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Why Electronic Billing and Banking is Good for the Nation's Environmental Health

Research Sponsored by Wells Fargo Calculates Environmental Benefits of Emerging Trend for Air, Water and Land

By James Van Dyke, Founder, Javelin Strategy & Research

Americans are increasingly paying bills online, with electronic bill payment the fastest growing online application, according to Javelin Strategy & Research. While consumers primarily turn to online bill payments to save time and effort, switching to Internet banking and online bill viewing also spares trees and landfill space, representing a potentially large bonus for the nation's environment.

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Of the 2,877 online households surveyed by Javelin Strategy & Research in April 2003, nearly half, or 46%, now pay bills over the Internet. At one bank, Wells Fargo, more than 38% of all consumer customers are banking online. Of these 4.2 million online customers, a third are paying bills online and 8 percent are receiving deposit statements online. Based on U.S. Postal Service data, the average household sent or received an average of 20 bills, statements and checks each month in 2002, representing a yearly tally of more than 771,000 tons of paper.

Electronic billing and banking offer a means of reducing paper usage, since many bills can be viewed on the Web and paid electronically. Internet banking simplifies the process of checking balances and transferring funds. Online bill presentment and payment is also a huge time-saver, saving an individual, on average, two hours per month. Beyond receiving features such as real-time updates and financial alerts, consumers who view and pay bills online benefit from the added gain of making a nearly effortless contribution to the environment.



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Electronic billing and banking reduce energy consumption, logging, wastewater discharge and several other forms of pollution.

By viewing and paying bills online, consumers reduce the amount of wood, water and energy that would otherwise be used to make paper. This also diverts waste from landfills. Each ton of paper saved measurably cuts energy consumption, net greenhouse gas emissions, hazardous air pollutants, wastewater, solid waste and wood consumption. There are upwards of 50 different environmental contaminants associated with the paper and pulp industry. More than a third of the waste sent to municipal landfills is paper, which, when broken down creates methane, a major component of greenhouse gas.

Research sponsored by Wells Fargo found that if all U.S. households viewed and paid their bills online it would:

- **Save more than 29 trillion BTUs, more than enough energy to provide residential power to the city of Jacksonville, FL for one year.**
- **Save 18.5 million trees, or the amount of lumber needed for 216,054 typical single-family homes.**
- **Save more than 15.8 billion gallons of wastewater a year, more than that generated by the city of Fresno, CA.**
- **Reduce toxic air pollutants by 2.2 billion tons of CO2 equivalents, akin to having 390,326 fewer cars on the road.**
- **Reduce by 1.7 billion pounds the solid waste generated in a year, equal to the raw tonnage generated by Detroit, Michigan in a year's time.**
- **Save landfill space and curb the amount of toxic chemicals - including methane gas - released into the atmosphere as paper decomposes. Methane gas has 21 times the heat-trapping power of carbon monoxide and is believed to be a major contributor to global warming.**

Unlike many cases where being environmentally aware also means having to curb the use of comforts such as air conditioning, there is no such tradeoff for those replacing paper with online transactions. Single sites that allow multiple statements to be viewed, paid and archived make it easiest for individuals and businesses to eliminate paper. Online billing and payment saves time and money, is at least as safe as traditional methods, and produces significant benefits for our water, land and air.

Sources: Calculations by Javelin Strategy & Research using information from EPA, Alliance for Environmental Innovation, USPS, USFS. Ellen Walsh, Nadine Larsen, and Kate Gibson contributed to this article.

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