**Financial Services Policy Committee**
**Federal Reserve System**

# Federal Reserve Payments Study Highlights Strong Trends in Card Use

Kansas City, Missouri, December 22, 2016 — From 2012 to 2015, credit and debit (including prepaid and non-prepaid) card payments continued to gain ground in the payments landscape, accounting for more than two-thirds of all core noncash payments in the United States, according to a Federal Reserve study of U.S. non-cash payments released today. Automated clearinghouse (ACH) payments grew modestly over the same period, and check payments declined at a slower rate than in the past.

The *2016 Federal Reserve Payments Study*, which presents 2015 payments data, found that the number of domestic core noncash payments totaled an estimated 144 billion--up 5.3 percent annually from 2012. The total value of these transactions increased 3.4 percent over the same period to nearly $178 trillion.

Other key findings:

- Card payments grew 19.9 billion from 2012 to 2015, led by non-prepaid debit card payments which grew by 12.4 billion, and credit card payments, which grew by 6.9 billion. Prepaid card payments grew by less than 1 billion.
- Remote card payments, sometimes called card-not-present payments, reached 19 percent of card payments in 2015, an increase of less than 4 percent compared with 2012. Gains in remote cards' share of total card payments were mitigated by substantial growth of in-person card use.
- Credit card and non-prepaid debit card payments nearly tied for first place in growth by number from 2012 through 2015, both growing by roughly 8 percent over the period.
- The number of general-purpose card payments initiated with a chip-based card increased substantially from 2012, growing by more than 230 percent per year, but amounted to only a roughly 2 percent share of total in-person general-purpose card payments in 2015, during a broad industry effort to roll out chip card technology.
- In 2015, the proportion of general-purpose card fraud attributed to counterfeiting was substantially greater as a share of total card fraud in the United States compared with countries where chip

technology has been more completely adopted. Nonetheless, the total share of remote fraud is already substantial (46 percent) compared to its share in total card payments (19 percent).

- The number of ACH payments is estimated to have grown to 23.5 billion in 2015, with a value of $145.3 trillion. ACH payments grew at an annual rate of 4.9 percent by number and 4.0 percent by value from 2012 to 2015.
- Check payments fell at an annual rate of 4.4 percent by number or 0.5 percent by value from 2012 to 2015. For the first time since the descent began in the mid-1990s, check payments posted a slowing in the rate of decline.

“The data collected for the 2016 study was substantially expanded,” said Mary Kepler, senior vice president of the Federal Reserve Bank of Atlanta, which sponsored the study.

“This reflects an increased desire within the payments industry for additional fraud-related information,” she said. “A limited amount of fraud information was ready for release today, and further results will be released in 2017 as the complete data set is more fully reviewed and analyzed.”

Beginning in 2017, some survey data will be collected annually, rather than every three years, to enhance the value of the study, Kepler added.

"Payment industry participation drives the quality of the study’s results,” Kepler said. “The Federal Reserve appreciates the industry’s response in 2016 and looks forward to working with selected participants for the annual data collection getting underway in the first quarter of 2017.”

As in previous studies, the estimates reported are based on information gathered in three survey efforts:

- The *2016 Depository and Financial Institutions Payments Survey (DFIPS).*
- The *2016 Networks, Processors and Issuers Payments Surveys (NPIPS).*
- The *2016 Check Sample Survey (CSS).*

The Federal Reserve partnered with McKinsey & Company on the DFIPS and CSS, and with Blueflame Consulting, of Melrose, Massachusetts, on the NPIPS. The information collected in each survey is combined with information about payments trends from previous studies and then analyzed to produce comprehensive estimates not available in other studies.

Media contacts:

Laura LaBarbera (Federal Reserve Bank of Chicago) 312-322-2387 laura.labarbera@chi.frb.org

Dan Wassmann (Federal Reserve Bank of Chicago) 312-322-2374 daniel.wassmann@chi.frb.org

Doug Tillett (Financial Services Policy Committee) 312-322-5201 doug.tillett@chi.frb.org

Susan Stawick (Federal Reserve Board) 202-452-2955 susan.k.stawick@frb.gov