Consumer Behavior and Payment Choice
Second Annual Research Conference

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Topics

- Debit Card Growth – 1981 to 2006
- Debit Card – Demographics
- Advantages
- Locations
- Future Growth
- Rewards
- Conclusion
Debit Card Growth – 1981 to 2006

(Based on consumers with household incomes of $15K+)
Debit Card - Demographics

Household Income

- Total: 61%
- <$25K: 43%
- $25K-$34.9K: 60%
- $35K-$49.9K: 70%
- $50K-$74.9K: 72%
- $75K-$99.9K: 66%
- $100K+: 67%

Age

- Total: 61%
- 18-34: 85%
- 35-49: 69%
- 50-64: 57%
- 65+: 45%

(Base = 1,000 total respondents)
Monthly Frequency of Debit Card Usage by Household Income

(Base = 593 debit card users)
Very Valuable Features of Debit Cards

(Base = 606 debit card users/prospects)
Top Locations for Debit Card Usage

- Grocery: 55% Used, 27% Likely
- Dept Stores: 45% Used, 29% Likely
- Gas Station: 46% Used, 24% Likely
- Drug Stores: 42% Used, 25% Likely
- Discount Store: 36% Used, 30% Likely
- Restaurants: 41% Used, 24% Likely

(Base = 593 debit card users)
Preferred Payment Method Among Debit Card Users

- Debit Cds: 41%
- Cash: 24%
- Credit Cds: 18%
- Checks: 14%
- DK/Ref: 4%

(Base = 593 debit card users)
Expectations for Debit and Credit Card Use

- **Debit More, Credit Less**: 57%
- **Both More**: 8%
- **None/DK**: 10%
- **Both Less**: 14%
- **Credit More, Debit Less**: 12%

(Base = 441 use debit and credit cards)
Future Growth

- Attrition
- Hispanic Market
- Convenience Users of Credit Cards
- Contactless
Incidence of Debit Card Rewards

(Base = 593 debit card users)
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