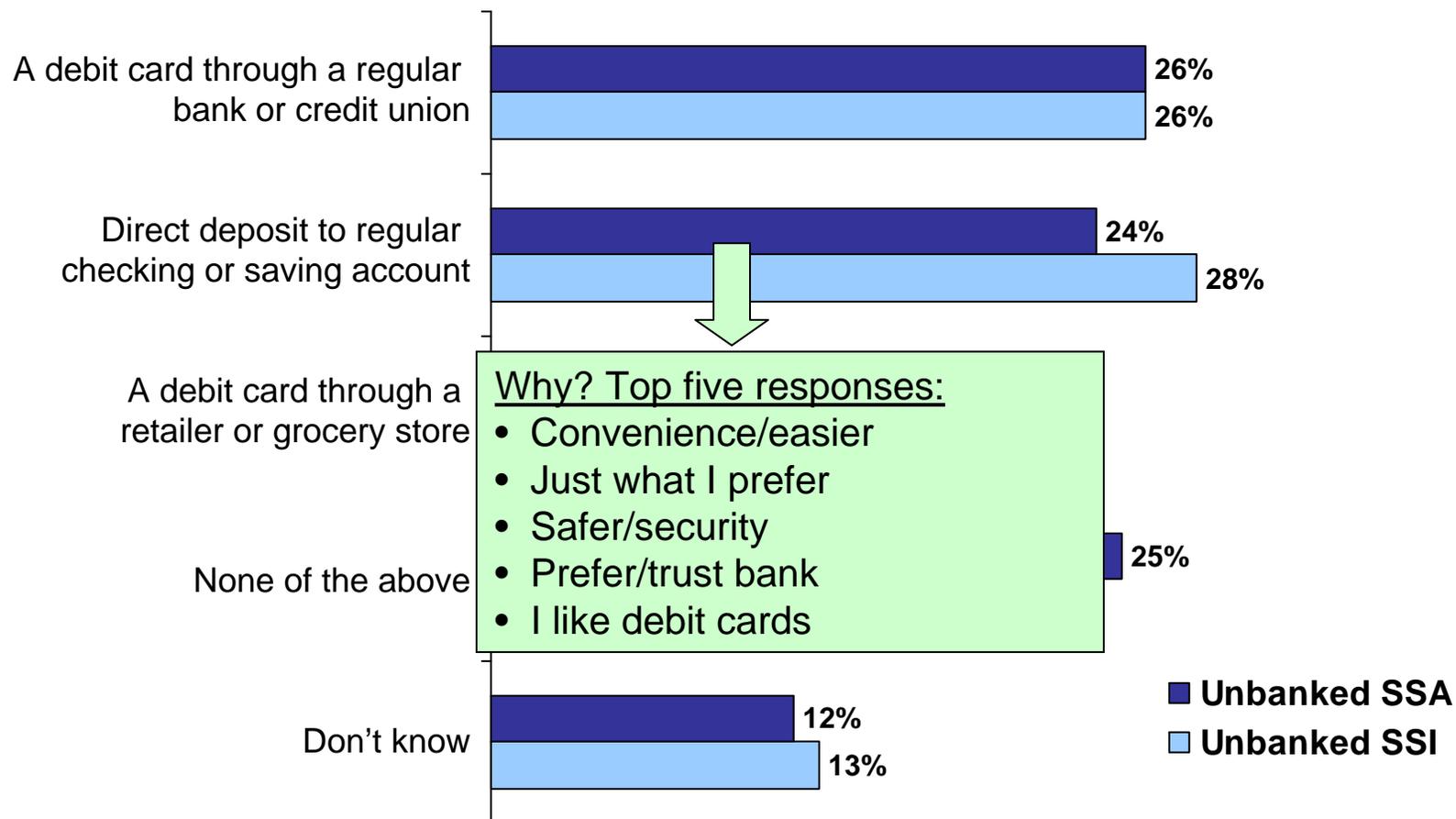
Why did respondents choose a debit card at a regular bank?

Q32. If you couldn't get a paper check which of the following payment methods would you prefer?



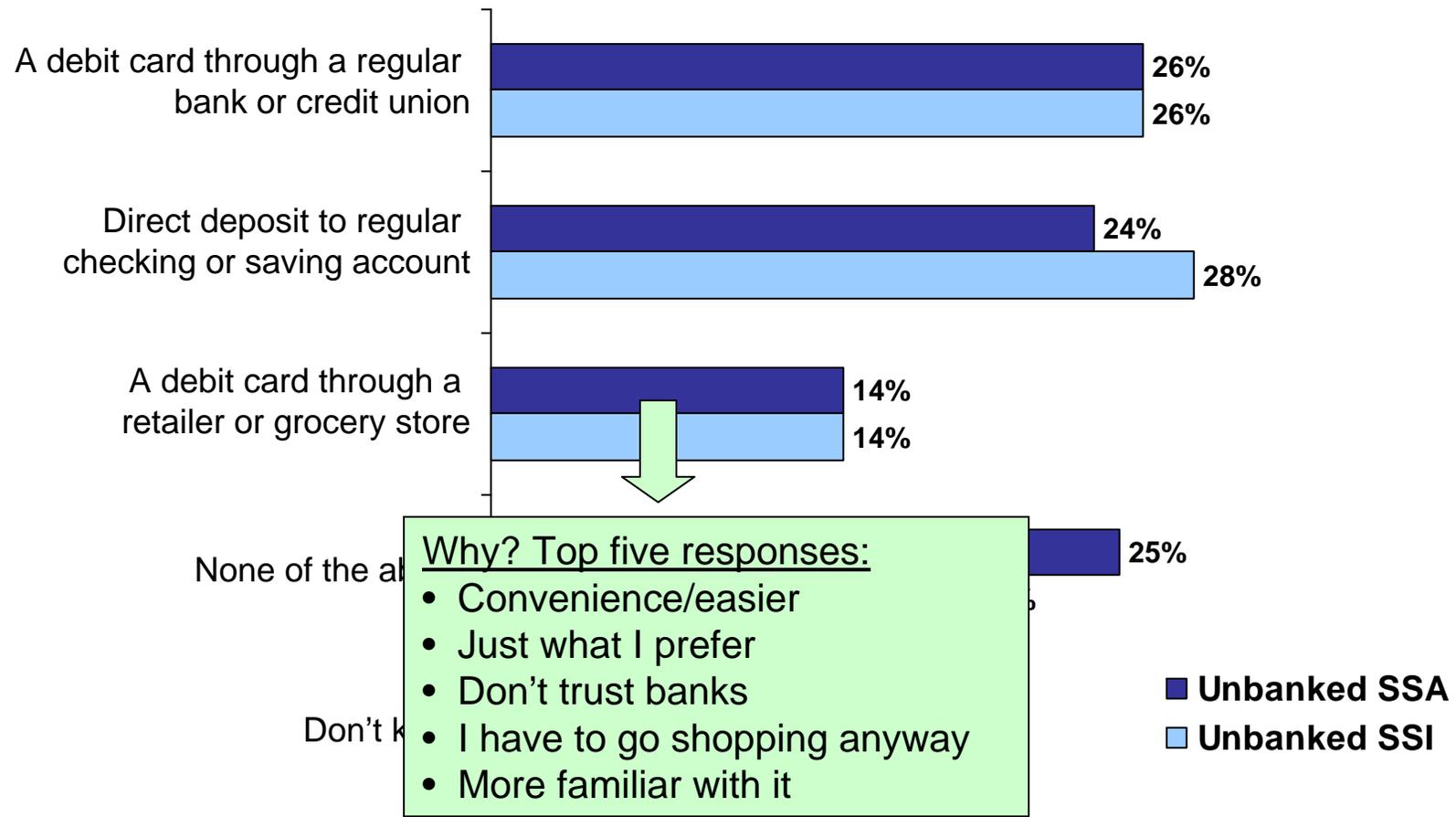
Why did respondents choose direct deposit?

Q32. If you couldn't get a paper check which of the following payment methods would you prefer?



Why did respondents choose a debit card through a grocery store or retailer?

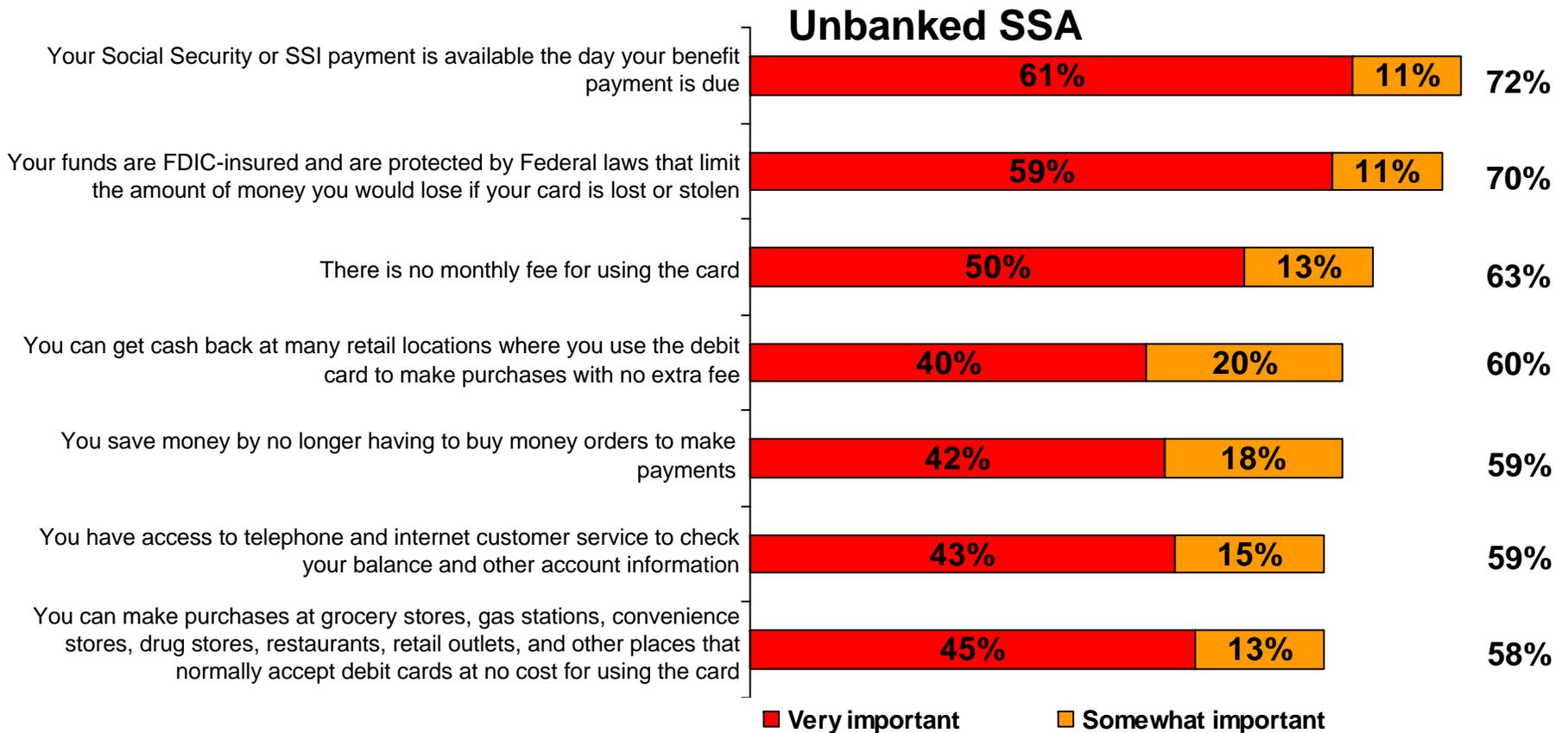
Q32. If you couldn't get a paper check which of the following payment methods would you prefer?





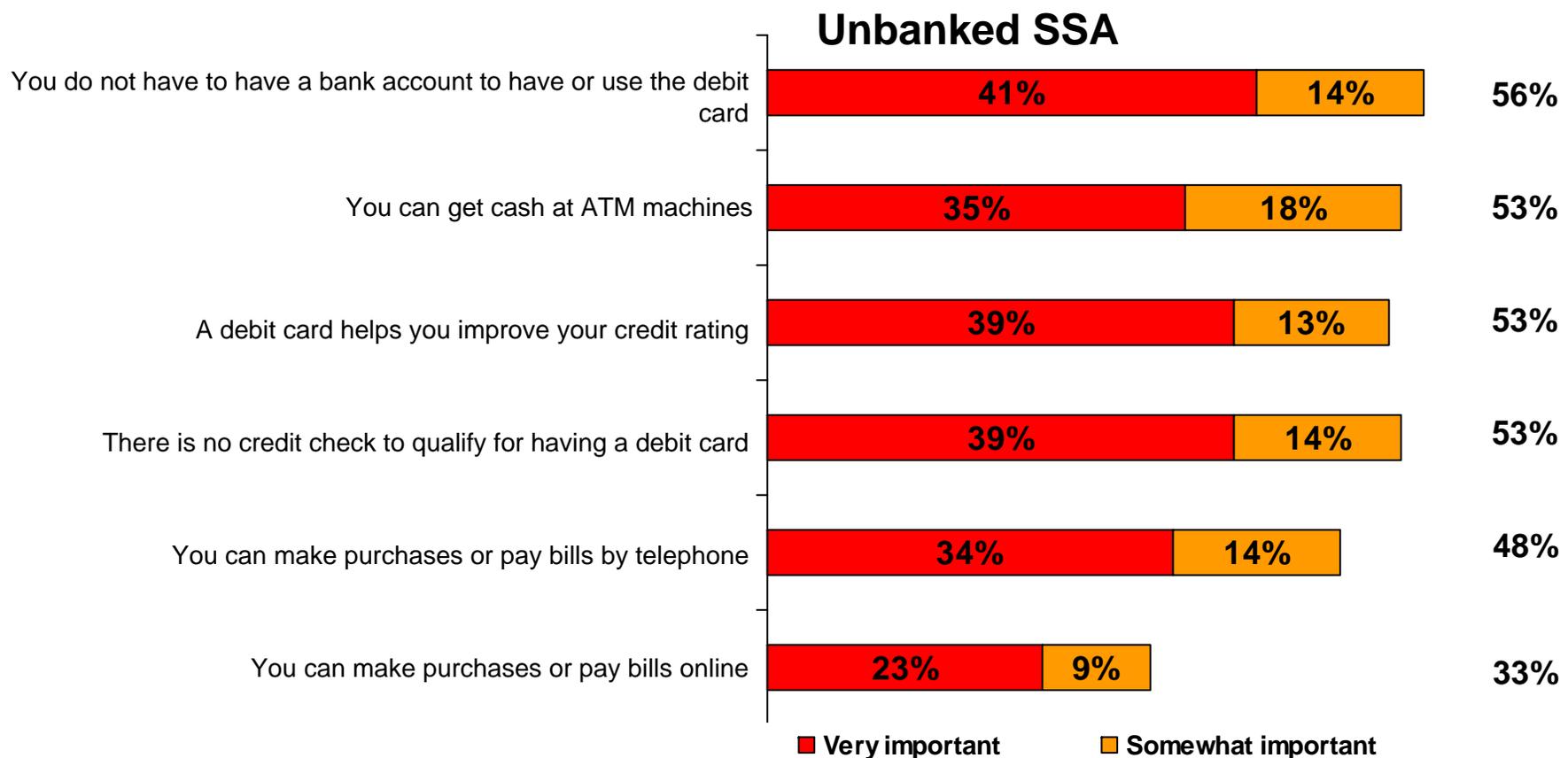
Nearly all the features of debit cards are very important to SSA recipients, with payment available the day it is due, FDIC insured, and no monthly fee being the most important

Q35-47. Here's the first one [READ FEATURE]. Would you say this feature is very important, somewhat important, not that important, or not important at all to you personally?



Paying bills or making purchases online and by phone are the least important features for SSA recipients

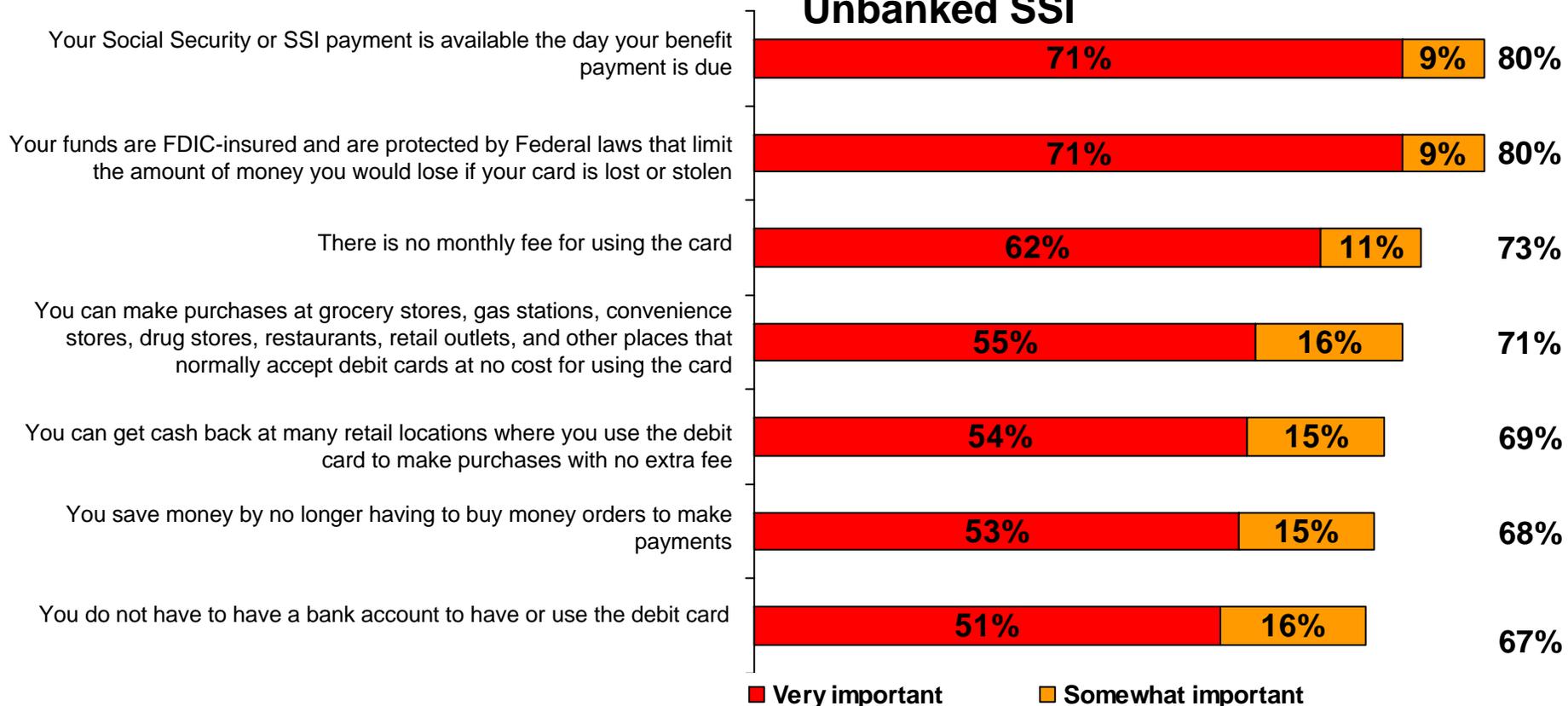
Q35-47. Here's the first one [READ FEATURE]. Would you say this feature is very important, somewhat important, not that important, or not important at all to you personally?



Debit card features are even more important to unbanked SSI recipients with payment available the day it is due, FDIC insured, no monthly fee, and ability to make point-of-sale purchases being the most important

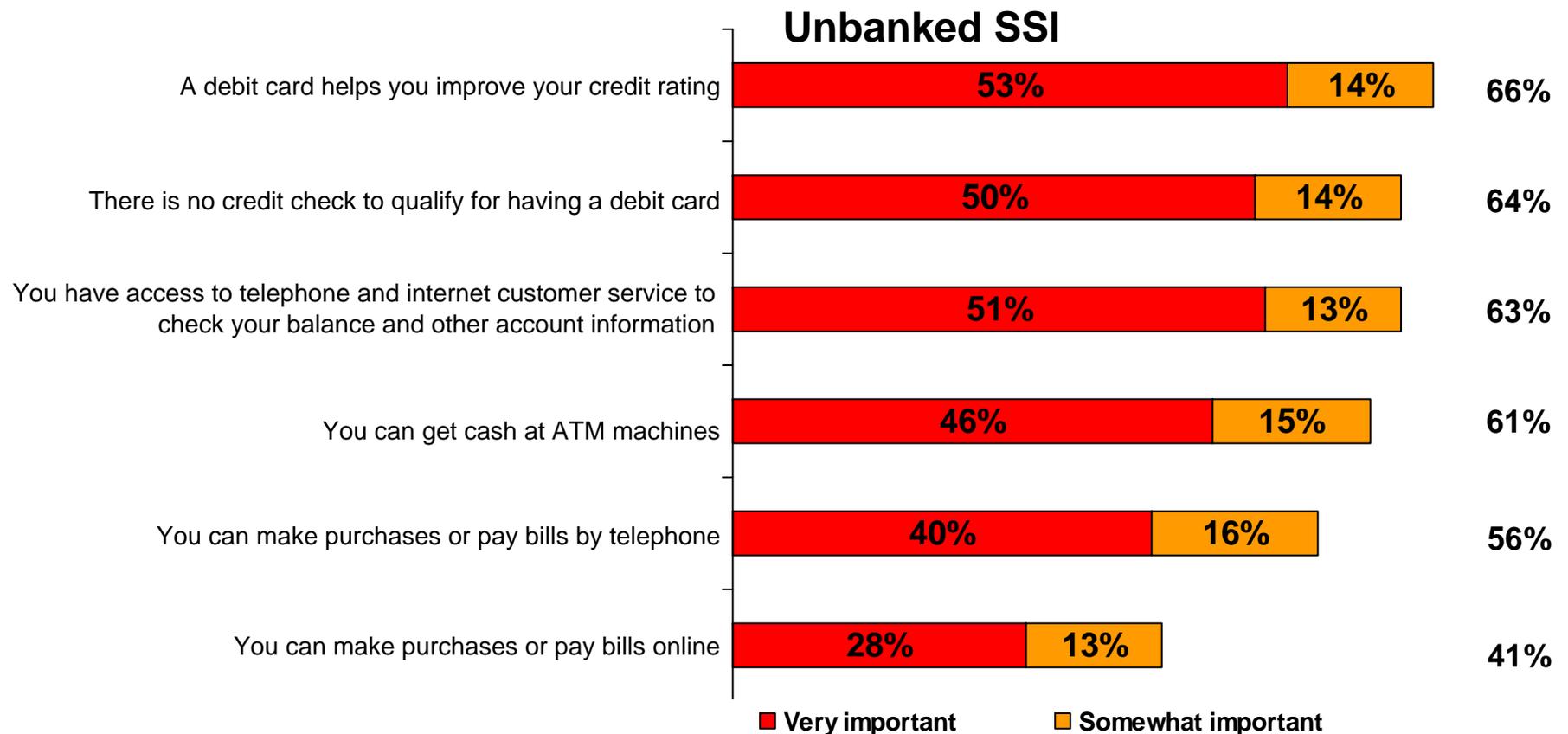
Q35-47. Here's the first one [READ FEATURE]. Would you say this feature is very important, somewhat important, not that important, or not important at all to you personally?

Unbanked SSI



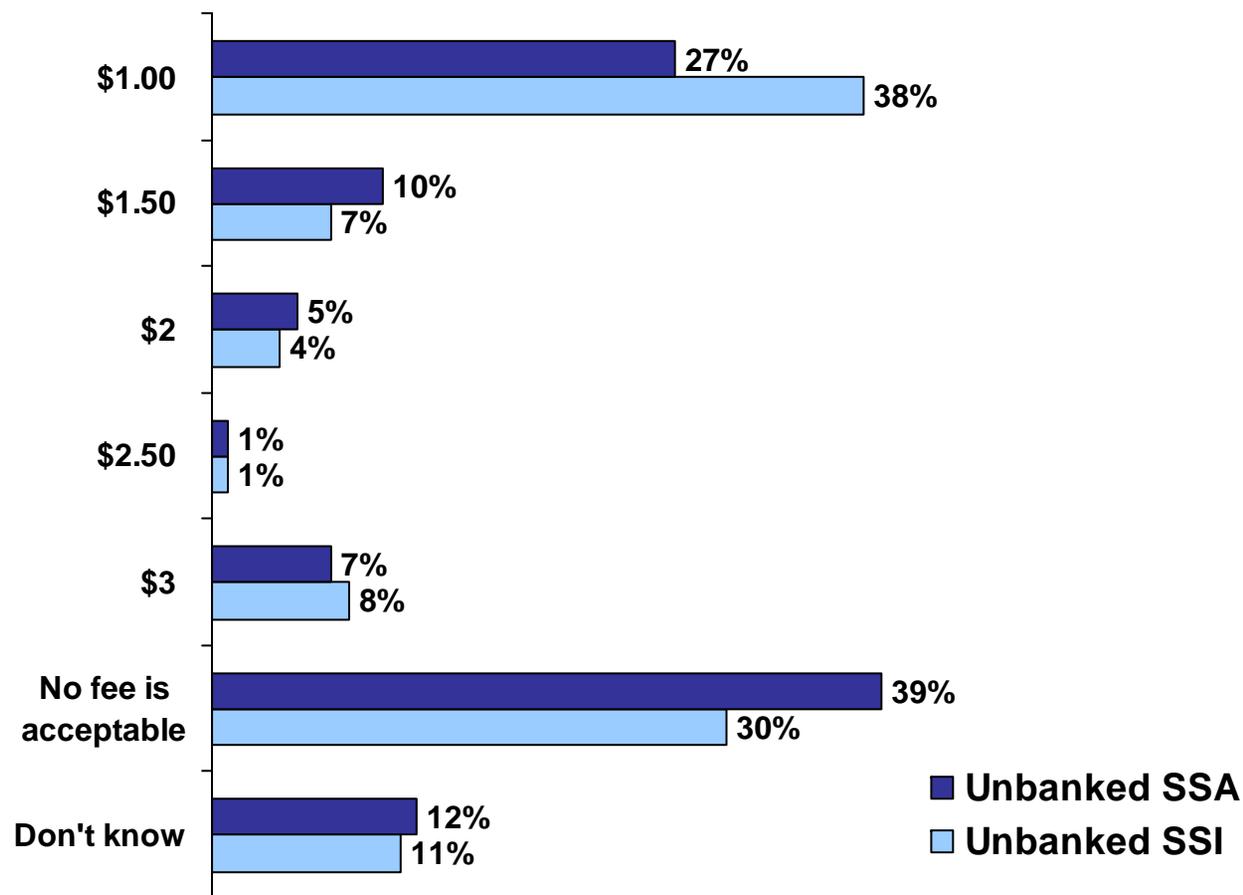
Paying bills or making purchases online and by phone are the least important features to SSI recipients

Q35-47. Here's the first one [READ FEATURE]. Would you say this feature is very important, somewhat important, not that important, or not important at all to you personally?



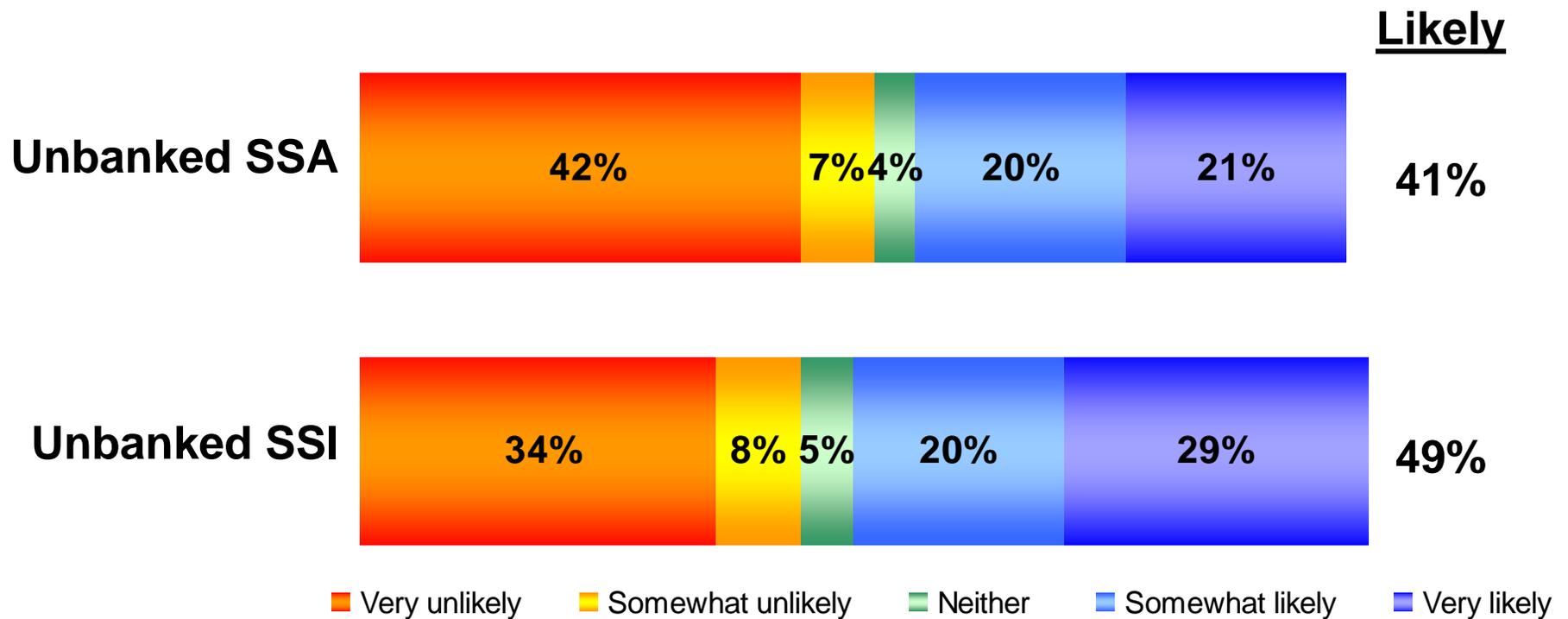
Many say a fee for debit card use is reasonable, with a plurality accepting a one dollar fee. That said, one third say a fee is not acceptable (volunteered)

Q48. Assume that with a debit card as described above, your first ATM cash withdrawal per month is free but all additional ATM withdrawals each month would have a fee. Do you think that [INSERT AMOUNT] is a reasonable fee per transaction?



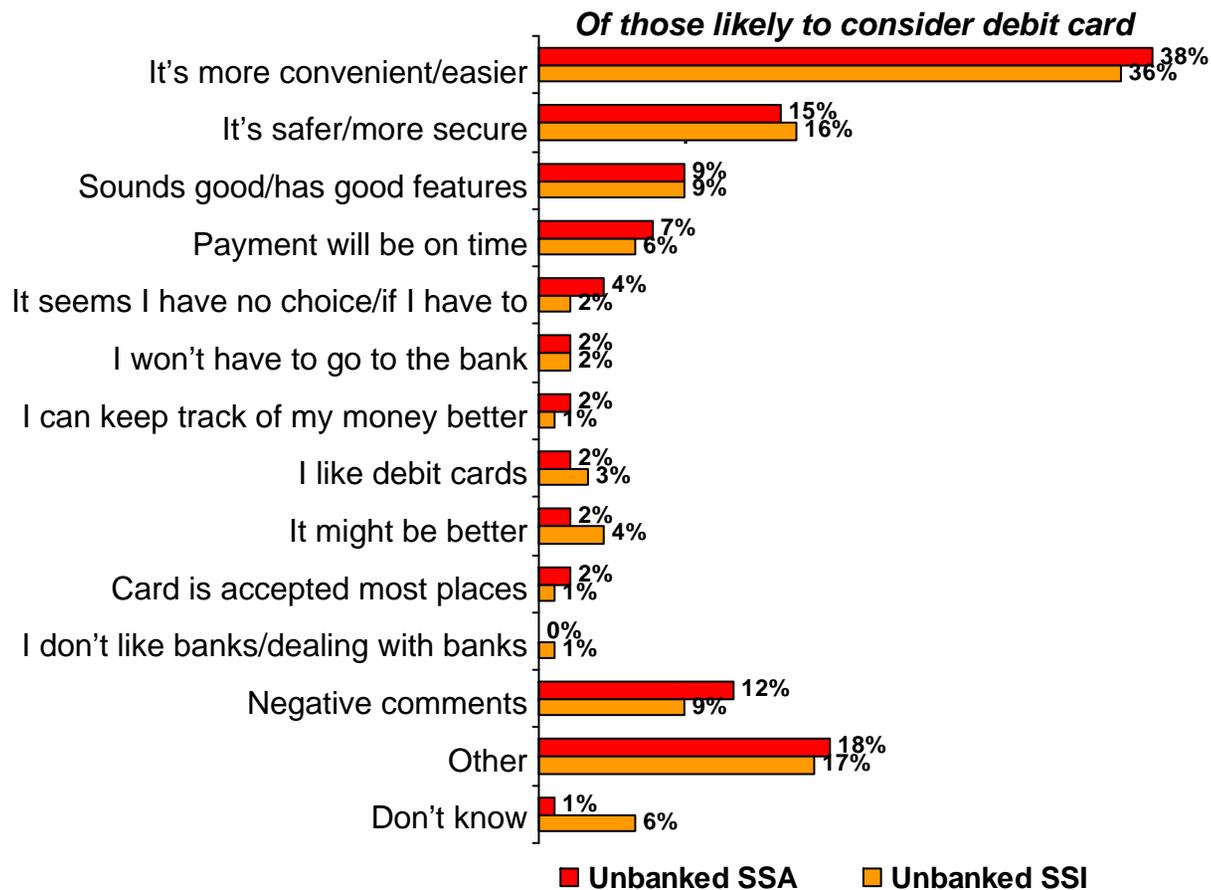
After hearing about the features of debit cards, four in 10 SSA recipients and half of SSI recipients say they would consider using a debit card for their benefit payment – but a significant proportion continue to say they are **very unlikely** to consider a debit card

Q49. Now that you have heard more about the features of the debit card, how likely would you be to consider using a debit card to receive your Social Security or SSI payment?



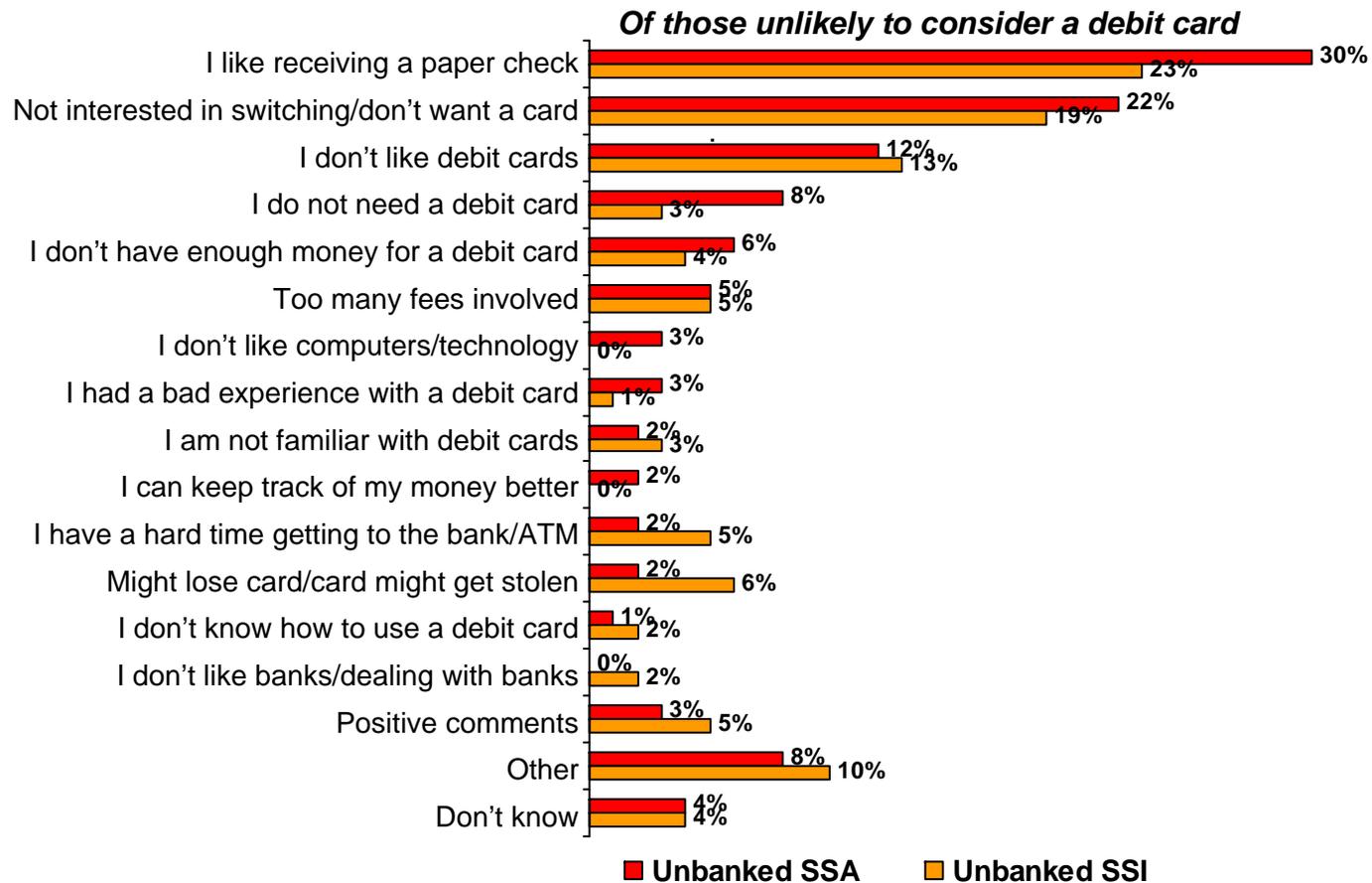
Convenience is the primary reason cited for considering a debit card, followed by safety

Q50. Why do you say you are likely to consider using a debit card to receive your Social Security or SSI payment? (Open-end)



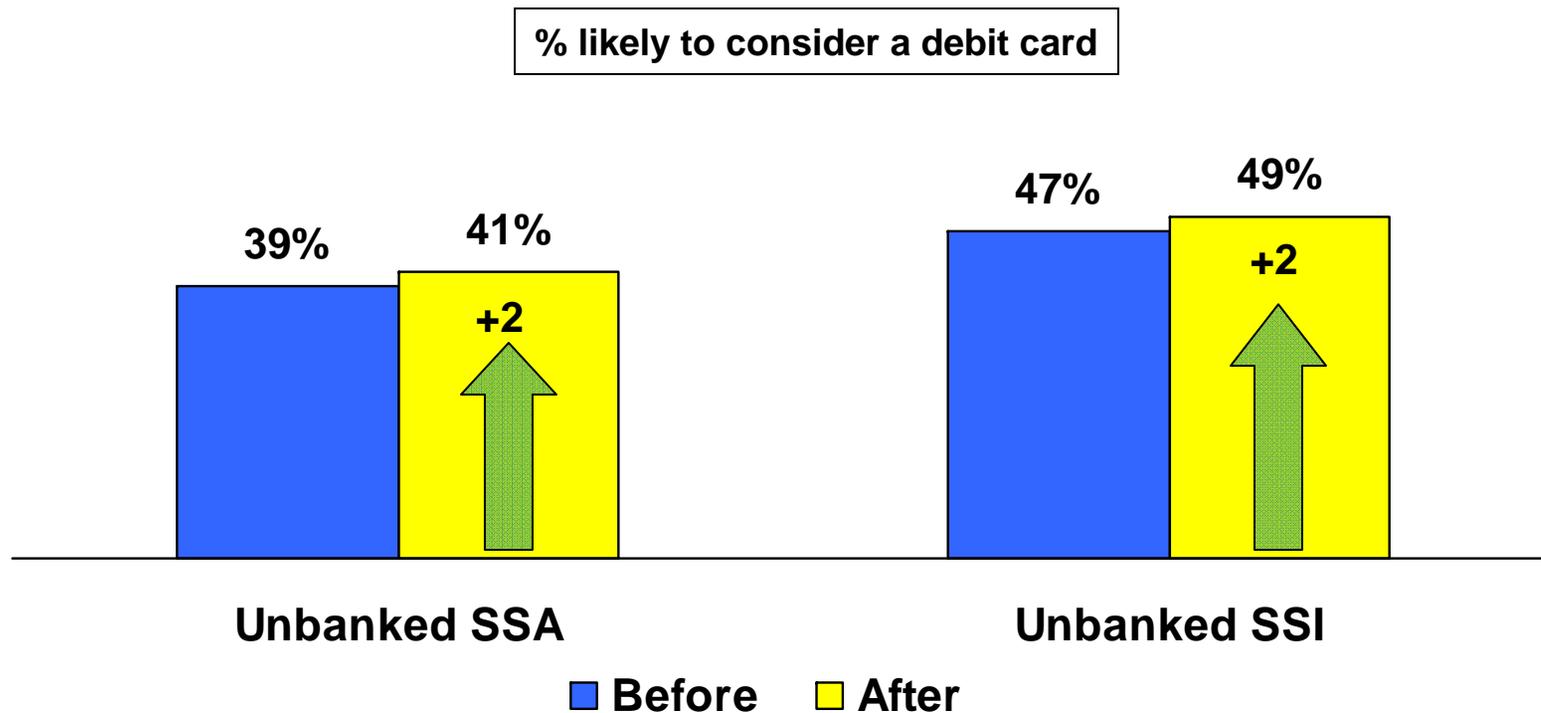
There are many reasons benefit recipients are unlikely to consider a debit card, mostly because they like receiving a check

Q50. Why do you say you are unlikely to consider using a debit card to receive your Social Security or SSI payment?



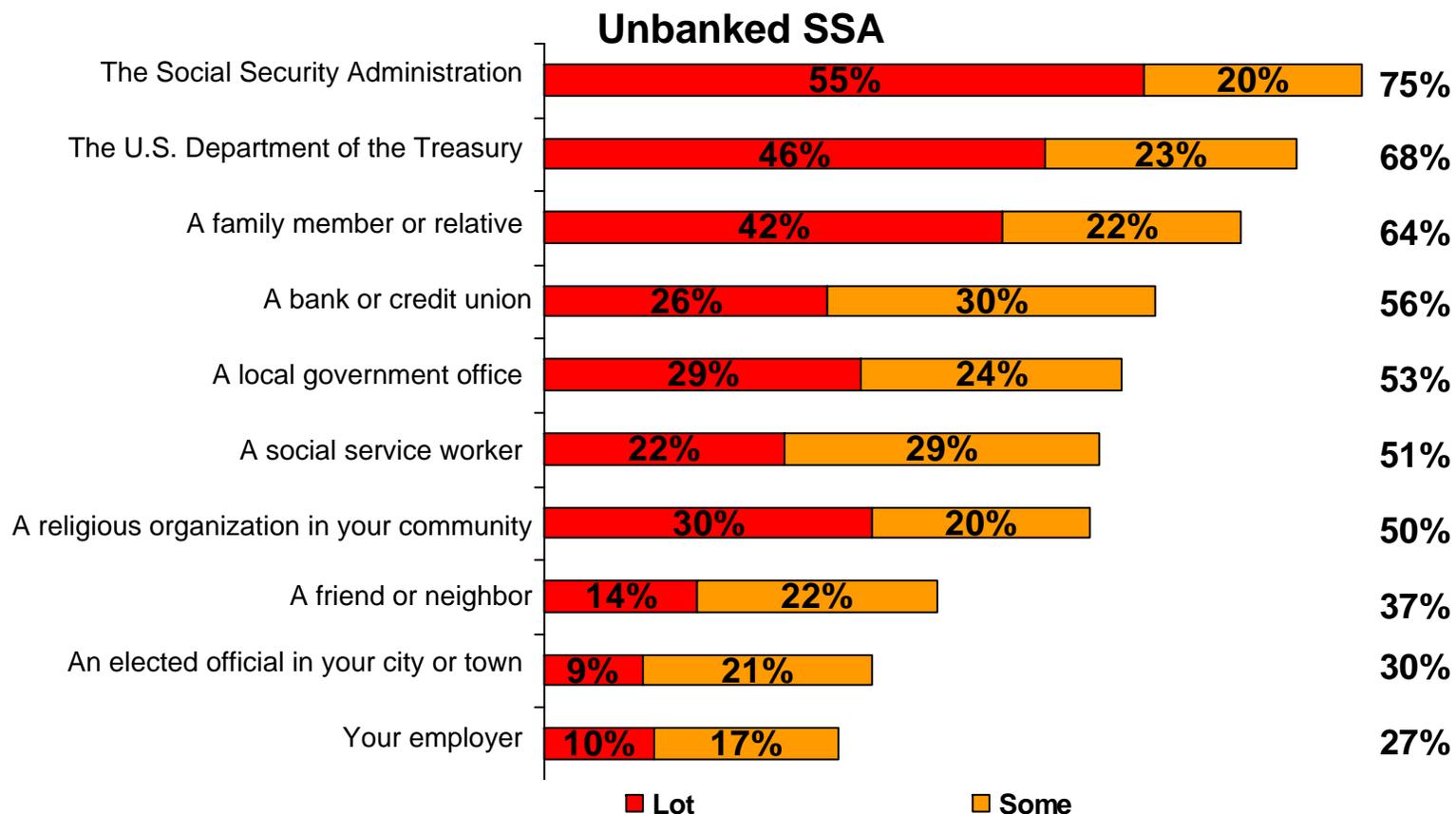
The features of debit cards have essentially no impact on likelihood to consider using one

Q49. Now that you have heard more about the features of the debit card, how likely would you be to consider using a debit card to receive your Social Security or SSI payment?



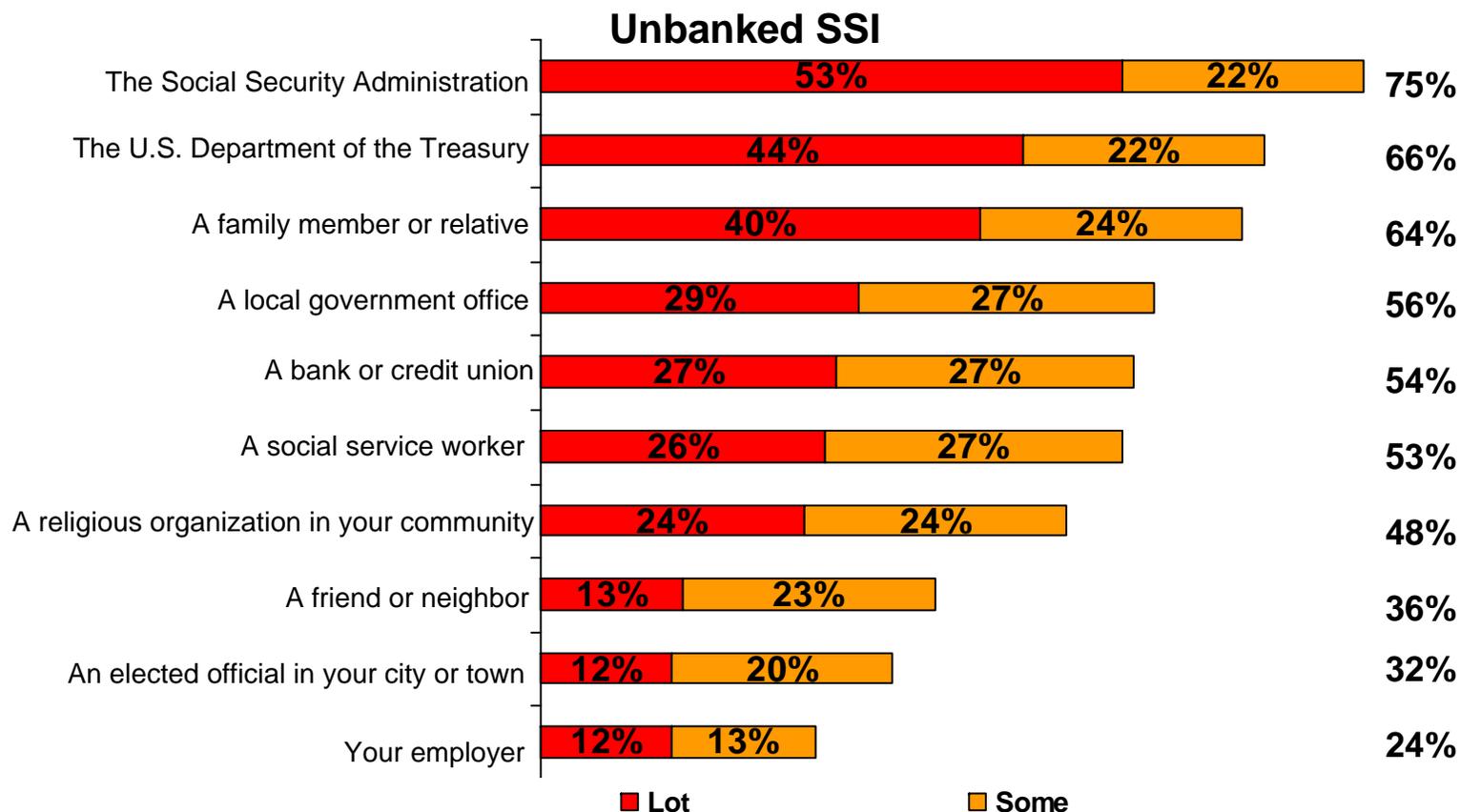
The Social Security Administration, the Department of the Treasury, and family members are by far the most trusted sources of information about debit cards

Q51-Q60: I am going to read a list of people or places where you might get information and guidance about financial services, such as the debit card described above. For each one I read, please tell me how much you would trust what each has to say- a lot, some, a little, or not at all?



The Social Security Administration, the Department of the Treasury, and family and friends are by far the most trusted sources of information about debit cards

Q51-Q60: I am going to read a list of people or places where you might get information and guidance about financial services, such as the debit card described above. For each one I read, please tell me how much you would trust what each has to say - a lot, some, a little, or not at all?



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Garnishment Issue

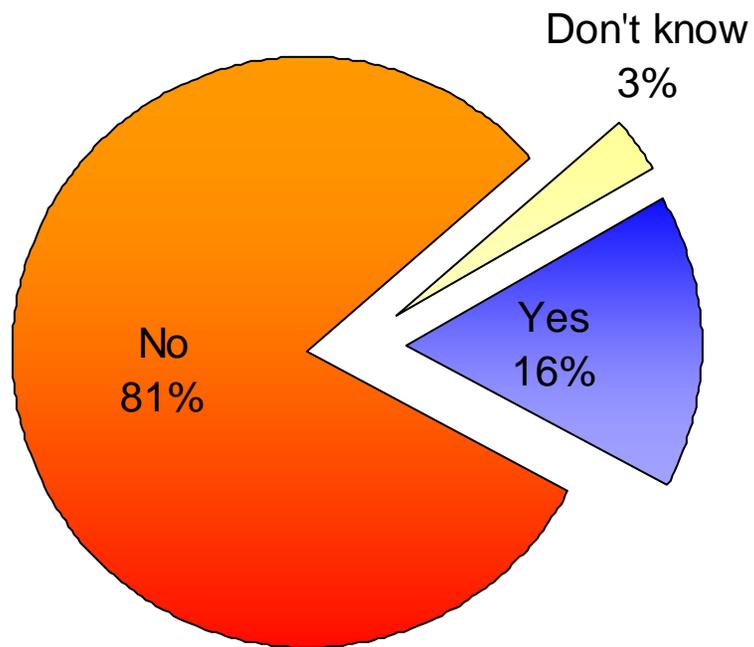
Key Findings

- About one in five banked benefit recipients and three in 10 unbanked benefit recipients have heard about the garnishment issue.
- Awareness of the garnishment issue had no impact on likelihood to consider direct deposit among the banked, or a debit card among the unbanked.

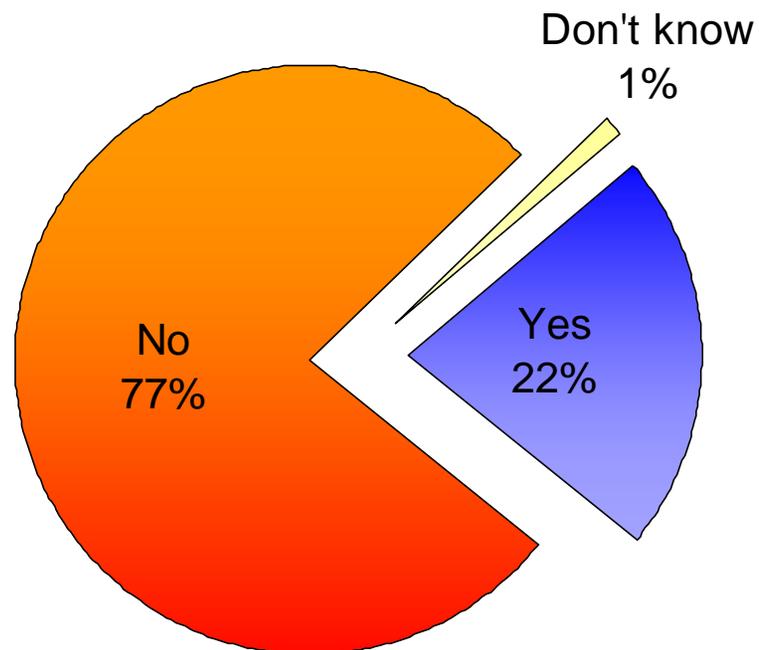
About one in five banked check recipients have heard about the garnishment issue

Q65b. Have you seen, read, or heard anything in the news recently about banks or credit unions taking money from people's bank accounts, that includes Social Security or SSI direct deposit payments, to repay debts these people owe to banks or debt collectors?

Banked SSA



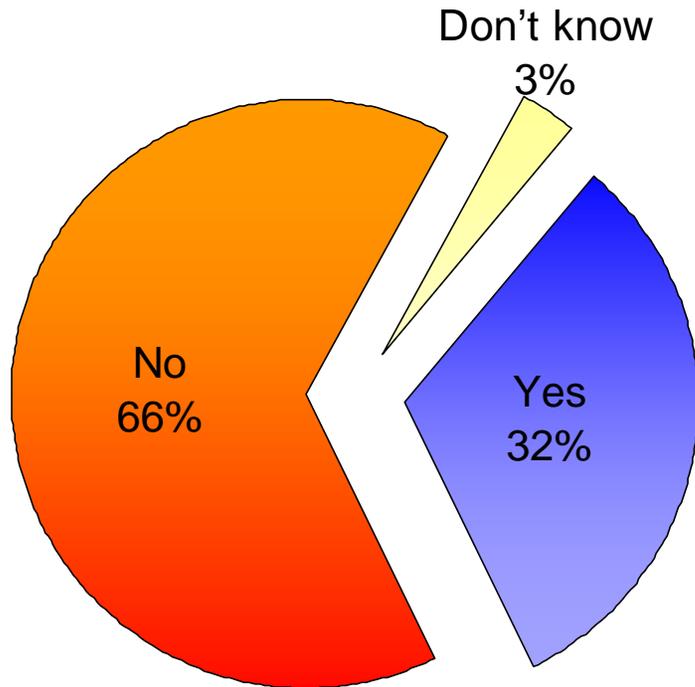
Banked SSI



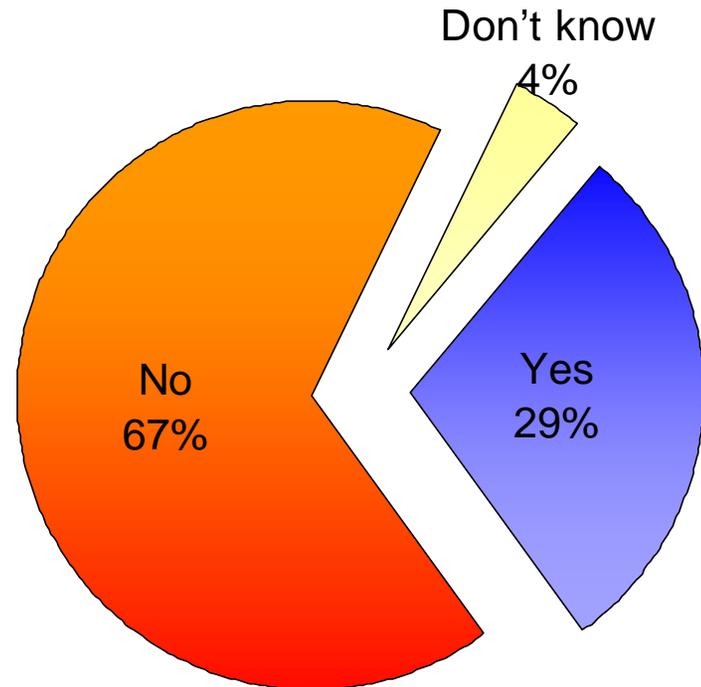
The unbanked are significantly more likely to have heard about the garnishment issue, with nearly one-third saying they have heard something about it

Q65b. Have you seen, read, or heard anything in the news recently about banks or credit unions taking money from people's bank accounts, that includes Social Security or SSI direct deposit payments, to repay debts these people owe to banks or debt collectors?

Unbanked SSA



Unbanked SSI



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Demographic Profile

Profile: Demographic Distribution (SSA)

	SSA Total	Banked	Un-banked		SSA Total	Banked	Un-banked
Age:				No. of years receiving benefits:			
				<i>Mean</i>	9.8	9.8	9.6
Under 35	2	2	3	1-5	38	36	41
35 to 44	8	5	15	6-10	17	16	20
45 to 64	29	27	36	11-15	18	20	12
65 and older	59	65	43	16+	20	20	19
Don't know/refused	2	2	3	Don't know	8	8	8
Gender:				Education:			
Male	42	43	41	Less than grade six	4	3	7
Female	58	58	59	Grade six to eight	9	8	10
Ethnicity:				Some high school	17	15	23
White/Caucasian	73	81	54	Completed high school	33	34	32
Black/African American	13	8	28	Completed GED	4	3	5
Hispanic/Latino	9	7	12	Some college or trade school	19	20	16
American Indian or Alaska Native	2	2	2	Completed college	8	8	10
Other/Don't know	3	3	5	Some post graduate/professional school	2	2	*
Region:				Completed graduate/professional school	3	4	*
Northeast	19	21	14	Don't know	2	2	3
Midwest	22	24	16	Income:			
South	42	39	50	Less than \$20,000	41	32	63
West	14	14	14	\$20,000 to less than \$50,000	26	31	14
Puerto Rico	3	2	6	\$50,000 to less than \$100,000	7	10	*
				\$100,000 or more	2	2	*
				Don't know/refused	24	25	23

Profile: Demographic Distribution (SSI)

	SSI Total	Banked	Un-banked		SSI Total	Banked	Un-banked
Age:				No. of years receiving benefits:			
Under 35	12	15	11	<i>Mean</i>	8.9	7.8	9.6
35 to 44	16	14	17	1-5	41	48	36
45 to 64	45	45	45	6-10	20	17	23
65 and over	23	23	23	11-15	12	11	12
Don't know/refused	4	4	3	16+	15	13	17
Gender:				Don't know	12	11	12
Male	28	29	28	Education:			
Female	72	71	73	Less than grade six	6	4	8
Ethnicity:				Grade six to eight	12	9	14
White/Caucasian	50	61	42	Some high school	22	16	26
Black/African American	28	20	34	Completed high school	29	33	26
Hispanic/Latino	16	13	19	Completed GED	4	3	5
American Indian or Alaska Native	2	1	2	Some college or trade school	13	17	11
Other/Don't know	4	5	3	Completed college	7	12	3
Region:				Some post graduate/professional school	1	2	*
Northeast	17	19	16	Completed graduate/professional school	1	2	1
Midwest	17	18	17	Don't know	4	3	5
South	45	43	47				
West	20	20	21				

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