

transactions?

Certainly cashless transaction has many benefits and positive impacts on economy and lives. According to one estimate, a 20% rise in the percentage of cashless payments in Tokyo alone would have an economic impact worth more than 2 trillion yen. In China, 40 per cent of Chinese consumers are using new payment methods as they like the convenience and safety of not having to carry cash, according to the recent survey of finder.com. More than 80 million Americans said that they used digital wallets because they're a more convenient option than carrying around dollar bills and credit cards.

Physical cash can be anonymous and untraceable, allowing it to play a large role in crime, including bribery, tax evasion, money, counterfeiting, corruption and terrorist financing. There are billions of untaxed



shekels around the world and the public is missing out on use of these funds. Digital money is truly the most portable, secure, and convenient currency yet. With technologies such as voice and face-recognition, transactions also have the potential to become more secure than ever before, while payments can also be protected by end-to-end encryption and fraud-preventing technology.

Banning cash saves employee time and payroll costs by eliminating cash registers and visits to the bank. There is no need of guards for armored cars. Recent data from the Higg Index from nearly 3,000 factories across 58 countries, representing 85 brands and retailer supply chains shows that 67% of the factories pay workers digitally through bank accounts. The rest still use cash or check distribution - which is not safe for workers or businesses. Across the globe, the study shows factories that pay workers digitally are five times more likely to follow exemplary social and labor practices than those that pay with cash or checks. There are also significant discrepancies between the countries.



The cost of using cash handling is one of the main reasons that encourages the people to dump cash in digital wallets. On the other hand, it is considerably cheaper to process card payments than to handle and manage cash. According to study of Tufts University, the cost of an electronic transaction is one-fourth that of human-given services, while the cost of using cash to consumers, business and governments is about \$200 billion a year in everything from ATM fees to theft to lost tax revenue. For the average American family, that's more than \$1,700 a year. Retail Banking Research (RBR) estimates that the process of managing cash costs each individual in Europe €130 per year. For UK consumers, a cashless society would result in savings of up to £110 a year.

A cashless society also provides scope for more monetary policy. With physical cash, people choose convenience over other safe assets offering higher yields. During economic downturns, governments face challenges stimulating the economy by lowering interest rates, since people are likely to hoard their cash instead. With digital payments and no cash, people are unable to withdraw money from the financial system and governments and banks can leverage greater control of the economy stimulating more lending from banks and increased investment by businesses, as well as encouraging people to invest, lend and spend instead of amassing money.

The Other Side of The Coin

Despite all the benefits, there are different opinions regarding cashless society. Some industry analysts say, the reality of a completely cashless society is still more of a pipe dream. A lot of issues are pending as barriers in the way of the road as a lot of things would stay uncut.

No doubt, cash is still king and people still use banks - here's where technology hasn't taken over. According to