**DEBIT CARDS**

* A debit card is a payment card that deducts money directly from your checking account. Also called “check cards” or "bank cards," debit cards can be used to buy goods or services or to get cash from an ATM. Debit card can help you reduce the need to carry cash, although using these cards can sometimes entail fees.
* The amount of money you can spend on a debit card is determined by the amount of funds in your account, not by a credit limit such as credit cards carry.
* Debit cards usually have daily purchase limits, meaning you can't spend more than a certain amount in one 24-hour period.
* There are four main types of debit cards. The key difference between the types is generally the entity issuing the card.
* Regular debit cards, ATM cards, Prepaid debit cards, Electronic Benefits Transfer (EBT) Cards.
* The debit card market size has grown marginally in recent years. It will grow from $94.64 billion in 2023 to $95.78 billion in 2024 at a compound annual growth rate (CAGR) of 1.2%.
* Reason for increase in debit Card value: According to the United Nations Conference on Trade and Development (UNCTD) in April 2022, online retail sales reached $2.9 trillion in 2021, with China and the United States accounting for the majority. Thus, the rise in e-commerce activities continues to drive the debit card market.
* Major companies operating in the debit card market report are JPMorgan Chase & Co., Bank of America Corporation.
* The primary types of debit cards include classic, signature, platinum, and gold.
* Ninety-seven percent of consumers had some type of payment card (debit, credit or prepaid), with 85% owning a debit card.
* [Additionally, according to a **2024 poll, 57%** of Americans prefer debit cards as their primary payment method](https://www.forbes.com/advisor/banking/banking-trends-and-statistics/).
* 60% of payments in 2022 were made with payment cards, such as debit, credit, and prepaid cards.
* As cryptocurrency gains in popularity, it’s starting to impact debit card use. According to the PYMNTS Next-Gen Debit Tracker report, 16% of U.S. consumers own or have owned cryptocurrency and 51% are more likely to shop with a merchant that accepts it.
* The shift to mobile payments was behind the trend toward debit spending and not a preference for debit. That’s because debit cards were nearly twice as likely to be linked to Google Pay or Apple Pay than credit cards.
* A study from Cornerstone Advisors that shows 57% of the approximately 22 million Gen Zers between 21 and 25 years old have at least one credit card, with 25% holding two or more.

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| **Payment Method** | **Count** |
| Cash | 14 |
| Credit | 18 |
| Debit | 23 |

**PREPAID CARDS**

* Prepaid credit cards are relatively a new concept in India. Prepaid credit cards are similar to credit cards; only money is deposited before use and one can only make spends equivalent to the amount of money deposited in advance.  This makes prepaid cards apt for all the users who do not find it plausible to maintain a good credit score and thereby diminishing their prospects of owning a credit card.
* The primary difference between a regular debit card and a prepaid debit card is that the former is linked to a bank account while the latter isn’t.
* Best Prepaid Debit Cards are Bluebird by American Express, Serve American Express Prepaid Debit Account, ONE VIP Visa Prepaid Card and many more.
* The Global Prepaid Card Market is valued at USD 32.87 billion in 2023 and is projected to reach a market size of USD 61.46 billion by the end of 2030 with a CAGR of 8.9%.
* Millennials prefer prepaid cards because of benefits like ATM withdrawals and online shopping without linking to checking accounts.
* According to Payments Journal, websites that enable the buying or selling of gift cards saw the highest level of traffic at 16% in 2020due to lockdown and social distancing. There's still one problem: 46% of consumers aren't aware of these websites.
* According to World Bank, nearly 1.7 billion adults across the world still do not have a bank account. Prepaid Cards can provide financial services to these people, such as ability to send and receive money, make payments and withdraw cash.
* **Close to 50% of prepaid card users are classified as underbanked individuals.**
* As of August 2023, the United States Census Bureau reported a 7.5% increase in e-commerce estimates for the second quarter of 2023 compared to the second quarter of 2022. This growth in online sales, accounting for 15.4% of total sales, indicates a rising preference for prepaid cards in the online shopping landscape.
* **In 2020, the U.S. had the largest market share in the prepaid card industry, accounting for over 40% of the global market.**
* **"Approximately 34% of prepaid card users in the U.S. use their cards for everyday purchases."**

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| **Region** | **Market Share (%)** |
| North America | 43% |
| Europe | 20% |
| Asia-Pacific | 25% |
| South America | 10% |
| Middle East and Africa | 2% |