

The Pros and Cons of Digital vs. Printed Documents

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Technology makes it easy to turn your paper documents into digital files that can be stored more efficiently and accessed from anywhere. But are there still times when you need a printed document?

Yes!

Both formats have advantages and disadvantages. Check out this summary of the pros and cons of

paper vs. electronic documents based on advice from organizational, legal and financial experts.

Need to access documents quickly while on the move? Go digital.

Electronic documents have two huge advantages: ease of retrieval and access. Unlike paper files that must be searched manually and often by memory, electronic files can be retrieved using keywords included in either the file name or the content, no matter where the document is located.

With cloud storage, documents can be retrieved from mobile devices as well as [office computers](#), providing greater flexibility. For this reason, digital is preferred for distributed work teams. “A good example is client or organizational records, such as customer records, that need to be shared among a geographically diverse work group,” says [Darla DeMorrow](#), an organizational consultant in Wayne, PA.

Storage space an issue? Digital wins again.

Paper takes up space, no doubt about it. In today’s work environments where [shared space](#) is the norm, dedicated filing space for paper documents often doesn’t exist. With space at a premium and the cost of electronic storage getting cheaper every day, using a [scanner](#) to turn paper documents into digital files is an effective solution.

“One of my clients scanned 10 [banker’s boxes](#) filled with forms into digital files she could store on one thumb drive,” says DeMorrow. “She was able to fill the reclaimed square footage with revenue-producing inventory for her store.”

What about legal and financial documents? Not as easy an answer.

Confidentiality and security are particularly important issues when it comes to legal and financial documents. Storing sensitive information electronically does open up the possibility that documents

could be hacked and compromised. Even so, the advantages of digital documents still win out for most legal and financial advisors.

“It’s becoming far more common that I receive documents only in electronic form,” says [Gena McCray](#), an attorney in Louisburg, NC. She uses an encrypted and password-protected storage system.

Emailing is rarely secure, so attaching a bank statement or tax return to an email without additional security is putting information at risk, notes McCray. A simple solution is to put a password on the document that the recipient must use to open it; you should communicate the password verbally to the recipient. This is good practice even for digital documents you don’t share across networks. And don’t forget to password-protect thumb drives containing sensitive information as well.

Hard copies are definitely required if a document includes original or notarized signatures.

Jayson Mullin, co-owner of [Top Tax Defenders](#) in Houston, TX, recommends keeping hard copies of signed leases, as well as documents related to a home or business purchase. The same goes for wills, trusts, powers of attorney and contracts, advises McCray.

Are there other times when paper documents still win? Absolutely!

It’s easy to give paper documents a bad rap, but it’s not always deserved. Sometimes a hard copy makes more sense.

A detailed or complicated document is often easier to read, pass around and make notes on if it’s printed, says Paige Goff, vice president of sustainability and business communications with [Domtar Paper](#) in Fort Mill, SC. A printed document can sometimes be more easily shared if you’re disseminating information to a large group of people at the same time.

And if you’re traveling to a rural or remote location where Internet access is sketchy, having hard copies is also smart planning.

Am I doing enough to protect both my paper and electronic documents? Depends.

Important legal and financial documents should be stored in a secure place with restricted access, recommends [Andrew Hug](#), an attorney in Colorado Springs, CO. He advises purchasing a [fire- and flood-proof safe](#) for paper documents to protect your critical and sensitive records.

Failing to properly back up electronic documents can also be disastrous, Hug notes. “I’ve had a couple of clients who had computers go down and they had no backup. It cost them years’ worth of important legal and financial documents.”

Mullin suggests keeping a backup copy of electronic documents off site from your business as a precaution.

Pixels vs. paper? Both.

Both digital and hard copies have their place. The key is implementing a system that ensures you have the right document in hand when you need it, and also allows you to sleep at night, knowing your information is secure.