

Direct Deposit Ramp Up

U.S. Treasury wants to help reach government benefit recipients



By Richard Gregg

If you could do one thing that would boost customer loyalty, protect your bank against fraud and improve your bottom line, wouldn't you do it?

February is *Go Direct* Month and community banks and other organizations nationwide are jumpstarting their activity in *Go Direct*, a campaign sponsored by the U.S. Department of the Treasury and the Federal Reserve Banks to encourage people who receive Social Security and Supplemental Security Income to use direct deposit. Although Treasury has been promoting direct deposit for more than a quarter of a century, this campaign is especially important today because the first wave of 77 million baby boomers will reach retirement age in just a couple of years.

The participation of financial institutions is vital for the success of *Go Direct*, and I'd like to encourage every community banker to think about signing on as a *Go Direct* partner. Consider the potential benefits to your bank and its customers:

- For customers who receive Social Security and other federal benefits, direct deposit is easier, safer and gives them more control over their money than paper checks in the mail;

- Direct deposit is a key weapon in minimizing check fraud losses to

banks, which total hundreds of millions of dollars each year;

- It also saves money spent on processing paper checks. ACH transactions have saved consumers, businesses and the government billions of dollars;

- Direct deposit provides banks with a great way to earn customer loyalty since those who use direct deposit are less likely to change banks; and

- *Go Direct* can help you leverage your marketing and public relations programs by providing an opportunity to participate in a nationally branded campaign that supports your marketing strategy.

And consider this: *Go Direct* reaches members of underserved and rapidly growing market segments, many of whom do not have bank accounts yet cash their checks at financial institutions. About 20 percent of people who receive federal benefits such as Social Security still do not have direct deposit. Participating in the program can actually help your bank grow its customer base.

To support our partners, which include the ICBA and many community banks like yours, *Go Direct* provides a start-up kit of materials, including brochures, posters and teller tents. Co-branding materials are made simple with artwork available on the campaign Web site,



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For more information about *Go Direct*, visit www.GoDirect.org (English) and www.DirectoASuCuenta.org (Spanish). To discuss partnership opportunities, call Alvina McHale at (202) 874-6604.

www.GoDirect.org. Spanish-language materials are also available in the parallel *Directo A Su Cuenta* campaign.

Go Direct also provides a number of easy options to sign up for direct deposit of federal benefits, including online enrollment through the *Go Direct* Web site and a dedicated toll-free number, (800) 333-1795. National television advertising, media relations and grassroots outreach round out the campaign.

Through its partnership with the campaign, ICBA has provided its members with regular communications about opportunities to get involved with *Go Direct*, including articles in its electronic newsletter. You can also sign up for a regular e-mail update by sending your contact information to GoDirect@webershandwick.com.

Here are a few ideas for how you can participate in *Go Direct* as a campaign partner:

- Train your tellers to sign up people who bring in benefit checks using our free online Webinar. Our research shows that tellers are key influencers in encouraging customers to switch to direct deposit;
- Print and display *Go Direct* brochures and posters in your branches co-branded with your own logo;
- Make direct deposit a focus in your branches during the first few days of the month when the majority of benefit checks are deposited or cashed. Hold “*Go Direct* Days” and display posters and teller tents in the lobby. Have tellers wear “Ask Me About

Go Direct” buttons, and encourage dialogue with customers cashing their benefit checks;

- Include co-branded *Go Direct* inserts in customer statements and mailings;
- Partner on enrollment events with local community-based organizations that serve seniors, disabled people and others who receive federal benefits; and
- Institute teller recognition programs to encourage direct deposit enrollments.

The direct deposit campaign does not begin and end with *Go Direct* Month in February. The campaign calendar provides many opportunities for highlighting direct deposit in your branches—such as Senior Safety Month in June. A detailed guide is available on the *Go Direct* Web site. **ib**

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