

Encourage Financial Well-Being through Direct Deposit

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With a short phone call or a few simple keystrokes, your community bank can help senior citizens and individuals with disabilities protect their finances and ensure they receive their federal benefit payments on time, every time. How? By encouraging your customers to opt for direct deposit of their federal benefits.

Simply put, direct deposit is the easiest and most convenient way for your customers to get their Social Security and other federal benefit payments – money that makes a big difference in the lives of Americans who count on it to pay their bills and support their families. Direct deposit helps ensure their payments won't be delayed by severe weather or be the victim of a financial crime. In 2008, an estimated \$64 million in checks issued by the U.S. Department of the Treasury were fraudulently endorsed and more than 485,000 Social Security and Supplemental Security Income (SSI) checks were reported lost or stolen.

Your customers are your neighbors and the fabric of your community. Help the people in your community keep their payments safe and secure by partnering with Treasury's **Go Direct**[®] campaign.

For more than four years, the U.S. Department of the Treasury and Federal Reserve Banks have teamed up to encourage direct deposit. The **Go Direct** campaign is a grassroots effort with more than 1,500 banks, credit unions and community organization partners dedicated to encouraging the use of direct deposit for federal benefits. Hundreds of **Go Direct** campaign partners are community banks just like yours.

Direct deposit clearly benefits your customers by giving them the peace of mind that comes from knowing their money is secure and accessible on payment day every month. But did you know direct deposit can also have a positive ripple effect throughout your community?

Here are a few examples that illustrate the far-reaching benefits of direct deposit:

- **Direct deposit can save your bank time and money.** In addition to benefiting your customers, direct deposit also benefits your bank's bottom line. Direct deposit can increase your customer base and reduce your operational costs – including your costs for paper-based transactions. According to studies by NACHA – The Electronic Payments Association – and the Banking Industry Technology Secretariat (BITS), banks can save \$1 for each Social Security check converted to direct deposit. That adds up to \$12 a year for each conversion – dollars that can translate to annual savings for your financial institution for years to come.
- **The cost-savings of direct deposit are passed on to taxpayers.** Direct deposit benefits taxpayers. The government mails more than 140 million benefit checks every year, at a cost of 93 cents more per check than a direct deposit payment. If all these were converted to direct deposit, annual savings would total more than \$130 million. The vast majority of that money would be available for future Social Security payments – a

benefit to all Americans for generations to come. This is especially relevant today, given that the first wave of baby boomers has started reaching retirement age.

- **Direct deposit has “green” benefits.** Since 2005, financial institutions have helped the **Go Direct** campaign achieve more than 2.5 million enrollments in direct deposit – representing approximately \$238 million in savings to taxpayers over the next ten years. According to NACHA’s Pay It Green Alliance, over the next ten years, 2.5 million direct deposit enrollments will result in 922,500 pounds of paper saved and 9.2 million gallons of gasoline saved – benefits that can really add up.

Community banks have teamed up with the campaign in a variety of creative ways – from displaying materials in branches to training their tellers to talk with customers about the benefits of direct deposit. The **Go Direct** campaign makes it simple to encourage direct deposit. Some easy and effective examples include:

- A Texas bank is distributing free **Go Direct** campaign flyers to customers and is displaying **Go Direct** campaign teller tents in branch lobbies.
- A Chicago-area bank has used the campaign’s free training materials to conduct a teller training session about the **Go Direct** campaign. It is also distributing an article about the **Go Direct** campaign via its staff newsletter.
- A North Carolina bank displays free **Go Direct** campaign posters in its branch lobbies and encourages customers to sign up for direct deposit by placing the campaign’s free stickers highlighting the toll-free **Go Direct** campaign number and Web site on the back of customer deposit slips.

Being a part of the **Go Direct** campaign also means the opportunity to take part in exciting Treasury recognition programs – including the **Go Direct** Community Ambassadors program which recognizes small- and medium-sized financial institutions that serve their community and customers by participating in campaign activities. Institutions that fulfill the Community Ambassador requirements receive a letter of recognition and certificate from Treasury for display in their branches. This year, more than 125 community banks took part in the Community Ambassadors program.

Besides making it easy for community banks to order free materials and information to share with customers, the campaign makes sign-up simple. Financial institutions can use the **Go Direct** campaign call center at (800) 333-1795 or the online enrollment system at www.GoDirect.org to sign up customers.

Please consider partnering with the **Go Direct** campaign and encouraging them to sign up for direct deposit of their federal benefits. Working together, we can help people who receive federal benefits get the money they count on – on time, every time – with direct deposit.

Ready to make the commitment to your customers and help them enroll in direct deposit of their federal benefits? Become a partner and order your free materials by going to www.GoDirect.org, calling (952) 346-6055 or emailing GoDirect@webershandwick.com.