

What's the future for cash? Target register outages prove physical loot still has its place

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Does the use of cash have an expiration date?

The evidence that physical loot is on borrowed time is slowly but surely

mounting. But don't read the last rites for cash just yet.

If anything, the checkout register outages at Target stores over the weekend were a reminder that point-of-sale machines aren't foolproof, and nothing beats cash when technology fails.

With that in mind, you may want to keep a modest stash handy.

Still, you've gotten quite comfortable leaving most bills and coins behind. More of you, in fact, are placing your smartphone or smart watch near the checkout registers to pay for this or that thing, using services such as Apple Pay or Google Pay. Your wallet, and any money stashed inside, remains in your pocket.

You're equally cool, and so are your buddies, settling debts and swapping funds digitally, via the likes of Venmo, PayPal or Zelle.

Americans generally are becoming less reliant on physical currency, with 29% of U.S. adults indicating in a recent Pew study that they make no purchases using cash during a typical week, up from 24% in 2015.

Facebook's cryptocurrency

You can't help but look to the future assaults on cash either. At the very least you're curious, if a long way from being sold yet, on the idea behind the Libra global "cryptocurrency" that Facebook announced Tuesday. The social network is pushing this alternate digital payment system with more than two-dozen financial and tech partners, including eBay, Uber, Lyft, PayPal, Spotify, Coinbase, Mastercard and Visa, and basing the pricing on other [financial instruments](#).

Never mind that you're still baffled by concepts such as Bitcoin and blockchain, and aren't exactly thrilled with Facebook's lousy reputation

concerning privacy. That has to be a cause of concern for Facebook as it also launches a new subsidiary with plans for a crypto-digital wallet called Calibra, expected to launch on Messenger, WhatsApp and as a standalone app in 2020.

You may even be wondering where you might carry cash someday, given the inevitable long-term demise of the Costanza-sized physical wallet.

Sixty-eight percent of smartphone owners surveyed by SurveyMonkey Audience on U.S. TODAY's behalf recently say it is likely that smartphones will eventually replace the need for wallets entirely. Nearly half (45%) think wallets will be obsolete in five years or less.

How much cash should you keep for an emergency?

The Target episode proved that you shouldn't count out cash. Some Target shoppers on Sunday reported that the stores could accept cash (or checks) but not process their [credit cards](#), though this snag was much smaller than far bigger outages that took out Target registers a day earlier, which prevented payments via plastic, and yes, cash too.

"I think (the Target episode) is a blip that everybody will quickly forget about," says Greg McBride, chief financial analyst at Bankrate.com.

"However, it is a reminder to all of us that we have to have a certain amount of cash just in case of isolated occurrences," such as in the aftermath of a hurricane when the power goes out.

How much cash you should keep around for emergencies varies of course, depending on your circumstances. McBride, who frequently travels for business, says he keeps enough to hop in a cab to the airport.

Other people U.S. TODAY canvassed said they typically carry between \$20 and \$50, though the amount is sometimes less.

"The big picture still is you don't want to have an overabundance of cash either in your pocket or stuffed under the mattress due to the risk of loss and theft. Plastic offers protections against those scenarios, cash does not," McBride says.

As you would expect, Mastercard [senior vice president](#) for communications Seth Eisen makes a similar pitch.

"Electronic payments—the credit, debit and prepaid cards we're all familiar with no matter what form they take—are an opportunity to provide people and businesses with greater security, greater transparency and greater certainty when they make a payment or are paid themselves," he says.

Cash is still king when it comes to the smallest purchases. Forty-five percent of consumers who own rewards credit cards polled last year by CreditCards.com were using cash for purchases under \$10. That compared to 30% of consumers who use debit cards for such purchases, and 23% who use credit cards.

The survey also found that \$25 was the median purchase total at which rewards cardholders indicated it made sense to use credit.

"I'm tempted to quote Mark Twain. The death of [cash](#) has been greatly exaggerated," says McBride. "It's definitely in decline and will continue to decline. When it goes away completely, it's hard to put a time frame on it."

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