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## Is Cash Still Widely Used?

It's surprising how far technology has brought us when it comes to paying for goods and services. There are now so many more practical options and methods for completing payments, to the point that some people are surprised to find out that cash transactions remain popular.

Cash is still the most widely used payment method [in many regions of the world](#), and many are wondering whether people will still use it in the future. But even if its use has declined in recent years, cash is still the best way for consumers and businesses to complete transactions.

There are many reasons for the recent decline in cash payments, of which technological advancements are only one factor. However, in the U.S., cash accounts for 20% of all payment transactions<sup>1</sup>, and nearly [50% of all transactions under \\$10](#).

Here's why cash is still the best option for consumers and retailers alike:

### Convenience

First, cash makes it easier for people to assess their budget and control their spending. It is incredibly convenient because as long as you carry the right amount of money, you can buy anything you need, no questions asked.

By and large, businesses also prefer cash payments because they get instant capital on hand. It instantly goes into their cash flow and helps them maintain healthy liquidity.

Digital payment methods are also convenient and lightning fast, but transactions cannot be completed if there are issues with internet connectivity, technical issues with their payment provider, or electricity. Quite a bit of infrastructure is required for a smooth purchase.

[Recently in Canada](#), Rogers, one of Canada's largest communications providers, experienced an outage that caused widespread disruptions to internet, cable, and cellphone connectivity. As a result, many services were down, including many retailers who were

<sup>1</sup>The Federal Reserve - 2022 Findings from the Diary of Consumer Payment Choice

dependent on the Rogers infrastructure to operate their payment terminals. Those with cash lucked out. Those without cash were substantially inconvenienced.

For merchants and business owners who worry about the safety of their cash on hand, they use [smart safes](#) and [cash recyclers](#) for security and automation solutions. Smart safes secure their cash on hand, and other security systems are in place in the event of electricity failure.

Merchants that use these safes benefit from a streamlined process and receive real-time, accurate transaction records, even with cash payments.

## **A Secure Payment Option**

Cash transactions are as secure as—if not more secure—than other payment methods, such as credit and debit cards. When you use a credit or debit card, your transactions can be tracked by hackers and other malicious third parties, especially when you purchase items online.

Paying cash is highly secure because you do not need to give up any kind of information about yourself or your bank accounts. Cash transactions do not require any form of identification or passwords that can be compromised.

Plus, you can easily record your cash transactions and budget your money on a daily, weekly, or monthly basis. When you track your spending in real time, you can save more. Other payment methods are relatively “invisible,” in that you can easily forget about them until you get your credit card bill or check your e-wallet balance. There is a great risk of overspending.

For business owners, cash payments mean they don't have to chase after customer loans and credit. All transactions are completed in the moment and recorded in the system, with no extra effort.

## **Cash Is Stable and Resilient**

Cash remains prevalent because it is stable and resilient. Regardless of the state of the economy wherever you are in the world, having cash means you can easily purchase goods and services. There are no hoops to jump over or obstacles to navigate.

In contrast, credit and debit cards are subject to service fees and bank charges for each transaction. Card charges may spike due to new bank policies—these simple fees could add up to a significant amount over several years.

Many still consider the amount of cash you have on hand and in the bank as the best way to measure your value. Though you may have other investments, such as property, vehicles, or stocks, that contribute to your net worth, these are not liquid investments and can depreciate quickly and without warning.

Though the advent of technology and other forms of investments such as NFTs and cryptocurrency may seem to make cash savings an old-fashioned way of saving up, it is undeniable that cash is still the most stable form of savings that can endure any economic trouble or global crisis.

Even with the growth of online shopping making mobile payments more popular than ever, using cash is still the safest and most practical option for many customers and retailers.

## **We Accept Credit, But We Prefer Cash**

Cash is still the most popular purchase option in many countries because e-wallets and mobile payment penetration are relatively low. And even with technology expanding rapidly, many still prefer cash as it is convenient, safe, and hack-proof.

Mobile payments, credit cards, and other digital payment options may be growing in popularity, but there is no denying that cash payments are still widely used and likely here to stay for years to come. With the convenience, safety, and stability that cash gives to consumers and business owners alike, it will take a long time before cashless payments become the norm all over the world.

What's more, the technology of smart safes and automated cash solutions provide organizations with top-notch protection to deter theft and burglary. Such simple solutions do not apply to credit cards or online transactions that remain quite vulnerable and can be easily compromised.

If you're wondering if you should hold on to your cash on hand and your savings account, the easy answer is yes. Cash transactions are still the best way to interact with any kind of business or purchase wherever you may be.

For more information on Tidel cash automation solutions, please visit [www.tidel.com](http://www.tidel.com), or call 1-800-678-7577.