

**STORED VALUE CARDS MAY BE THE NEXT BIG THING:** Okay, so we're all still waiting for the advent of those smart cards with a computer chip we've heard so much about. Now a slightly less high-tech stored value card is here. Today!

These cards have a traditional MasterCard or VISA logo, a traditional mag card strip on the back, and look almost exactly like a traditional debit or credit card. But, there's a difference. Each card is loaded with money. Customers buying or receiving the cards can use them just like cash.

Banks are beginning to offer these cards through the PULSE EFT Association's PULSE Access program. Stored value cards can be instantly issued by the bank or ordered online by customers. These cards may be either single use (loaded with funds one time and destroyed once the funds are spent) or re-loadable (the card can be re-loaded time-after-time with new funds). Stored value cards can be marketed for a variety of different uses:

- **Gift Cards**—these cards are just like store cards from merchants, only the gift card may be spent at any merchant accepting MasterCard or VISA
- **Family Cards**—a great way for parents to make funds available to their children for allowance money, or to forward money to college students living miles away from home
- **Payroll Cards**—companies can now pay employees using these cards, rather than by using direct deposit or traditional payroll checks. These cards are an excellent way to attract new business relationships or enhance present customer relationships. Banks with busy lobbies and drive-ins on payday can reduce this traffic by having their commercial customers pay employees via a card, rather than via check. This idea also saves consumers from the cost of check cashing if they don't have an account, or depositing payroll checks in the bank if they do.
- **Expense Reimbursement Cards**—businesses can reimburse employees via the card providing commercial accounts with more control
- **Education Cards**—funds for scholarships, student loans and other purposes can be given to students via the stored value cards
- **Use-Your-Imagination Cards**—this stored value concept can be applied to almost any payment idea you can imagine

One thing is sure. Stored value cards are the next wave in plastic payment systems—proving that the scene from *The Graduate* with Dustin Hoffman was just slightly ahead of its time.

## NEXT MONTH: WHY PRODUCTS CAN SOAR OR FLOP



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