



## The Health of Cash and its Role Expanding the Digital Economy

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This report, sponsored by Cardtronics, explores how the digital economy benefits from cash usage and consumer preferences for safe and easy commerce. Consumers who prefer to use cash are digitally savvy but are unable to access the digital economy to the fullest extent. This study looks at consumer's views and usage of cash in a digital world and the need to modernize the cash infrastructure of the United States to be more accessible and inclusive.

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The payments landscape has gone through rapid transformation in the past year as many consumers used digital channels in unprecedented numbers, bringing new questions to the relevance of cash. However, consumer usage and views of cash remained resilient, begging a different question: what role does cash play in a digital economy? The value of cash in the digital economy is largely underrepresented because digital platforms make assumptions that consumers have access to and want to use card channels. Consumers who want to use cash or have limited access to card channels want to be part of the digital economy but are limited not through any fault of their own but because digital strategies purposefully leave them behind.

For digital commerce to expand and flourish, financial services providers need to expand cash accessibility and integration through multiple channels. An extensive payment technology network enabling cash is widely available in the United States yet sits disconnected from the mobile platforms consumers want to use. Automated teller machines (ATMs) have been seen as an access point to withdraw cash 24 hours a day. ATMs can integrate or connect to cloud-native software to deliver extensive services to consumers. The market challenge is that many ATMs are under-utilized. This report provides a comprehensive picture of how cash and digital economies benefit from being part of the same ecosystem.

To determine the underbanked population of consumers to compare against all consumers, the following definition of underbanked was used:

Households that have a checking and/or savings account but rely on alternative financial services (AFS). Specifically, underbanked households have used non-bank money orders, non-bank check-cashing services, non-bank remittances, payday loans, rent-to-own services, pawnshop loans, refund anticipation loans, or auto title loans at least once in the past 12 months.

The consumer data in this report was collected from a 12-minute online survey of 1,200 respondents in April and October 2020. Respondents in the study were representative of the U.S. population over the age of 18 in terms of various demographics such as age, gender, and household income. The overall margin of error is +/- 2% at the 95% confidence level for questions answered by all respondents.

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