

Electronic Payments

There were 84.5 billion electronic payments with a total value of \$40.7 trillion in 2009, according to the Federal Reserve's latest study of noncash payments. Electronic payments (those made with credit cards, debit cards and through the Automated Clearing House system) accounted for 78 percent of all noncash payments (based on the number of payments), with checks accounting for the remaining 22 percent in 2009. By contrast, in 2003 electronic payments accounted for 55 percent of noncash payments and checks accounted for 45 percent. The Fed attributes the growth in the number of electronic payments to technological and financial innovations that increased payment options for consumers and businesses. Debit cards accounted for the highest number of noncash payments in 2009 (35 percent) followed by credit cards (20 percent) and Automated Clearing House (ACH) payments (18 percent). ACH payments (i.e., those made through the Automated Clearing House, see below) accounted for the largest share of noncash payments based on dollar value (51.4 percent) in 2009, followed by checks (44 percent) and cards (5 percent). See page __ for further information on noncash payments.

ELECTRONIC PAYMENTS, 2006 AND 2009 (1)

			Percent change	
	2006	2009	2006-2009	Compound annual growth rate
Volume (billions)	64.7	84.5	19.8%	9.3%
Value (\$ trillions)	\$34.1	\$40.6	6.5	6.0
Average payment (\$)	528.0	481.0	-8.9	NA

(1) Includes ACH, credit card, debit card and ATM transactions.

NA=Data not available.

Source: Board of Governors of the Federal Reserve System.

AUTOMATED CLEARING HOUSE NETWORK

The number of total payments processed through the Automated Clearing House (ACH), a national electronic payments network, reached 20.2 billion payments in 2011, up 4.4 percent from 2010 and 18 percent from 2007, according to NACHA-The Electronic Payments Association. Such payments include mostly direct deposit of payroll, Social Security benefits and tax refunds as well as direct payment of consumer bills, business-to-business payments and e-commerce payments. The majority (80 percent) of these payments were processed through the ACH network, a vast electronic funds transfer system whose transactions are processed by two ACH operators, the Federal Reserve and the Electronic Payments Network.

- \$33.91 trillion moved over the ACH network in 2011, up from \$31.74 trillion in 2010.
- Bank of America was the top receiver of ACH payments (\$1.6 billion) in 2011, followed by Wells Fargo (\$1.5 billion) and JPMorgan Chase (\$1.0 billion).

AUTOMATED CLEARING HOUSE ELECTRONIC PAYMENTS, 2002-2011

Year	Volume (billions)	Percent change
2002	8.9	11.9%
2003	10.0	12.0
2004	12.0	19.9
2005	14.0	16.2
2006	15.1	8.2
2007	17.1	13.2
2008	18.3	6.9
2009	18.8	2.6
2010	19.4	3.4
2011	20.2	4.4

Source: NACHA - The Electronic Payments Association.

[View Archived Tables](#) [1]

- Consumer Internet ACH transactions were up 3.6 percent to 2.7 billion payments in 2011.

© Copyright 2014, Insurance Information Institute, Inc. - ALL RIGHTS RESERVED

Source URL: <http://www.iii.org/publications/online-financial-services-fact-book-2013/technology/electronic-payments>

Links:

[1] <http://www.iii.org/table-archive/21161>