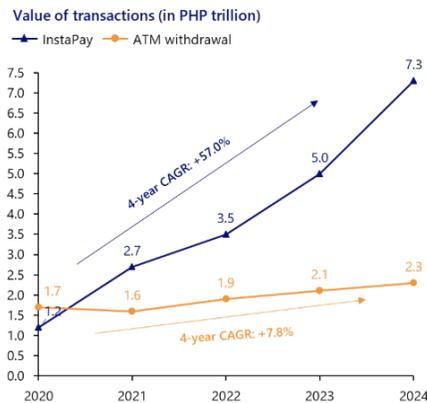
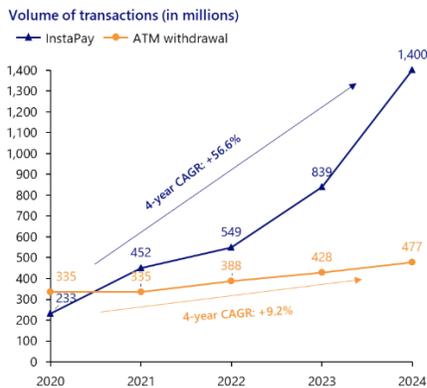


Are Filipinos Truly Going Cashless?

Along with traditional business disruptions and rise of eCommerce demand, the pandemic also affected the use of traditional cash as opportunities and incentives to withdraw cash were reduced due to lockdowns. This led to a noticeable slowdown in the growth of cash withdrawals, and in some periods, even a temporary decline in the value per transaction.

The pandemic, however, did not completely eradicate cash withdrawals in the Philippines. Instead, it stabilized and resumed growth at a slower pace once mobility restrictions eased despite the growth of digital payments. This suggests that rather than being fully displaced, cash continues to pay a complementary role in everyday transactions, particularly for small-value purchases and informal service where digital acceptance remains inconsistent.

InstaPay vs ATM Withdrawals (in volume of transactions and in Peso value)



Note: As of October 2025, cumulative volume of Instapay transactions reached 3.4 billion - already more than twice of the full-year volume in 2024.

Building on this, this article examines the behavioral factors why cash has remained resilient despite the rise of digital alternatives in the Philippines, and highlights what businesses and policymakers should consider when navigating an increasingly digital payment landscape.

Are Filipinos truly going cashless?

There is no straight yes or no answer to this question. From a merchant or business perspective, the rapid increase in demand to provide digital payment options may suggest a shift toward a cashless future. However, from a practical and systemic standpoint, a completely cashless society remains a distant reality for the Philippines.

To better understand, we hypothesize that there are four (4) main cash-reliant personas in the Philippines: the traditional, the excluded, the cash-reliant by choice, and the constrained. While these groups may appear similar in their continued use of cash, the underlying reasons differ significantly.

For the excluded and the constrained, reliance on cash is not primarily a matter of preference. In many cases, they would adopt a more cashless behaviors if viable options were available. However, they remain “excluded” due to structural limitations in both infrastructure (e.g., unreliable internet connection, limited smartphone access, frequent system disruptions) and in access to financial services, such as being unbanked or underbanked. These constraints shape daily transaction behavior, reinforcing dependence on cash even as digital alternatives expand.

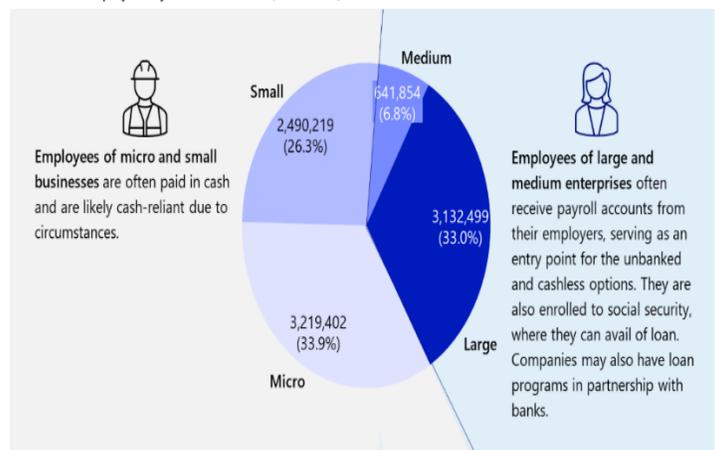
Demographic influences on cash reliance

Aside from the physical constraints, age and socioeconomic status may also influence preference over cash and being cashless. The Millennials and Gen Zs, for example, who are digital natives and/or early adopters of digital, are likely more trusting of digital payment

options; thus, may be more likely to be cashless. In contrast, older consumers may prefer to keep their finances in cash for budgeting and monitoring purposes, becoming cash-reliant by choice. Higher-income individuals may also likely turn to cashless options to maximize higher credit limits and high-yield savings, while the middle income earners may adopt a more hybrid persona.

Employment type may also influence payment behavior. Since a significant share of Filipinos are employed by MSMEs, which are more likely to pay wages in cash, many workers become cash-reliant by constraint rather than by choice. In this context, it is more practical to use cash directly for daily expenses than to incur the time, cost, and effort of depositing wages into a bank or digital wallet before spending.

Number of Employees by Size of Business (as of 2023)



Final words

The rise of digital payments in the Philippines has undoubtedly transformed how many consumers transact. Yet, cash remains deeply embedded in everyday life because of a behavioral response to lived economic conditions. Structural limitations, financial exclusion, employment realities, and behavioral preferences all contribute to this enduring reliance.

Understanding the reasons behind cash reliance is crucial for any policymakers, businesses, and financial institutions seeking to design inclusive, effective, and user-centered payment solutions. A more productive perspective is to shift the focus from simply measuring digital adoption to designing solutions that meet the diverse consumer needs. Rather than forcing adoption of digital to everyone, businesses and policymakers should acknowledge the differences in cash behaviors and preference. The focus should be on creating a payment ecosystem where both cash and cashless channels coexist and on empowering users from all walks of life to transact in ways that best suit their needs.

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A Certified Public Accountant (Top 13), Ayra graduated with a degree in Accountancy as Cum Laude from De La Salle University.

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