

[EconSouth January–April 2014](#)

“How We Pay: Results from the Federal Reserve’s Latest Payments Study,” by Tom Heintjes, managing editor of *EconSouth*

Discussion questions

1. Which method of payment is the most common in the United States, according to the survey?
2. Which type of card payment, debit or credit, is the most frequent method of card payment in the United States? When did this type of payment become the most frequent method of card payment? Which type is growing the fastest in the United States?
3. Are general debit card transactions or PIN transactions more common? Are business or consumer transactions growing more rapidly?
4. Looking at chart 1, which method of payment accounts for the largest share of payments? Which accounts for the least? What type of payment makes up the highest share of value of payments?
5. What are some examples of the type of payments made by ACH? Why has growth in this area slowed?
6. What is Check 21? How has the act and the rise of electronic payments affected the number of checks written in this country? Is the value of checks that are still being written rising or falling? Why?
7. In the table “Number and Growth of Noncash Payments,” data are compiled over a 10-year period. How has the number of checks written changed? Which payment method did not exist in 2003? By how much have noncash payments increased overall? What would that amount look like as a percentage?

Related links

[“Cash Is Dead! Long Live Cash!”](#) John C. Williams, Federal Reserve Bank of San Francisco
Evidence shows that the reports of the demise of cash are greatly exaggerated.

[“The Check Is Dead! Long Live the Check! A Check 21 Update,”](#) Paul W. Bauer and Geoffrey R. Gerdes, Federal Reserve Bank of Cleveland
Article highlights how the Check 21 Act has promoted efficiency in the check clearing business.

[Consumer Payments Research Center](#), Federal Reserve Bank of Boston

[“Debunking Myths Surrounding Reloadable Prepaid Cards,”](#) Tami Farrow, *Huffington Post*, August 27, 2014
Common myths about prepaid cards are dispelled.

[Frequently Asked Questions about Check 21](#), Federal Reserve Board of Governors

[“U.S. Companies Cling to Writing Paper Checks,”](#) Vipal Monga, the *Wall Street Journal*, March 10, 2014
Nobody writes checks anymore, right? This article explains how the payment method is still an important option for businesses.

[“What Paying with Plastic Says About You,”](#) Lisa Kiplinger, *USA Today*, August 28, 2014
Which payment method you choose may depend on your generation.

Lesson plans

[Payment Parliament](#), Federal Reserve Bank of Kansas City

Role-play teaches the advantages and disadvantages of various payment methods.

[To Pay the Price](#), Federal Reserve Bank of Kansas City

Role-play teaches about electronic methods of payment.