


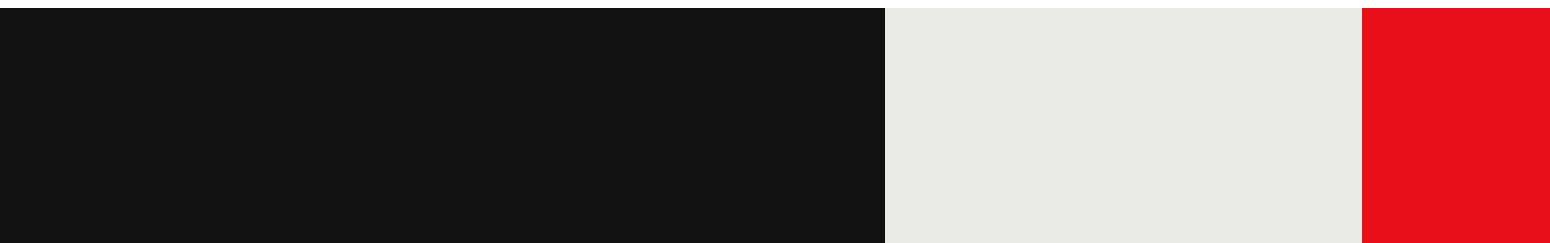
Cash decline looks very different across demographics

Article



The data: Roughly 41% of US adults said they don't pay for any of their purchases in a typical week with cash, a sharp increase from the 29% and 24% of those who said the same in 2018 and 2015, respectively, according to data from Pew Research Center.

While cash use has declined across the board in the last few years, factors like income, race and ethnicity, and age played a role in cash use.



- Three in 10 US adults with an annual household income of \$30,000 or less said they use cash for all or almost all of their purchases in a typical week. But only 4% of respondents with an annual household income of \$100,000 or more reported the same.
- About one-quarter of Black adults (26%) and 21% of Hispanic adults said they used cash for all or almost all of their purchases in a typical week. Only 12% of white adults reported the same.
- Forty-five percent of adults under 50 said they try to always have cash on hand, compared with 71% of adults ages 50 and up.

What it means: Cash remains an important payment method for many in the US. It's especially important for unbanked consumers, who made up 5.4% of US households—7.1 million—in 2019, [according to](#) the latest data from the Federal Deposit Insurance Corporation.

And while most small businesses accept digital payments, many prefer cash because it helps them save on [merchant card fees](#).

The problem: Accessing cash is becoming more difficult as the number of ATMs declines across the US—putting cash-reliant consumers at risk. There were an estimated 470,000 ATMs in the US in 2019, [per](#) Euromonitor International data cited by Payments Dive. But that figure had fallen to 456,000 by 2021.

Our take: Cash use is declining, but the US is unlikely to become a completely cashless society in the near future.

Government initiatives—like Sens. Bob Menendez (D-NJ) and Kevin Cramer's (R-ND) [Payment Choice Act](#), which prohibits cash-free businesses—coupled with online cash payment tools from providers like [Paysafe](#) or [InComm Payments](#) can help support cash-reliant consumers in an increasingly digitized economy.

Looking ahead, [mobile payments](#) may become an increasingly important tool in helping unbanked and other cash-reliant consumers transition to digital payments. **The number of US proximity mobile payment users is expected to hit 99.7 million by the end of 2022, [per](#) Insider Intelligence forecasts.**

Share of Payments Made in Cash by US Adults, by Age, 2016-2021

% of total in each group

	2016	2017	2018	2019	2020	2021
18-24	32%	34%	34%	33%	20%	17%
25-34	24%	23%	18%	18%	11%	16%
35-44	32%	26%	19%	20%	16%	13%
45-54	33%	34%	27%	25%	17%	20%
55-64	34%	34%	31%	32%	23%	26%
65+	33%	34%	33%	33%	26%	24%

Source: Federal Reserve Banks, "2022 Findings from the Diary of Consumer Payment Choice," May 5, 2022

277641

InsiderIntelligence.com

*This article originally appeared in **Insider Intelligence's Payments Innovation Briefing**—a daily recap of top stories reshaping the payments industry. Subscribe to have more hard-hitting takeaways delivered to your inbox daily.*

- *Are you a client? [Click here to subscribe.](#)*
- *Want to learn more about how you can benefit from our expert analysis? [Click here.](#)*