

## BY THE NUMBERS:

# PAPER CHECKS VS PAYROLL CARDS

## PAPER CHECKS

AMERICANS WITHOUT BANK ACCOUNTS PAY

**\$8 BILLION**  
EACH YEAR

AT CHECK CASHING OUTLETS, PAYDAY LENDERS AND BILL PAY CENTERS<sup>1</sup>

EMPLOYEES PAY

**UP TO 3%**



TO CASH THEIR PAYROLL CHECKS WITH A CHECK CASHER<sup>2</sup>

## SOMEONE EARNING

**\$26,000** A YEAR WOULD SPEND APPROX

**\$750** IN CHECK-CASHING & MONEY ORDER FEES TO PAY THEIR BILLS<sup>2</sup>

## PAYROLL CARDS

ANNUAL AVERAGE COST INCURRED BY EMPLOYEES WHO USE PAYROLL CARDS

**\$83**

VERSUS

**\$256**

AVERAGE COST OF USING CHECK CASHING & MONEY ORDER SERVICES

VERSUS

AVERAGE COST OF A BASIC CHECKING ACCOUNT<sup>3</sup>

**\$273**

**\$0**

AMOUNT MANY EMPLOYEES WHO USE PAYROLL CARDS PAY IN FEES

PAYROLL CARDS CAN BE USED LIKE A PAYCHECK AND CASHED FOR FREE<sup>4</sup>

THE FEDERAL RESERVE NOTED THAT PAYROLL CARDS ARE THE MOST COST-EFFECTIVE TRANSACTION ACCOUNTS AVAILABLE



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2. "2010 Report On Check Casher And Basic Banking Fees." Massachusetts Division of Banks. 2010. <http://www.mass.gov/ocabr/docs/dob/checkcashreport2010.pdf>  
3. M. Flores, "Analysis of Network Branded Pay Cards: Comparative Analysis of Pay Cards to other Payment Options." Bretton Woods, Inc. 2011. <http://bretton-woods.com/media/51f57d9869e66aa1fff8159fffd502.pdf>  
4. Wilschusen, R. Hunt, J. van Opstal, and R. Schneider, "Consumers' Use of Prepaid Cards: A Transaction-Based Analysis." FRB of Philadelphia Payment Cards Center. 2012. <http://www.philadelphiafed.org/consumer-credit-and-payments/payment-cards-center/publications/discussion-papers/2012/D-2012-August-Prepaid.pdf>  
5. "Subcommittee Works to Clear up Muddled Message on Paycards" by William Dunn, CPP, APA Paycard Sub-committee, May 2009. [http://www.americanpayroll.org/pdfs/vendors/apa\\_working\\_to\\_clear\\_muddled\\_paycard\\_message.pdf](http://www.americanpayroll.org/pdfs/vendors/apa_working_to_clear_muddled_paycard_message.pdf)