



Regions Next Step Podcast

Better Budgeting: Budgeting with Prepaid Cards

In this podcast, Shaun Collings, Financial Wellness Relationship Manager at Regions Bank in Atlanta, Ga., shares insights on how you can use prepaid cards as a helpful budgeting tool.

Want to hear more about the following topics? Listen to the podcast to hear from Shaun.

- Tracking purchases and overall spending with prepaid cards
- Choosing the right prepaid card
- Adding funds to prepaid cards

Episode Transcript

Narrator:

You're listening to the Next Step Podcast, "Budgeting with Prepaid Cards" – part of our Better Budgeting series presented by Regions Next Step – advice, tools and resources to help you get closer to reaching your unique financial goals. Today, we are going to learn all about budgeting with prepaid cards with the help of Shaun Collings, Financial Wellness Relationship Manager at Regions Bank in Atlanta, Georgia. Shaun, it is a pleasure to have you join us today.

Shaun Collings:

Thank you, it's my pleasure.

Narrator:

Now let's jump in. Can you provide some background on prepaid cards?

Shaun:

Of course! General Purpose Reloadable cards – more commonly referred to as prepaid cards – work very similarly to debit cards. They can be used at stores, ATMs, or even for online purchases. However, these cards do not require that you have a checking account.



Narrator:

If the card doesn't need to be linked to a checking account, how is the amount of money on the card determined?

Shaun:

Great question! You load the funds you want to spend onto the card, which is a big help in staying on budget. Most prepaid card providers give you several methods for putting money on the card. This includes online transfers, mobile deposits or by making deposits at your local banking branch.

Narrator:

Very convenient that you can add funds to the card in so many different ways! Now, can you speak about how prepaid cards are a helpful budgeting tool?

Shaun:

Sure. Prepaid cards are an effective budgeting tool because they can help prevent overspending. On the occasion that you might end up going over what you put on the card, many providers don't charge overdraft fees, which also makes it easier to control. Also, some providers have check cashing options, which makes it easy to cash your paycheck and load it directly onto the card.

Narrator:

This just keeps getting better and better! Is there anything else about prepaid cards that makes them such a good budgeting tool?

Shaun:

Prepaid cards are actually better for budgeting than cash because purchases are electronic, making it easy to track purchases and overall spending. Also, a lot of prepaid cards give you access to online or mobile money management tools. Here at Regions, we have the Regions Now Card, a reloadable Visa® prepaid card that also provides access to online banking. This allows you to check the balance at your convenience, wherever you are.



Narrator:

This sounds like such an effective and convenient tool. How can listeners go about choosing the right prepaid card?

Shaun:

Great question! First, listeners should think about how the card will be used. For example, consider using a prepaid card for a specific purpose, like groceries or clothes. This will help to prevent you from making purchases not in your budget.

Listeners may also consider giving a prepaid card to their teen or college student. This can help them to start learning effective money management habits through monitoring and managing their spending, all while their parents oversee the account and put money on the card.

Prepaid card providers are required to disclose the fees associated with the card before customers purchase or open a prepaid card. So, in order to choose the right prepaid card, read the disclosures to see which card and fee structure best aligns with your needs. In many instances, providers give options to avoid fees, like making a certain number of purchases each month or enrolling in direct deposit.

Additionally, you may want to look for a card that has some added features, like the ability to add the card to Apple Pay, Samsung Pay, or Google Pay so that you can make purchases using your cell phone. As we've mentioned, it's also a good idea to find out how you can reload money to the card. For example, some providers may allow customers to load funds using their mobile app. This can save time and give you more flexibility for adding money to the card - even after normal business hours. These features aren't always free, so, again, listeners should be sure to read the pricing information for the card.

Narrator:

That's smart advice. I do love those apps – they make banking simple and save time! Anything else we should take into account when selecting a card?



Shaun:

Definitely. Often, providers don't charge fees for using ATMs in their network. So, it's a good idea to make sure the prepaid card provider has a large network of ATMs so that you can access your money anywhere. Another thing to investigate when selecting a card is to ensure the funds that will be loaded to the card will be eligible for FDIC insurance.

Overall, it's important to remember that not all cards are the same. Look at the fine print for features, benefits, and fees to ensure you are choosing the right card for you.

Narrator:

This was all such amazing insight and advice, thanks so much for joining us today!

Shaun:

My pleasure and thank you so much for having me!

Narrator:

And that concludes our podcast today. You can also find additional information about budgeting and more online at www.regions.com/nextstep. No matter your goals, Regions will help you with each step you want to take. Thank you for listening.

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