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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.

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SURVEYS OF U.S. CONSUMERS 18+

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

 Shares of purchases and p2p by number. Source: 2017-2020 Diary of Consumer Payment Choice. 5
PARTICIPANT POLL: WAS THIS CHANGE WHAT YOU EXPECTED?

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

Payment choice is changing. The number of small-dollar-value payments (less than $25) has dropped steeply from 2018 to 2020.

- **2018**: 20 payments, of which 6 were cash, 5 were credit, and 9 were debit.
- **2019**: 18 payments, of which 6 were cash, 4 were credit, and 8 were debit.
- **2020**: 12 payments, of which 4 were cash, 4 were credit, and 4 were debit.

Payments less than $25, average number per month per person. 2020 Diary of Consumer Payment Choice.
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

- **All Purchases:**
  - 2020: 20%
  - 2019: 13%

- **Retail Goods:**
  - 2020: 36%
  - 2019: 29%

- **Restaurants, Bars:**
  - 2020: 12%
  - 2019: 1%

- **Fast Food:**
  - 2020: 12%
  - 2019: 4%

Shares of purchases remotely. 2020 Diary of Consumer Payment Choice, Understanding Coronavirus in America. 10
LESS FREQUENT USE OF CASH IN PERSON: AN ODDITY?

FOR IN-PERSON SHOPPING, HABITS ARE SLOW TO CHANGE

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.

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.

Source: Understanding Coronavirus in America.
NOT ALL DEMOGRAPHIC GROUPS AFFECTED OR REACTED SIMILARLY

Shares of purchases and p2p conducted online by number. Source: 2020 Diary of Consumer Payment Choice.
Think about how you paid other people in 2020. Did you mostly use...

- Cash
- Paper check
- Payment app
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
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

REPORTS


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

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

JUNE 14, 2021
FIGHTING RANSOMWARE

JULY 6, 2021
THINK LIKE A GENIUS

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

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