

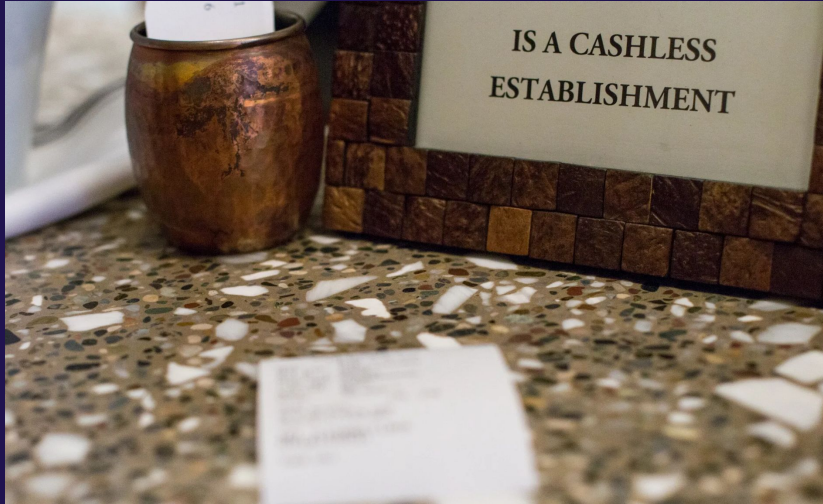


The Problem with Cashless Restaurants

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Cashless Stores: A Timeline



- In 2018, cash stopped being the #1 payment of choice
- Cashless stores banned in NYC in Jan 2020
- Pandemic created surge in cashless payments

PROS: Hygiene during COVID-19

- Direct handling of cash increases risk of cross contamination
- Many restaurants adopted contactless payment options
 - NFC/credit card “tap”



PROS: Safety

- Less likely for theft
- Less likely for storefront and delivery drivers to get robbed
- Less likely for employees to steal



PROS: Less Fraud

- Don't have to worry about fake bills
- Better trace of money inflow – less likely to evade taxes

Owners of 6 popular Central NY bars, restaurants admit hiding over \$4 million in sales

Updated: May. 05, 2021, 8:36 a.m. | Published: May. 03, 2021, 11:49 a.m.



PROS: Automation of Labor

- Automates job of manually counting cash at the end of the day & the need to deposit money
- Abolishes need to have someone pick up deposit bags



CONS: Excludes Underbanked

Estimated Unbanked Households by Borough

Borough	# of Households	% of Households
The Bronx	91,200	17.7%
Brooklyn	93,100	9.5%
Manhattan	60,000	7.8%
Queens	49,600	6.3%
Staten Island	7,700	4.7%
NYC	301,700	9.4%

- 9.4% of NYC households unbanked
- Predominantly Black and/or Latinx
 - Reinforces systemic racism
- Historically, banks avoided minority communities

Common POS Vulnerabilities

POS System



Credit Card Terminal



Internet Exposure



POS Endpoints



CONS: Data Privacy Issues

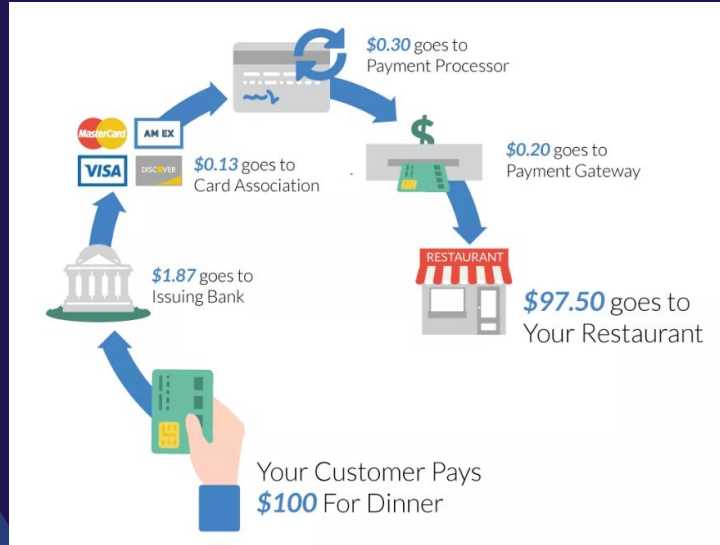
- Personal info at risk if hacked
- Consumers leave a digital trail of where they ate & how much they spent
- Risk of identity theft

CONS: Tech-dependent

- If power goes out or other tech issues arise, no way to collect payment



CONS: Risk of Debt



- Credit card fees for restaurants
 - AmEx: 13.3%
 - Discover: 2.53%
 - Mastercard: 2.64%
 - Visa: 2.54%
- Higher consumer spending linked to using credit cards

Related Issues

- MTA transitioning to OMNY tap-to-pay system
- All cashless tolling in certain crossings



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Thanks for listening!