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### **New Study Reveals Less than Three-Quarters of Employees Receive Pay via Direct Deposit**

*NACHA's PayItGreen® Survey 2010 Indicates Small Businesses Lag Larger Organizations in Direct Deposit Adoption, Environmental Messages Resonate with Employees*

**HERNDON, Va., June 22, 2010** – Less than three-quarters of employees receive their paychecks via Direct Deposit, according to a new study from [NACHA — The Electronic Payments Association®](#) and [PayItGreen](#). The national PayItGreen Survey 2010 unveiled that 27 percent of employees still receive paper paychecks, and the primary factor for doing so is that the employer does not offer Direct Deposit.

“It’s surprising that while other developed countries are nearing 100 percent Direct Deposit enrollment, this survey showed that more than a quarter of U.S. employees are still receiving paper checks – in many cases because their employer doesn’t offer Direct Deposit,” said [Janet O. Estep](#), president and CEO of NACHA. “Direct Deposit is the simple, safe, smart, and green solution for employers, and we hope businesses, small and large, become more aware of the benefits of Direct Deposit.”

[Direct Deposit](#) provides employers with significant time and cost savings. Companies can save anywhere from \$2.87 to \$3.15 per payment by using Direct Deposit instead of paper checks. In addition, 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 to \$5 billion loss in productivity annually.

Even with the savings afforded by Direct Deposit, there is not widespread adoption within the small business community, according to the new report. While Direct Deposit can save a business with less than 100 employees \$19,000 per year, new findings show the smaller the company’s size, the less likely it is for employees to use Direct Deposit. Specifically:

- Only 37 percent of those using Direct Deposit are from small businesses or individual employers, while 63 percent are from midsize-to-large organizations.
- Looking at companies with fewer than 100 employees, 48 percent receive their paycheck via Direct Deposit. Companies with 30 employees or fewer report an even smaller fraction (35 percent).
- Of those who said that their employer doesn’t offer Direct Deposit, 79 percent are from organizations with fewer than 100 employees.

“There is a significant opportunity for increased Direct Deposit use in the small business community,” said Estep. “Small businesses may not be aware of the benefits of offering Direct Deposit, including time and cost savings, efficiency, convenience, and environmentally-friendly payroll. I encourage businesses to look closely at the positive impact Direct Deposit can have on the entire payroll process, and employees to ask their employers about Direct Deposit.”

In addition to savings, Direct Deposit drastically decreases an employer's carbon footprint. If a business that employs 300 people and issues paychecks every two weeks switched to Direct Deposit, in one year, it would save 121 pounds of paper; avoid the release of 1,159 gallons of wastewater into the environment; save 45 gallons of gas; and avoid the release of 346 pounds of greenhouse gases into the atmosphere.

The PayItGreen 2010 Survey also revealed that these "green" benefits of Direct Deposit resonate with employees. Fifty-five percent of those using Direct Deposit find it very or extremely motivating that Direct Deposit has a positive impact on the environment.

"When employers make the decision to offer Direct Deposit, they not only save themselves time and money, they make a huge environmental impact," said Mark Tizzard, product specialist, new product development at [The Clearing House](#) and PayItGreen Founding Member. "The study shows that employees are receptive to green messaging as it relates to electronic financial products and services, and this gives employers another opportunity to work toward 100 percent adoption of Direct Deposit."

For more information on Direct Deposit, visit [www.electronicpayments.org](http://www.electronicpayments.org). For more information on environmentally-friendly financial products and services, visit [www.payitgreen.org](http://www.payitgreen.org).

#### **About the PayItGreen Survey 2010**

The PayItGreen Survey 2010 is based on data collected by Javelin Strategy & Research. The online survey polled 5,000 U.S. adults. Eighty-five percent of respondents were employed and fifteen percent of the sample was unemployed. The analysis focuses on the 4,040 employed adults, excluding those who are self-employed, and is weighted to be nationally representative of employment status (e.g. full-time, part-time, etc.), gender, race, ethnicity and income.

#### **About PayItGreen**

PayItGreen is a coalition led by NACHA — The Electronic Payments Association whose members are committed to educating consumers and businesses about the positive environmental impacts of choosing electronic payments, bills, and statements over paper. PayItGreen members are small-to-medium-sized businesses, large corporations, credit unions, banks of all sizes, regional payment associations, processors and other financial industry service providers and stakeholders. To learn how your company can benefit from membership, please visit [www.payitgreen.org/business](http://www.payitgreen.org/business).

#### **About NACHA — The Electronic Payments Association**

NACHA supports the growth of the ACH Network by managing its development, administration, and governance. The ACH Network facilitates global commerce by serving as a safe, efficient, ubiquitous, and high-quality electronic payment system. NACHA represents nearly 11,000 financial institutions through 18 regional payments associations and direct membership. Through its industry councils and forums, NACHA brings together payments system stakeholder organizations to encourage the efficient utilization of the ACH Network and develop new ways to use the Network to benefit its diverse set of participants. To learn more, visit [www.nacha.org](http://www.nacha.org), [www.electronicpayments.org](http://www.electronicpayments.org), and [www.payitgreen.org](http://www.payitgreen.org).

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