

# Purchases & P2P

PANDEMIC DATA FROM THE SURVEY &  
DIARY OF CONSUMER PAYMENT CHOICE

TALK ABOUT PAYMENTS  
JULY 13, 2021



Federal Reserve  
Bank *of* Atlanta



## CONNECTION INFORMATION JULY 13, 2021

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## TODAY'S SPEAKERS: TAKE ON PAYMENTS

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The views expressed in this presentation are those of the speakers and do not necessarily represent the views of the Federal Reserve Banks of Boston, Atlanta, or San Francisco or of the Federal Reserve System.

## SURVEYS OF U.S. CONSUMERS 18+

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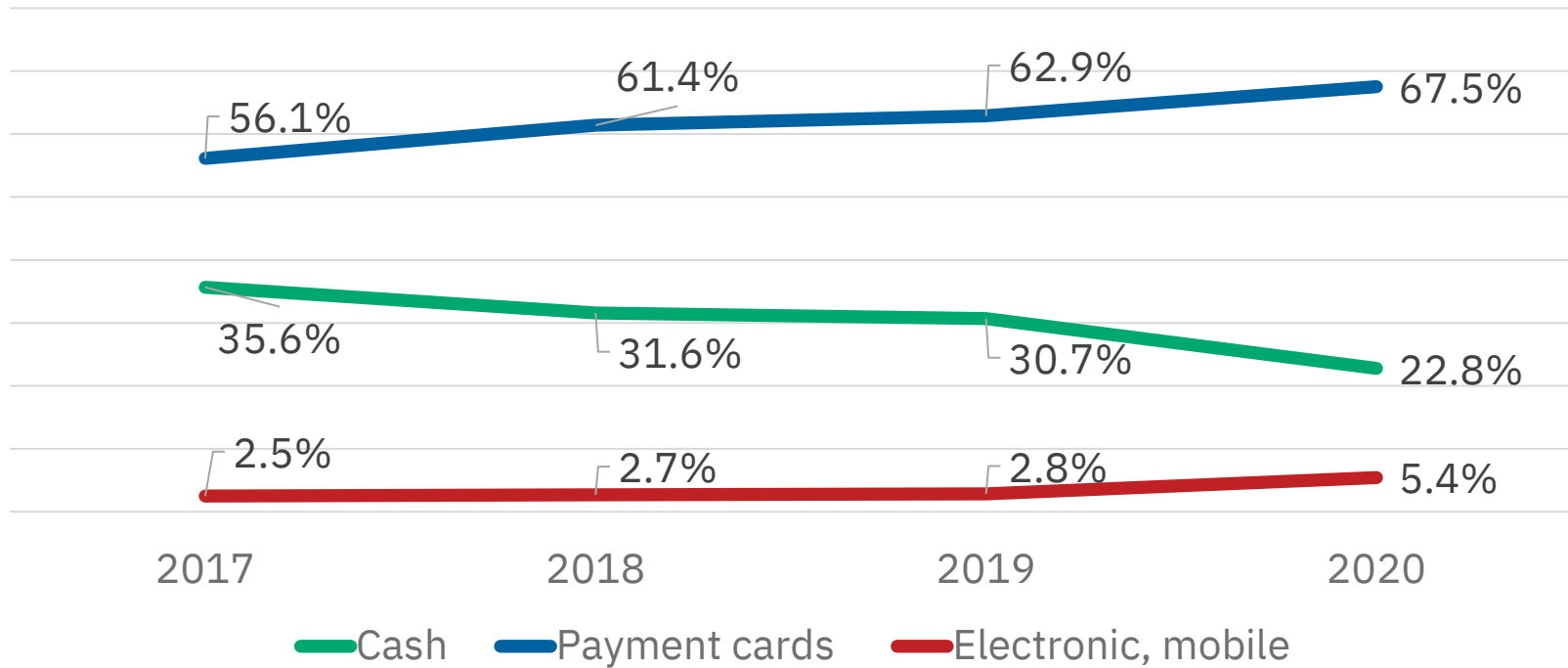
### Survey of Consumer Payment Choice Diary of Consumer Payment Choice

- Ratings on characteristics
- Adoption of accounts
- Adoption of payment instruments
- Use of payment instruments
- Types of payees
- Transaction details

# 65%

Of 2020 respondents also  
participated in 2019

## PURCHASES & P2P: CARD SHARES INCREASE, CASH DROPS



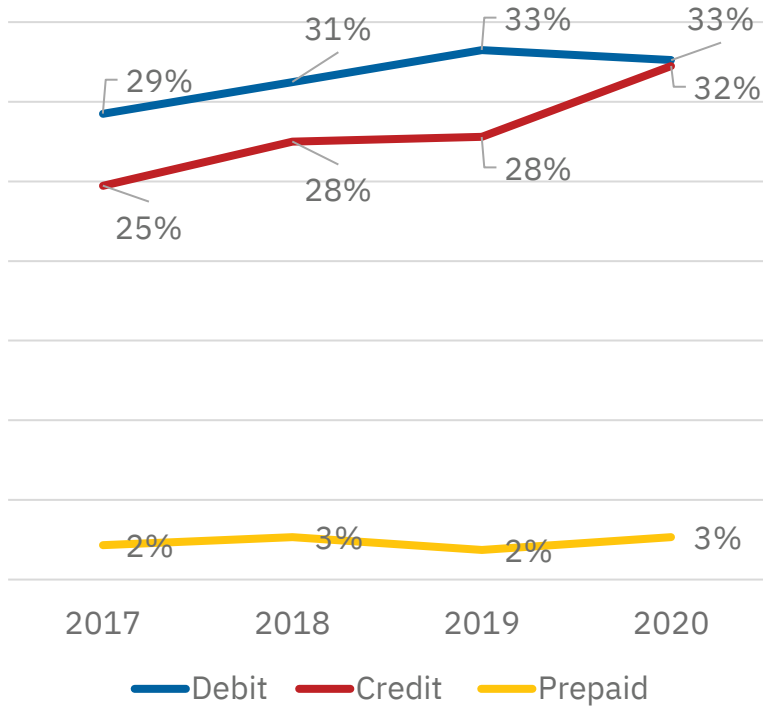
## PARTICIPANT POLL: WAS THIS CHANGE WHAT YOU EXPECTED?

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Was this change in the use of cash and cards...

- About what you expected
- Less change than you expected
- More change than you expected

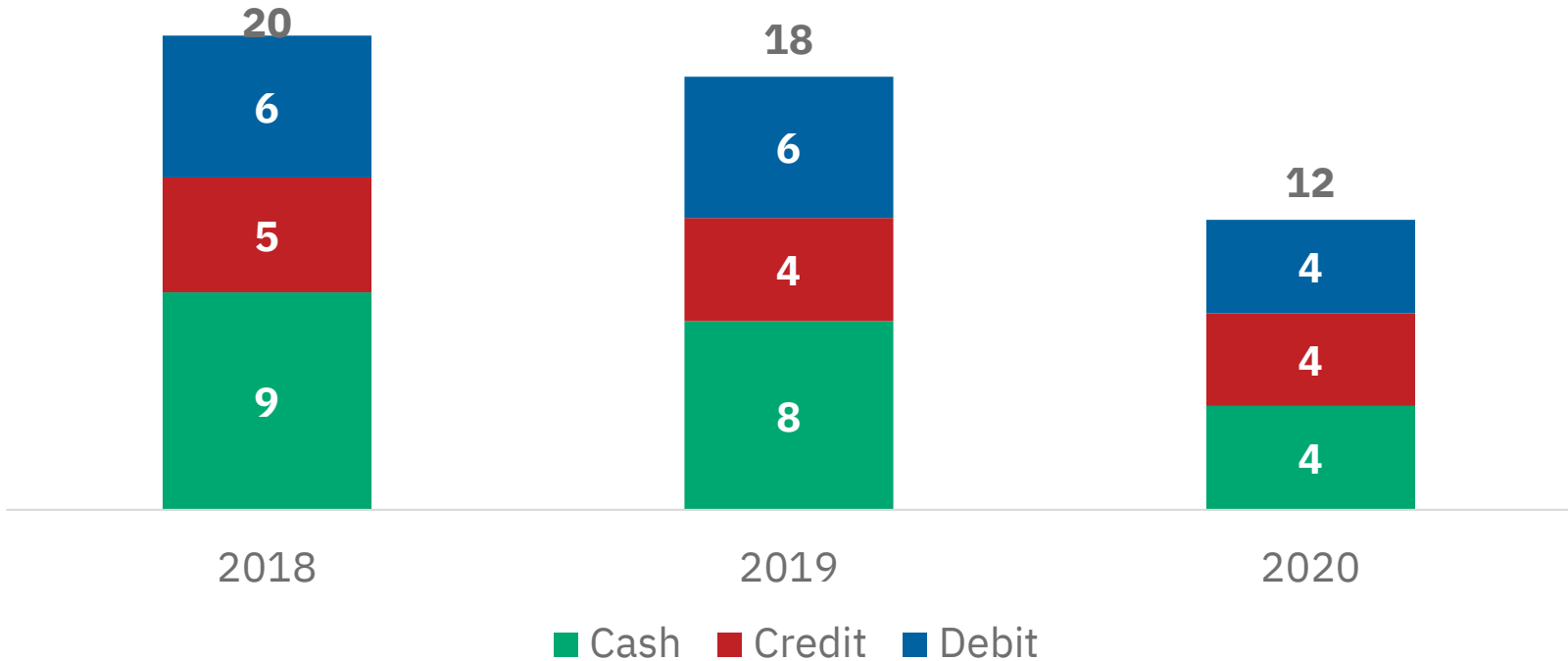
## INCREASE IN CREDIT CARD SHARE OF PURCHASES & P2P



Share of credit card purchases grew

- Of credit card holders, about half revolved in 2020
- Lowest share since data was first collected in 2015
- 3/4 of cardholders say 2020 balance is lower than 2019

## SMALL-DOLLAR-VALUE PAYMENTS DROP STEEPLY



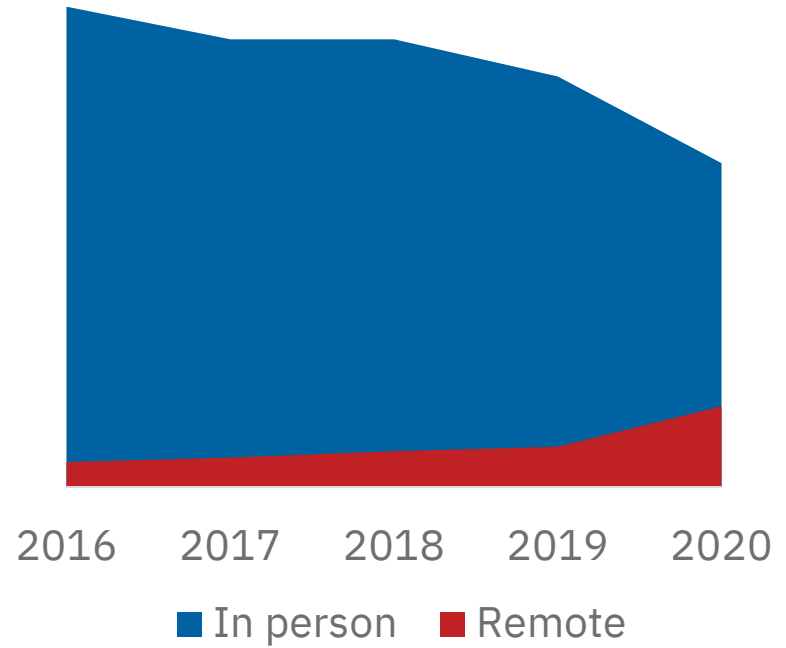


## NUMBER OF PURCHASES DROPPED; REMOTE PURCHASES INCREASED

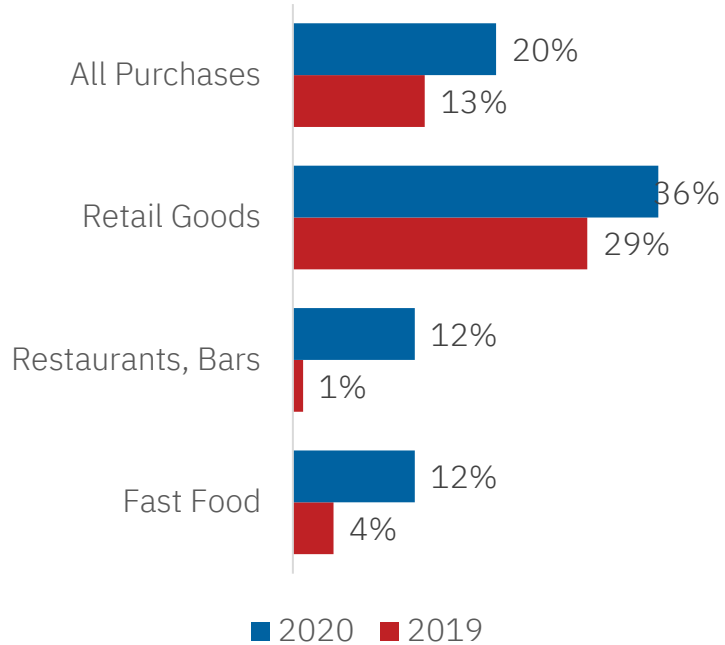
Purchases declined from 29 per month in 2019 to 26 in 2020

Share of purchases that are remote increased to 20% from 9% in 2019

Average dollar value increased 20%, from \$51 to \$61

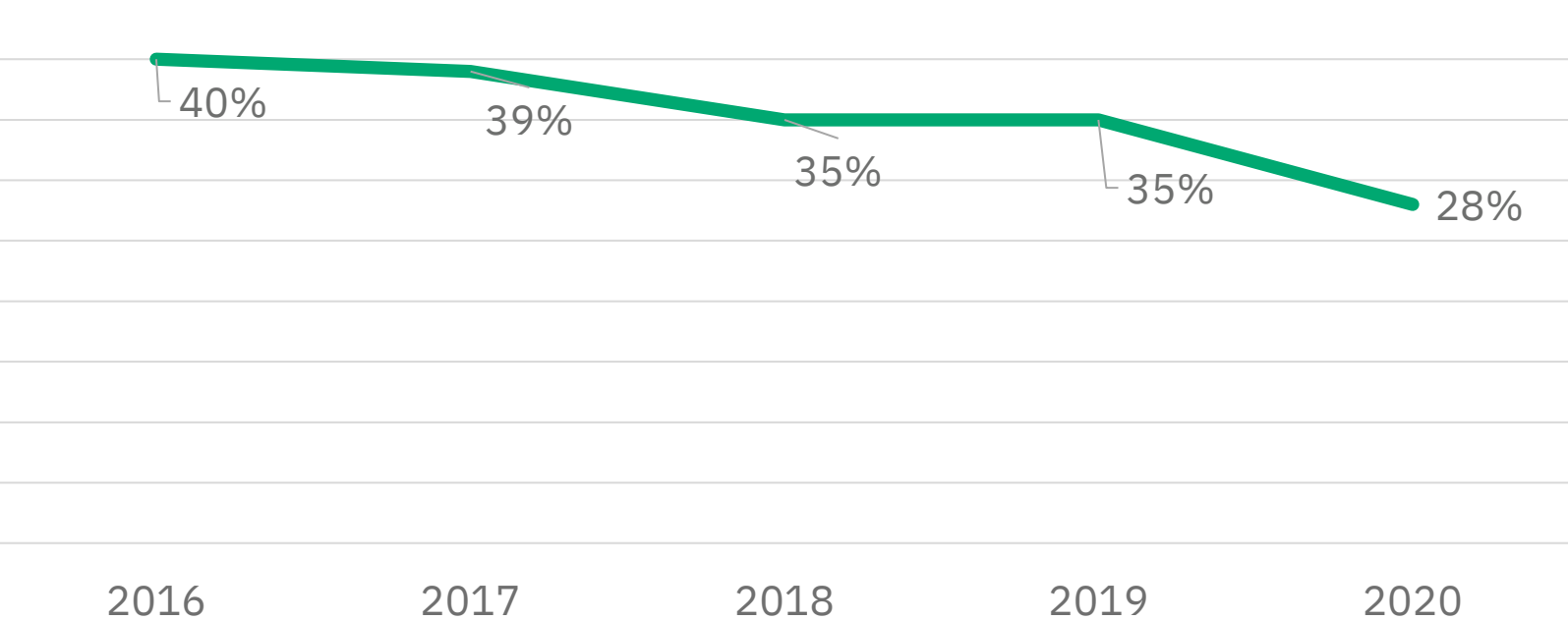


## SHARES OF REMOTE PURCHASES CLIMBED



**Shopping:** 1 in 5 did not go to a grocery store

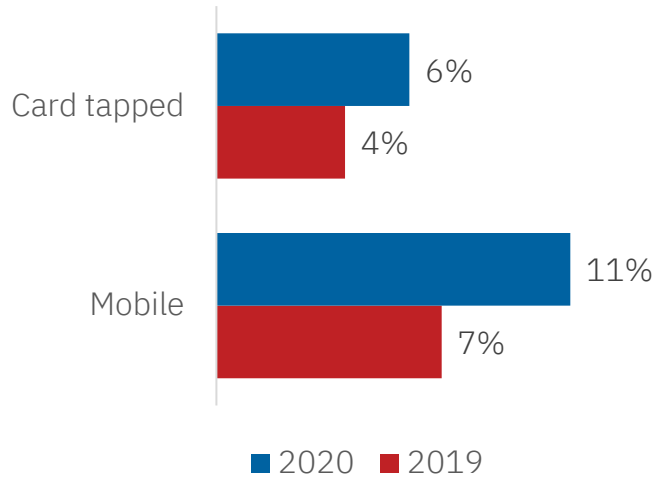
# LESS FREQUENT USE OF CASH IN PERSON: AN ODDITY?



Shares of in-person nonbill (purchases + p2p) payments in cash. Source: 2020 Diary of Consumer Payment Choice. 11

## FOR IN-PERSON SHOPPING, HABITS ARE SLOW TO CHANGE

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**Tapping a card** remains rare: less than 10% of all in-person payments were tapped

**Mobile** also was rare: barely exceeding 10% of all in-person payments

## WORK, SHOPPING, & PLAY CHANGED

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Of employed people in September 2020, one-third worked from home all days

Two-thirds of employed people went to work at least one day per week

Working from home affected shopping and payment choice

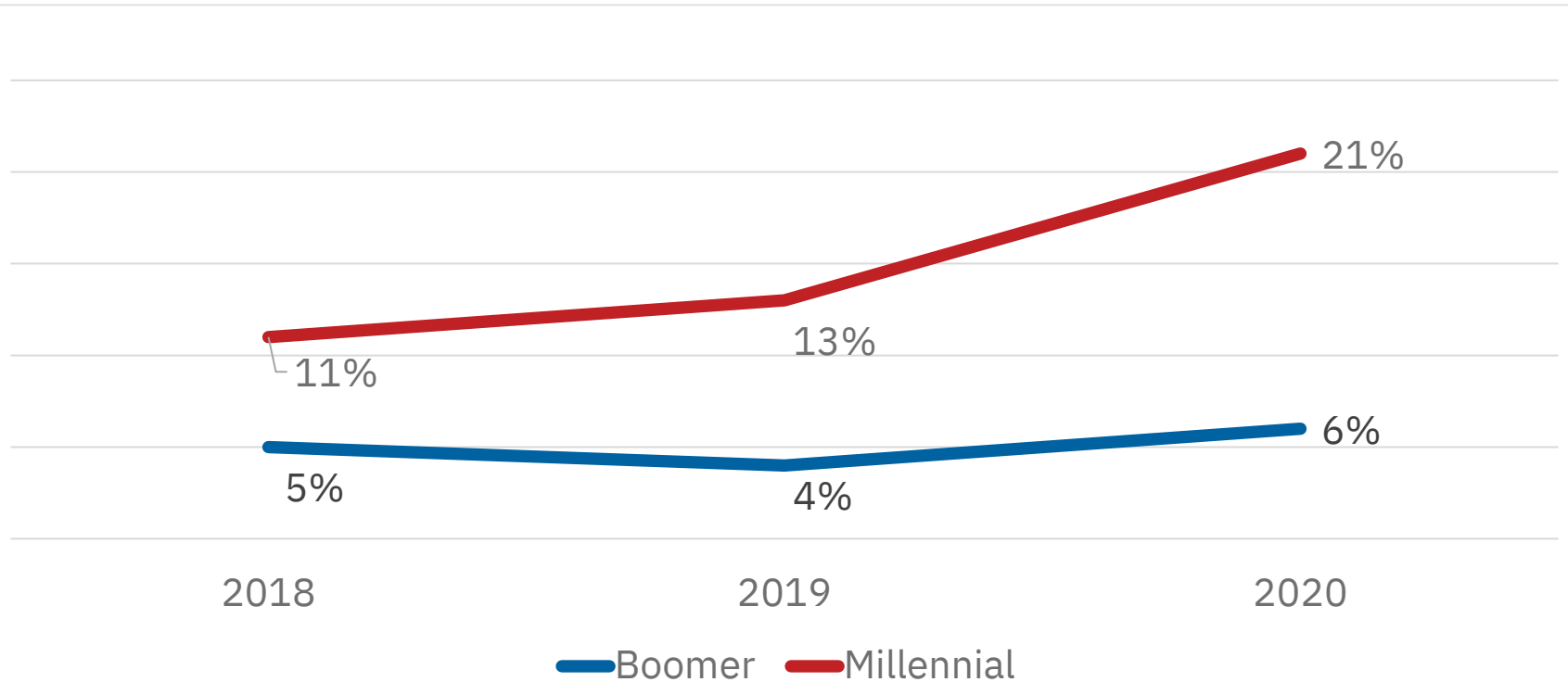
80%

Went to a grocery store in September 2020

12%

Went to a bar

## NOT ALL DEMOGRAPHIC GROUPS AFFECTED OR REACTED SIMILARLY



Shares of purchases and p2p conducted online by number. Source: 2020 Diary of Consumer Payment Choice.14

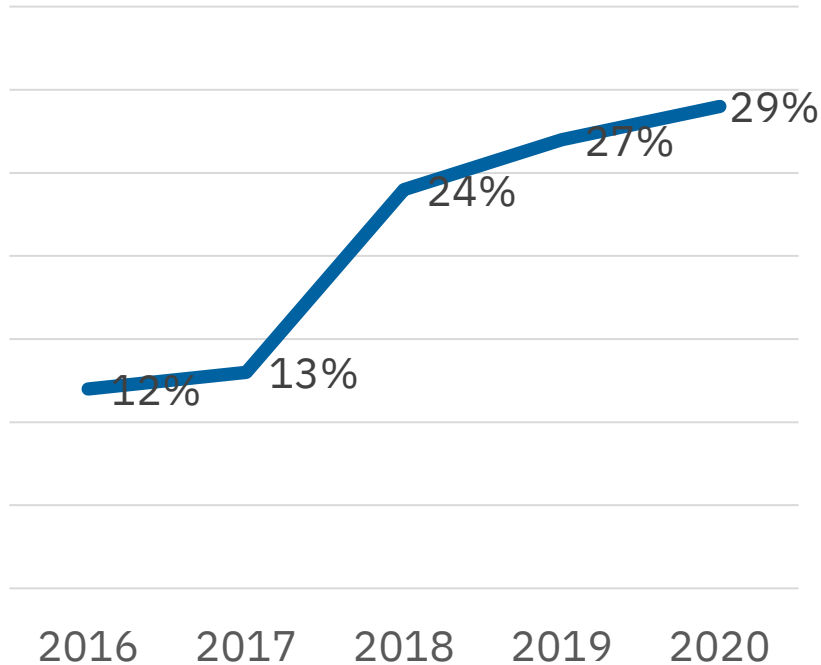
## PARTICIPANT POLL: HOW DID YOU PAY OTHER PEOPLE?

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Think about how you paid other people in 2020. Did you mostly use...

- Cash
- Paper check
- Payment app

## SHARE OF P2P THAT IS ELECTRONIC BUILDS STEADILY



**Paper dominates p2p:** 7 in 10 p2p payments are made with cash or check

**PayPal** cited for 16% of p2p payments

**6 in 10 adopt** apps in 2020



## PERSPECTIVE

“ Distinguishing the signal from the noise requires ... the serenity to accept the things we cannot predict  
Nate Silver

**Distinguishing the signal from the noise** requires both scientific knowledge and self-knowledge: the serenity to accept the things we cannot predict, the courage to predict the things we can, and the wisdom to know the difference.

# REFERENCES: COVID 19 AND PAYMENTS

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## REPORTS

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## DATA AND INFORMATION

[Survey and Diary of Consumer Payment Choice](#), Federal Reserve Bank of Atlanta, data, tables and reports for download.

[Running Essential Errands](#), Centers for Disease Control.

[U.S. Coin Task Force, #getcoinmoving](#)

## UNDERSTANDING CORONAVIRUS IN AMERICA

The project described here relies on data from surveys administered by the [Understanding America Study \(UAS\)](#), which is maintained by the Center for Economic and Social Research at the University of Southern California (USC). The content of this paper is solely the responsibility of the authors and does not necessarily represent the official views of USC or UAS. The collection of the UAS COVID-19 tracking data is supported in part by the Bill & Melinda Gates Foundation and by grant U01AG054580 from the National Institute on Aging, and many others.

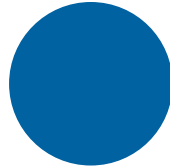
## EVERY MONDAY: BLOGGING AT TAKE ON PAYMENTS

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Number of attacks in 2020  
increased by more than 150  
percent over 2019

**JULY 6, 2021**

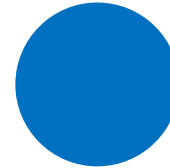
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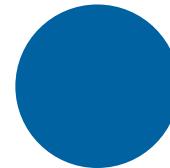
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What the creation of the  
magnetic strip teaches us about  
payments innovation

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