

Consumers' financial concerns could disrupt yearslong cash use trend

Article

The data: Consumers are relying more on cash to limit their spending as they contend with sustained cost-of-living pressures.

Research from The Harris Poll commissioned by **Credit Karma** found that:

- In the US, **53% of consumers use cash more now** than a year ago. Some of that is driven by budgeting demands: **16% said they have more control when they use cash.**
- In the UK, **46% of adults use cash more now** than a year ago, and 12% credited physical money with cutting spending.
- The trend is stronger with younger consumers: **69% of US Gen Zers use cash more than a year ago**, and 23% say they use it for the majority of purchases. TikTok fads like “cash stuffing,” where shoppers put money in envelopes to control spending, could be behind that uptick.

Trendspotting: Cash’s appeal as a budgeting tool during downturns and a post-pandemic rebound for in-store shopping are helping reverse a yearslong decline in cash use.

- **Shoppers who pay with cash generally have a more accurate idea of how much they spend** than those who pay by card or via digital channels—[multiple studies](#) suggest. Persistent inflation and economic uncertainty in the US and the UK will likely sustain this trend for the foreseeable future.
- But even as cash use climbs, access to it is falling. The number of ATMs and bank branches in the UK has fallen sharply in recent years, per UK government [research](#). The US went from 470,000 ATMs in 2019 to 451,500 at the end of 2022, per Euromonitor International data cited by the [Wall Street Journal](#).

Our take: The US and UK governments are working to protect cash access. The US’ [Payment Choice Act](#) and new [UK legislation](#) would both support cash-reliant consumers.

- Payment providers and banks need to cater to digital, card, and cash demand at checkout. If they fail to realize cash’s importance to some customers, they risk throttling financial inclusion and alienating sizable demographics.
- And given the outsize number of [Black and Hispanic adults in the US who use cash for the majority of purchases](#), that could hurt minority communities the hardest.

But the uptick in cash use likely won’t persist in the long term and won’t require full strategy rethinks. But the trend, particularly among digitally savvy Gen Zers, shows cash’s appeal isn’t going away.

Payment Methods Adults Worldwide Use, by Region, Sep 2022

% of respondents in each group

	Asia-Pacific	Europe	Latin America	North America	Worldwide
Cash	63%	68%	77%	59%	66%
Debit card	60%	65%	72%	62%	64%
Digital wallet	76%	54%	53%	43%	56%
Credit card	45%	41%	64%	59%	48%
Bank transfer	31%	22%	26%	13%	22%
Direct deposit	17%	28%	9%	10%	20%
A2A (account- to-account) apps	5%	6%	35%	12%	10%
Buy now, pay later (BNPL)	6%	8%	1%	4%	6%

Note: ages 18+; at least 5 times per month

Source: Accenture, "Payment Gets Personal," Dec 13, 2022

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