



Where Cash Still Dominates, and How We Can Take It Digital

Accelerating the move to a cashless society

March 8, 2016 | by Charles Keenan

While cash still remains a common way to pay in the United States, its increasing digitization could accelerate in the coming years, leaving coins and bills to go the way of the flip phone, big hair and leather pants.

For one, smartphones equipped with near-field-communication (NFC) offer a big potential facilitator toward replacing cash transactions. With the use of NFC for wallets like Apple Pay and Android Pay, consumers can just wave their phone in front of a point-of-sale device to complete the transaction.

New ways to pay

Meanwhile, new ways to pay for basic goods and services keep materializing, steadily replacing the use of cash. Think Uber, Venmo, and Starbucks – all have introduced ways to pay electronically, replacing instances where cash could have been used.

Other places just don't accept cash anymore: Southwest Airlines and Virgin America, for example, accept only plastic in the skies. The growth of e-commerce also continues to siphon away what could be cash users in brick-and-mortar locations. All told, the push to e-payments will lead purchase transactions generated by general purpose cards to reach 163 billion annually in the United States by 2024, up from 88 billion in 2014, according to *The Nilson Report*.

"We're seeing a massive shift, both globally and nationally, in the preferred method of payment among consumers," says Monica Eaton-Cardone, chief information officer and founder of Global Risk Technologies, a Dublin-based payment risk mitigation firm with an office in Tampa Bay, Fla. "It only makes sense that governments are starting to take notice and encourage electronic payment methods as consumer trends change."

Global trends

In Europe, some states are actively seeking a reduction in cash usage. Denmark, for instance, last year proposed that retailers such as clothing stores, restaurants and gas stations should no longer be legally required to accept cash payments. Danske Bank's MobilePay was being used by half of the country's 5.6 million citizens as of the end of 2015. Sweden is making a

Share This Article



About the Author

Charles Keenan has written about payments since joining the American Banker as a staff reporter in 1997. His work at the American Banker included writing about credit and debit cards, merchant processing and bank stocks. He later freelanced for the Banker and industry publications such as Banking Strategies, Bank Director, Community Banker, and U.S. Banker. He also writes about investing, insurance and health care, and is based in Los Angeles.

Recent Posts

[Payments vs. the End of the World \(/ngenuity-journal/payments-vs-the-end-of-the-world.cfm\)](#)

[Where Cash Still Dominates, and How We Can Take It Digital \(/ngenuity-journal/where-cash-still-dominates-and-how-we-can-take-it-digital.cfm\)](#)

[Don't Put Millennials in a Financial Box: They're Thinking Outside of It \(/ngenuity-journal/dont-put-millennials-in-a-financial-box-theyre-thinking-outside-of-it.cfm\)](#)

[Interpreting the "F Word" – A Litmus Test for Loyalty \(/ngenuity-journal/interpreting-the-f-word-a-litmus-test-for-loyalty.cfm\)](#)

[Five Key Ways Cards Issuers Can Improve Their Marketing This Year \(/ngenuity-journal/five-key-ways-cards-issuers-can-improve-their-marketing-this-year.cfm\)](#)

Popular Tags

mobile (20), (<http://tsys.com/ngenuity-journal/results.html?>

Attitudes are changing too. For Americans, security used to be the No. 1 concern with mobile as a payment device, Eaton-Cardone adds. Now consumers are thinking more about speed of the transaction. "We are getting away from the thought, 'Hey we have to touch it, we need that cash to feel secure,'" she says.

If it weren't for psychology, we might be further along toward becoming cashless. "There is nothing technological that is separating us from being cashless... it's behavior," Robertson says.

The statements and opinions of the writer do not necessarily reflect those of TSYS.



n>genuity journal publishes industry articles from the global payments industry and includes pertinent research, in-depth commentary and timely insight on the trends that impact the world of payments.

©2016 Total System Services, Inc. All Rights Reserved.

Quick Links

- ⊗ [Home \(/ngenuity-journal/index.html\)](/ngenuity-journal/index.html)
- ⊗ [Archives \(/ngenuity-journal/archives/index.html\)](/ngenuity-journal/archives/index.html)
- ⊗ [Podcast \(/ngenuity-journal/podcast/index.html\)](/ngenuity-journal/podcast/index.html)
- ⊗ [About \(/ngenuity-journal/about/index.html\)](/ngenuity-journal/about/index.html)
- ⊗ [Contribute \(/ngenuity-journal/contribute/index.cfm\)](/ngenuity-journal/contribute/index.cfm)
- ⊗ [Editorial Board \(/ngenuity-journal/editorial-board/index.html\)](/ngenuity-journal/editorial-board/index.html)

Corporate Links

- ⊗ [Legal \(/ngenuity-journal/legal.html\)](/ngenuity-journal/legal.html)
- ⊗ [Privacy Policy \(/ngenuity-journal/privacy-policy.html\)](/ngenuity-journal/privacy-policy.html)
- ⊗ [Contact Us \(/contact.html\)](/contact.html)
- ⊗ [tsys.com \(/index.html\)](/index.html)