THE FEDERAL RESERVE
Financial Services

2025 Findings from the Diary of Consumer Payment Choice

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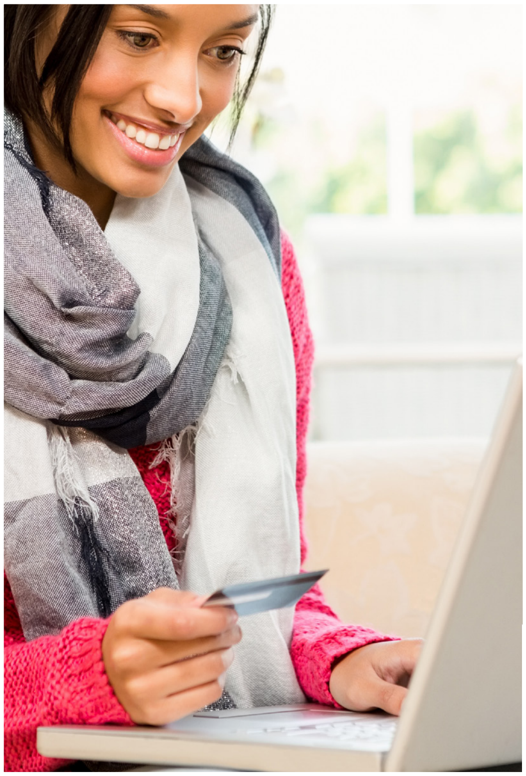
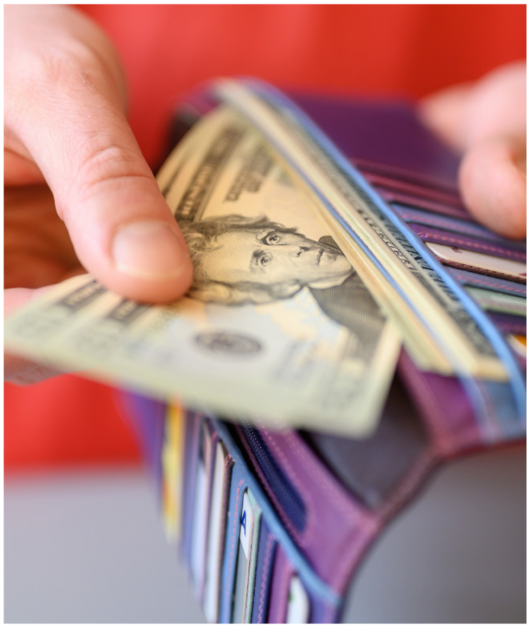



The 2025 findings from the Federal Reserve's Diary of Consumer Payment Choice reveals consumers use a wide range of payment instruments, from cash and checks to electronic payments, such as credit, debit and mobile payment apps. This October 2024 study found that consumers continue to adapt their shopping behavior amid the growing digitization of the U.S. economy.

Key Findings

- **Consumers made more payments in 2024.** The average number of monthly payments increased, continuing a trend since 2021. In 2024, consumers made an average of 48 payments per month, up two payments compared to 2023.
    - Credit card payments drove overall growth in payments.
    - Most of the increase occurred in remote payments.[1, 2]
- **Cash use has been consistent in the post-pandemic years.** Cash was the third-most-used instrument, seven payments per month for the last four years. This four-year trend suggests that there may be a "floor" of cash use that consumers are choosing not to fall below.[3]
    - The number of cash payments accounted for 14% of all payments.
    - Consumers were most likely to use cash for small-value payments under $25, at five cash payments per month.
- **Certain demographic groups relied more on cash than members of the general population,** a finding that has persisted throughout previous Survey and Diary studies.
    - People in households earning less than $25,000 per year used cash for 24% of payments. They are more than twice as likely to use cash as people in households earning more than $100,000.
    - Adults aged 55 and older used cash for 19% of payments, nine percentage points higher than those aged 25-54.
- **Consumers continued to rely on cash as a store of value and backup spending instrument.**[4] Nearly 80% of consumers held cash in their pockets, purses or wallets at least one day during their Diary reporting period, a finding that has been consistent since 2018.[5]
    - On-person holdings available for spending declined to $67, an average of $7 less than in 2023.
    - Cash stored elsewhere (that is, as a store of value, not for daily spending) declined to $306, $63 less than the store of value holdings reported in 2023.

- **Payments made with a mobile phone increased for all age groups.**[6, 7] Consumers made an average of 11 payments with a mobile phone in 2024, up from 10 payments in 2023.
    - In 2024, mobile phones were used for 23% of all payments, 11% of all in-person non-bill payments, and 45% of remote payments.
    - Adults aged 18 to 24 were more likely than any other cohort to pay with a mobile phone, using their phones for 45% of all payments.

Together, these findings reflect that U.S. consumers are increasingly using mobile phones to pay both remotely and in person, even as they continue to rely on cash. In 2024, more than 94% of consumers used cash as a primary form of payment, a backup payment instrument or a store of value.

Diary of Consumer Payment Choice

The Survey and Diary of Consumer Payment Choice is a collaboration of the Federal Reserve Banks of Atlanta and Boston and Federal Reserve Financial Services FedCash® Services.[8] This research project aims to bring the voices of consumers into policy making and innovation as the payment system evolves. FedCash Services works to understand when, how and why people use cash to fulfill its mission of ensuring depository institutions have a sufficient supply of currency and coin to meet public demand.

Acknowledgements

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Disclaimer

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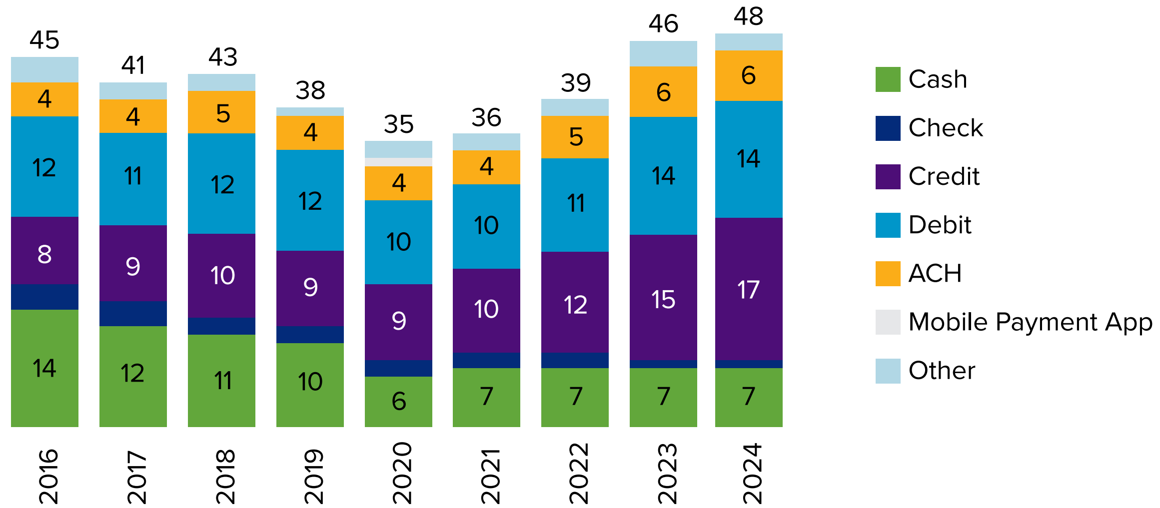
Detailed Findings of Consumer Payments in 2024

Number of Consumer Payments Increased

The average number of consumer payments per month has increased since 2021 (Figure 1).[9, 10] October 2024 saw the highest reported number of payments in the Diary's history, at an average of 48 payments per month, an increase of two payments over the previous high reported in October 2023. This payment growth is reflected in consumers' use of credit cards both in person and remotely. Consumers' cash payments have remained consistent at seven payments per month since 2021, suggesting consumer cash use may be at the "floor." Consumers' steady use of cash since 2020 may be attributed to its unique characteristics — anonymity, ubiquity, accessibility, reliability, absence of marginal transaction costs — as well as its use as a secondary payment option and store of value.

Figure 1: Average number of total payments

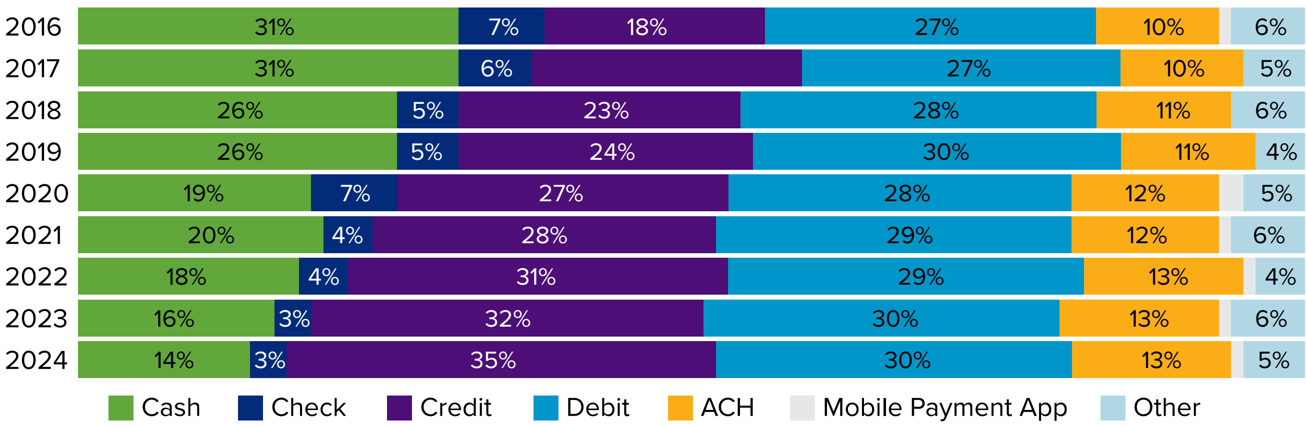


Year	Cash	Check	Credit	Debit	ACH	Total
2016	14		8	12	4	45
2017	12		9	11	4	41
2018	11		10	12	5	43
2019	10		9	12	4	38
2020	6		9	10	4	35
2021	7		10	10	4	36
2022	7		12	11	5	39
2023	7		15	14	6	46
2024	7		17	14	6	48

Note: All payments, including bills, purchases and person-to-person (P2P) payments.
Source: Survey and Diary of Consumer Payment Choice.

While the number of cash payments has remained unchanged since 2021, cash has decreased as a share of total payments (Figure 2). The share of ACH and debit card payments have increased by three percentage points since 2016, in conjunction with the increase in total payments. In contrast, the number of credit card payments grew more rapidly than payments overall and made up 35% of all payments in 2024, a 17 percentage-point increase from 2016.

Figure 2: Share of payment instrument use for all payments



Note: All payments, including bills, purchases and person-to-person (P2P) payments.
Source: Survey and Diary of Consumer Payment Choice.

Factors Affecting Consumer Payment Use

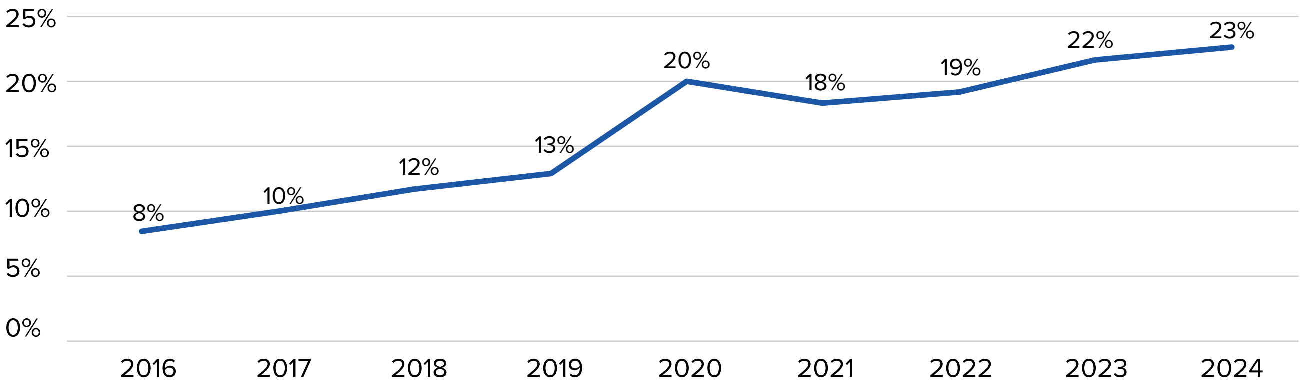
Every time consumers check out and pay, they are confronted with a decision: which payment instrument to use? Changes in the following factors over time affect how consumers pay and the likelihood that a consumer will pay with cash. The four factors that affect consumer payment choice are:

1. **Location.** Was the payment made in person or remotely? Consumers increased their share of remote purchases and remote person-to-person (P2P) payments from 2023 to 2024, decreasing the share of payments where cash could be used.[11, 12]
2. **Preference.** Which payment instrument does the individual prefer to use? This can be influenced by the type of payment, ease of use and demographic factors. The share of people preferring to use cash for in-person payments decreased from 2023 to 2024.
3. **Payee.** At what type of retailer was the payment made? The type of retailer or payee influences choice. For example, cash is used more often at grocery stores and fast-food locations. The number of payments at such cash-intensive retailers was unchanged from 2023 to 2024.
4. **Value.** What was the value of the payment? Cash is most likely to be used for payments of less than $25. The number of small-value cash payments was unchanged between 2023 and 2024. Cards are becoming increasingly popular for these small payments, and five small-value payments per month were made with cash, debit cards and credit cards in 2024.

1) Location: In 2024, consumers made more purchases and P2P payments remotely.

The share of purchases and P2P payments conducted remotely continued to increase in 2024, in line with the long-term trend (Figure 3).[13, 14] The growth in the share of remote payments since 2021 signals consumers' increasing preference for remote shopping, reducing potential opportunities for consumers to use cash.[15] Although remote payments have increased since 2016, most consumers prefer shopping in person, with 77% of non-bill payments occurring at the point of sale.

Figure 3: Percent of purchases and person-to-person (P2P) payments made remotely

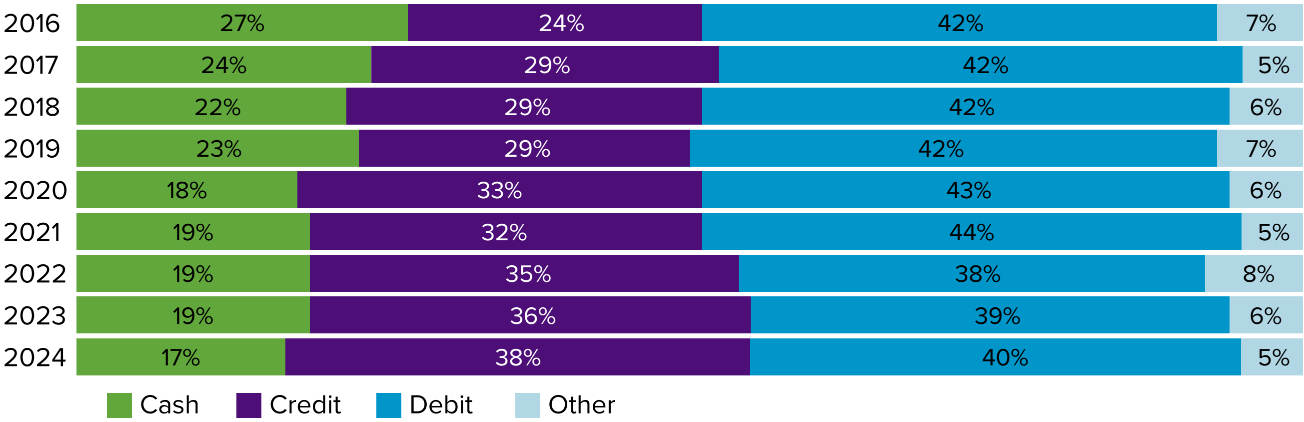


Note: Excludes bill payments and payments not for goods and services, e.g., credit card payments.
Source: Survey and Diary of Consumer Payment Choice.

2) Preference: Most consumers preferred a card for in-person payments.

In 2024, 95% of surveyed respondents indicated that they favored debit cards, credit cards or cash for in-person payments (Figure 4).[16] More than three-quarters of respondents preferred using a credit or debit card. Over time, consumers' preference for using a credit card has increased, debit card has remained stable, and cash has decreased. This shift away from cash as a preferred in-person payment instrument corresponds with the decline in the number of cash payments, as people usually make most of their in-person payments with their preferred instrument.

Figure 4: Share of consumers' preferred payment instruments for in-person payments



Source: Survey and Diary of Consumer Payment Choice.

Nearly two-thirds of all cash payments were made by consumers who prefer using cards.

Consumers use their preferred payment instrument for most payments. For example, 82% of in-person credit card payments are made by people who prefer to pay with credit cards (Figure 5a). Debit cards show a similar pattern. However, this is not the case with cash: 66% of cash payments are made by people who prefer another way to pay (Figure 5b). This data reveals that cash often is used as a backup payment instrument by consumers who do not prefer cash.

Figure 5a: Share of credit payments by preference

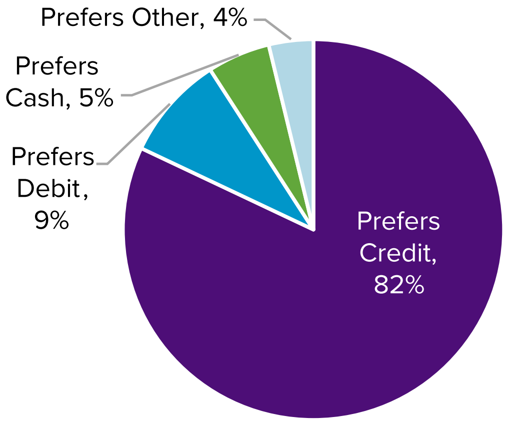
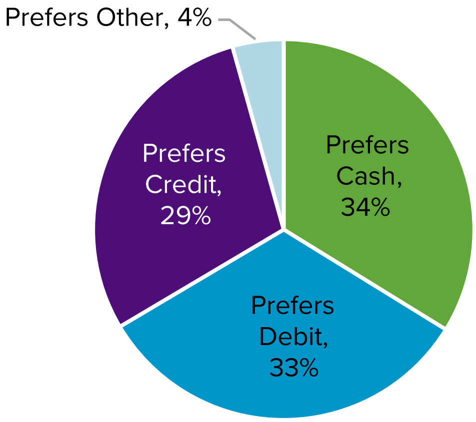


Figure 5b: Share of cash payments by preference

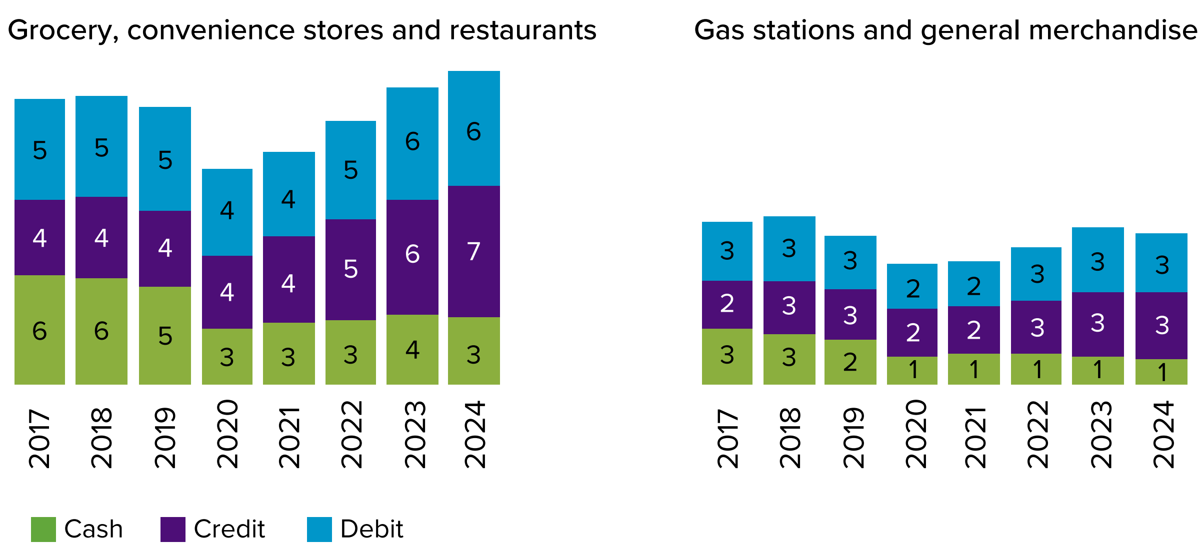


Source: Survey and Diary of Consumer Payment Choice.

3) Payee: Cash use remained stable at cash-heavy retailers.

Most in-person payments take place at grocery stores, restaurants, gas stations and general merchandise stores. The number of in-person payments at these establishments, 25 per month in 2024, has surpassed pre-pandemic levels (e.g., 22 payments in 2019). The number of card payments has increased at these retail types, while the number of cash payments has remained steady since 2021 at about five. Figure 6 shows the notable increase in the number of noncash payments at grocery, convenience stores and restaurants as cash has declined as a share of payments. However, the level of cash payments has remained consistent since 2021 and illustrates the enduring characteristics of cash as a payment instrument in these establishments. The use of cards has increased at these retail locations, but a core amount of cash use appears resilient to broader shifts in the payment ecosystem.

Figure 6: Average number of in-person, non-bill payments at select retail types



Grocery, convenience stores and restaurants	2017	2018	2019	2020	2021	2022	2023	2024
Cash	6	6	5	3	3	3	4	3
Credit	4	4	4	4	4	5	6	7
Debit	5	5	5	4	4	5	6	6

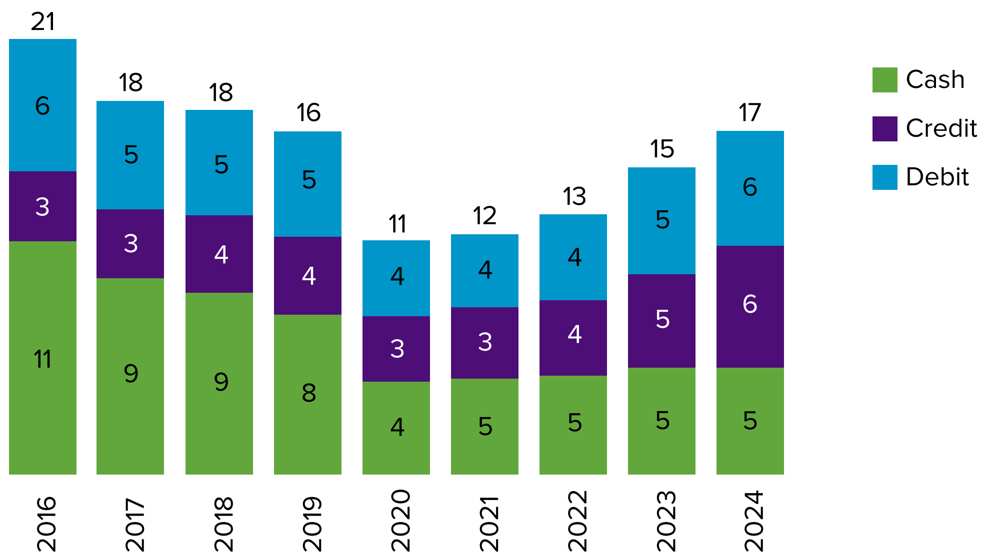
Gas stations and general merchandise	2017	2018	2019	2020	2021	2022	2023	2024
Cash	3	3	2	1	1	1	1	1
Credit	2	3	3	2	2	3	3	3
Debit	3	3	3	2	2	3	3	3

Source: Survey and Diary of Consumer Payment Choice.

4) Value: The number of payments under $25 remains below pre-pandemic levels.

The total number of small-value payments has increased since 2020, even as the number of these payments made remains below 2016, 2017 or 2018 levels. Historically, consumers have used cash to make these smaller-value payments. In 2024, 70% of all cash payments were for less than $25. However, the use of cash for these small-value payments has decreased by more than half since 2016. Since 2021, the number of cash payments has stabilized, suggesting that there may be a “floor” to using cash for these small payments. In 2023 and 2024, it was equally likely that consumers would choose a credit card, debit card or cash for payments of less than $25 (Figure 7).

Figure 7: Average number of in-person payments per month less than $25



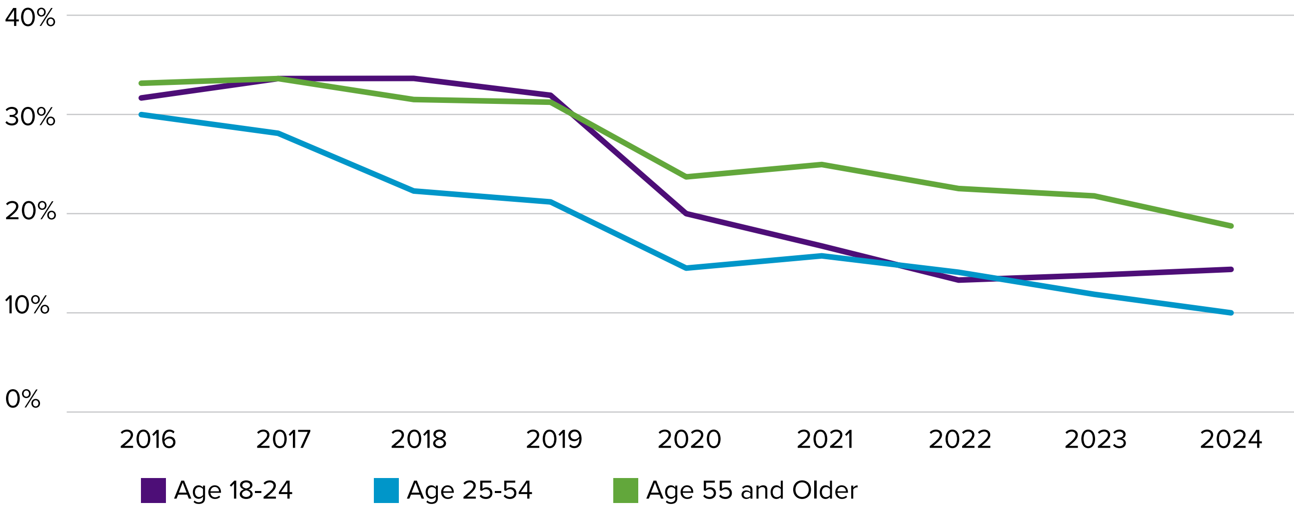
Source: Survey and Diary of Consumer Payment Choice.

Cash Use by Demographics and Income

Consumers aged 55 and older are more likely to use cash.

In 2016, all age groups used cash for approximately 30% of their payments. Since then, the share of cash payments has declined for all age cohorts, with a more rapid decline among younger consumers. In 2024, adults aged 55 and older relied on cash for 19% of all payments, while those aged 18 to 24 and 25 to 54 used cash for 10% and 14% of their payments, respectively (Figure 8).[17] The change in payment instrument choice for those younger than 55 suggests a greater willingness to embrace non-cash payments.

Figure 8: Share of cash payments by age group



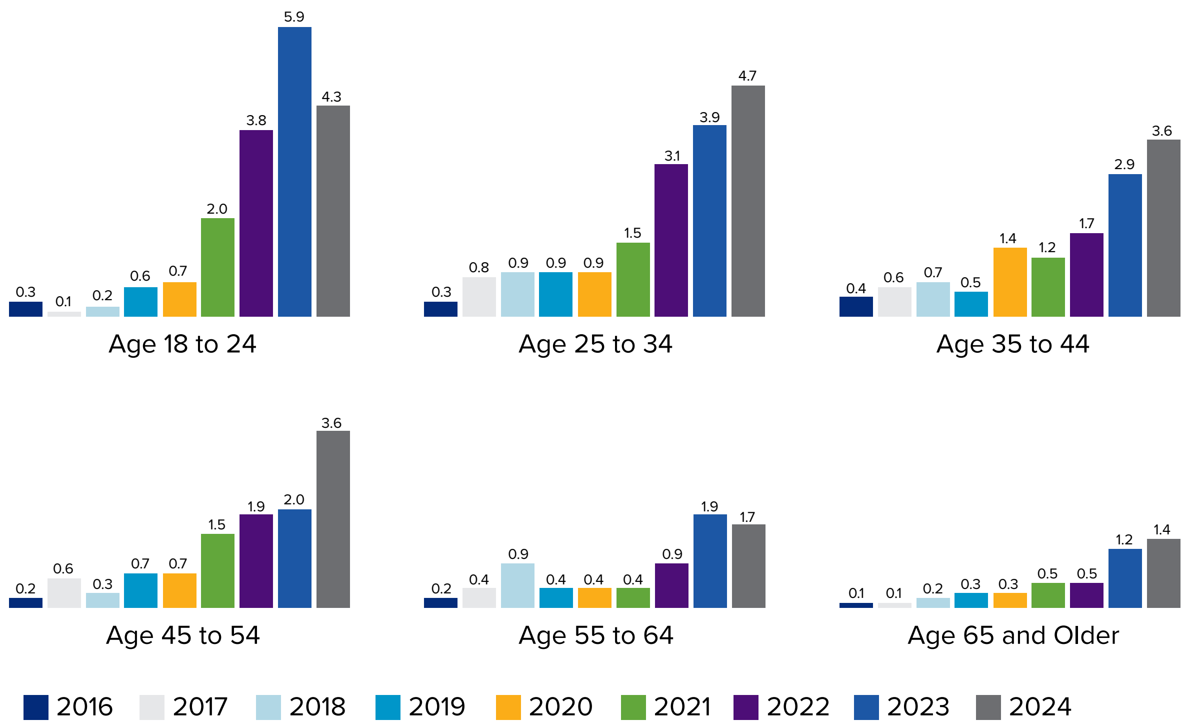
Source: Survey and Diary of Consumer Payment Choice.

Payments using mobile phones are becoming more common.

Behavior at the in-person point of sale has changed since 2016. One key reason for the increase in mobile phone usage over time has been the accessibility of the technology used to make and accept payments using mobile phones. Increased use of mobile phones for in-person payments factors into the growth in the number of non-cash in-person payments: 60% of in-person payments in 2016 versus 78% in 2024.[18]

While consumers of all ages have increased their use of phones to pay in person, younger consumers are more likely to make in-person mobile phone payments. On average, consumers younger than 35 used their mobile phone four times per month for in-person non-bill payments, while consumers aged 55 and older used their mobile phones for only two payments per month (Figure 9). Compared to 2020, however, consumers of all ages have more than doubled their use of mobile phone payments. Overall, 11% of in-person non-bill payments were made with a mobile phone in 2024.

Figure 9: Number of in-person purchases and P2P payments that used a mobile phone

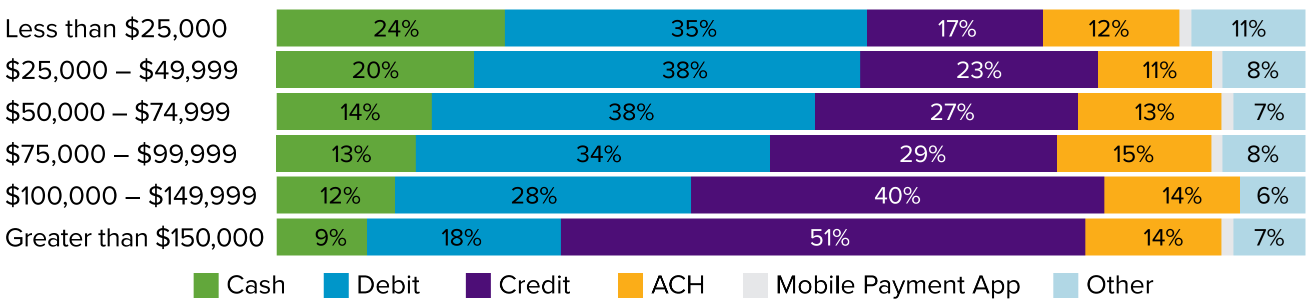


Note: Excludes bill payments and payments not for goods and services, e.g., credit card payments.
Source: Survey and Diary of Consumer Payment Choice.

The lowest-income households are more likely to use cash.

Household income (HHI) affects a consumer's choice of payment instruments. Credit availability, budgeting practices, access to liquidity, payment preferences and access to banking services can limit the availability of certain payment instruments. As HHI increases, the shares of cash and debit card payments decrease, and the share of credit card payments increases. In 2024, consumers in households earning less than $25,000 per year relied on cash for 24% of their payments, whereas households earning more than $150,000 used cash for 9% of their payments (Figure 10).

Figure 10: Share of payment instrument use by household income



Source: Survey and Diary of Consumer Payment Choice.

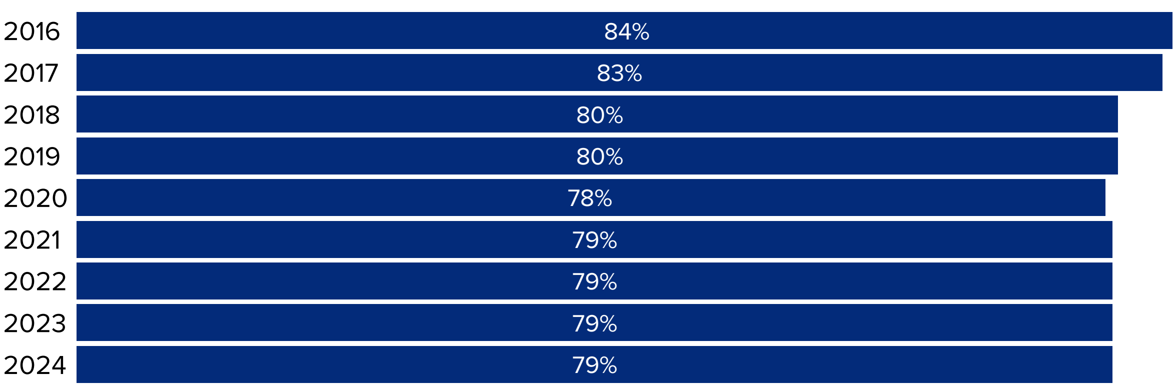
Trends in Cash Holdings

Consumers use cash not only to pay for goods and services, but also as a store of value both during normal economic conditions and times of uncertainty. Cash demand spiked early in the COVID-19 pandemic, when cash holdings increased significantly. Even as pandemic impacts subsided, consumers continued to hold more cash, both as cash available for spending (on-person in pocket, purse or wallet) and as cash held elsewhere for savings or use in an emergency.

Since 2018, eight in 10 consumers held cash to spend.

The share of adults who carried on-person cash (pocket, purse or wallet) at least one day during the Diary declined from 84% to 80% from 2016 to 2018. Since then, the share of adults holding cash has remained consistent at approximately 80% (Figure 11). While the number of cash payments declined significantly from 2019 to 2024, the share of people holding cash was essentially unchanged. U.S. adults continue to see the benefits of holding cash as either a primary form of payment, a backup form of payment when cards may not be accepted, or for use in emergencies.

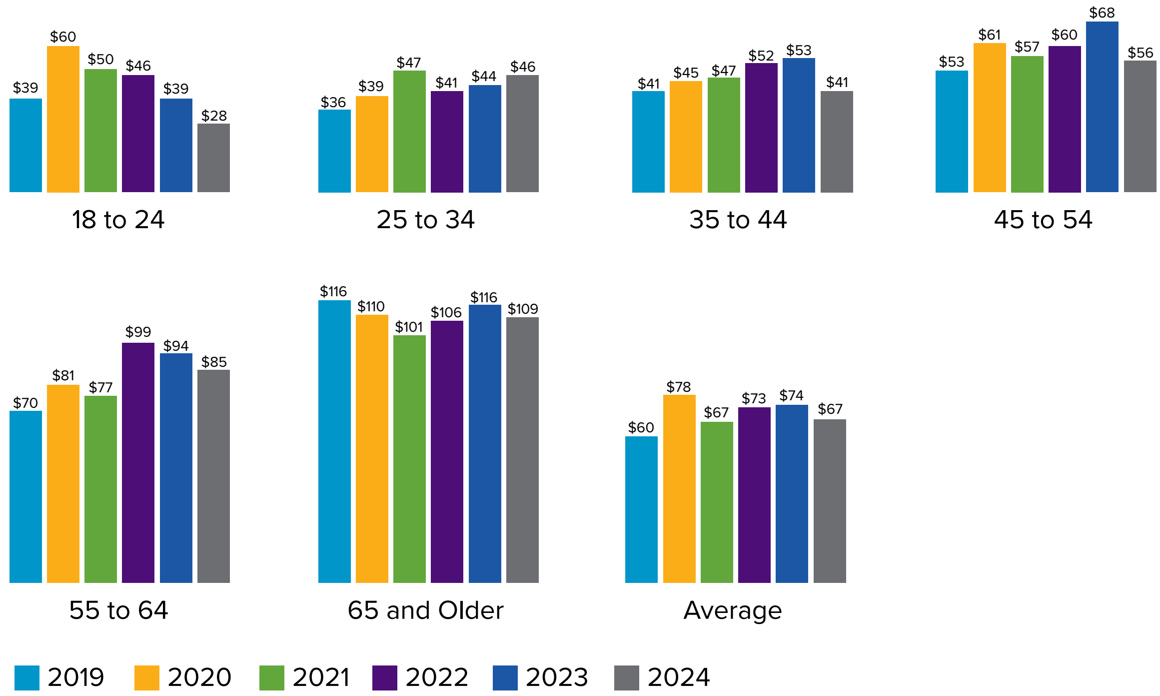
Figure 11: Share of adults holding on-person cash at least one day



Source: Survey and Diary of Consumer Payment Choice.

Consumers continue to carry elevated amounts of on-person cash. In 2024, the average amount of on-person cash was $67 (Figure 12), a slight decrease from $74 in 2023 but greater than in 2019.[19] Cash-carrying habits differ notably by age, with adults older than 65 carrying almost three times the amount of cash carried by adults aged 18 to 24. These differences reflect variances in household income, generational preferences and the individual's stage of life.[20] These patterns were already evident before the pandemic and have persisted into 2024.

Figure 12: Average daily cash holdings by age

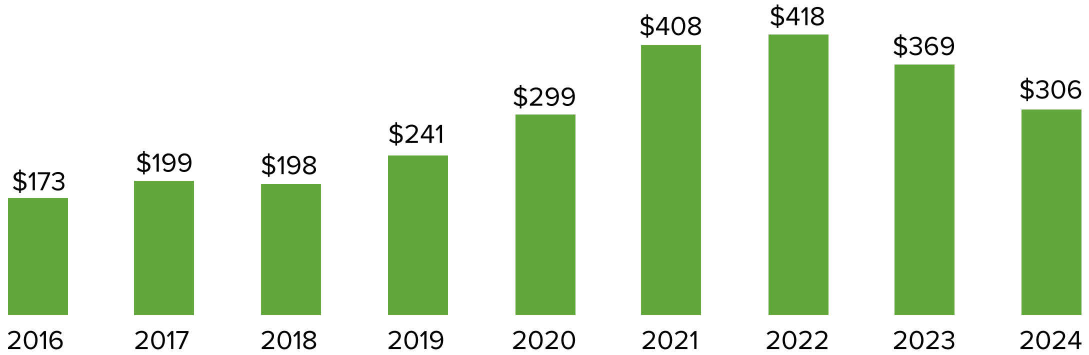


Source: Survey and Diary of Consumer Payment Choice.

Store of value holdings have declined from their peak 2022 values.

Store of value holdings, defined as cash stored elsewhere, have remained elevated from their pre-pandemic levels (Figure 13). Store of value holdings were highest in 2022 at $418 and have declined since then, reaching $306 in 2024, which still remains higher than in 2019 (Figure 15). The increase between 2020 and 2022 and subsequent decrease in holdings since 2023 likely reflects the temporary effects of the pandemic.

Figure 13: Average store of value holdings



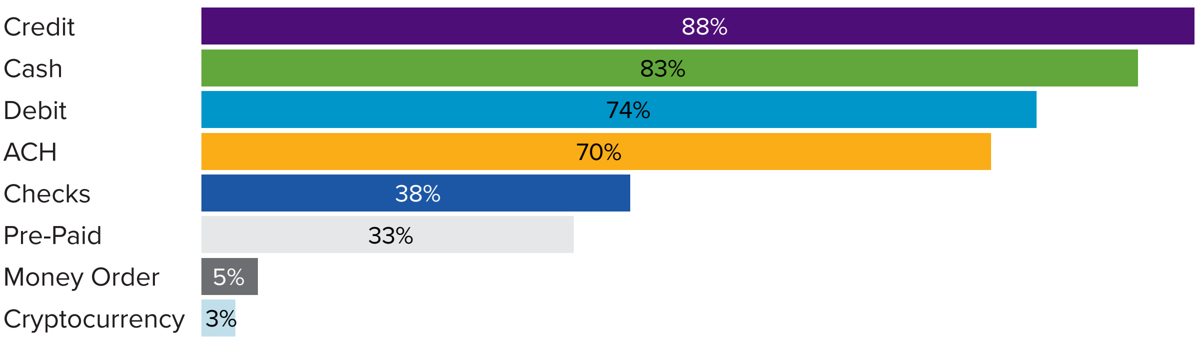
Source: Survey and Diary of Consumer Payment Choice.

Cash Remains Relevant in a Digital Economy

More than 80% of consumers used cash in the last 30 days.

Cash has been the third most-used payment instrument since the start of the pandemic, declining from approximately 10 payments per month in 2019 to 7 payments per month since 2021. Despite this decline, cash was used by 83% of participants in the 30 days leading up to their participation in the Diary, second to credit cards at 88% (Figure 14). The contrast between the number of cash payments consumers made each month and the share of consumers who used cash at least once in the last month shows how cash use has evolved over time. It went from the most used payment instrument in 2016 to more of a backup payment but remains one that continues to be used by most consumers.

Figure 14: Share of participants who used each payment instrument in the last 30 days

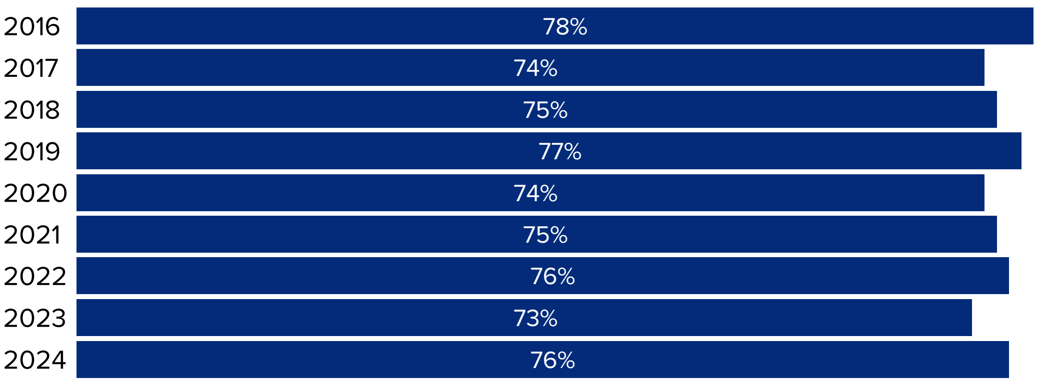


Source: Survey and Diary of Consumer Payment Choice.

Most cash payments are made at locations that also accept cards.

Retailers' acceptance of payment instruments varies by retail type, size and location. Some retailers steer customers away from using cash. Others encourage it or offer discounts for cash use. Most retailers accept both cards and cash, so the choice to use cash as a payment instrument likely is driven by consumers. Since 2016, consumers reported that about three-quarters of cash payments were made to retailers who also accepted cards (Figure 15). This high card acceptance rate suggests that consumers are choosing to use cash even when retailers accept cards.[21]

Figure 15: Shares of cash payments made at locations accepting card payments

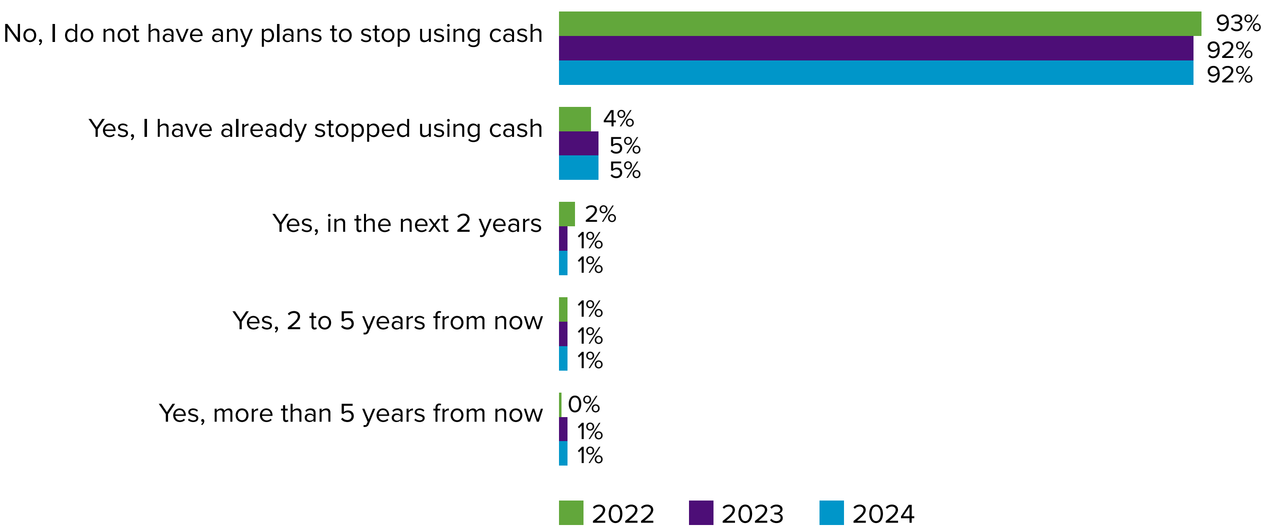


Source: Survey and Diary of Consumer Payment Choice.

Consumers report no plans to give up cash.

More than 90% of consumers stated that they had no plans to stop using cash amid growth in non-cash payments, a share consistent since 2022 (Figure 16).[22] In comparison, 5% said they already did not use cash and about 3% of consumers planned to stop using cash within an expected time frame, ranging from between within the next two years to more than five years from now.

Figure 16: Do you currently have any plans to stop using cash in future?



Source: Survey and Diary of Consumer Payment Choice.

Conclusion

The 2024 Diary of Consumer Payment Choice showed consumers continue to make more payments than in previous years. Amid increasing consumer payments, cash accounted for a steady number of payments, suggesting that there is a subset of transactions for which consumers want or need to use cash. Therefore, consumers likely will continue using cash in the coming years. However, differences in cash use and holdings across age cohorts signal slow, longer-term changes that warrant continued research to understand how demand for cash may change in the future. In 2024, the value of U.S. currency in circulation globally reached $2.3 trillion. Cash remained the third-most-used payment instrument and can be found in the wallets of 80% of U.S. adults.[23, 24] In an increasingly digital world, consumers still choose to use cash, making it a key part of the payments landscape and underscoring the importance of FedCash Services' mission to meet public demand for currency and coin.

Appendix

About the Diary of Consumer Payment Choice

The Federal Reserve has conducted the Diary of Consumer Payment Choice annually since 2016 to better understand U.S. consumers' payment habits. Respondents to this nationally representative survey report all payments they make during an assigned three-day period in October (selected to minimize seasonality effects in consumer spending patterns). By annually tracking consumer payment transactions and preferences, Federal Reserve Financial Services is able to compare cash use with that of other payment instruments, such as debit and credit cards, checks and electronic options. Diary participants report the amount of cash they have (on hand and stored elsewhere) and cash deposits or withdrawals. The data is analyzed to identify changes over time, the impact of demographics and income on consumers' payment preferences and behavior, and situations where cash is most likely or unlikely to be used. Detail on holdings and flows of cash by individuals provides insight into how consumers use cash. For a more detailed description of the Diary of Consumer Payment Choice, see the Diary's Technical Appendix and the Diary's code book.

Managed by the Research Department at the Federal Reserve Bank of Atlanta, the Diary collects data about shopping and payment behavior using a unique, nationally representative survey of consumers administered by the University of Southern California (USC) Dornsife Center for Economic and Social Research. To ensure a nationally representative sample, responses are weighted to match national population estimates based on the Census Bureau's Current Population Survey. USC's Understanding America Study (UAS) panel of households comprises approximately 14,700 respondents from across the United States, of which 5,583 individuals participated in the 2024 Diary. For additional information about the UAS panel, see the methodology and recruitment page.

About Federal Reserve Financial Services

Federal Reserve Financial Services provides payment services and seeks to foster the stability, integrity and efficiency of the nation's monetary, financial and payment systems. It offers a comprehensive suite of payment and information services to financial institutions. Visit FRBservices.org® for additional information.

FedCash Services provides strategic leadership for this key function by formulating and implementing service-level policies, operational guidance and technology strategies for U.S. currency and coin services provided by Federal Reserve Banks nationally and internationally. In addition to guiding policies and procedures, FedCash Services establishes budget guidance, provides national direction for Federal Reserve currency and coin distribution and inventory management, and supports business continuity planning at the supply chain level. It also conducts market research and works with financial institutions and retailers to analyze trends in cash usage.

The Diary studies provide vital insights into how consumer payments may be changing from one year to the next. Federal Reserve Financial Services uses these insights to understand current and evolving trends in consumer cash use. This ensures FedCash Services is fulfilling its mission of meeting demand in times of normalcy and stress, maintaining the public's confidence in U.S. currency and providing ready access to cash. Understanding the evolving role of cash in the economy is critical to fulfilling that mission.

References

1 Remote payments are defined as payments not conducted at the point of sale. Remote payments can be conducted through the mail, by phone (voice, mobile payment app or text), etc.

2 A total of 45% of remote payments were conducted using a mobile phone, followed by computers at 25%.

3 The hypothesis of a floor to cash use is based on the reduction in cash use due to the COVID-19 pandemic. The key assumption is that if the pandemic did not cause people to shift all their payments away from cash, then any year-over-year changes in cash use are likely to take place slowly over time. However, as the payments landscape evolves, the current level of demand for cash may wane, causing the current cash floor to decrease slowly.

4 The phrase "store of value" is used in the paper to refer to cash holdings not held on one's pocket purse or wallet. The value of these holdings is affected by the rate of inflation and includes, but is not limited to, cash stored elsewhere for emergency purposes, savings or as a stock used to refill on-person holdings.

5 Cash held in one's pocket, purse or wallet also is referred to as on-person cash holdings.

6 Payments using a mobile phone are any payment in which the participant selected a "mobile phone" when choosing the device used for each payment. The list of device options is computer, tablet, mobile phone, landline phone, mail service, other device not listed, electronic toll device, no device.

7 Mobile payment apps are defined differently than payments with a mobile phone. When consumers report their payment instrument, mobile payment apps are defined as PayPal®, Zelle®, Venmo®, Cash App, MoneyGram®, etc.

8 For additional analysis about the Survey and Diary of Consumer Payment Choice, please see the Federal Reserve Bank of Atlanta's annual publication: Foster, Kevin, Claire Greene, and Joanna Stavins. 2025. "2024 Survey and Diary of Consumer Payment Choice: Summary Results." Federal Reserve Bank of Atlanta Research Data Report, no. 25-1.

9 ACH payments include bank account number payments, online banking bill pay and some payments made through mobile payment apps.

10 Debit cards increased by 0.7 payments and ACH payments increased by 0.8 payments but are rounded to whole numbers.

11 Purchases and P2P payments do not include bill payments, such as utilities and credit card payments or taxes.

12 A person-to-person payment is when money is transferred directly from one individual to another. Examples of these payments include, but are not limited to, a gift (via cash, check or mobile payment app), sending money to a family member, or when one person pays the bill at a restaurant and the other pays back the share owed.

13 Non-bill payments are defined as payments made for purchases excluding bills, such as utilities and credit card payments, and taxes.

14 Remote payments are also referred to as not-in-person. These are payments made with a computer, tablet or mobile phone, as well as payments sent in the mail and card payments made via a phone call using a landline or mobile phone. Remote payments are payments made by mail and over the phone. These constitute a small fraction of not-in-person payments.

15 Bill payments, including utilities and credit card payments, and taxes are not included in this section as consumers were unlikely to use cash to make these payments at any point since 2016. Focusing on purchases and P2P payments provides insight into how shopping habits may be changing over time.

16 The available list of payment instruments participants may select are cash, check, credit card, debit card, pre-paid/EBT card, bank account number payment, money order, mobile payment application, other.

17 The age groups 25 to 34, 35 to 44, and 45 to 54 were combined for ease of comparison. Their share of cash use was similar and ranged between 8% and 12%.

18 Figure 1 shows mobile payment app use has been stable. The increase in the use of mobile phones is due to people choosing to make card or ACH payments with their phone rather than via the card itself or using a pre-loaded balance on the mobile payment app. For example, within the Diary, a payment is classified as a card payment (credit, debit or pre-paid) if it is conducted by tapping a card or utilizing near field communication (NFC) technology within a phone to make a card payment. In addition, a payment is classified as a bank account number payment if a mobile application is used but the funding is conducted over the Automated Clearing House (ACH) payment rails.

19 This average is the adult population average and includes those who hold $0.

20 As individuals progress through different stages of their life, early adult, middle age, retirement, etc., there often is greater access to liquidity, increasing the likelihood of greater values of on-person cash holdings as seen throughout the Diary study.

21 Some retailers may have a minimum purchase amount before accepting cards. Diary participants are not asked to report whether a minimum payment value was required to use a card.

22 This question was added to the survey instrument in 2022.

23 The share of the value of currency in circulation held internationally is between 50% and 60%. See Judson 2024

24 Liabilities and Capital: Other Factors Draining Reserve Balances: Currency in Circulation: Week Average (WCURCIR) | FRED | St. Louis Fed