



## Financial Services Policy Committee

### Federal Reserve System

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#### Fact Sheet

#### Background

The *2007 Federal Reserve Payments Study* includes three research efforts to estimate the annual number, dollar value, and composition of noncash payments in the United States. For this study, noncash payments included check, automated clearinghouse (ACH), credit card, debit card (both signature and PIN) and electronic benefits transfer (EBT) transactions. The study also estimated the number and value of ATM withdrawals.

The *Depository Institutions Payments Study* estimated the number and value of checks and other types of payments from deposit accounts based on responses from approximately 1,400 financial institutions in the United States. The *Electronic Payments Study* estimated the number and value of electronic payments based on responses from 65 of the largest payment networks and card issuers in the United States.

The *Check Sample Study* reported on the composition of the paper check market based on responses from nine large financial institutions and a sample of approximately 35,000 items.

Assisting the Federal Reserve with the 2007 Payments Study were Global Concepts, a subsidiary of McKinsey & Company, and its subcontractor ICR (International Communications Research), and Dove Consulting, a division of Hitachi Consulting.

#### Check Sample Study Findings (all are annual estimates based on survey data)

##### Distribution of Checks by Payer

Consumer	58.0%
Business	38.8%
Government	2.9%
Business/Government	0.1%
Unknown	0.1%

##### Distribution of Checks by Payee

Business	72.1%
Consumer	23.4%
Government	4.3%
Business/Government	0.1%
Unknown	0.1%

##### Distribution of Checks by Counterparty

Consumer to business	48.7%
Business to business	22.1%
Business to consumer	15.1%
Consumer to consumer	6.6%
Consumer to government	2.6%
Government to consumer	1.7%
Business to business/government	1.6%
All other	1.4%



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#### Distribution of Checks by Purpose

Remittance	48.8%
Income	16.8%
Point of Sale	16.6%
Remittance/Point of Sale	11.1%
Casual	6.6%
Unknown	0.1%

#### Average Value per Check by Purpose

Remittance/Point of Sale	\$1,691
Remittance	\$1,010
Income	\$ 988
Point of Sale	\$ 469
Casual	\$ 446
Unknown	\$ 318

#### Distribution of Checks by Dollar Amount

\$0.01 - \$50	35%
\$50.01 - \$100	17%
\$100.01 - \$500	30%
\$500.01 - \$1,000	8%
\$1,000.01 - \$2,500	6%
\$2,500.01 - \$5,000	2%
\$5,000.01 +	3%