

BES06

WOLF IN CARD CLOTHING: IMPACTS OF A CASHLESS SOCIETY

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Abstract

"This Note is Legal Tender for All Debts, Public and Private" is printed on the front of every dollar issued by the United States of America. Reading that, one might assume that this piece of paper must be accepted as full or partial satisfaction of any debt. But a recent trend has more and more businesses refusing to accept it, or any "cash" settlement, opting instead for electronic payments such as credit or debit cards. No national law and few state or local laws prohibit that mandate. The move toward a cashless society is seductive, as it promises fewer errors (e.g., miscounting cash), fewer costs (e.g., transportation of currency), and fewer inherent limits on buyers ("I don't have that much cash with me"). And from the perspective of sellers, this move is consistent with pre-existing business objectives.

Unfortunately, those business objectives carry with them a dark side, including major threats to the well-being of consumers. This policy study explores the potential implications -- and dangers -- wrought by forced abandonment of cash transactions. Those consequences include racism, discrimination against the poor, violations of privacy, and more. And the motives might not be as clear as they seem.

Conference Track

Business Environment - Strategy, Policy, Law, Ethics