

By Francesco DeSantis  
and Georgia Gilholy

Has this ever happened to you?

You wake up on a lazy Sunday morning. Maybe you're hungover. You gather your phone, wallet, keys, and go out to grab a cup of coffee. The cashier announces the price, you move to hand them the crisp Lincoln greenback in your pocket – but then you stop dead in your tracks. They tell you: this establishment no longer accepts cash.

If so, you are but one of millions throughout the world who are being plunged into a cashless society.

One consequence of the COVID-19 pandemic on consumers in America and beyond has been the rapid proliferation of cashless businesses. Operating on the debunked theory that surface transmission was a primary vector of the disease, many businesses stopped taking cash payment altogether in 2020, and never reversed this policy when the disease was proven to be spread primarily through the air.

For many, this did not have a major impact. Studies indicate upwards of 70% of Americans have a credit card, and 87% have a debit card.

However, cashless businesses exclude roughly 10% of Americans who are unbanked. They could also exclude that up to 25% of consumers who are underbanked. The underbanked are those who have a bank account, but are forced to seek alternative financial services, such as payday loans.

The un- and underbanked are also disproportionately poor, non-white, and elderly.

The move toward cashless business also impacts consumers further up the income scale.

Studies show shoppers are more likely to spend more money if they are paying with a credit or debit card as opposed to cash – encouraging customers to go into debt. Credit card companies also charge transaction fees that hurt small businesses. Nilson Report estimates that in 2019, credit card transaction fees totaled \$93 billion.

In 2022, Gallup conducted a study on Americans' attitudes on the emerging cashless society.

According to the data, Americans view the move to cashless as inevitable, but they are not altogether supportive of that transition.

Forty-six percent say they would be "upset" if the US be-



More and more businesses refuse to take cash. States are pushing back

Photo: 123rf.com

# Cashed out

A number of states have passed laws mandating that businesses accept cash payment. But Congress has been slow to act

came a cashless society, while only 9% said they would be "happy."

In addition, 56% of Americans in the poll said they would "like to have cash" compared to just 43% who are "comfortable without cash."

Unsurprisingly younger people felt more comfortable without cash, though more 18-29 year olds "like to have cash" than 30-49 year olds.

Perhaps this reflects the beginning of a larger change in attitudes, or perhaps this group is simply more aware of the privacy concerns related to a cashless economy.

Back in the 1970s, Massachusetts passed a law mandating that businesses accept cash payment. More recently, some states and cities have introduced or adopted laws to do the same.

Among those that have enacted these laws are: New

**A cashless world would also be one in which children would no longer be able to enjoy the simple pleasure of buying candy with their allowance or saving up pennies for a rainy day**

Jersey, Colorado, Delaware, Rhode Island, Washington D.C., New York City, San Francisco, Philadelphia, and Miami-Dade County.

Lawmakers have also introduced cashless bans in Chicago, Connecticut, New York State, and California.

This is significant because the partisan divergence on this issue is stark. Republicans are most opposed to a cashless society, with 60% saying they would be "upset."

Democrats on the other hand are more amenable to the idea, with only 28% choosing "upset."

Yet, to the extent there has been successful legislative action on this issue it has exclusively come from Democrats.

Legislators have introduced similar bills in Mississippi, Idaho, and North Dakota, but no Republican jurisdiction has adopted a cashless ban.

While some on the right are keen to stomp for market freedoms regardless of their drawbacks, historic conservatism made no bones about intervening on behalf of liberty, especially for the most vulnerable.

The move to an entirely cashless society would largely serve big businesses, which frequently indulge in cronyism that should make any self-respecting conservative grimace. These corporate forces are eager for people to spend faster and more, and not much else.

In Congress, Congressman

Donald Payne Jr. (D-New Jersey) introduced the Federal Payment Choice Act in 2021.

No hearings were ever held.

The bill "requires retail businesses to accept cash as a form of payment for sales in amounts less than \$2,000, and it prohibits them from charging cash-paying customers a higher price compared to customers not paying with cash. Such businesses are those engaged in the business of selling or offering goods or services at retail to the public that accept in-person payments at a physical location."

Exceptions are only permitted if a system failure temporarily prevents processing cash payments or if the business has insufficient cash on hand to make change.

This bill also allows for businesses to reject large bills (\$100) and to substitute cash for a prepaid card, with some conditions. Under this law, businesses would be fined \$2,500 for a first offense and \$5,000 for subsequent offenses.

This bill was cosponsored by 41 Democrats and 8 Republicans and was endorsed by Americans for Financial Reform – the coalition of consumer financial protection groups – but never made it out of committee.

Do these laws and proposed laws even go far enough? A careful examination of the language reveals substantial carve-outs to exempt certain industries such as parking ga-

rages.

Even if those loopholes were closed, these laws would only take the first step toward taking on the credit cartel.

Legal tender – defined in the US Code as United States coins and currency – is legal tender – there should be no special advantages to using one form of payment over another, particularly when the disparity between those who use bank cards versus those who use cash is so stark.

Beyond the economic issues, there is also the matter of privacy. In the age of surveillance capitalism, cash affords vastly more privacy than card purchases which are logged and tracked by banks, credit card companies, and data vendors.

This is a matter of concern for any of us – conservative or otherwise – who value basic freedoms, but it can be the choice between survival or death for some. People who fear abuse such as human trafficking victims, or people suffering violence or harassment, will have less chance of escape if they know any attempt to spend money could be monitored.

A cashless world would also be one in which children would no longer be able to enjoy the simple pleasure of buying candy with their allowance or saving up pennies for a rainy day, because only devices and plastic cards can be exchanged for anything.

The state and the corporate leviathans they deal with have no business forcing elderly or tech-averse individuals to partake in certain software to grab so much as a bottle of milk.

As the cost of living crisis continues to bite working-class and middle-class Americans many people's budgeting techniques are aided by physical cash.

In a recent viral video a young woman explains how she budgets for healthier groceries by forcing herself to only take the exact cash she needs to the store, meaning she has no choice but to avoid unnecessary purchases.

Healthy societies are keen to balance the needs of the vulnerable, the ordinary, and the elites, and a creep toward cashlessness would plainly further degrade the first two while providing a negligible bonus to the latter. **CHC**

**Francesco DeSantis** is the Outreach Coordinator at the Center for Study of Responsive Law.

**Georgia L Gilholy** is a columnist for the UK online magazine *Conservative Home*.