

Is the US ready to be a cash free society?



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Supporting Questions

1. How would a cash free society function?
2. To what extent is the United States already cash free?
3. What are the pros and cons of a cash free society?

9-12th Grade Economics Inquiry

Is the US ready to be a cash free society?

Arkansas Social Studies Standards	EM.2.E.1. Identify various allocation methods used in different circumstances, countries, and economies.
Staging the Question	View the commercial depicting the ease of using credit cards versus the difficulty of using cash. Survey friends and family asking, “What do you use more: cash or credit? Why?” and report back on results. Participate in a class discussion about the benefits and drawbacks of cash and credit.

Supporting Question 1	Supporting Question 2	Supporting Question 3
Understand	Understand	Assess
How would a cash free society function?	To what extent is the United States already cash free?	What are the pros and cons of a cash free society?
Formative Performance Task	Formative Performance Task	Formative Performance Task
Complete a graphic organizer compiling information on how a cash free society would work.	Write a paragraph summary describing the areas of the US economy that is already cash free.	Participate in Socratic circle to discuss the various pros and cons of a cash free society.
Featured Sources	Featured Sources	Featured Sources
<p>Source A: NY Times: In Sweden, A Cash-Free Future Nears.</p> <p>Source B: Journal of Education and Practice: Electronic Payment System in Nigeria: Its Economic Benefits and Challenges.</p>	<p>Source A: Federal Reserve: Payment preference by household income (graph)</p> <p>Source B: TSYS 2014 Consumer Payments Study: Preferred Payment Type</p> <p>Source C: TSYS Consumer Payment Study: Payment locations</p> <p>Source D: Euromintor: Credit and debit card graph</p>	<p>Source A: The Economist: It’s Expensive to be Poor.</p> <p>Source B: Washington Post: We’re still wasting money on pennies and nickels</p> <p>Source C: Federal Reserve of San Francisco: Growth in alternatives to cash</p>

Summative Performance Task	ARGUMENT: Is the US ready to be a cash free society? Construct an argument (e.g., detailed outline, poster, or essay) that addresses the compelling question using specific claims and relevant evidence from contemporary sources while acknowledging competing views.
Taking Informed Action	ACT: Write a letter to the United States Department of Treasury explaining why the US is ready to be a cash-free society or why it is not ready to be a cash-free society.

*Featured sources are suggested and links are provided. It may be that these links are broken and we apologize in advance for the inconvenience.

Overview

Inquiry Description

This inquiry leads students through an investigation of economics and the impact of new technologies on our world. By investigating the compelling question “Is the United States ready to be a cash free society?” students evaluate the advantages and disadvantages of abandoning the dollar for the new methods of payments. The formative performance tasks build on knowledge and skills through the course of the inquiry and help students critically examine the different aspects of the issue. Students create an evidence-based argument about whether the United States is ready to be cash free, or not. It is important to note that this inquiry requires prerequisite knowledge of historical events and ideas. Thus, students should have already studied the basic workings of economics.

This inquiry highlights the following additional standards:

EM.2.E.1. Identify various allocation methods used in different circumstances, countries, and economies.

Note: This inquiry is expected to take 4-5 40-minute class periods. The inquiry time frame could expand if teachers think their students need additional instructional experiences (i.e., supporting questions, formative performance tasks, and featured sources). Teachers are encouraged to adapt the inquiries in order to meet the needs and interests of their particular students. Resources can also be modified as necessary to meet individualized education programs (IEPs) or Section 504 Plans for students with disabilities.

Structure of the Inquiry

In addressing the compelling question “Is the United States ready to be a cash free society?” students work through a series of supporting questions, formative performance tasks, and featured sources in order to construct an argument supported by evidence while acknowledging competing perspectives.

Staging the Compelling Question

In staging the compelling question, “Is the United States ready to be a cash free society?” teachers may prompt students with preknowledge by asking the students to view a commercial depicting the ease of using credit cards vs. the difficulty of using cash. Students could then participate in a class discussion about cash vs. credit. They could also survey friends and family asking, “What do you use more: cash or credit? Why?” and report back on results.

Supporting Question 1

The first supporting question—“How would a cash free society function?”—has students examine two different articles describing the shift away from cash in Sweden and Nigeria. The formative performance task asks students to complete a graphic organizer compiling information about a cash free society. The featured sources for this question provides the students with insight into the changes that Sweden and Nigeria are making regarding

their cash policies. Featured Source A is an excerpt from the December, 2015 New York Times article, *In Sweden, A Cash-Free Future Nears*. This article depicts the movement the Swedish government is making towards reducing cash payments, and identifies concerns of some citizens about the change. Featured Source B is an excerpt from the Journal of Education and Practice. It examines the attempts of Nigeria to establish more payment options for their citizens. It also suggests there is a historical precedent for having coined money, and postulates that changes will be slow for some.

Links to Featured Sources:

Source A: NY Times: [In Sweeden, A Cash-Free Future Nears](#).

Source B: Journal of Education and Practice: [Electronic Payment System in Nigeria: Its Economic Benefits and Challenges](#).

Supporting Question 2

For the second supporting question—“To what extent is the United States already cash free?”—students write a paragraph summary describing areas that are currently cash free within the United State’s economy. In addition to the resources from the previous supporting question, the featured sources provide students with additional materials that allow them to examine the ways cash and electronic payments are used nationally. Featured Source A is table created by the Federal Reserve. It indicates how different income levels prefer to pay either by cash, check, credit, debit or electronic payments. Featured Source B is a pie chart created by the Consumer Payments Study featuring the breakdown of payments as reported by consumers. Featured Source C is a bar graph produced by the Consumer Payments Study that compares various payment methods at different locations. Feature Source D is a line graph showing the total amount spent by consumers world wide while contrasting the payment method.

Links to Featured Sources:

Source A: Federal Reserve: [Payment preference by household income](#) (graph)

Source B: TSYS 2014 Consumer Payments Study: [Preferred Payment Type](#)

Source C: TSYS Consumer Payment Study: [Payment locations](#)

Source D: Euromintor: [Credit and debit card graph](#)

Supporting Question 3

The third supporting question—“What are the pros and cons of a cash free society?”—asks students to participate in Socratic circle to discuss the various pros and cons of a cash free society. In addition to the previous featured sources, the sources for this task provide students with additional information about the costs and benefits of using cash or other payment methods. Featured Source A is an excerpt from the September, 2015 issue of The Economist. In the article, It’s Expensive to be Poor, the author delineates hidden costs associated with a cash based society. Featured Source B is a bar graph featuring the costs associated with printing coins and paper money in the United States. Featured Source C is a graph from the San Francisco Federal Reserve indicating the growth of some payment methods and the decline of checks use.

Featured Sources:

Source A: The Economist: [It's Expensive to be Poor](#).

Source B: Washington Post: [We're still wasting money on pennies and nickels](#)

Source C: Federal Reserve of San Francisco: [Growth in alternatives to cash](#)

Summative Performance Task

At this point in the inquiry, students have examined various graphs, tables, and articles centered around the topic of cash and electronic payments.

Students should be expected to demonstrate the breadth of their understandings and their abilities to use evidence from multiple sources to support their claims. In this task, students construct an evidence-based argument using multiple sources to answer the compelling question “Is the United States ready to be a cash free society?” It is important to note that students’ arguments could take a variety of forms, including a detailed outline, poster, or essay.

Students’ arguments will likely vary, but could include any of the following:

- *Yes, the United States is ready to be a cash free society because evidence shows that more and more consumers are choosing to pay electronically. There is also evidence that the cost of printing currency could be eliminated if the country moved away from traditional modes of currency. Cash free societies could also benefit the poor, who often struggle with the cost of banking and fees associated with ATM's. All of these are reasons why the United States is ready to be a cash free society.*
- *No, the United States is not ready to be a cash free society because the change from a currency based society to an electronic one is multifaceted. For some, the concept of hard currency is safe and allows for anonymity. Other suggest that the reliance on technology in order to complete a transaction could increase problems. Lastly, the research shows that cash use is still one of the primary ways people purchase items, and the country is not ready to eliminate it yet.*

Students have the opportunity to Take Informed Action by drawing on their understandings of economic equity and access .To *understand*, students can continue to research further into the topic. To *assess* the issue, students can poll members of their local community to determine use and access of the different payment methods. To *act*, students should write a letter to the United States Department of Treasury explaining why the United States is ready to be a cash-free society or why it is not ready to be a cash-free society.