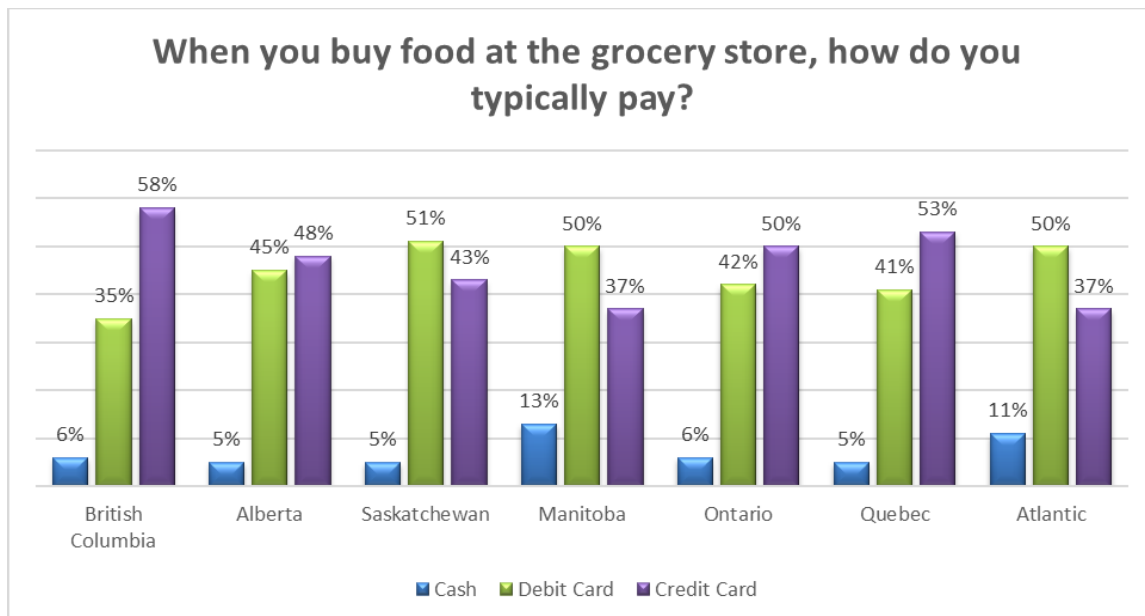




**Almost three Canadians out of four believe a cashless grocery store is discriminatory towards the unbanked and/or underbanked, new report suggests**

**HALIFAX, NS. (February 2, 2023)** – The grocery experience is more cashless as the digital banking system impacts all aspects of our economy. A cashless economy is one in which most transactions are conducted without the use of physical money, such as cash or coins. Instead, transactions are completed using electronic forms of payment, such as credit cards, debit cards, and digital wallets. In a cashless economy, electronic payments are dominant and cash is used infrequently or not at all. In fact, more and more Canadians are living without ever using cash. Credit and monetary transactions in grocery stores can be a little different. Food is essential to life. But a cashless economy is not about convenience. It also has some perceived risks for consumers.

This new study called *“Cashed Out: How a Cashless Economy Impacts Your Grocery Experience, a Canadian Perspective”* helped us understand how Canadians are perceiving an increasingly cashless grocery experience. In partnership with Angus Reid, we surveyed 1,503 Canadians in January about a cashless grocery experience and tried to understand what it meant to them. We first asked what method of payment was preferred. Both credit and debit are most popular with Canadians. On average, 6% of Canadians still pay with cash exclusively. Of the groups that pay with cash at grocery stores, Manitoba has the highest percentage at 13%, followed by the Atlantic region at 11%. Credit cards are the most popular payment method in British Columbia, at 58%.

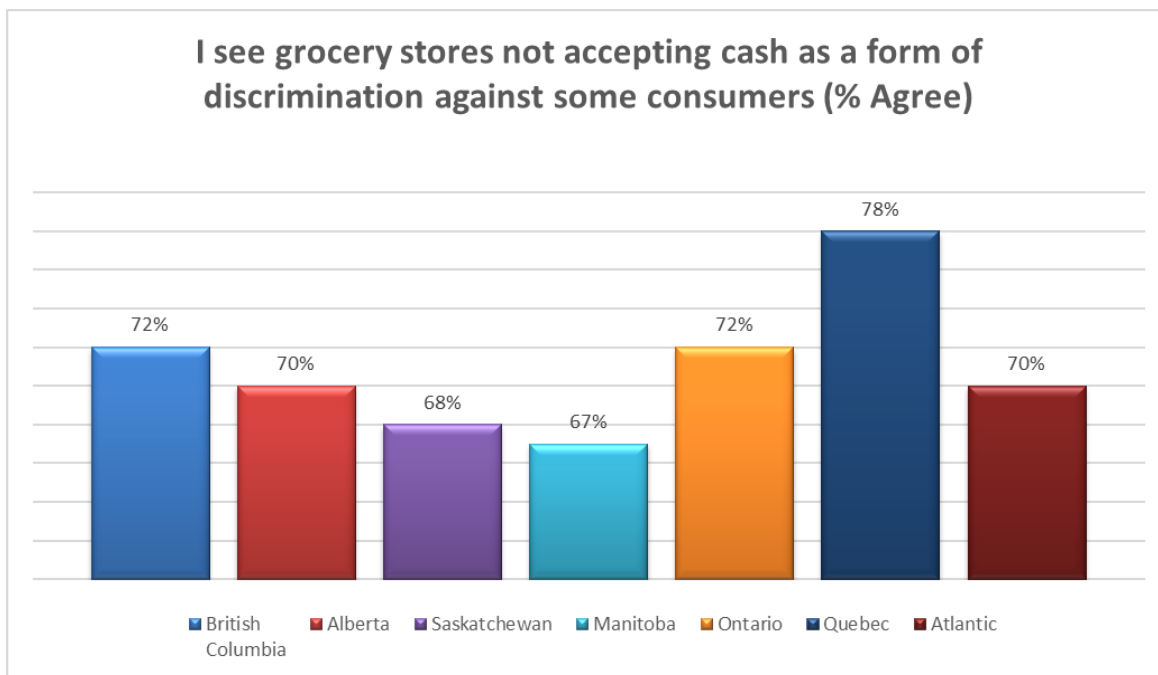




We then explored how Canadians perceive the cashless economy will work in the future at the grocery store. Very few believe that not paying with cash makes it harder to track prices and see how much is spent on food. Only 28% believe cash helps them track the cost of food. From a public health perspective, only 17% of Canadians consider cash to be a threat to their health, spreading germs and viruses. That number was much lower than expected.

On privacy, things are a little different. A total of 53% of Canadians consider a cashless economy to be a threat to their own privacy. Digital transactions often involve the collection and sharing of personal information, such as names, addresses, and credit card numbers. This information can be vulnerable to wrongdoers and cyber criminals. Grocers may also use the data for targeted advertising or other purposes, without the individual's knowledge or consent. Tracking an individual's online browsing habits, location, and other personal data—which can be used to profile and target them for advertising or other purposes—is also a possibility.

As far as Canadians perceiving the economic utility of cash, there is a paradox. While only 27% of Canadians believe using cash is outdated, 74% of Canadians believe that not using cash is convenient. Only 26% of Canadian grocery stores won't accept cash within 5 years. Also, 60% of Canadians believe cash is important, since it is the only way to support some charities collecting donations at the grocery store. Where Canadians feel strongly about a cashless grocery store is when we talk about discrimination. A total of 73% believe a cashless grocery store can be discriminatory, with Quebec having the highest percentage.





Results show that Canadians not only see the economic convenience of not having cash but also perceive the socioeconomic downsides of an economy which excludes cash. Individuals who are unbanked or underbanked, such as those experiencing homelessness or living in poverty, would be unable to purchase goods and services at these stores, as they may not have access to electronic forms of payment.

“For grocers, not having money to handle and manage certainly has its upside, but Canadians clearly see cash as a social enabling tool more so than an economic one.” Said **Dr. Sylvain Charlebois**, Director of the Agri-Food Analytics Lab at Dalhousie University.

According to Mintel<sup>1</sup>, in 2022, an estimated 6% of Canadian households, or 1.5 million households, were unbanked, meaning they had no account at a financial institution. Furthermore, around 15% of Canadian households were considered underbanked, meaning they had an account at a financial institution but still used alternative financial services such as payday loans or cheque cashing services. Factors that contribute to being unbanked or underbanked include low income, lack of education, and immigration status.

“There’s certainly a push for a cashless grocery store, but our study shows Canadians expect more of an inclusionary approach when paying for groceries,” said **Janet Music**, Research Associate at the Agri-Food Analytics Lab.

It could also become a problem for those who live in remote areas, where internet connectivity is not reliable, and where electronic transactions might not be possible. In a nutshell, a cashless economy could limit access to goods and services for certain individuals and communities, and it could also have negative impacts on privacy and security.

#### **End of report.**

Download the preliminary results of the survey in English and French at <https://www.dal.ca/sites/agrifood.html>.

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<sup>1</sup> <https://www.greedyrates.ca/blog/unbanked-canadians-turning-away-traditional-financial-institutions/>  
AGRI-FOOD ANALYTICS LAB/LABORATOIRE DE SCIENCES ANALYTIQUES EN AGROALIMENTAIRE



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**Methodology for survey:** Angus Reid is one of the most credible active panels in the Canadian market. A representative survey of Canadians was conducted in January 2023. A total of 1,503 Canadians participated in this survey. Margin of Error: +/- 3.1%, 19 times out of 20. Any discrepancies in or between totals are due to rounding.

**Disclosure:** Funding for the survey was provided by Angus Reid and Dalhousie University.