



HOW DO YOU WANT TO PAY FOR THAT? THE PROS & CONS OF PAYING BY CASH, CHECK, DEBIT & CREDIT CARDS

Today, consumers have a choice of several payment options when purchasing goods and services. These options all have pros and cons depending on how the transaction is made (in person from retailers, by mail, telephone or over the internet) and the money management skills of the purchaser.

CASH & CHECKS

While it may seem a bit old fashioned to some, paying by cash is still preferable in some situations. Paying by check usually involves providing at least one form of picture identification and some merchants have stopped accepting checks altogether due to security concerns.

Pros of Paying By Cash or Check

- Cash is a quick and convenient way to pay for relatively small, in-store purchases;
- No borrowing is involved so users can't run up debt;
- It's easy to keep track of your funds.

Cons of Paying by Cash or Check

- If cash is lost or stolen, it's usually gone forever. Refrain from carrying large amounts of cash on your person. Never send cash through the mail.
- Paying by check is more secure than paying by cash, but lost/stolen checks must be reported to your bank immediately to stop the payment of funds. Banks also charge a fee to stop payment.
- Cash and check transactions can't be verified without a receipt so you need to save receipts for any purchase where you may want/need to return the goods purchased.

DEBIT CARDS

Debit cards allow users to access their bank checking accounts to make purchases. When users make a purchase, the funds are deducted directly from their account.

Pros Debit Card Use

- Debit cards provide an easy and convenient way to make purchases;
- Many merchants who do not accept payment by check, will accept payment by debit card;
- Federal law limits a debit card user's liability to \$50 if the card is lost or stolen so long as the loss is reported to the bank within 2 days. Waiting longer to report the missing or stolen card can result in a greater loss of funds.
- No borrowing is involved so users can't run up debt.