THE CONVERSATION

Published: July 24, 2026

Germany is getting rid of paper checks at the end of 2027. Australia is bidding them farewell by 2030. U.S. President Donald Trump followed up his order killing off the penny with an executive order stopping check writing by the federal government.

Should the U.S. follow these other countries and broadly eliminate the ability to write checks?

Years ago, experts predicted that checks would have disappeared by now. However, they are still around, and billions are written each year in the United States.

Why? The quick answer is that businesses love them. And plenty of Americans still use checks for good reasons. But there is more to the story.

I am a business school professor and one of the few academics who advocates for the use of cash. While I have long told everyone about the benefits of paper money, I didn't give paper checks much thought or use them until my mother's recent death. Then I found myself writing checks to the cemetery, funeral home, gravestone engraver and a host of other places. Plus, I started getting refund checks back from her landlord and insurance companies.

These experiences made me look more deeply into this form of payment to understand what was happening.

Fewer checks for bigger bucks

Every three years the U.S. government runs the Federal Reserve Payments Study by asking banks and credit unions for internal information. This survey tracks everything from how often credit cards are used to the number of checks written.

While check usage has sharply declined in the U.S., a significant number – about 9.2 billion in 2024 – are still written, the data shows. The face value of those checks is probably bigger than you'd expect: more than US$24 trillion, not adjusted for inflation. That is almost as large as U.S. gross domestic product of $29 trillion that year.

Not everyone can imagine numbers in billions or trillions, so let's put those figures in more manageable terms.

A little over 150 checks were written per person in 2000. By 2024, the average had plummeted to 27 checks – slightly more than two per month. However, over that time, the amounts typically scribbled or printed on the face of those checks rose.

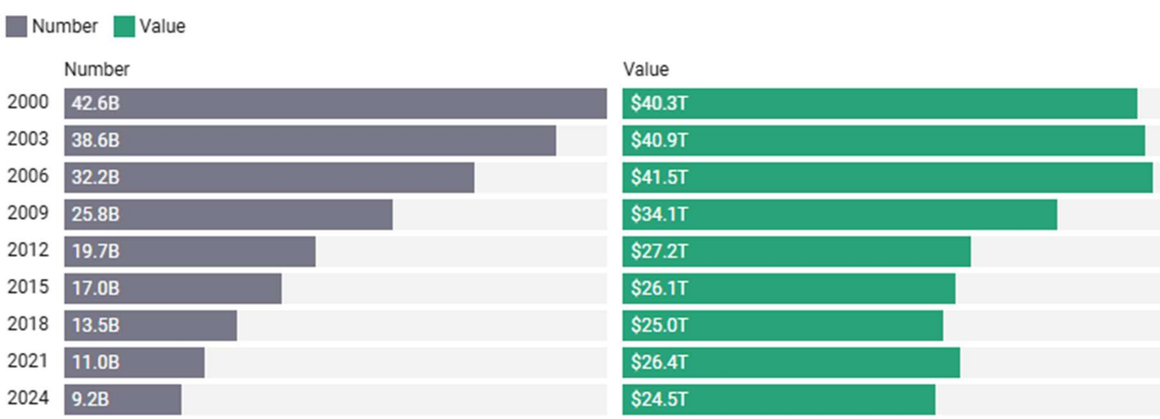
In 2000, the typical check was worth less than $1,000. By 2024, the average amount had more than doubled to $2,600.

Trends elsewhere are similar. The Bank for International Settlements, which serves as a bank for central banks like the Federal Reserve, has tracked check usage in 25 countries since 2012. Its data shows that in only two other countries is payment by check still commonplace.

And in both of those countries, check usage has fallen more sharply than in the United States.

Number of checks falling faster than their total value in US

Americans wrote only 9.2 billion checks in 2024, fewer than one-fourth of the 42.6 billion issued in 2000. But the average value of checks rose, so the total value declined by less than half from $40.3 trillion to $24.5 trillion in the same 24-year period.



The value amounts are not adjusted for inflation, and the data is collected and released once every three years.

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Who uses checks today?

While check payments have declined, there are still two big groups of check writers in the United States.

The Federal Reserve Bank of Atlanta runs the Survey and Diary of Consumer Payment Choice. This survey asks people, rather than banks, for information on their payment habits. Roughly one-third of all respondents stated they used a paper check in the past 30 days.

Not surprisingly, the answers vary by age. About 60% of people 65 and over say they wrote a check. Among those 18 to 24, under 6% said they did.

It also turns out that a lot of people who think they never write checks actually unknowingly do it all the time. If you pay your bills online, your bank tries to pay them electronically. If it cannot electronically make the payment, the bank cuts a paper check on your behalf. Any online bill payment taking more than a couple of business days to post is being sent by check.

Another important factor is that small businesses love checks. Over 80% of businesses with sales between $1 and $10 million make payments using checks. Why? Small businesses often require two signatures on a check. The need for signatures means owners have to sign their name before any money goes out the door. This gives them control over money and a clear idea who is getting paid and how much.

Small businesses also like receiving checks. I wrote a lot of checks after my mother's death because many of those small businesses I dealt with wanted an extra 3% and sometimes more to cover the cost to them of a credit card payment. Writing paper checks saved me and the businesses a lot of money.

The future

While many Americans still write checks, their declining usage clearly underscores that they are not ideal for making payments in all situations.

One of the biggest problems with checks is that you never know if the check writer has sufficient funds to cover the amount. When an account doesn't have enough money, the check bounces. The Federal Reserve, which clears about one-third of all U.S. checks, returned about 22 million checks, with a total face value of around $80 billion. While these numbers are large, over 99% of all checks written don't bounce.

Another problem with checks is forgery. Thieves steal checks from mailboxes, alter information and then cash them. The most recent figures show about 500,000 annual cases of check fraud in the U.S. Again, while a half-million is large, it is a tiny fraction of the 9.2 billion checks written annually.

Because of these problems, the Federal Reserve is contemplating leaving the check processing business. In early 2026, it accepted public comments on whether it should wind down, improve or leave alone its check processing unit.

The unit, which costs about $100 million a year to run, turned a $6.6 million profit in 2024. But its machines need replacing, and the Federal Reserve is wavering on spending the money.

The U.S. government stopped minting its half-cent coin in 1857 due to its lack of usefulness. Mark Kostich/iStock via Getty Images Plus

Should checks be killed off like the penny, which the federal government stopped minting in 2025, and the haypenny, which was worth half a cent and hasn't been produced since 1857?

For me, the answer is a clear no. While checks are clearly less important today than in the past, the numbers show that the American people and businesses still use and need checks.