

DISCUSSION GUIDE
Direct Express Prepaid Debit Card: Messaging Focus Groups
March 2008

I. Introduction **15 minutes**

- Moderator's introduction.
 - Introduce self and KRC Research.
 - KRC is conducting these groups on behalf of the Department of the Treasury, but KRC is an independent research firm and does not work for the Department of the Treasury or the Social Security Administration.
 - Explain focus groups, set ground rules:
 - No right or wrong answers.
 - Everyone should voice their opinions during the group.
 - It's okay to agree or disagree with each other.
 - Speak one at a time.
 - Turn off cell phones and pagers.
 - I'm just looking for your opinions about some of the things we'll be talking about. Everything you say is confidential and your names will not be associated with what you say. This discussion group is for research purposes only.
 - Inform participants we are audiotaping and videotaping the discussion and that observers are behind the one-way mirror.

- Participants' introduction.
 - Please go around the room and tell me your first name and some of the hobbies you like to do.

II. Warm-Up and General Behaviors **15 minutes**

Today we are going to be talking about different ways that you can receive your federal benefit payment. Before we get started I'd like to ask you a few general questions.

- All of you currently receive your federal benefit payments through a paper check in the mail. What are the advantages of receiving your federal benefit payment through a paper check? What do you like about it?

- What are some of the drawbacks of receiving your federal benefit payments through a paper check? What concerns do you have about it?
 - Have you ever had any difficulties with your check payments? What were they?

- Where do you currently cash any checks or payments you receive?
 - What are the advantages of cashing checks that way?

- o What are the disadvantages?

[IF NOBODY MENTIONS IT ASK.]

- o Have you ever used a check cashing service or payday lender to cash checks?
 - What are the advantages of using a check cashing service?
 - What are the disadvantages?
 - How much do you generally pay to cash a check?

[FOR THOSE WHO USE MOSTLY CASH.]

- What are the advantages of always using cash to pay bills and make purchases?
- What are the drawbacks of always using cash to pay bills and make purchases?
- **BANKED GROUPS ONLY:** People like you who receive federal benefits can receive their payment by direct deposit, where your money automatically goes directly into your bank account. Have you ever thought of switching your payment method to direct deposit? Why or why not?

III. Awareness and Familiarity with Prepaid Cards **10 minutes**

Now I would like to talk about a specific financial product – prepaid debit cards. Before we get started I would just like to get an idea of how much you know about them. It's fine if you've never heard of them or don't know much about them.

- First, have you ever heard of prepaid debit cards?
 - o How do they work?
 - o What are they used for?
- Have you ever used prepaid debit cards before?
 - o What type of prepaid debit card did you use?
 - o Where did you get it?
 - o How did it work?
 - o What kind of payments did you use it for?
 - o How often do you use them?

- How would you describe your experience using a prepaid debit card? [PROBE FOR POSITIVES AND NEGATIVES]

IV. Reaction to Direct Express Card® Description

15 minutes

The U.S. Department of the Treasury has created a new way for people to receive their federal benefit payments. It is designed for people without a checking or savings account but can be used by anyone.

I am going to hand you a description of a new prepaid card for receiving federal benefit payments like Social Security and SSI. I will read it aloud and you can follow along with me. [HAND OUT DESCRIPTION OF DIRECT EXPRESS CARD®] As we read through the description, please circle things that you find appealing and cross out things that you find unappealing.

The Direct Express Prepaid Debit MasterCard® will soon be available to people who receive federal benefits and payments by paper check. Through the Direct Express Card®, people can receive their federal benefits and payments electronically even if they don't have a bank account. The Direct Express Prepaid Debit MasterCard® is provided by Comerica Bank as a financial agent of the Department of the Treasury and has no monthly maintenance fees.

Instead of receiving a check, federal benefit payments will be automatically deposited onto the Direct Express Card® and the funds will be available immediately on your payment date.

The Direct Express Card® looks just like a normal credit or debit cards, with a card number and signature strip. The Direct Express Card® is unlike a credit card, which provides a line of credit. It is also different from a debit card provided by a bank or credit union. You don't need a bank account to use the Direct Express Card® and it is not linked to a bank account. So, you can't borrow money with the Card and you can only spend up to the amount that has been deposited on the Card.

The Direct Express Card® can be used 24 hours a day, 7 days a week, to get cash at automated teller machines (ATMs), make purchases, and buy money orders anywhere MasterCard® debit cards are accepted. Cardholders may also get cash back at many retail locations when the Direct Express Card® is used to make purchases.

There are no credit check or minimum balance requirements to sign up for the Direct Express Card®.

- Based on this description, what are some things you find appealing about the Direct Express Card®?
- What do you think the benefits of the Direct Express Card® might be for you personally?
 - In what ways do you think it might be better than receiving payments by paper check?
 - In what ways do you think it might be better than using cash to pay bills and make purchases?
- What are some of the reasons you might NOT consider using the Direct Express Card® to receive payments? Why? [PROBE FOR BARRIERS]
- Do you have any questions about how the Direct Express Card® works?
- **BANKED GROUPS ONLY:** If you were going to switch your payment method from getting a paper check, would you be more likely to switch to direct deposit or the Direct Express Card®? Why?

V. Material Testing (Inserts/Marketing Brochure) 20 minutes

INSERTS

I am going to hand each of you an envelope. In this envelope are some inserts like you might receive along with your Social Security or SSI check.

I would like you to take a look at each insert. After you've looked at them choose the two inserts that are MOST appealing to you and place them on top of the pile. Then put the other inserts back into the envelope.

HAND COUNT MOST APPEALING INSERTS AND DISCUSS TOP TWO OR THREE INSERTS AS TIME PERMITS.

- Why did you choose this insert? [HOLD UP INSERT CHOSEN BY MOST PARTICIPANTS.]
 - What stood out to you most about this one?
 - What is the main point of this insert? What is it asking you to do?

- What does it tell you about the Direct Express Card®?
 - How important is that to you personally?
- If you saw this insert, how likely would you be to call the 1-800 number to switch from a check payment to a Direct Express Card®? Why or why not®?
- **BANKED GROUPS ONLY:** If you saw this insert, how likely would you be to call the 1-800 number to switch from a check payment to direct deposit or to a Direct Express Card®? Why or why not?
 - If you had to make a choice, which would you choose, direct deposit into your bank account or the Direct Express Card®? Why?

MARKETING BROCHURE

Next, I'd like to get your reactions to a brochure you might see at places like the Social Security Administration or get in the mail. I'd like you to read it and when you're done, turn it face down in front of you.

On the first page of your handout are a few questions. I'd like you to take a few moments to answer the questions in writing, then we'll discuss the material.

- What are the most important points this brochure makes?
- What information stands out to you the most?
- How does the brochure make you feel about the Direct Express Prepaid Debit MasterCard®. Please be as descriptive as possible.

DISCUSS

- What are the most important points this brochure makes?
- What are the most important things this brochure told you about using the Direct Express Card® for your federal benefit payments? What did you learn about it?
- What in the brochure gives you a positive impression of the Direct Express Card® as a way to receive your federal benefit payments? Why?
 - What are the most important benefits of the card? Why? (PROBE EXTENSIVELY)
 - What are the most important features of the card?
- Was there anything unclear or confusing in the brochure? What?
- Was there anything in the brochure you didn't believe? What?

- Was there anything in this brochure that gave you a more negative impression of the Direct Express Card? What?
- Overall, how did the brochure make you feel about the Direct Express Card®? (PROBE FOR ADJECTIVES) Why does it make you feel that way? (PROBE EXTENSIVELY)
- What information, if any, makes you more likely to switch to the Direct Express Card? Why? (PROBE EXTENSIVELY.)

VI. Fees

5 minutes

- What do you think about the fees to use this card – are they reasonable or not really? Why?
 - How do they compare to the fees you pay now to cash your check, buy money orders, or pay bills? Do they seem more or less than the fees you currently pay?

VII. Benefit Messages

15 minutes

Now I'm going to provide you with a handout with the benefits of the Direct Express Card®. Please rate each benefit on a scale from 0 to 10 where a 10 means that benefit is extremely important to you personally and a 0 means that benefit is not important to you at all. You can use any number between 0 and 10. After you have rated each benefit, please put a star next to the three benefits that make you MOST likely to consider using the Direct Express Prepaid Debit MasterCard®. [HANDOUT]

HAND COUNT AND DISCUSS TOP BENEFITS.

- How does that statement make you feel about the Direct Express Card®?
 - What makes that benefit important to you?
 - What is it about that benefit that makes you more likely to consider using the Direct Express Card®?
- Were there any statements you didn't find believable? Which ones?
- Where there any statements that made you feel more negative toward the Direct Express Card®? Which ones?

VIII. Card Testing (card carrier with mock card)

20 minutes

Next, I'd like to get your reactions to the actual Direct Express Card®. [HAND OUT CARD CARRIER WITH MOCK CARD]. This is what you would receive in the mail if you signed up for the Direct Express Card®. Open the envelope and look through the material just like you would if you received this in the mail.

- If you received this in the mail would you open it? Why or why not?
- What is the first thing you looked at? Why?
- What information stood out to you most in this package?
- Was it clear what you were supposed to do with the card? Why or why not?
- What is the first thing that comes to mind when you see this longer form called TERMS OF SERVICE?
 - Would you read it? Why or why not?
 - Would it make you less likely to activate the card, or not really? Why?

Now take out the Direct Express Card® and take a look at it.

- What do you think about the card? How comfortable would you feel walking into a store and offering a card like this for payment?
- In what ways would using this card be different for you than using checks and money orders? (PROBE FOR POSITIVES AND NEGATIVES)?

Now let's talk about the information that you get with the card.

- How clear is the information about how to use the card?
 - What questions do you have about using the card after reading this?
- Once you get your card in the mail, what is the first thing it tells you to do?
- What is the most important information in this brochure? What information is essential to have to make sure people know how to use the card?
- Is there anything in this material that is unclear or confusing? What?
- Based on everything you have read, HOW do you think you would use the card? (PROBE FOR GETTING CASH AND SPENDING ON PURCHASES AND BILLS VERSUS USING CARD FOR PURCHASES AND TO PAY BILLS.)

SELECT OPTIONAL SERVICES

Take a look at the left hand column Select Optional Services.

- Which of those services are the most important to you personally? Why?
- Which ones do you think you would use? Why?

WEB SITE

- How would you use the Direct Express Web site to manage your account?
- What kind of features would you want to see on the Direct Express Web site?
(PROBE: Check balance, bill pay, funds transfer.)

IX. Conclusion

5 minutes

- Based on what you've heard tonight, what would be the most compelling reason to switch from a check to the Direct Express Card® for your federal benefits?
- How likely would you be to recommend the Direct Express Card® to someone?
Why?

DIRECT EXPRESS CARD® BENEFIT MESSAGES

The Direct Express Card® gives you the safety and security of a traditional bank account, even if you don't have one. The Card is FDIC (Federal Deposit Insurance Corporation) insured and your card can be blocked if it's lost or stolen, so you can feel secure that your money is safe.

The Direct Express Card® is a safer and easier way to receive your federal benefits and make payments. Because your federal benefit payment is automatically deposited on your card on the day your payment is due, you don't have to worry about a paper check getting lost or stolen in the mail. And, you don't have to worry about carrying around cash to make purchases or pay bills.

The Direct Express Card® gives you another option for making purchases and paying bills instead of always using cash, money orders or checks. The card is accepted wherever MasterCard® is accepted, so you can buy money orders, pay bills or make purchases at thousands of grocery stores, convenience stores, gas stations and other retail locations almost anywhere, 24 hours a day, 7 days a week. You can also use the card to get cash at more than one million ATMs worldwide or get cash back from many retailers when you use your card to make purchases.

Your money is available faster when you receive your federal benefit payments on the Direct Express Card®. Your payment is deposited automatically onto your card on your payment day, so your money is available immediately – on time, every time. So, when you use the Direct Express Card®, you don't have to wait for your check to come in the mail, and you don't have to go to the bank or a check cashing service to cash your check.

The Direct Express Card® saves you money because you can avoid many of the high fees associated with using a check cashing service or purchasing money orders.

The Direct Express Card® provides the convenience of making purchases and paying bills online or over the phone, which you can't do with cash or paper checks.

A prepaid card allows you to fully participate in the modern economy even if you don't have a bank account or you have bad credit. It gives you the purchasing convenience of a credit card or a bank issued debit card without incurring debt, paying interest on credit, or risking overdrawing your account and getting hit with overdraft fees.

The Direct Express Card® is the first step to getting where you want to be financially. It allows you to better manage your finances and save money. You can withdraw only the money you need or use it to pay bills and make purchases and keep the rest of your money safe and secure on your card.

The Direct Express Card® helps you budget your money. You know in advance how much you have to spend and it provides a simpler way to keep track of your money

compared to spending cash. Plus, just like a bank account, a prepaid card allows you to check your balance online or on the phone.