

Talk About Payments: 2020 Year in Review Session Questions

Below are our responses to the questions that viewers submitted during the 2020 Year in Review webinar that we were unable to answer live. We thank you for your interest in and support of the Retail Payments Risk Forum's research and hope you found the webinar useful and informative. Please join us for the next *Talk About Payments* webinar planned for the first quarter of 2021.

Question: When can we expect to see real-time gross settlement as an international capability for the consumer?

Answer: As with current Federal Reserve Bank services, the FedNow Service will be available to depository institutions eligible to hold accounts at the Reserve Banks under applicable federal statutes and Federal Reserve rules, policies, and procedures. Merchants, consumers, or nonbank payment service providers will access the FedNow Service through depository institutions as they do today with other payment systems.

We encourage everyone to visit the [Federal Reserve Financial Services website](#), where you can keep up with the latest FedNow news and events and join the FedNow Community.

Question: Where do we get the Federal Reserve's data reflecting small business payments or corporations payments versus the focus on consumers?

Answer: The [Federal Reserve Payments Study](#) provides breakdowns by payer type (business and consumer) for checks, ACH transfers, wire transfers, and card payments.

Question: Do you think the cashless phenomenon will reverse post-vaccine? Do you see local regulation increasing to mandate cash acceptance?

Answer: Whether consumers will return to previous payments behaviors and choices or retain new habits post-pandemic is an open question. In terms of regulations mandating cash acceptance, as part of our strategic priority to advance economic mobility and resilience, the Atlanta Fed is forming a Special Committee on Payments Inclusion "to address the growing divide between the digital payments economy and consumers who still rely largely on cash for their transactions." You can read more on the Atlanta Fed's work on payments inclusion in the white paper, "[Shifting the Focus: Digital Payments and the Path to Financial Inclusion](#)."

Question: Are we through the worst of the coin supply disruption?

Answer: Business and bank closures associated with the COVID-19 pandemic have significantly disrupted the supply chain and normal circulation patterns for U.S. coins. While overall there is an adequate amount of coins in the economy, the slowed pace of circulation has reduced available inventories in some areas of the country. Since mid-June, the U.S. Mint has been operating at full production capacity. It minted almost 1.6 billion coins in June and is on track to mint 1.65 billion coins a month for the remainder of the year. As the economy recovers and businesses reopen, more coins will flow back into retail and banking channels and eventually into the Federal Reserve, which should allow for the rebuilding of coin inventories.

Question: Have you seen any evidence that issuers are reissuing their debit cards to enable contactless like they did their credit cards?

Answer: Over time, as debit cards are issued as part of the normal cycle of new account opening, card replacement, or reissue due to expiration or customer request, we expect to see more and more debit cards equipped with contactless functionality.

Question: Do we know how much of the cash-in-circulation spike is domestic vs. overseas holdings?

Answer: It is estimated that more than half of U.S. currency in circulation by value is held outside the United States.

Question: The November *Talk About Payments* webinar—"Consumer Payments Behavior in a Health Crisis: What Happened to Cash?"—included data on currency in circulation and the coin supply disruption. Was that webinar recorded, and if so, where can I view it?

Answer: Yes, previous *Talk About Payments* webinars and presentation materials, including "[Consumer Payments Behavior in a Health Crisis](#)," are available to download on the [Retail Payments Risk Forum webinar page](#) on the Atlanta Fed's website.