

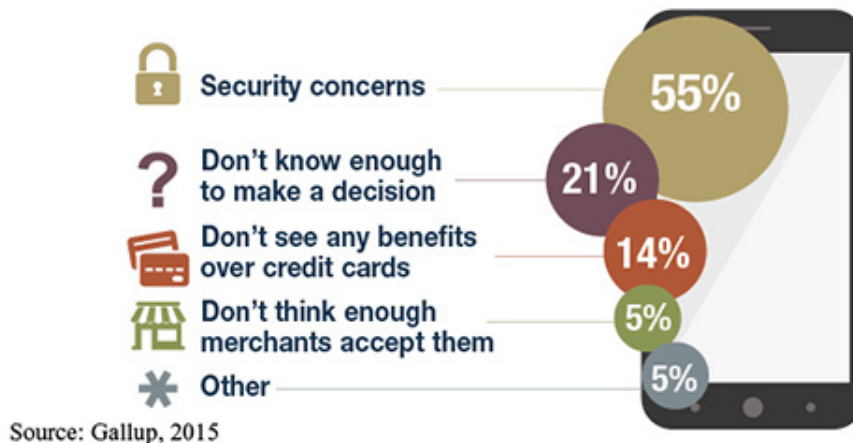
Have You Used Mobile Payments?

In 2015, 52% of U.S. consumers said they were “extremely aware” of the option to use mobile payments, an increase of 9% over 2014.¹ Yet only 13% of adults with smartphones had a digital wallet on their phones, and most of them had seldom or never used it.²

Not surprisingly, mobile-payment technology is being adopted most enthusiastically by younger people.³ But it is likely to continue growing and offers features that could be helpful for consumers of any age.

DIGITAL CONCERNS

Percentage of consumers who cited the following as the major reason they were unlikely to use a digital wallet in the next 12 months.



Understanding the Terms

Mobile-payment technology generally refers to applications that allow you to make or receive payments with your smartphone. However, some apps are available for a desktop computer, laptop, or tablet.

The term *digital wallet* usually refers to the capability of these applications to store personal information, such as credit-card, debit-card, and/or bank account numbers that can be used for making digital payments. More specifically, it may refer to apps that utilize a technology called near field communications (NFC), which allows payments and other information to pass between your phone and a merchant terminal — similar to sliding a credit card without the card or the sliding.

Security and Features

Most digital payment applications follow the same multi-layer security standards as the credit-card industry. Passwords and fingerprint access on mobile phones add another layer of protection compared with credit cards, which can often be used by thieves with little to deter them.

Mobile-payment apps are tied to a bank account, a debit card, a credit card, or a balance within the app. Depending on the application, you may be able to make electronic purchases at a store or online, make or receive payments to or from an individual (great for sending money to a college student), or split a dinner check with your friends.

Fees vary depending on the app, the transaction, and whether funds are moving in or out of your bank account, a debit card, or a credit card. Before using a mobile-payment app, be sure you fully understand how the app works, the security protections it offers, and all fees that may be involved.

1, 3) PYMNTS.com, November 2, 2015

2) Gallup, July 8, 2015

The information in this article is not intended as tax or legal advice, and it may not be relied on for the purpose of avoiding any federal tax penalties. You are encouraged to seek tax or legal advice from an independent professional advisor. The content is derived from sources believed to be accurate. Neither the information presented nor any opinion expressed constitutes a solicitation for the purchase or sale of any security. This material was written and prepared by Emerald. Copyright 2016 Emerald Connect, LLC.
