

Cash Won't Die: Nearly Half of U.S. Adults Pay with Cash for Small Purchases

Contactless cards and mobile payments most popular amongst Millennials

New York – August 15, 2019 – Nearly half of U.S. adults (49%) say cash is king for purchases under \$10, according to a new CreditCards.com report. Even among rewards credit cardholders, 43% say cash is their go-to payment method while 31% favor debit and a mere 26% prefer credit. Click here for more information:

<https://www.creditcards.com/credit-card-news/small-purchases-credit-cards-poll.php>

The biggest reason rewards credit cardholders prefer to pay with cash or debit over credit: it's easier or quicker (40%). Other popular reasons to use cash or debit for small purchases include concerns about credit card debt (24%), stores having credit card minimums or fees for small purchases (14%), no incentive to (11%) or it's rude (5%).

Among rewards cardholders, Millennials (ages 23-38) are the most likely to use a credit card for small purchases (33%). The numbers drop to 24% of Gen Xers (ages 39-54) and 22% of Baby Boomers (ages 55-73). Higher earners and those with more education are more likely to reach for a credit card in these instances, as well.

While the biggest gripe with using credit cards for small purchases is the speed of transaction, only 39% of rewards credit cardholders have used a mobile payments service and 14% have used a contactless card. However, those who have used one of these faster methods are less likely to pay with cash (38%) than those who haven't (46%).

“Contactless cards and mobile payments (<https://www.creditcards.com/credit-card-news/contactless-tap-and-go-cards-us-market.php>) are fantastic ways to speed up the payment process without sacrificing security,” said Ted Rossman, industry analyst at CreditCards.com. “Mobile payments are typically even more secure than chip-enabled credit cards because they usually require biometric authentication – a fingerprint, face or iris scan, for example.”

While contactless cards and mobile payments are very popular abroad and continue to gain momentum in the United States, more than half (53%) of American rewards cardholders claim they don't have any contactless cards and 22% are not sure. Sixty-five percent of rewards cardholders who pay with cash or debit because credit isn't fast enough have never used mobile payments and 64% haven't used contactless cards.

U.S. adults who are more likely to use contactless cards or mobile payment services include:

- Male rewards credit cardholders are more than twice as likely to have used a contactless card than females (20% vs. 9%, respectively).
- Forty-four percent of men with rewards credit cards have used a mobile payments service compared to 34% of women.
- One-quarter of Millennials who have rewards credit cards have paid by tapping a card, compared with 15% of Gen Xers and 8% of Boomers.
- Sixty-one percent of millennials who have rewards credit cards have used a mobile payments service. That's more than Gen X (44%) and Boomers (24%).

Methodology:

CreditCards.com commissioned YouGov Plc to conduct the survey. All figures, unless otherwise stated, are from YouGov Plc. Total sample size was 2,544 adults, including 1,452 rewards credit cardholders. Fieldwork was undertaken on July 17-19, 2019. The survey was carried out online and meets rigorous quality standards. It employed a non-probability-based sample using both quotas upfront during collection and then a weighting scheme on the back end designed and proven to provide nationally representative results.

About CreditCards.com:

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