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Network Branded Prepaid Card Association and The Center for Financial Services Innovation Release New Data on Prepaid Card Usage and Underbanked Consumers

Underbanked consumers cite consumer protections, convenience and transparent pricing as top benefits

April 6, 2009 (Montvale, NJ) [The Network Branded Prepaid Card Association \(NBPCA\)](#), a non-profit, inter-industry trade association created to advance the success of branded prepaid cards, (cards usable wherever American Express, Discover, MasterCard or Visa cards are accepted), and [the Center for Financial Services Innovation](#), a non-profit affiliate of ShoreBank Corporation and the nation's leading expert on innovative financial services for underbanked consumers, have partnered to release the first large, in-depth survey of underbanked consumers currently using reloadable prepaid cards.* It found that 96 percent of users said the cards were useful and 94 percent would recommend a reloadable prepaid card to someone else.

Underbanked consumers use cash, money orders and a mix of check cashing, payday loans and other non-traditional arrangements to manage their finances on a day-to-day basis. In the survey, these consumers cited a wide range of benefits as reasons for the high satisfaction rates with reloadable prepaid cards:

- Protection of funds if the card is lost or stolen (84 percent)
- Security because of the ability to carry less cash (77 percent)
- Budget control because of the ability to spend only the amount that is on the card (76 percent)
- Value versus alternatives such as check cashing locations, money orders or credit cards (72 percent)
- Straightforward pricing (81 percent)
- The ability to gain the social (80 percent) and practical (83 percent) benefits of utilizing plastic

The NBPCA-CFSI underbanked reloadable prepaid card survey collected data on the following:

- General satisfaction levels with reloadable prepaid cards
- Usage and frequency of use
- Rankings of benefits and features
- Where and how underbanked consumers become aware of reloadable prepaid debit cards, buy them and reload them
- Understanding and satisfaction levels with respect to pricing and terms and conditions
- Satisfaction with banks and credit cards versus reloadable prepaid cards
- Transcripts of online chats with 40 survey respondents - comprehensive responses about why they chose to purchase a reloadable prepaid card and how they use it today

For survey results and to read excerpts of the online chats please visit the NBPCA website at www.nbpcacom.com or email [Jennifer Tramontana](mailto:Jennifer.Tramontana@nbpcacom.com).

"Reloadable prepaid cards give consumers with little or no access to credit or traditional financial services the ability to budget, spend and save like a mainstream consumer," said Kirsten Trusko, NBPCA President and Executive Director. "This comprehensive survey shows us in explicit terms the value underbanked consumers put on reloadable prepaid cards, which allow them to spend anywhere the brands are accepted. It is not surprising that they are so quick to recommend the products to their family and friends."

"The survey results are encouraging and complement the growing body of industry research on why reloadable prepaid cards are becoming a reliable option for many underbanked consumers," said Jennifer Tescher, Director of CFSI. "By understanding the underbanked consumers' perspective and needs, and providing products and features that meet those needs, the prepaid card industry is set to be a valuable financial service choice for this important consumer."

About reloadable prepaid cards

Reloadable prepaid cards provide a safe and convenient alternative to using cash and checks for everyday purchases and bill paying. Some cards provide cash access through ATMs. They can be purchased online, at retail stores or financial institution branches. Reloadable prepaid cards are issued by banks and carry fraud and loss protection. Consumers can use the cards to safely make purchases, pay recurring bills and get cash.

**The survey was conducted March 2-5, 2009 with 400 adult consumers with incomes less than \$30,000 per year who are currently utilizing reloadable prepaid cards and alternative financial services. The margin of error is $\pm 4.9\%$ at the 95% confidence level.*

About the NBPCA

The Network Branded Prepaid Card Association (NBPCA) is a non-profit, inter-industry trade association that supports the growth and success of network branded prepaid cards and represents the common interests of the many players in this new and rapidly growing payments category. For additional information, visit www.NBPCA.com.

About CFSI:

The Center for Financial Services Innovation, a non-profit affiliate of ShoreBank Corporation, facilitates financial services industry efforts to serve underbanked consumers across the economic, geographic and cultural spectrum. It provides funding and resources, enables partnerships, and identifies, develops and distributes authoritative information on how to respond to the needs of the underbanked profitably and

responsibly. CFSI works with banks, credit unions, technology vendors, alternative service providers, consumer advocates and policy makers to forge pioneering relationships, products and strategies that will transform industry practice and the lives of underbanked consumers. For more on CFSI, go to www.cfsinnovation.com