

## The Ethics of a Cashless Society

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It is increasingly common these days to walk into a store or restaurant and see a sign that says, “Cash not accepted.” Many cities and even countries around the world have been moving toward becoming “cashless,” accepting only credit, debit, or digital payment methods. Proponents for going cashless point to the many benefits, from convenience to safety. However, there is a growing ethical debate about the exclusion of certain groups of people as more and more businesses go cashless, with some U.S. cities and states going so far as to ban cashless stores.

The biggest concern is that a cashless system could involve significant financial discrimination against those who don’t have the means to open a bank account, get a credit card, or purchase a smartphone or other device for electronic payments. In 2021, the FDIC reported that about 5.9 million U.S. households were unbanked (i.e., had no checking or savings bank accounts). The financially disadvantaged would only become more disadvantaged by being excluded from cashless services and establishments. Small businesses that can’t afford or don’t have easy access to the necessary technology would be disadvantaged by a cashless society. Moreover, elderly people and others who have trouble navigating technology would be left financially vulnerable if they lacked the option to use cash. Another concern is that not everyone is interested in having their financial transactions trackable by banks that might be tempted to sell the data for marketing purposes. In addition to unwelcome targeted marketing, electronic tracking could lead to unwanted monitoring by financial and even government authorities, further reducing privacy.

On the other hand, aside from making financial transactions more convenient, a cashless society could mean a safer society. For one, robberies and other money-related crimes could be drastically reduced; without cash on site, there would be less danger of criminals robbing stores or restaurants. After a recent rise in break-ins in Oakland, California, several businesses made the switch to a cashless payment system for the safety of their stores and employees. Business owners reported that the robberies stopped once they put up “No cash on premises” signs. Because cash is hard to trace, it also makes possible certain crimes, such as tax evasion and black market dealings. Shifting away from cash could help reduce this type of criminal activity. A cashless system could make life easier and safer for the broader population.

### **Discussion Questions**

1. Should cities and states have the right to ban stores from refusing cash?
2. Do any of the pros for a cashless society justify the cost of potentially leaving a particular group of people financially vulnerable?
3. What are the ethical concerns of having all financial transactions be digitally traceable?