

## DIRECT DEPOSIT MESSAGES FOR BUSINESSES

*Financial institutions can use these messages and proof points throughout all of their written and verbal communications with their business customers about Direct Deposit.*

Direct Deposit offers tangible benefits to businesses of all sizes, from cost savings to increased operational efficiencies at all levels. A few of the benefits include the following:

### **Direct Deposit is simple, safe, and smart – and green.**

#### **Simple**

- ✓ Direct Deposit simplifies the account reconciliation process. The account statement will show a single dollar amount for the total amount of the Direct Deposit transactions instead of individual check amounts to reconcile.
- ✓ Setup for Direct Deposit is easy. Contact your financial institution, payroll processor, or business software provider to begin.
- ✓ Direct Deposit can simplify the labor and time processes involved in payroll processing because it requires less manual handling.

#### **Safe**

- ✓ Direct Deposit transactions are never lost or stolen.
- ✓ Direct Deposit uses the ACH Network, a safe and secure payment network used by banks, credit unions, and the U.S. government to send and receive payments each day.
- ✓ Direct Deposit reduces the likelihood of fraud, because there is less potential for counterfeit or stolen checks, altered amounts, and forged signatures.

#### **Smart**

- ✓ Typically, it costs more to process a paper check than a Direct Deposit transaction. Businesses can save from \$2.87 to \$3.15 per transaction by using Direct Deposit instead of checks.
- ✓ Businesses with fewer than 100 employees can save more than \$7000 per year by offering Direct Deposit to employees. The cost savings per employee is approximately \$3.00 per paycheck.
- ✓ The potential for error is reduced because Direct Deposit requires less manual handling than a check requires.
- ✓ Problems with Direct Deposit are rare. If there is a problem, the dispute resolution process is simple and straightforward. The transaction can be electronically traced from start to finish.
- ✓ Direct Deposit could increase productivity. According to NACHA - The Electronic Payments Association, employees spend between 8.5 and 24 hours per year going to the bank or credit union to cash or deposit their paychecks, an activity which accounts for an estimated \$3-\$5 billion loss in productivity annually.

- ✓ Direct Deposit reduces the reliance on paper checks and administrative costs associated with producing payroll checks — less check stock to buy and store, less wear-and-tear on printers, and fewer envelopes.

### **Green**

- ✓ Direct Deposit is a smart way to help the environment. Each year, the movement of checks through the payment cycle uses more than 674 million gallons of fuel and add 3.6 million tons of carbon dioxide to the environment.
- ✓ If a business that employs 300 people and issues paychecks every two weeks gets every employee to switch to Direct Deposit, annually it would:
  - Save 121 pounds of paper
  - Avoid the release of 1,159 gallons of wastewater into the environment
  - Save 45 gallons of gas
  - Avoid the release of 346 pounds of greenhouse gases into the atmosphere. This amount of greenhouse gases is the equivalent of:
    - 1,231 miles not driven in your car
    - 15 trees planted (and grown for 10 years)
    - 151 square feet of forest preserved from deforestation
- ✓ According to the Bureau of Labor Statistics, there were approximately 144,046,000 people employed in the U.S. during the fourth quarter of 2008<sup>1</sup>. Based on a 2008 survey conducted by the Consumer Federation of America, 85 percent of U.S. employees have access to direct deposit for their paychecks, but only 66 percent of employees use Direct Deposit. Assuming that the average American employee is paid every two weeks (26 times a year), if the remaining 19 percent of employees who have access to direct deposit but do not use it, or 27,368,740 people, chose Direct Deposit for their paychecks, annually they would:
  - Save 11,082,971 pounds of paper
  - Avoid the release of 105,709,380 gallons of wastewater into the environment
  - Save 4,105,889 gallons of gas
  - Avoid the release of 31,581,675 pounds of greenhouse gases into the atmosphere. This amount of greenhouse gases is the equivalent of:
    - 112,329,703 miles not driven in your car
    - 1,345,379 trees planted (and grown for 10 years)

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<sup>1</sup> Information from the Bureau of Labor Statistics, December 2008 Employment Situation News Release. Available at [http://www.bls.gov/news.release/archives/empsit\\_01092009.htm](http://www.bls.gov/news.release/archives/empsit_01092009.htm).

## DIRECT DEPOSIT MESSAGES FOR CONSUMERS

*Financial institutions can ask their business customers to use these messages and proof points throughout all of their written and verbal Direct Deposit employee communications.*

### **Direct Deposit puts you in control of your finances and gives you peace of mind.**

- ✓ Direct Deposit puts you in control. In fact, financial planners recommend Direct Deposit as one way to gain control of your finances. At your request, we will divide your Direct Deposit between two or more accounts, which can help jump-start your savings program.
- ✓ Consumers who use Direct Deposit to save for education save \$90 more per month than those who use other methods to save. Those who save for reasons other than education saved \$25 more per month when they saved electronically versus manually (NACHA 2006).
- ✓ Direct Deposit gives you peace of mind. Your money is deposited on time, every time – no matter what.

### **Direct Deposit is simple, safe, and smart – and green.**

#### **Simple**

- ✓ Once you sign up for Direct Deposit, your pay is deposited automatically into the account(s) you designate. Your money is there when you need it.
- ✓ With Direct Deposit, you are paid while you sleep. On payday, your money is in your account when you wake up.
- ✓ With Direct Deposit, it is simple to save. Just ask us to split your Direct Deposit between your checking and savings accounts. The sign-up process is quick and easy.

#### **Safe**

- ✓ Unlike paper checks, Direct Deposit payments cannot be lost or stolen.
- ✓ Direct Deposit is confidential. From three to nine people at a financial institution handle each check compared to just one or two people who handle an electronic transaction.
- ✓ Direct Deposit uses the same safeguards and security used by the government and other organizations for transmitting money.
- ✓ Nearly 85 percent of identity theft starts with someone seeing your personal financial information on a paper check, billing statement, or bank account statement. Once electronic payments are set up, the money travels electronically, greatly reducing the number of people who see your personal information.

#### **Smart**

- ✓ Direct Deposit gives you access to your money earlier than check deposits.
- ✓ We will issue a payment summary every deposit that will look much like your paycheck stub looks today. It will show your deductions for taxes, insurance, and other obligations, and will reflect the balance that was deposited into your account(s).

## Green

- ✓ Direct Deposit is inherently “green.” The environmental benefits are evident in six main areas – wood, fiber, greenhouse gas emissions, water, fuel, and waste.
- ✓ According to the Bureau of Labor Statistics, there were approximately 144,046,000 people employed in the U.S. during the fourth quarter of 2008<sup>2</sup>. Based on a 2008 survey conducted by the Consumer Federation of America, 85 percent of U.S. employees have access to direct deposit for their paychecks, but only 66 percent of employees use Direct Deposit. Assuming that the average American employee is paid every two weeks (26 times a year), if the remaining 19 percent of employees who have access to Direct Deposit but do not use it, or 27,368,740 people, chose Direct Deposit for their paychecks, annually it would:
  - Save 11,082,971 pounds of paper
  - Avoid the release of 105,709,380 gallons of wastewater into the environment
  - Save 4,105,889 gallons of gas
  - Avoid the release of 31,581,675 pounds of greenhouse gases into the atmosphere. This amount of greenhouse gases is the equivalent of:
    - 112,329,703 miles not driven in your car
    - 1,345,379 trees planted (and grown for 10 years)

## Direct Deposit benefits us all – consumers, businesses, the nation, and the environment.

- ✓ You save time, often gain access to your money earlier, and know your money is in the bank regardless of where you are.
- ✓ For credit unions, total direct and indirect costs of depositing a check instead of using Direct Deposit is \$5.88 according to a study conducted for NACHA by Tinucci & Associates.
- ✓ Businesses can save from \$2.87 to \$3.15 per payment by using Direct Deposit instead of checks (NACHA 2008).
- ✓ For businesses, Direct Deposit reduces costs, increases productivity, streamlines payment processes, and enhances employee satisfaction.
- ✓ Federal payments are made using Direct Deposit, which saves the country billions of dollars and enhances the efficiency of the nation’s payments systems.
- ✓ The country saves billions of tax dollars and the nation’s payments systems gain efficiency because federal payments are made using Direct Deposit.
- ✓ For the environment, Direct Deposit offers quantifiable benefits. Each year, the movement of checks through the payment cycle uses more than 674 million gallons of fuel and adds 3.6 million tons of carbon dioxide to the environment.

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<sup>2</sup> Information from the Bureau of Labor Statistics, December 2008 Employment Situation News Release. Available at [http://www.bls.gov/news.release/archives/empsit\\_01092009.htm](http://www.bls.gov/news.release/archives/empsit_01092009.htm).

## DIRECT PAYMENT MESSAGES FOR BUSINESSES

*Financial institutions can use these messages and proof points throughout all of their written and verbal communications with their business customers about Direct Payment.*

Your business or organization benefits in many ways from offering Direct Payment to your customers or donors, including the following:

### **Direct Payment is simple, safe, and smart – and green.**

#### **Simple**

- ✓ Direct Payment eliminates many of the labor-intensive manual processes involved in handling check payments, improving the accuracy and efficiency of your operations.

#### **Safe**

- ✓ Direct Payment reduces returned payments and posting errors, due to the speed of processing payments and the increased accuracy of customer information.
- ✓ Payment collection is timely and automated; your company always knows when it will be receiving payments.

#### **Smart**

- ✓ Direct Payment can save you money in processing costs. The average savings are 11.5 cents per payment (versus checks).
- ✓ Direct Payment can improve your company image, showing your customers that you are customer-focused and cost-conscious.
- ✓ Direct Payment can enhance your customer experience and increase loyalty, providing a payment option that is reliable, accurate, convenient, and confidential.
- ✓ The timing of your receipts will be more predictable and reliable, allowing for more accurate cash flow forecasting and informed investment decisions.

#### **Green**

- ✓ Direct Payment is good for the environment. According to the PayItGreen Alliance™, if one in five households were to switch to electronic payments, statements and bills, annually we could:
  - Save 151 million pounds of paper each year.
  - Save 1.8 million trees each year.
  - Avoid producing 1.9 million tons of greenhouse gases. Saving this amount of greenhouse gases is the equivalent of:
    - The emissions avoided by not driving 3.9 billion miles
    - Taking 325,722 cars off the road

- The emissions avoided by not consuming 200 million gallons of gasoline
- Planting 45.6 million tree seedlings and allowing them to grow for 10 years
- Preserving 12,405 acres of forest from deforestation
- Avoid creating 1.4 million gallons of wastewater
- Avoid creating enough wastewater to fill 2,180 Olympic-size swimming pools
- Avoid filling 8.6 million household garbage bags with waste
- Avoid filling 6,141 garbage trucks with waste
- Avoid using 103 million gallons of gasoline to mail bills, statements, and payments, or the equivalent of driving from New York to LA and back 918 times.

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## DIRECT PAYMENT MESSAGES FOR CONSUMERS

*Financial institutions can use these messages and proof points throughout their written and verbal communications with consumers about Direct Payment.*

### **Direct Payment saves you time and money, and takes the hassle out of paying bills.**

- ✓ Direct Payment takes the hassle out of paying bills. No more checks to sign, stamps to buy, or worries about mailing your bills on time.
- ✓ People who use Direct Payment instead of paper checks could save more than \$100 a year by eliminating the cost of postage and paper check stock.

### **Direct Payment is simple, safe, and smart – and green.**

#### **Simple**

- ✓ Direct Payment requires an easy, one-time setup process. With Direct Payment, you won't worry about late or missed payments again.
- ✓ Direct Payments are automatic: you don't have to be in town to pay your bills. This is perfect when you are traveling or on vacation.
- ✓ Record keeping is simple, too. Each bill paid from your checking account appears on your monthly bank or credit union statement.

#### **Safe**

- ✓ Direct Payment has been around for almost 40 years and uses the same network as Direct Deposit. More than 3 billion bills are paid each year using Direct Payment.
- ✓ With Direct Payment, your personal information remains safe and secure. Your bank protects your personal account information. In fact, you gain financial privacy with Direct Payment because the payment is made electronically.
- ✓ Almost 85% of identity theft cases are due to "offline" situations such as lost checkbooks and stolen bills, statements and check payments. Direct Payment significantly reduces this risk.

- ✓ The Electronic Funds Transfer Act of 1978, known as Federal Regulation E., protects consumers who use Direct Payment.

### **Smart**

- ✓ Each Direct Payment is deducted from your account automatically, making it easy to keep track of your payments.
- ✓ About 35% of your FICO score is based on payment history including detail on timely payments and late or missed payments. A late payment can stay on your report for up to seven years. Direct Payment ensures that your bills are paid every time, on time.
- ✓ With Direct Payment, you never have to worry about missing or forgetting payments. Mailing a payment just a few days late or losing a payment in the mail could result in late fees as high as \$30 per payment and potentially damage your credit score.
- ✓ Direct Payment can be used for all types of payments, including mortgage, insurance, utilities, cable TV, investments, health club, car loan, credit cards, and donations to non-profit organizations.

### **Green**

- ✓ The average American household receives approximately 19 bills and statements and makes approximately 7 payments in paper form per month. By switching to electronic bills, statements, and payments, the average American household would on an annual basis:
  - Save 6.6 pounds of paper
  - Save 0.079 trees
  - Avoid releasing 63 gallons of wastewater into the environment
  - Avoid using 4.5 gallons of gasoline to mail bills, statements, and payments
  - Avoid producing 171 pounds of greenhouse gases, which is the equivalent of:
    - the emissions avoided by not driving 169 miles
    - the emissions avoided by not consuming 8.8 gallons of gasoline
    - planting 2 tree seedlings and allowing them to grow for 10 years
    - preserving 24 square feet of forest from deforestation
- ✓ Every year, processing paper checks uses over 674 million gallons of fuel and add more than 3.6 million tons of greenhouse gases/carbon dioxide to the environment.
- ✓ The U.S. postal service reported that 19 billion bills – 533 million pounds of paper – were delivered to American households in 2006. To transport 533 million pounds of paper, it requires an estimated 235 million gallons of fossil fuels, resulting in more than 1.3 tons of carbon dioxide emissions according to a 2007 study conducted by Dove Consulting.