

# Prepaid and Gift Cards in the U.S., 3rd Edition

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## Abstracts

Prepaid card usage trends and debit-driven regulatory change suggest that the prepaid industry has the wind at its back. Indeed, Packaged Facts estimates that prepaid card payment volume will rise 22.4% in 2012 to \$247.5 billion, up from \$202.2 billion in 2011, on the strength of almost 10 billion transactions.

However, continued growth will meet with a combination of challenges and opportunities: How will the industry approach consumers' banking dissatisfaction & distrust issues? Can it strike a balance between checking account profits and emerging migration to prepaid programs? How can it increase prepaid cardholder retention, navigate lingering overdraft issues, harness card platforms to best meet the needs of the unbanked and underbanked, and leverage younger consumers' financial positions while building relationships with them? In what ways will it seek to increase product transparency while reducing fees and simplifying fee structures?

Packaged Facts' report on ***Prepaid and Gift Cards in the U.S.*** takes up these issues and many more, covering trends related to general purpose reloadable prepaid cards, government benefit cards, payroll cards, and gift cards, with a focus on general purpose reloadable prepaid cards. The report includes:

An overview of recent regulations reshaping not only the prepaid debit card landscape but also broader consumer banking revenue generation strategies

Prepaid card brand analysis, including Chase Liquid, American Express Prepaid, the Walmart MoneyCard, RushCard, H&R Block Emerald Card, and Direct Express

Prepaid debit card usage and growth within the context of the consumer

## payments universe

### Prepaid card and gift card usage demographic trends

The degree to which consumers use their prepaid cards and how prepaid engagement relates to the use of other payment cards. We also assess relationships between consumer banking product ownership and payment card use, including prepaid card use.

Prepaid debit card users' usage motivations (including convenience, relationship to cash, creditworthiness, and spending control); consumer financial self-perceptions; and the relationship between those self-perceptions and payment card use and usage mix.

### Gift card purchasing trends and spending demographic trends

Prepaid- and broader debit-driven performance and strategies at card associations MasterCard and Visa; prepaid card issuers and program managers American Express, Green Dot and NetSpend; and prepaid distribution network Blackhawk.

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