



FOR IMMEDIATE RELEASE

Experts Say to Split Your Direct Deposit to Save More Money *New Survey However Shows Access to Direct Deposit Split is Limited*

HERNDON, Va. – May 4, 2009 – The message for National Direct Deposit and Direct Payment Month is simple this year – split your Direct Deposit between your checking and savings accounts if you want to save more money. National Direct Deposit and Direct Payment Month is celebrated annually in May. NACHA's Marketing Management Group (MMG) coordinates the yearly campaign.

According to a new survey by the Consumer Federation of America (CFA), although 66 percent of all employees use Direct Deposit, only 23 percent of all employees split their Direct Deposit into different accounts. Only 59 percent of employees that have access to Direct Deposit and use it have the option to split Direct Deposit. Of those with access to Direct Deposit, only 39 percent choose to split Direct Deposit.

"Many companies don't offer their employees the option to split Direct Deposit," said Stephen Brobeck, executive director of the CFA. "They are denying their employees a basic benefit that isn't costly for the company and can potentially help their employees start consistent savings programs."

A 2006 survey by MMG showed that consumers who use Direct Deposit to save for education save \$90 more per month than those who use another method to save and \$25 more per month when saving for other purposes. MMG suggests the easiest way to start a consistent savings program is to have your employer deposit just enough in your checking account to cover your expenses and bills and have them automatically deposit the rest into your savings account through a split Direct Deposit.

"Just like retirement savings, if you automatically save the money, you are less likely to spend it," said Diane Freeman, a spokesperson for MMG and an electronic payments marketing and communications manager at the Federal Reserve Bank of Atlanta. "Splitting Direct Deposit is easy to set up for new employees or established Direct Deposit users. The process takes minutes to complete. Just talk to your employer."

MMG is working in partnership with the CFA and the American Payroll Association to promote this message during National Direct Deposit and Direct Payment Month. The group previously endorsed the message during America Saves Week in February, and also will endorse this message during National Payroll Week from Sept. 7-11.

"It's a win-win situation. Direct Deposit helps employees save money and it's cost effective for employers to offer this benefit," said Dan Maddux, executive director of the American Payroll Association. "During National Direct Deposit and Direct Payment Month, employees should ask their payroll departments about Direct Deposit splitting options and should suggest adding the benefit if it isn't offered yet. Employers can do their part by encouraging their employees to save more by splitting their Direct Deposit between checking and savings accounts."

The CFA survey showed that 66 percent of all employees use Direct Deposit. Of those that have access to Direct Deposit, 78 percent use it. Of those that don't have access to Direct Deposit, 76 percent said they would use it if they had the option.

"Especially in this economy, every penny counts. Even if you only have \$20 left each month after your expenses, deposit it automatically to your savings account. With this type of consistent savings, you will be well on your way to establishing a financial emergency fund, a college savings program or a vacation fund," concluded Brobeck.

America Saves

America Saves is a nationwide campaign in which a broad coalition of nonprofit, corporate, and government groups help individuals and families save and build wealth. Through information, advice, and encouragement, the coalition assists those who wish to pay down debt, build an emergency fund, save for a home, save for an education, or save for retirement. Overall management for the campaign is being provided by the nonprofit Consumer Federation of America (CFA). CFA is a federation of some 300 consumer education, advocacy, and cooperative organizations dedicated to advancing the consumer interest.

National Payroll Week

National Payroll Week celebrates everyone's favorite day – payday. It recognizes the unique partnership among America's workers, their companies, the payroll professionals who pay them and critical government programs like social security, Medicare and fair labor standards. Together, through payroll withholding, payroll professionals collect and contribute 64.2 percent of U.S. Treasury revenue. The American Payroll Association founded National Payroll Week in 1996.

NACHA — The Electronic Payments Association

NACHA — The Electronic Payments Association is a not-for-profit association that oversees the Automated Clearing House (ACH) Network, one of the largest electronic payment networks in the world. More than 18 billion ACH payments were exchanged in 2007. NACHA is responsible for the administration, development, and enforcement of the *NACHA Operating Rules* and sound risk management practices for the ACH Network. Through its industry councils and forums, NACHA brings together hundreds of diverse payments system stakeholder organizations to enable the development of new network services and applications. NACHA represents more than 11,000 financial institutions through direct membership and 19 regional payments associations. NACHA and its members provide education, tools, and resources to increase the adoption of ACH payments to benefit businesses, consumers, and governments. To learn more, visit www.nacha.org and www.electronicpayments.org.

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