

# SEIU Pre-Paid Debit Card Program

Innovative Financial Tools for Serving the Underbanked

Federal Reserve Bank of Philadelphia

October 16, 2007

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- Who Are We?

- SEIU is 1.9 million workers in 4 major industries:

- Health Care
    - Long Term Care
    - Property Services
    - Public Sector

- Why Do a Pre-Paid Debit Card?

- A new focus on benefits (health care, asset building, financial services) for growing number of low-wage and immigrant members, many of whom are unbanked
  - Concern about high check cashing and money transfer fees
  - Non-traditional benefits as part of organizing strategy
  - An administrative tool to handle member strike and campaign payments
  - Affinity card and publicity — reminds members and merchants of union affiliation every time the card is used



## *Pre-Paid Card Program Overview*

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- Genesis: Center for Community Change & Community Financial Resources
- Program launched in July 2006
  - Initial pilots with 2 large home health care locals (IL & MI) plus smaller rollouts with 3 more locals (WI, TX, MN)
  - Focus on newly or recently organized home health care members
  - Coordinated rollout includes 3 other benefits: health care, prescription drugs, EITC
  - Communication strategy based on direct mail



## *Card Features*

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- Low monthly fee: \$2.50 or \$2.95
- Direct deposit onto the card
- Use wherever MasterCard is accepted
- Load card at tens of thousands of locations
- Free money transfers -- card to card
- Savings feature: Cash Builder account
- Safer than carrying cash
- Text message account alerts
- Free Customer Service and access to account information



## Program Challenges

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- Disappointing Results: 384 cards, uncertain level of card usage
- External Problems (Card company):
  - Unclear capability to deliver card services: importance of due diligence
  - Company withdrew from contract
- Internal Problems
  - Member communications: contacting membership that is widely distributed
  - Cost of outreach, marketing, and communications (one size does not fit all)
  - Competing local union priorities: organizing vs. member benefits
  - Complex enrollment logistics with multiple products



## *Moving Forward*

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- New contract with a card company with broad card experience
- Focus on locals with capacity to assist in program implementation
- Separation of benefits
- Link card to related services: EITC
- Pilot test special programs -- no monthly fee with direct deposit



## *Conclusions*

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- Pre-paid cards require multiple communications, like any new program
- SEIU communication capacity is not designed to sell products and services – can we adapt it?
- Logistical challenges have not allowed us to test the basic question: do our members value a pre-paid card?