FUTURE OF DIGITAL FINANCE · REPORT 02

Out of Sight, Out of Mind

What US Payment Preferences Reveal About the Future of Finance

INTERLEDGER FOUNDATION

Contents

EXECUTIVE SUMMARY

The best payment experience, half of consumers say, is no experience at all.

They don't want to carry cash, count change, or have to remember to pay. They want payments to happen silently, seamlessly, in the background, without being asked to think about them.

This second report in the Future of Digital Finance series draws on a nationally representative survey of 1,004 U.S. consumers and 253 U.S. businesses to examine the behaviors and preferences driving this shift. The data tells a clear story:

Whether they're doing it consciously or not, US consumers are gravitating toward payment forms that require little to no active participation. They're stepping away from cash first, then cards, while embracing payment models that they don't have to think about, like subscriptions.

WHAT THE DATA SHOWS

51%
of consumers are open to abandoning cash altogether

35%
are open to abandoning physical debit and credit cards

68%
love or like subscription-based payment models

78%
of businesses report cash makes up 50% or less of their transactions

What does this mean, and how does today's payments infrastructure stack up to shifting preferences?

01

When consumers stop engaging with their payments, they also stop scrutinizing them.

Demand for frictionlessness carries hidden risks.

02

The infrastructure enabling these effortless experiences was not designed with everyone in mind.

For those without bank accounts, smartphones or reliable internet access, payments don't just disappear: they become inaccessible.

03

The answer is not to slow the march toward frictionless payments.

It's to ensure that the infrastructure underpinning them is open, secure, interoperable, and built for universal access.

04

The future of payments can be both effortless and equitable.

But that outcome isn't automatic. It requires intention.

Audience Breakdown: Consumers

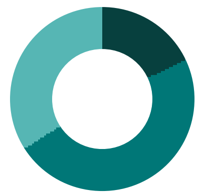
A nationally representative sample of 1,004 U.S. consumers, ages 18 to 60+.

GENDER

50% Male

50% Female

HOUSEHOLD SIZE



48% 2–3 people

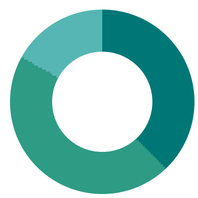
34% 4+ people

18% 1 person

ANNUAL HOUSEHOLD INCOME

Middle ($50k–$99,999)	**40%**
Upper-middle ($100k–$149,999)	**20%**
Low (under $50,000)	**20%**
High ($150,000+)	**19%**

RESIDENTIAL AREA



45% Suburban

38% Urban

16% Rural

AGE

Gen X (44–59)	**36%**
Millennials (28–43)	**33%**
Gen Z (18–27)	**17%**
Boomers (60+)	**15%**

EMPLOYMENT STATUS

Employed full-time	**73%**
Employed part-time	**12%**
Not employed	**8%**
Homemaker	**4%**
Self-employed	**2%**
Student	**1%**
Retired	**1%**

Audience Breakdown: Businesses

253 U.S. businesses, spanning size, revenue, industry and tenure.

INDUSTRY

Retail	59%
Wholesale	17%
Consumer Technology	12%
E-commerce	7%
Real Estate, Rental & Leasing	5%

COMPANY REVENUE

- **37%** Small (under $1m)
- **21%** Medium ($1.1–$10m)
- **21%** Large ($10.1–$500m)
- **21%** Enterprise (over $500m)

BUSINESS SIZE

Small (1–49 employees)	35%
Large (500–4,999)	30%
Medium (50–499)	21%
Enterprise (5,000+)	15%

YEARS IN BUSINESS

More than 15 years	43%
4–10 years	29%
11–15 years	17%
Less than 3 years	12%

BUSINESS PRESENCE

- **74%** Both
- **14%** Online
- **12%** Physical

BUSINESS LOCATION

Respondents span the United States, concentrated in the most populous states — led by California and Texas.

HOW WE DID IT

Methodology

"Out of Sight, Out of Mind" is the second installment in the Future of Digital Finance Report series.

- This study was commissioned by The Interledger Foundation and conducted by third-party research firm Dynata.

- All findings presented are based on responses from 1,004 consumers, ranging from 18 years old to age 60+, and 253 U.S. businesses in the United States.

- The survey was designed to examine the behaviors and preferences driving a shift towards frictionless payments.

1,004
U.S. consumers · ages 18–60+

253
U.S. businesses

The Payment-Effort Spectrum

Not all payment methods ask the same thing of their users. Some demand their full attention: finding cash, counting change and handing it over. Others require a tap, a swipe, a glance. And others require nothing at all; the payment simply happens.

LOW EFFORT — MEDIUM EFFORT — HIGH EFFORT

Subscriptions & Auto-Pay

Do nothing. It just happens.

68%

love or like them

Physical Cards

Take it out. Tap or swipe. Put it back.

35%

open to eliminating them

Cash

Find it. Count it. Hand it over. Wait for change.

51%

open to eliminating it

← **Consumers gravitate toward the low-effort end**

Across consumers, one pattern has emerged consistently: they gravitate toward the low end of the effort spectrum. They are willing to abandon the payment methods that ask the most of them and embrace the ones that ask the least. The sections that follow examine each step of this progression:

1. The declining appeal of cash.
2. The growing openness to a card-free future.
3. The rise of the subscription model as the dominant low-effort preference.
4. How businesses are reflecting, and accelerating, this same trend.

SECTION 01

The Declining Appeal of Cash

Why the highest-effort payment method is losing its hold.

Half of Americans are ready to leave cash behind.

Cash has reigned as consumers' favorite payment form for hundreds of years, partially because it had little competition, and the competition it did have required more effort. Now, of all the payment methods available to US consumers, cash demands the most effort.

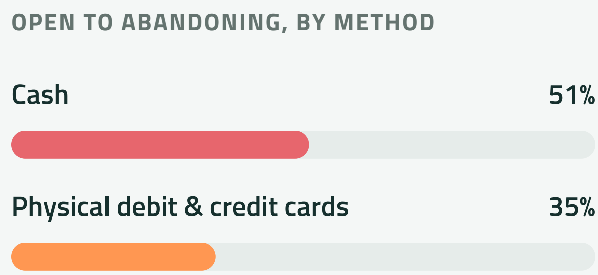
WHY CASH NOW ASKS THE MOST OF US

- It requires physical presence, precise amounts and the acceptance of change.
- It can be lost or stolen with no recourse.
- It cannot be used online.
- Unlike a card or digital wallet, it offers no rewards, no protections, and no record.

Given all of this, it is perhaps not surprising over half of consumers are now open to abandoning cash entirely.

51%

of consumers say they would be open to moving away from cash altogether



Cash doesn't persist out of affection, but out of utility.

Its loyalists cite three primary reasons:

56%

It is the most widely accepted payment method.

52%

It lets them avoid card transaction fees.

45%

It cannot be tracked by governments or companies.

What do digital payment alternatives have to do to replace cash altogether?

Consumers' arguments for cash are practical and point to real gaps in the digital payments ecosystem. Universal acceptance, no-cost and privacy are features that most digital payment alternatives have yet to replicate.

The cashless future looks different by generation, income and geography.

OPEN TO GOING CASHLESS · BY AREA

OPEN TO GOING CASHLESS · BY INCOME

The willingness to go cashless is not evenly distributed. Among consumers in urban areas, 58% are open to abandoning cash, compared to just 40% in rural areas. The gap widens further by income: 56% of consumers earning $150,000 or more are open to a cashless future, versus only 42% of those earning under $50,000 a year.

The consumers most eager to leave cash behind are those who already have the most robust access to digital infrastructure.

This pattern reveals context into a broader trend: leaving cash behind not only requires technology infrastructure from banks and private organizations. It requires consumers themselves to have access to things like high-speed internet, smartphones and bank accounts. For lower-income and rural consumers, using cash is more than a habit. It's often the only reliable payment method available. In fact, 1.3 billion unbanked people globally rely solely on cash as their only financial tool. As digital-first payment infrastructure expands, organizations must invest in solutions that serve those without traditional bank accounts, not just those with them. The path toward cashless must be built on open, inclusive infrastructure, not on the assumption that everyone already has access.

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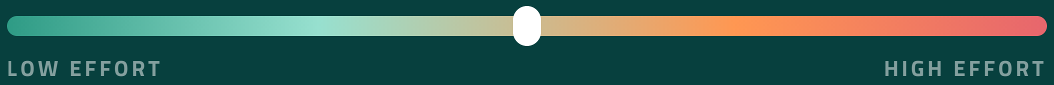
SECTION 02

Cards Are Next in Line

The physical card is losing appeal to the next generations of consumers.



Over a third of consumers are ready to go cardless.

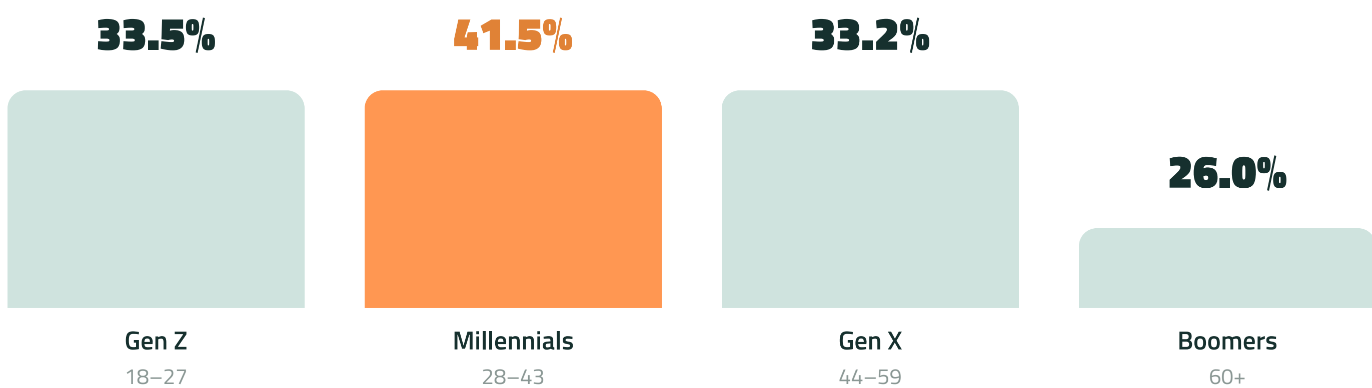
If cash is the highest-effort payment method, then physical debit and credit cards sit in the middle of the spectrum since they are not as demanding as counting coins, but still require users to carry something, produce it at checkout and keep track of it.

As digital wallets and contactless payment options become commonplace among users and merchants accepting them, the middle-ground effort is starting to feel unnecessary.

35% of consumers say they are open to moving away from physical debit and credit cards entirely. This number is not yet a majority, but it represents a meaningful and growing segment of the population, one skewed significantly younger.

Millennials lead the charge. Boomers hold firm.

Openness to abandoning physical cards, by generation.



The physical wallet isn't empty yet.

For the majority of consumers, the physical card remains the payment method of choice. And the infrastructure needed to replace it — contactless acceptance, robust digital identity, and reliable mobile connectivity — is not yet universal.

The data suggest that consumer readiness is outpacing the adoption of infrastructure needed to support a card-free future. That gap is an opportunity for the payments industry to adopt interoperable payments, where money can flow freely between organizations and people regardless of bank, money provider or other traditional limiting factors.

Millennials' openness to abandoning physical cards aligns with their broader relationship with digital finance.

They were the first generation to adopt mobile banking, digital wallets and peer-to-peer payment apps as primary tools, and many have already reduced their reliance on physical cards in practice. For them, physical cards are a legacy holdover. For boomers, however, physical cards are among the only ways to access the money in those accounts, since they are less likely to adopt technologies like digital wallets.

Gen Z is the most digitally native generation surveyed, yet they're less willing to give up physical cards than Millennials.

Gen Z's lower openness (33.5% compared to Millennials' 41.5%) is the counterintuitive finding here. Unlike Millennials, who came of age when going digital felt like a meaningful upgrade, Gen Z grew up with both options available from the start. For them, cards and digital were always part of the mix.

Low-touch payments come with security trade-offs that must be addressed by emerging payments infrastructure.

As payments require less physical engagement, they also require less mental engagement. This could mean unauthorized charges go unnoticed longer, fraud compounds before it's caught and data can be collected without awareness. The answer is not to make payments more cumbersome, it is to build security and user control into the foundation of the payment infrastructure itself, so that safety doesn't require vigilance.

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SECTION 03

Low Effort, High Satisfaction

Consumers love the payment that doesn't ask anything of them.

LOW EFFORT HIGH EFFORT

Consumers love the payment that doesn't ask anything of them.

More than two-thirds of consumers love or like subscriptions.

At the low end of the payment effort spectrum sits the subscription model. No action is required at the point of payment. No card to produce, no code to enter, no balance to check. The transaction is automatic, recurring, and invisible, which is precisely its appeal.

68%

of consumers love or like subscription-based payment models

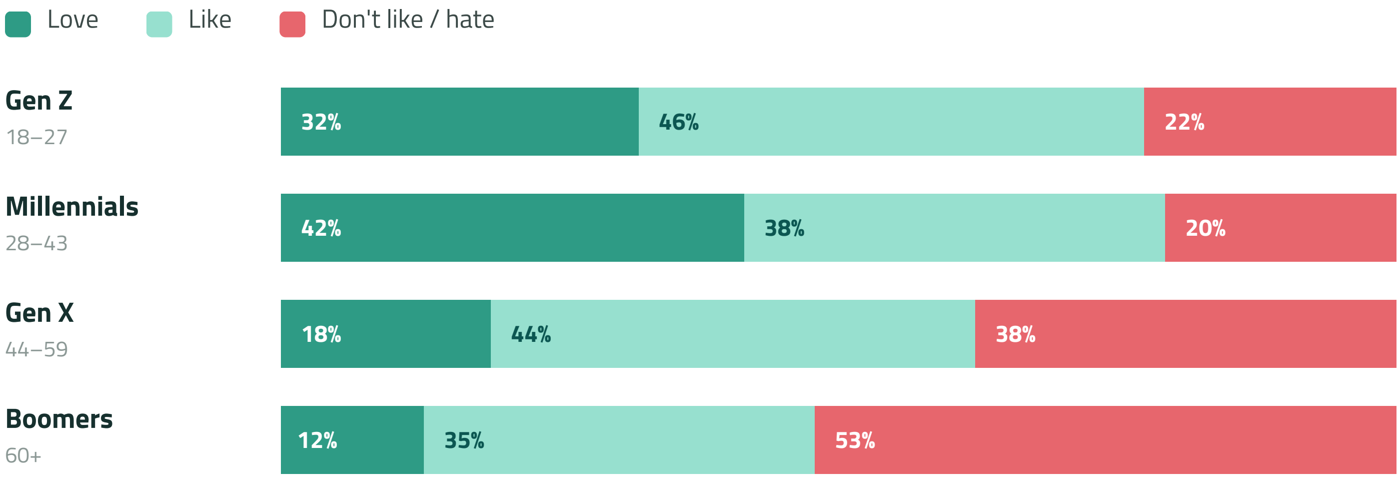
HOW ALL CONSUMERS FEEL ABOUT SUBSCRIPTIONS

27%
Love them

41%
Like them

32%
Don't like or hate them

The generations that love subscriptions most. And least.



Millennials are the most enthusiastic, as 41.5% say they love subscriptions, the highest of any generation. This is the cohort that came of age alongside Netflix, Spotify, and the first wave of SaaS, so subscriptions feel normal to them. Boomers, on the other hand, show the lowest enthusiasm, with only 12.3% saying they love subscriptions — a predictable finding for a generation that grew up with one-time purchases.

A shift from paying for access to paying for value.

It's clear that the less effort a payment requires, the more younger consumers like it. This reflects a consumer preference for payment experiences that dissolve into the background. The subscription model meets that preference more than any other payment method currently in widespread use. The 'set it and forget it' model minimizes effort, while offering ease and predictability. However, convenience can come at a tradeoff. What this model often lacks is flexibility and user control over how payments are executed over time. In today's systems, this often means consumers and businesses are locked in.

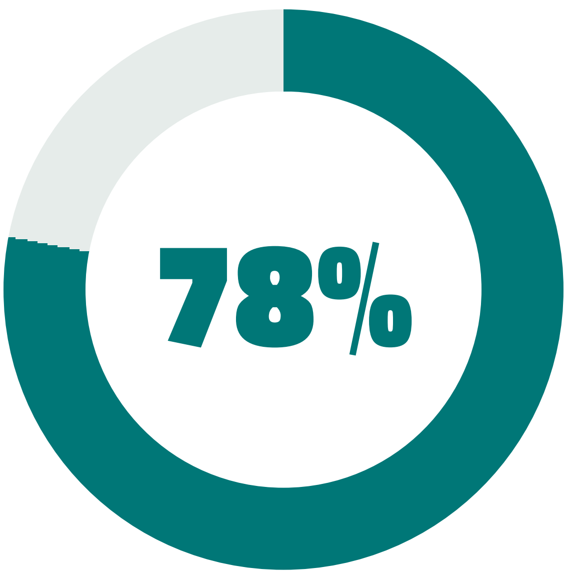
SECTION 04

Businesses Are Already Moving On From Cash

The enterprise side of the frictionless shift.

A high majority of businesses say cash is half or even less of their transactions.

Businesses confirm that the move away from cash is as pronounced on the business side as it is among consumers.



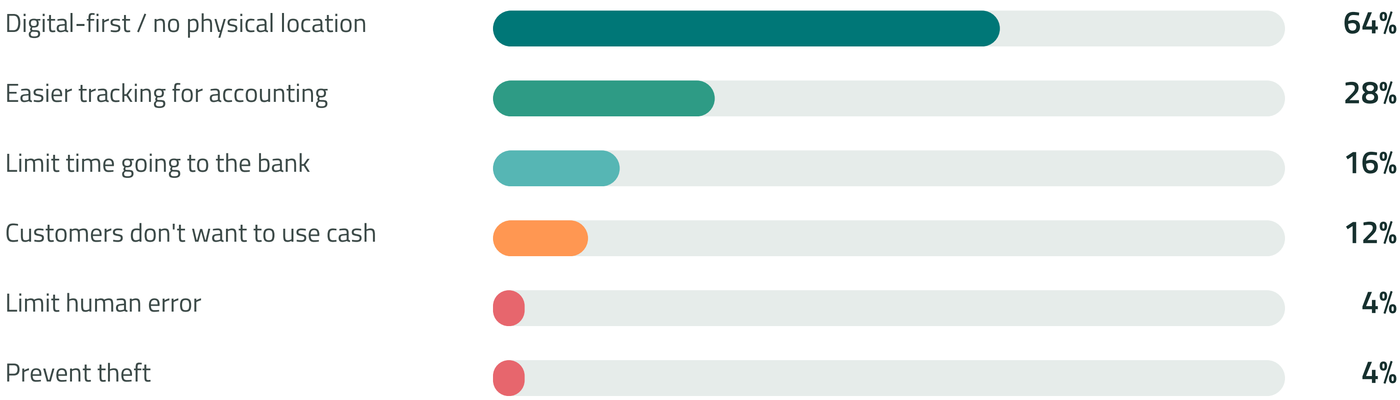
of businesses say cash is 50% or less of their total transactions

10%

of businesses have stopped accepting cash entirely

Why businesses don't accept cash

Among the businesses that don't accept cash at all, the most common reason is structural rather than strategic, as 64% say they are digital-first businesses with no brick-and-mortar locations, and therefore, cash was never a practical option. But the second- and third-most-cited reasons are efficiency and reduced friction, revealing a deliberate preference for the same qualities that consumers value in digital payments.



Share of non-cash businesses citing the reason

The business and consumer trends are converging.

As consumers favor lower-friction payment options, businesses are reducing their investment in high-effort payment infrastructure. This convergence is self-reinforcing, because when fewer businesses accept cash, the practical argument for carrying it weakens.

The transition away from cash is happening so fast that infrastructure is emerging in fragments rather than in unison.

The transition away from cash is already underway but the payment rails that make digital transactions possible today are fragmented, expensive for smaller businesses to integrate, and inaccessible to businesses and consumers outside of the formal banking system. Building payments using open, interoperable infrastructure is the precondition for a digital payments future that works for everyone.

Infrastructure matters.

The Interledger Foundation challenges the limitations of the 'set it and forget it' economy through open technology.

Open, interoperable payment systems offer a path to preserve the ease of payments while restoring user control. It also creates space for entirely new payment models.

With the Interledger Protocol, you can route micropayments across any system, geography, or location. Technologies like Web Monetization, that leverage the Protocol, take micropayments a step further by and transform them into a viable alternative payment model of streaming payments, where a user can set a payment limit and pay only for the minutes of content consumed, or number of articles read, in real-time.

This creates a shift from paying for access to paying for value. Consumers gain greater visibility and control over what they spend, while businesses can gain new customers, by offering more flexible pricing without relying on rigid subscription structures.

About The Interledger Foundation

The Interledger Foundation is an organization building and advocating for an open, interoperable payment network where transactions are not limited to a particular bank, mobile money provider, or location.

The organization works to increase access to digital financial services for the 1.3 billion people worldwide who are currently excluded from traditional banking systems through the Interledger Protocol (ILP), co-created by early Bitcoin contributor Stefan Thomas.

The Interledger Foundation works with partners to integrate ILP into existing and emerging financial and payments infrastructures. It currently has large-scale projects underway with Wallet Guru, People's Clearinghouse, and miPlata, among others, with plans to deploy interoperability initiatives across countries including Colombia and South America.

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