

Discussion of “Comparing Means of Payment: What Role for a Central Bank Digital Currency?”

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16 June 2021

Regional Conference on Payments and Market Infrastructures
Center for Latin American Monetary Studies/Banco de la República

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1. Enhanced payments efficiency,
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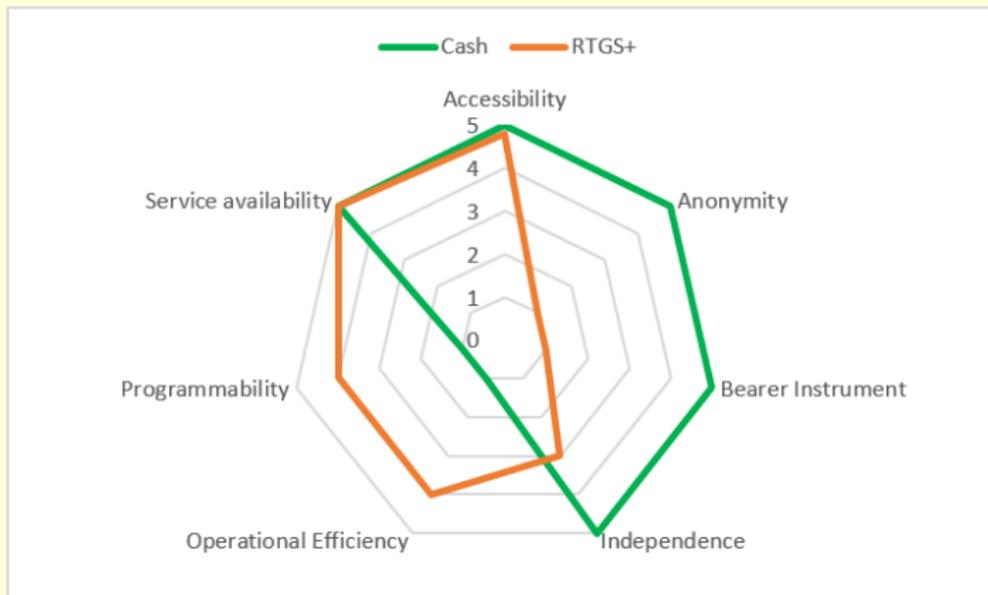
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Seven characteristics:

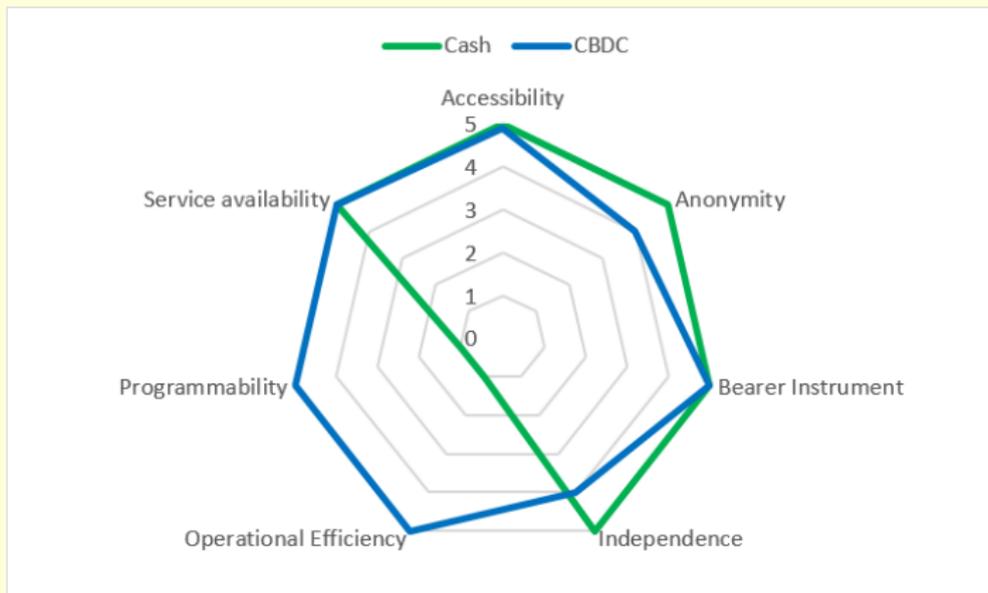
1. Accessibility (AC),
2. Anonymity (AN),
3. Bearer Instrument (BI),
4. Independence (IN),
5. Operational Efficiency (OE),
6. Programmability (PR),
7. Service Ability (SA).

Cash versus RTGS+



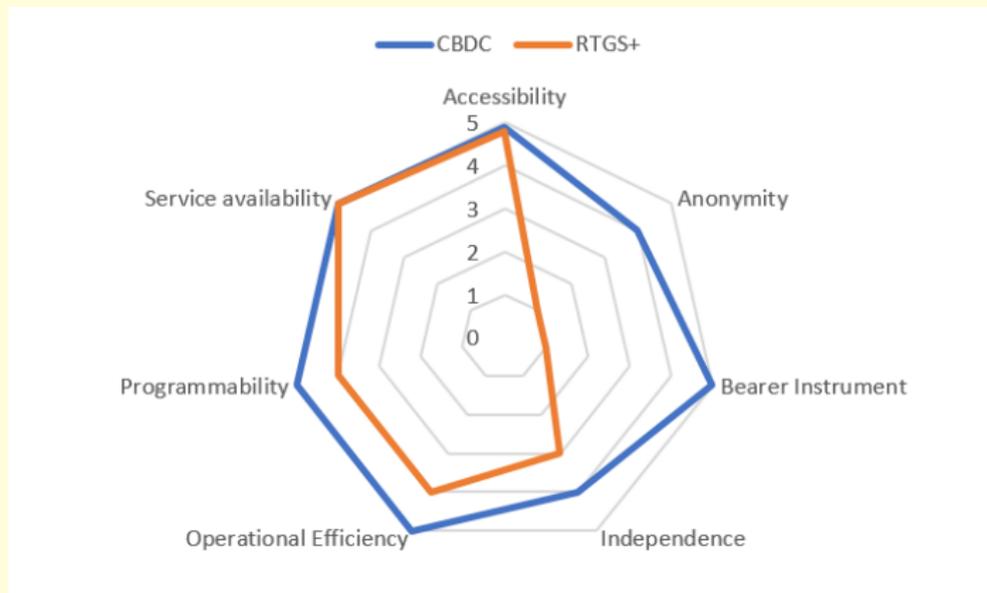
Source: Wong and Maniff (2021) and discussant's calculations.

Cash versus CBDC



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Value proposition of CBDC versus RTGS+???



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How can Americans pay?

Table 1
Ownership of Accounts and Adoption of Account Access Technologies
 Percentage of consumers

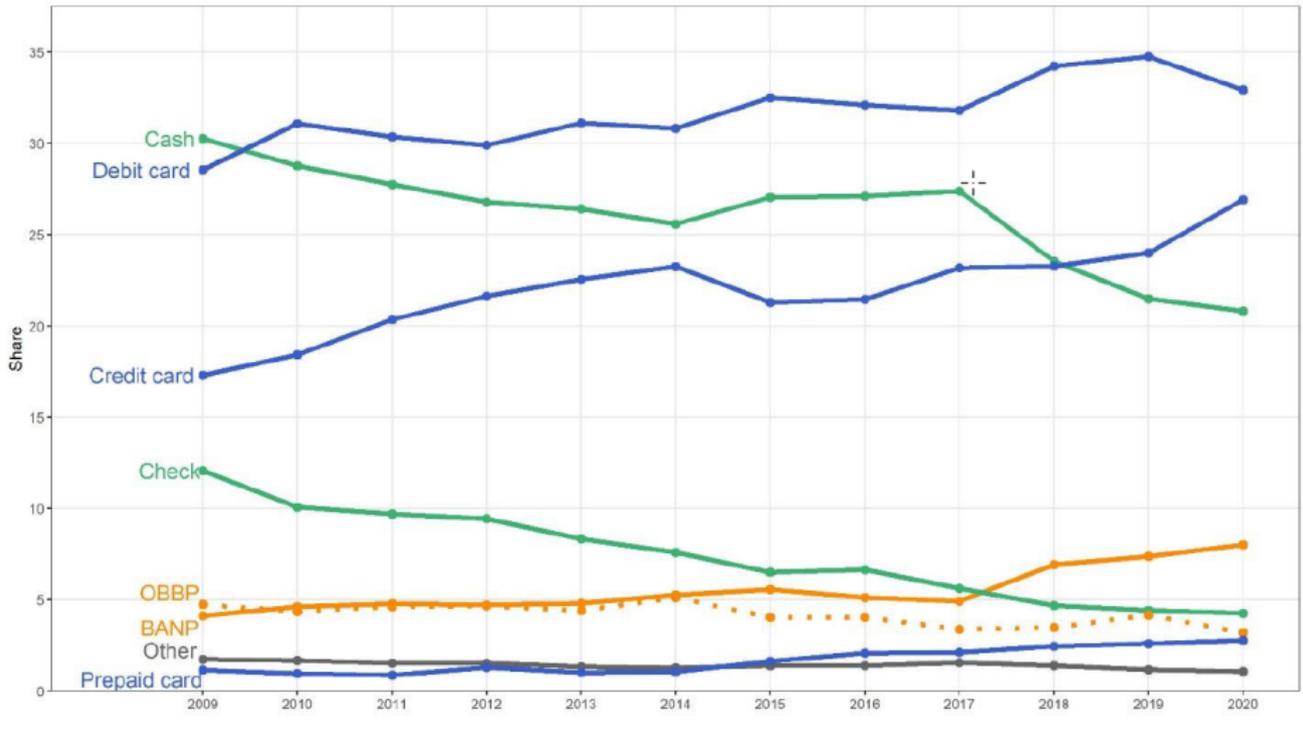
	2015	2016	2017	2018	2019	2020
Bank deposit accounts*	91.8	92.1	92.3	91.0	91.8	93.3
Checking.....	91.1	90.7	90.8	89.9	90.4	92.5
Savings.....	73.3	71.9	73.4	70.6	72.4	75.2
Online payment accounts.....	48.8	43.3	44.9	47.5	54.1	61.4
PayPal.....	42.9	40.0	41.1	43.3	37.6	42.2
Zelle.....	—	—	—	—	11.3	17.0
Venmo.....	—	—	—	—	15.2	23.9
Other nonbank payment services†.....	14.9	11.9	13.4	17.2	25.6	30.3
Mobile apps or online accounts‡.....	40.4	41.8	52.1	60.2	—	—
Deposit account access technologies.....	83.4	82.7	85.9	83.8	83.8	86.1
ATM card (no debit feature).....	34.2	30.1	33.8	28.3	26.6	25.9
Telephone banking.....	38.6	37.9	40.0	38.6	38.4	40.3
Online banking.....	71.4	72.2	75.6	75.3	75.2	78.5
Mobile banking.....	45.0	44.1	51.5	55.5	59.0	64.2

Source: Cash is almost 100%

Foster, Greene, and Stavins (2021) <https://bit.ly/3zypzhM>.

How do Americans pay?

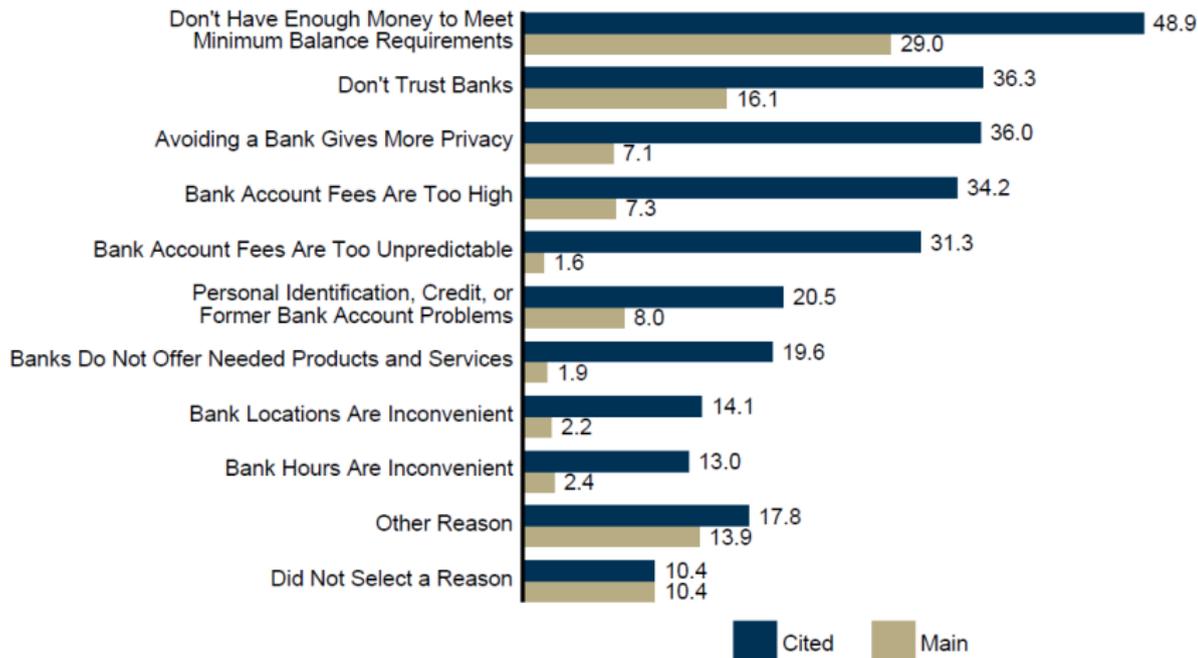
Figure 7: Share of consumer payments in a typical month, by type of payment instrument



Source: Foster, Greene, and Stavins (2021) <https://bit.ly/3zypzhM>.

Inclusion by design? Raison d'être de CBDC?

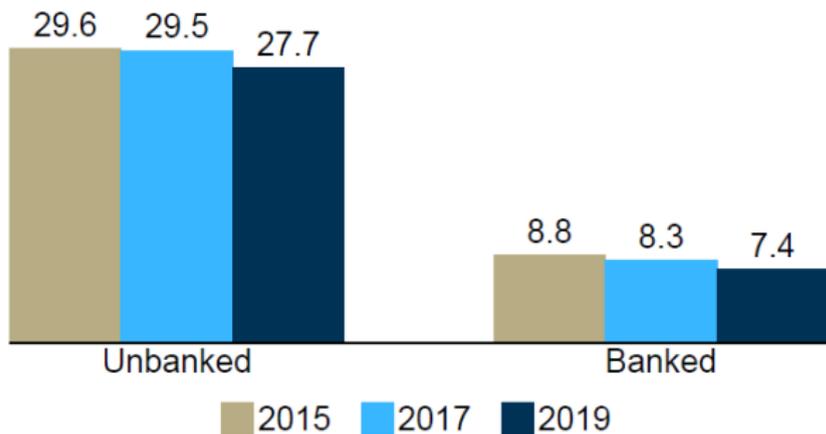
Figure ES.3 Reasons for Not Having a Bank Account, Among Unbanked Households, 2019 (Percent)



Source: 2019 FDIC Survey of Household Use of Banking & Fin. Services. Unbanked: 7.0% (2015), 6.5% (2017), and 5.4% (2019), <https://bit.ly/3zrFRs0>. "Inclusion by Design: Crafting a CBDC to Reach All Americans" Maniff (2021) <https://bit.ly/35hrHMY>.

The Unbanked and Prepaid Cards

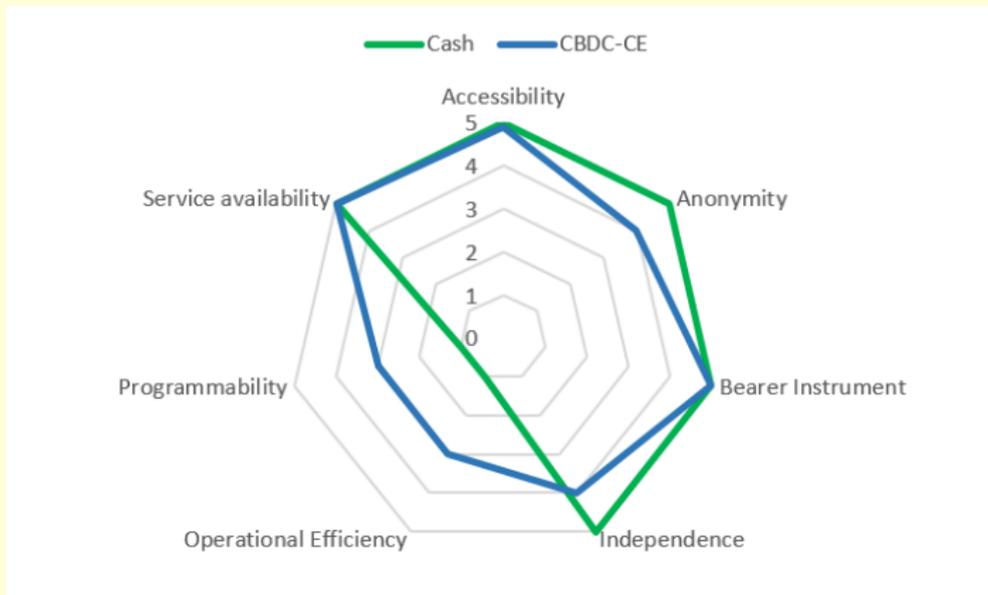
Figure 5.2 Prepaid Card Use by Bank Account Ownership and Year (Percent)



Note: The estimates of prepaid card use in 2017 and 2015 reported here differ from those published in earlier reports due to a difference in how nonresponse is handled; see Appendix 1 for details.

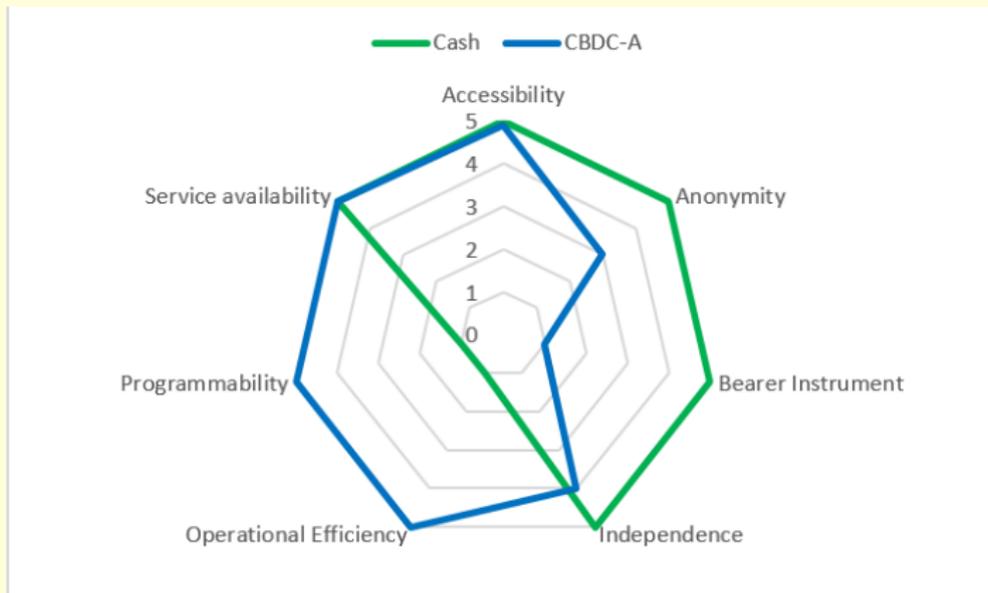
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Cash versus CBDC Cash Equivalent



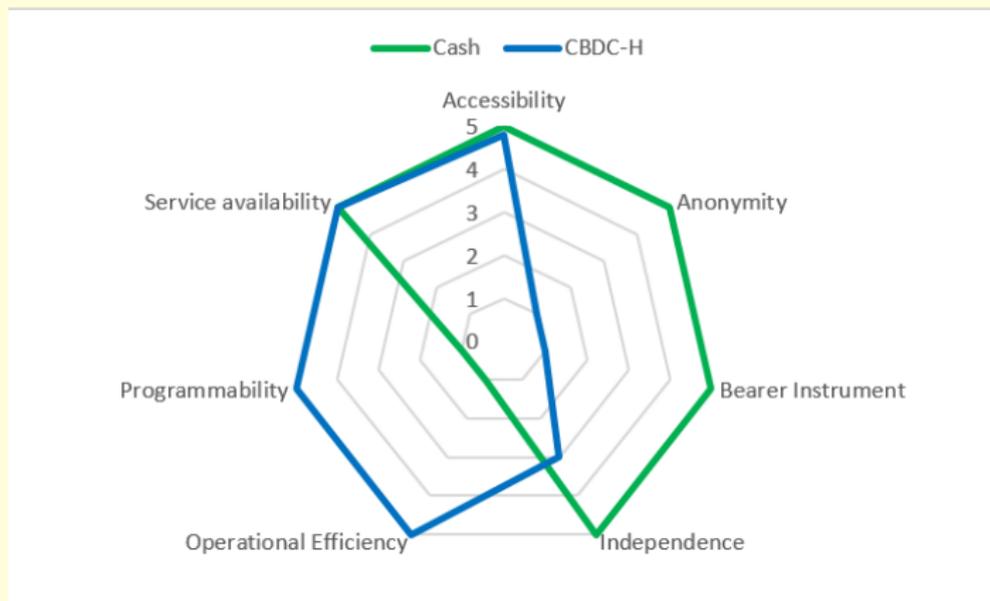
Source: Wong and Maniff (2021) and Discussant's calculations.

Cash versus CBDC Account-based



Source: Wong and Maniff (2021) and Discussant's calculations.

Cash versus CBDC Hybrid



Source: Wong and Maniff (2021) and Discussant's calculations.

Smart Bank Notes?



Source: Noll and Lipkin (2021) <https://bit.ly/3w13KAa>.

Smart Bank Notes \Rightarrow in-person and online?



Source: Noll and Lipkin (2021) <https://bit.ly/3w13KAa>.

Whither CBDC?

“CBDC adoption and usage: some insights from field and laboratory experiments” by Janet Jiang <https://bit.ly/3wAQnv0>

A clear niche is important!

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Gracias/Merci/Thanks!