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# Digital Payments: United States

January 2018



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# About This Report

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## Scope

This report forecasts US consumer payments in nominal US dollars for 2018-2020. Consumer payments are segmented by type:

- electronic (digital) – such as credit cards, debit cards, prepaid, gift, and electronic benefit transfer cards; money orders; travelers' checks; and online banking bill payment
- paper – i.e., cash and check

To illustrate historical trends, total consumer payments and the various segments are provided for 2012-2017.

Freedonia quantifies trends in various measures of growth and volatility. Growth (or decline) expressed as an average annual growth rate (AAGR) is the least squares growth rate, which takes into account all available datapoints over a period. The volatility of datapoints around a least squares growth trend over time is expressed via the coefficient of determination, or  $r^2$ . The most stable data series relative to the trend carries an  $r^2$  value of 1.0; the most volatile – 0.0. Growth calculated as a compound annual growth rate (CAGR) employs, by definition, only the first and last datapoints over a period. The CAGR is used to describe forecast growth, defined as the expected trend beginning in the base year and ending in the forecast year. Readers are encouraged to consider historical volatility when assessing particular annual values along the forecast trend, including in the forecast year.

A full outline of report items by page is available in the Table of Contents.

## Sources

*Digital Payments: United States* (FF95071) is based on *Digital Payments in the U.S.: Consumer Usage, Wallets, and P2P*, a comprehensive industry study published by Packaged Facts. Data related to consumer demographics, attitudes, and behaviors were derived from the Simmons National Consumer Survey, a booklet-based survey of a large and random sample of consumers who in the aggregate represent a statistically accurate cross-section of the US adult population (age 18+). Results from the 12-month Summer 2008-2017 surveys and 12-month Fall 2013 survey are analyzed. Packaged Facts also used Simmons mobile user segmentation data.

That report also included results from Packaged Facts' proprietary July 2017 consumer survey. The survey consisted of 2,004 online respondents, who in aggregate represent a statistically accurate cross-section of the US adult population (age 18+). The survey responses were analyzed in aggregate via SPSS statistical software. Where applicable,

## About This Report

results have been tested with Fisher's Least Significant Difference contrast test at a confidence level of 95%.

### **Electronic Payments Market Size & Forecast**

Packaged Facts used data from the 2012 and 2015 Diary of Consumer Payment Choice as the basis of its electronic payments market size and forecast.

Note: Packaged Facts believes that consumer payment volume declines noted for 2012-2015 using this data may be more severe because of these survey changes. However, the methodology used to forecast consumer payment value and volume relied on analyst assessments of payment trends from other studies, including the Federal Reserve Payments Study, the Survey of Consumer Payment Choice, Federal Reserve debit card studies, data from the Bank for International Settlements, and the US Bureau of Economic Analysis. The methodology also relied on in-house market sizing for consumer general-purpose payment cards and for in-house market sizing of consumer network operator ACH payment value and volume.

### **Remote Payments Market Size & Forecast**

Packaged Facts uses data from the 2016 Federal Reserve Payments Study and the 2017 Federal Reserve Payments Study Supplement.

### **Mobile Wallet Market Size & Forecast**

Packaged Facts uses data from the 2016 Federal Reserve Payments Study and the 2017 Federal Reserve Payments Study Supplement.

All population estimates used in this report through the year 2017 are based on the Current Population Survey, sponsored jointly by the US Census Bureau and the US Bureau of Labor Statistics.

Specific sources and additional resources are listed in the Resources section of this publication for reference and to facilitate further research.

## Industry Codes

Table 10 | NAICS & SIC Codes Related to Digital Payment

NAICS/SCIAN 2007		SIC	
North American Industry Classification System		Standard Industrial Classification	
522110	Commercial Banking	6021	National Commercial Banks
522120	Savings Institutions	6022	State Commercial Banks
522210	Credit Card Issuing	6035	Savings Institutions, Federally Chartered
522220	Sales Financing	6036	Savings Institutions, Not Federally Chartered
522292	Real Estate Credit	6099	Functions Related to Depository Banking, NEC
522293	International Trade Financing	6141	Personal Credit Institutions
522294	Secondary Market Financing	6153	Short-Term Business Credit Institutions, except Agricultural
522298	All Other Nondepository Credit Intermediation	6159	Miscellaneous Business Credit Institutions
522320	Financial Transactions Processing, Reserve, and Clearinghouse Activities	7389	Business Services, NEC

Source: US Census Bureau

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## Resources

### Packaged Facts

*Digital Payments in the U.S.: Consumer Usage, Wallets, and P2P*

### The Freedonia Group

#### Freedonia Industry Studies

*Elder Care Services Market in the US*

*Global Housing*

#### Freedonia Focus Reports

*Commercial Banking: United States*

*Consumer Financial Service Trends: United States*

*Demographics: United States*

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*Global Demographics*

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*Chain Store Age*

*IndustryWeek*

*Premium Incentive Products*

### Agencies & Associations

Center for Financial Services Innovation

Consumer Financial Protection Bureau

Federal Deposit Insurance Corporation

The Federal Reserve

Innovative Payments Association

United States Census Bureau

United States Department of Agriculture

United States Department of Labor

United States Department of the Treasury