



**SO, BOB**

*A show about the unintended consequences of technology*

**Season 2 Episode 04 - Cashless Society - V3**

**INTRO**

ALIA: So Bob, I was recently eating at one of my favorite Dallas restaurants and at the bottom of the menu, I noticed something that I thought was kind of odd. It said, we are a cashless restaurant. And I was like, hmm, okay. It makes sense. Like I don't really know a lot of people who carry cash. But then I started thinking about it and I realized what that might mean. Like why would a restaurant go cashless? So I did some digging and sure enough, I found a quote from a local restaurant owner of another restaurant I frequent, also apparently cashless. This is a thing. And when asked why they only accept credit cards, he had this to say, not having large amounts of cash in the restaurant reduces the chance for burglary and alleviates the need for team members to be touching cash. It also allows us to take orders faster and better serve our guests end quote. Okay, so I guess that makes sense, but here's what I'm wondering.

What are the implications of going cashless? Specifically, I'm wondering how does a cashless society isolate people and is cashless, our inevitable future?

BOB: It's a really deep and thick question and it's also a question that generates an awful lot of emotions. The first time I wrote about a bar in Seattle that was going cashless, card only the string of comments that I got angry comments from people I would never shop there. How dare they? It says legal tender for all debts, right on the dollar bill. And people feel very passionate about this subject. You know, on the other hand, lots of young people don't ever carry cash around anymore. ATMs, they're disappearing cash is disappearing so fast. So they're really, um, they're really high emotions on all sides of this. The emotions are so high that individual cities in America, I've actually started to pass laws preventing companies from not taking cash. So this is going to be a big topic for quite a while.

ALIA: I feel like this is an issue that doesn't have an obvious answer yet. Like when asking this question it seemed kind of simple, but you've just brought it to a whole nother level that I hadn't thought about before. Should I be angry about the idea of going cashless??

**[THEME]**

ALIA: I'm Alia Tavakolian.

BOB: And I'm Bob Sullivan.



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ALIA: And this is So Bob the show that tackles questions about the unintended consequences of technology that sometimes creepy, usually confusing digital stuff that makes you stop and go, wait, is technology making things more difficult or unfair? Is it making our world more chaotic? Am I crazy for wondering about this? We're here to tell you you're not crazy for wondering about this stuff. I've got a ton of questions

BOB: And together we're going to find some answers.

ALIA: Let's do this.

**[AD BREAK]**

ALIA: Okay. So Bob cash, most people I know don't carry it. And in fact I've seen a lot of businesses brag about how they are going cashless. I'm wondering, are we going to be completely cashless by 2025? Like, is that the direction we're headed?

BOB: Um, there's a lot of reasons that people would need to buy things with cash. Um, there are a lot more Americans than people realize who don't have access to credit or plastic. Fully 7% of American adults, well, fully 7% of American households don't have a single person in there who has access to traditional banking. So that's right off the top six, seven and eight right off the top. 7% of American households have to buy things with cash. So if you are a cash free bar or a cash free coffee shop, those people are not welcome in your store. But there's a bigger number, almost 20% who don't have access to what you went on. I would probably consider a traditional credit card like products. Um, I am of really mixed feelings about this because on the one hand, I think it's terrible to say to a certain kind of people, you can't shop at my store. I just think that's terrible. On the other hand, I also think it's terrible to tell a business owner that you have to operate this way, even if it puts your employees and your store at risk.

ALIA: Yeah, I don't really know what the answer is. You know, I hadn't until I started digging into this issue for this episode, I didn't really account for the risk that comes with cash. Like you can be robbed more easily with cash, but of course if you don't have cash, like people are less likely to come and try to rob your store or rob you when you take the cash to the bank. But then on the other side of that, you know, we're isolating people when you're cashless, like you're creating an environment that is only open to privileged people, people who can have plastic. And so, yeah, I don't know what the answer is and I don't know what the future is cause I, I also



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understand why the future might be cashless, but how do we make it so that everyone can function in that society that we're sort of inevitably heading towards.

BOB: There's other considerations too. Busy owners in busy places like New York City will tell you, they can just process a lot more transactions if it's, if cash isn't involved. Making change itself takes a few extra moments. And if you add those moments up during the course of a busy Manhattan Day, it's a lot.

Cash is used for a lot of crime. And so there are all sorts of different interests and competing interests in this situation. But the trend is inevitable. The trend is that, um, between say 2000 and a couple of years ago, the number of people who regularly lose the number of people who regularly use cash every day dropped from like 67% to 60% in the US and if you look at young people, it's plummeted much farther, which is why things like ATMs, are disappearing because no one has to go get cash anymore. And, uh, meanwhile, all these other technologies, it's not just plastic, right? It's credit cards and debit cards. It's also Apple pay, Android pay and, and uh, and Starbucks app. It's in the Starbucks app. It's one of the largest cash alternatives in the world right now.

BOB: I think it might take 50 or a hundred years to fully eliminate cash. I like to say instead of having a cashless society, we're just going to have a less cash society for quite awhile.

ALIA: And that makes sense to me. It does seem like it'd be pretty radical for us to just take a hard pivot into being completely cashless because it would isolate so many people.

[M18] BOB: There is one other aspect of this I'd like to bring up and I can't help it because it's part of the point of this podcast is privacy. A lot of people don't want to use credit cards or any kind of electronic means because they don't want people, Google, the government to know what they're buying. Cash is one of the last ways to ensure that what you do in life isn't watched by big brother or big corporations. So getting rid of cash would effectively be eliminating a really important privacy tool that people have in cling too for lots of good reasons.

ALIA: It's a really good point. You know I faced this last Christmas when my husband and I don't typically like exchange gifts, but we thought Oh let's do that this year. That sounds really fun and we realize that there's no way for us to really keep it from each other cause we shared bank account and we were both like pretty good about checking in on it and we're like, this is so stupid. Like, we both want to buy stuff on Amazon, but we have these debit cards and like he



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has a credit card and I don't, we're like, how do we do this? Oh you get out cash. But then we're like, wait, but we can't use cash on Amazon. So what do we do with this cash that we have? And then we realized we had to like go to a real stores and buy each other's stuff.

And it was so dumb cause it's just like we realized we never use cash and we didn't like didn't know what to do with it when we had to use it.

ALIA: Bob? Do you use cash in your day to day life at all?

BOB: Uh, I do. I use cash. Um, I tried really, really hard to live the kind of life where I never signed up for easy pass or, um, and I bought most of my things with cash. Uh, on a regular basis. It's too hard. The economic penalty is too high. The lines you have to wait on are too long. So, um, and now that I'm in business for myself, I, it's important that I use a credit card to keep track of expenses. So I, I've kind of given up on trying to live a cash inclusive life.

Um, but before we move on from here, there's one other really important reason to use cash. And now I'm going to put on the personal finance hat that I wear. One of the best pieces of advice you'll hear from, uh, personal financial advisors who are trying to get people to spend less, is not to use plastic, not to use frictionless transactions. Um, there's, there's literally a visceral biological feeling you have when a \$20 bill goes out of your hands into someone else's hands. That's a great way to control spending. Um, the more frictionless spending is the more people spent in their study after study that shows that.

ALIA: That makes so much sense. I actually tried in advance of this recording, this episode I tried, I took out like \$20 and I was like, okay, I'll use this this week. I'm gonna just gonna use it to like get coffee or whatever I do and you guys have completely forgot that I had cash and like I was and I would think about it in the car like at the coffee place and we'd get out of my car and sometime somehow between the car and the entrance to the coffee shop completely forgot I had the \$20 bill in my pocket and immediately reached for the debit card and used it. It's so, it's like, it's just so not in our bodies especially I think as younger people to use cash. It's just not something I've ever done.

BOB: How long would that \$20 last to buy coffee for you all week?



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ALIA: Um, probably if I started on Monday it would probably last me till like Thursday if I'm really smart about, cause I like to tip really high cause I worked in the service industry for quite awhile so maybe not. Maybe it would only last me till Wednesday if I'm being honest.

[M23] BOB: Did do you think it would change your spending? To know that you're spending almost \$40 a week on coffee, right?

ALIA: Yeah, definitely. Yeah, it would definitely change my spending. I mean it's just like, I love the term you used Bob. It's frictionless spending. When we're using a card we just like, it's like fake numbers. It's not real. Money isn't real. It doesn't feel real. But when we have cash and there's a little pile and it dwindles down throughout the week, like it becomes more real.

[M25] KELLY: So what I've learned a thing I do, I don't know why is that when I go somewhere else, like out of not even out of the country, it's just like to a different state from traveling anywhere I get a bunch of cash to use and then I only spend it there. But like it doesn't really make sense. I don't know why. Like it seems less safe to carry a bunch of cash with me, but I guess that's like I budget for that. So that's my version of budgeting, but I don't do that in my daily life. Or like when we went to New York last year,

ALIA: I remember,

KELLY: I was like okay, I've got to get all this cash. And I used none of it.

ALIA: I was like what is this we're on a business trip.

KELLY: I know but I was like I don't know. You may need something.

**[MUSIC TRANSITION]**

KELLY: The first thing that comes to mind when we talk about certain businesses saying we don't accept cash is how discriminatory that can be. Um, I mean we think about well who can't carry cards or who only carries cash, you know, people would probably have less resources and it just really irks me.

ALIA: Yeah, it really does seem to me that I'm being cashless as a privilege. Like being able to function in a cashless society is a privilege and it's like you said, it's very isolating to some



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people like a lot of people. And what does that say about businesses that choose to go cashless? Like are they intentionally isolating people who have fewer resources? I don't know. It just, it doesn't feel good though. When we think about that, when I think about that, it doesn't feel good.

KELLY: But could it also be used as a discriminatory tactic is what I'm saying.

ALIA: Oh,

KELLY: It's like, could people be using this like, oh, we want to go cashless because they don't want certain types of people in their store.

ALIA: I would say that is 100% possible.

BOB: Yeah. There, there are consumer advocates who raised that alarm bell. Um, you know, one of the dirty little tricks of any business is to figure out, you know, what customers you want and what customers, you don't want [inaudible] you want the more profitable ones. You don't want the less profitable ones generally. And that's, that's just business. Right. But, um, but clearly you are seeing a certain kind of customer. The kind of customer who doesn't have good credit isn't allowed in your store if you only take credit cards.

[M31] KELLY: To me, it seems similar to like a bar giving out a dress code because they don't want certain people who dress a certain way to go to their bar and you could say, well it's just a general dress code, but then we need to look at the types of dress they don't want. You're like, oh, you're specifically don't want, you know, this person or this group of people to patron your business. And it's a sneaky way, maybe not so sneaky gets kind of obvious to me to do that and that, that's what really irks me.

ALIA: Oh you're really right. I mean it's like usually with those dress codes, we've had a problem with us here in Dallas with certain bars in the last five years, probably longer than that. And they create these dress codes where they're isolating very like almost obviously Kelly, like you said, isolating people of Color, queer people and uh, they're very obviously isolating people of color and queer people.

ALIA: Yeah. And I think whether or not the business owners doing it consciously or unconsciously, like it's still bad



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**[MUSIC TRANSITION]**

[M32] ALIA: Bob, please tell me you found us. Someone who can break down this issue.

BOB: I have the perfect person and it's a person you've met before of Aviva Litan, who's an analyst for Gartner. She spent decades covering cybersecurity and payments and now her expertise is in blockchain and blockchain enabling technologies.

ALIA: Oh my God. Okay. I love Avivah. And if you haven't met Avivah before because you haven't listened to breech well, get ready. She's so, she's so smart and will undoubtedly have a lot to say about this.

AVIVAH: My name is Avivah Litan. I am a research analyst in Gardner. We're a global company that's based in Stanford, Connecticut and I'm a researcher in blockchain technology.

ALIA PU: We talked to Avivah right after she got back from the Amazon, which like, is so wild to me. So the communities in these areas were especially on her mind when we talked to her.

ALIA: Okay. I want to ask you question.

AVIVAH: Please do.

ALIA: So I'm in New York City right now with Bob and uh, I realized as I got here that I'd been to like four places today and all of them were cashless [inaudible] and I'm sort of shocking to me and it has me wondering like is a cashless society inevitable? And I'm wondering what are the implications of the cashless society? Like it's easy for someone like me, but it's probably not easy for everybody.

AVIVAH: It's not inevitable at all. You know, we have a very developed world centric view. If you travel to central America, like the places I've just been, or if you travel to various parts of South America and Africa and Asia, I mean there's 30 to 40% of the world population doesn't have an active bank account, which means they don't have



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access to electronic payments because they don't have credit cards or debit cards or they're not on PayPal because they haven't figured out how to fund your account yet. So we tend to get spoiled, you know, by this cashless society, you should really go outside the country to these remote areas to remind yourself how convenient it is not to have cash. Uh, for example, -but I was in the airport in Quito and I wanted to get a bottle of water.

AVIVAH: I was delayed for hours and I, I didn't have any more cash from Ecuador. It took them 15 minutes to take the credit card and they got it wrong. So they had to do two transactions for \$3 bottle because they had to call the expert. And they were so nice about it. You know, the uh, fellow behind the bar didn't know how to do it. So he asked for the supervisor and the supervisor had asked the credit card expert in the airport and it was really a very complex transaction and that was at the airport. So a cashless society is not at all inevitable. It's all about getting these unbanked individuals into the, uh, banking or cashless world. It doesn't necessarily have to be a bank account, it has to be some kind of stored value account.

ALIA: What would you say to, uh, a small business owner who says, well, but being cashless helps my business. It helps my business be safer. There is no cash on site, so like I can't get robbed as easily. Um, and it just makes my life easier.

AVIVAH: It's absolutely true and so when I met these fellows in the, uh, Amazon and in the Andes, they're really hampered. You see it firsthand, we talk about it, but when you go and talk to these entrepreneurs, they don't have a good way to take payments. It's not like they have easy access to all kinds of cash if they have to give change. It's also dangerous in some of these neighborhoods with the refugee crisis, frankly, it's there too. There's tons of theft in some of the cities. So basically they're hampered by not being able to take electronic payments. They would like to, they don't, nobody wants to run a cash business anymore. At least from what I can tell in terms of reaching out to large, you know, large populations that may not know your business through online channels, small little stores that are just selling, you know, a herbs or potions or juices.

AVIVAH: I think they're probably fine with cash. But I'm talking about these entrepreneurs that want to expand their business beyond the local community. So museums and tour industries, tourist industry is the types of entrepreneurs I came across and these fellows that were trying to build tourist businesses with either museums





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or boat expeditions or just hiking expeditions and, and they're appealing to people abroad and in different countries, so they have no way to take payment now and to advertise to them and take the payment at least as a deposit because they don't have accounts, they don't have the ability to take electronic cash.

ALIA: So Bob, what I heard Avivah say was a cashless future is possible but not probable in the immediate future.

BOB: Yeah. I think she kept describing how far away in reality that is, especially when you look beyond the United States, and you see that nearly half of the people in the world couldn't, couldn't do this right now. And it's hard to imagine they could do it in the next five or 10 years.

ALIA: She really put me in my place and she was like, yeah, why don't you leave the country and uh, you, you won't have that, that experience you had today in New York city. And she's right. I mean she's absolutely right. Like this does feel very Western.

BOB: It's very luxurious.

ALIA: It is.

BOB: Tap and pay.

ALIA: Yeah. Like how stupid that I can walk into whole foods and just hold my phone up to a certain area and it's like, Oh yeah, you just spent \$75. You don't even feel it.

BOB: Well and remember, I think that's really the point is frictionless transaction, which all the studies show you spend more when you don't feel the pain of buying So now if you have to wait online, like think about what happens at a grocery store when someone pulls out a checkbook now.

ALIA: Yeah. Oh my God. Yeah.

BOB: There's audible sighs everywhere.

ALIA: Totally. Or am I just imagining like I'm thinking about going back to Iran in the next year or so maybe an, um, I'm just thinking about what those, those transactions are going to be like.



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Cause everything's cash for the most part. Like where I go. And so like I just don't know what it's going to be like.

BOB: So this problem was solved thousands of years ago by governments that issued currency. Why is there not a federal reserve created virtual currency to step into this void?

AVIVAH: We are in discussions with several governments around the world now that are thinking of issuing their own digital currency. So I'm not sure sure. They're doing it for altruistic reasons in terms of helping people that are on the fringes of society that don't have access to the electronic cash. Um, but they're doing it to stay competitive and frankly in competition with the U S so I think China's been pretty public it and they're planning and starting their own stable coin. They may not have said it too directly, but they're definitely planning to do that. The country, the Gulf countries are planning on it. They, some other Asian countries would potentially join with uh, with China. So a stable coin is really just a representation of Fiat currency.

BOB: Could you define stable coin for us?

AVIVAH: A stable coin is basically a fancy term for a representation of regular money. So Fiat money is regular money. So a dollar is Fiat. The Yen is Fiat, the Euro's Fiat and a stable coin that's pegged to the dollar is just a digital representation of the dollar and the dollar is typically kept in a bank as a reserve or there's ratios of it that can be kept. But the simplest method, which is, for example, if Facebook Libra's using for its blended currency is for every unit of digital currency, there is a unit of Fiat currency held in a bank.

So there's no risk to the financial system in that sense. Like you're not printing money. There's risks in other ways with new currencies like Libra, because the governments don't have a control over Facebook's Libra, but they certainly have control over their own currency stable coin. So if China issues their own stable coin, they've got money in their reserves to back up that stable coin. So there's no extra risk to them.

ALIA: So for those of you, like me, who don't know what Facebook Libra is, it's basically Facebook's controversial effort to create its own virtual money system, like Bitcoin



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AVIVAH: So the idea is, is they want to keep that currency within their system because you can keep buying and selling with it and there's no need to take it out. But if you want to take it out, you can take it out and they're not paying interest on those deposits or those stored value. So if I go buy a thousand Libra, I'm not getting any interest on it, but presumably they're earning interest on the holdings that represent that.

ALIA: So do you find it? So this is the first time I'm hearing about Facebook Libra, um, for whatever reason or the first time I'm really at least taking it in and I just find myself finding it really odd that Facebook is basically, has basically created a currency. Like that doesn't really do much for their reputation that the garnering for being like a big evil company.

AVIVAH: That's an understatement. I know what you're saying is a very common reaction. Uh, you know, it's the whole trust issue.

ALIA: Coming up after the break, Avivah talks to us more about our theoretical cashless (or less cash) society. You don't wanna miss it.

**[AD BREAK]**

BOB: Well, I just mean all of this like non-cash world we're talking about. Suddenly it's happening very fast. Like that's what's scary. What should I know about it? So I don't get left behind.

AVIVAH: So the way I look at it, it's part of this big picture of the move from Web 2.0 that we're in right now, to Web 3.0, the decentralized web. Uh, so it's a race to this new world that many people would like to see decentralized. Gets rid of the gatekeepers, like Google and Facebook, gets rid of monetization via surveillance capitalism, via advertising, and move says tool world where consumers and users own their own data and manage their own privacy. And it's a pure, pure networking system with no central authority. That's where we want to go. But there's lots of copies and governments that don't want that to happen. Whether overtly and consciously or just, you know, most governments probably don't even understand what, what the deal is, but they want to control the future. So China, for example, is building a watching. It's completely clubs, just like they want to, they built the internet and uh, filters in our country and keeps the internet close so people can't get out. Many governments are just trying to control our



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future. And I know this sounds a little extreme, but this is what's happening. We're either going to be controlled or we're going to be free or we're going to be both. So what you need to know is try to stay free.

ALIA: That's amazing.

AVIVAH: I'm not, I'm not exaggerating. It's all being played out in, in cyberspace and you know, whether it's being played out in cyber war and cyber security matters between governments and nation states, or it's being played out in terms of who's going to control the internet of the future. And is it going to be decentralized or is it going to be controlled?

BOB: But controlling money means controlling the future.

AVIVAH: Yeah. Well yeah, definitely.

ALIA: I feel like that's sort of the like, thesis of this podcast

BOB: I didn't think of that when she said it, but you're right.

ALIA: Right? Like it's like you can either be controlled by your technology or you can be liberated by it.

BOB: Right, right.

ALIA: And I think we're constantly trying to figure out how to be liberated by it.

BOB: I think it's important for, first of all, even when I began this topic and you know, I love the severe side of all these stories. I was not thinking about freedom versus enslavement by currency.

ALIA: Not at all.

BOB: But she's right. And I'm just going to use Facebook as an example, but it can be any example. Whoever wins the war, whoever wins the race to have the definitive virtual currency will have an immense amount of power unless it's something totally decentralized, in which case



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the power will come all the way back to people. That's the happy, bright version of cryptocurrency is that it cuts governments out. It cuts Facebook out and we decentralize the power. Um, there's a lot.

ALIA: Is that what Bitcoin is that, was that sort of the purpose of it.

BOB: That that's the kind of the religious philosophy behind cryptocurrencies. And then Bitcoin as uh, as the, at the moment, the most hope high profile example of that is yes, you so you don't have to go to a government in order to get permission to buy something. And so there's no borders and it's a store of value that will not necessarily rise and fall if a country is unstable. So there's lots of reasons that it breaks down borders. And that's the libertarian version of why cryptocurrency is such a powerful idea. And there's a whole bunch of, in real life how it has played out. It's the opposite of that. Um, you can't get Bitcoin unless you go to an exchange. And so there are now central authorities even in Bitcoin. And so the concern is, and again, using Facebook as an example, what Facebook wants is to basically mimic the, the world, mimic reality so that you never leave Facebook. Even if you have to buy something or buy groceries or buy clothes or buy a house, you can do it all right from your app on Facebook. And the more they keep you in their little walled garden, the more money they'll make, but the more they'll control you and the easier it will be to control you.

ALIA: Ugh, I don't want to be controlled. I want to be free.

BOB: Well, a little bit about, could I just ask you for, you know, the grand statement about, you know, um, what the cashless future is like or, or I mean you, you've kind of objected to this notion of a cashless future.

AVIVAH: No, I wasn't objecting to it. I was just, I don't recall exactly--

ALIA: Wait, do you think it's a possibility?

AVIVAH: Yeah, I do. But I think to me the cashless society is really part of web three. Oh. So we're moving from web two. Oh. Which is characterize, like I said, it's, you know, monetization versus surveillance, capitalism and advertising, consolidation of wealth and power and all kinds of privacy issues. We've got dynamic websites, we have user generated content, we have social and mobile interactions. But we have moved to consolidation of wealth and power and monetization versus via rather surveillance



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capitalism. That's what we live in today. What we live in tomorrow, the monetization will be built directly into the protocol. So in other words, right now everyone's making money off of our data through these third party gatekeepers like Google and Facebook and Amazon and these big companies that control our lives more or less along with governments trying to exude their control.

BOB: So are you saying that that some of these cash free instruments might actually help people reclaim their privacy?

AVIVAH: Yes, that's what I'm trying to say.

**[MUSIC TRANSITION]**

ALIA: I'm thinking about cashless society, good or bad, cashless society, inevitable or not inevitable, um, cash society, possible or probable. And I'm wondering what I'm always wondering, Bob, can you guess?

BOB: What's our reasonable hope?

ALIA: Yes.

BOB: Yeah.

ALIA: What's a reasonable hope?

BOB: Well, I actually, I can't think of a topic I'm more ambivalent about than this cashless issue because, you know, on the one hand I've talked to the owner of flat steak pub in Seattle who was one of the first Seattle businesses to go cash free. And I did a story about him and I got all these people writing in saying how outraged they were. I'd never drink a beer at his bar, but when I talked to him, he said, you know, before I did this, I always had to send somebody to the bank at two 30 in the morning with a bike, with a big bag of money. And every, every shift my servers ended, they spend an hour doing bookkeeping that I paid them for, but not very much. They weren't getting tips. And now all that happens in a second, and I don't care that I'm paying a little bit of a fee to visa or MasterCard.



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I'm saving so much money and, and everything is safer. He persuaded me that this is actually not a problem he should have to solve. It's a problem in my view that the us government in this case should have to solve. If we want everybody to have access to digital currency, it should be available to anyone who wants it at something like a post office or whatnot. So that's one hand. On the other hand, as this big privacy advocate, it's really important to not to forget that when we use digital currency, to buy things, every transaction is tracked. Buying things with cash is a way of protecting your privacy. It's probably the primary way that most people protect their privacy. Some people want to live a cash life and we need to honor them. They're there, they need to have a place in this world. And the more we move to virtual electronic currency, the easier it's going to be to track everybody and everything.

ALIA: It's like we make this, many of us make this pretty unfair assumption about people who use cash or wanna use cash. And that assumption is that those people are drug dealers or a part of some kind of criminal organization. And that's just not always true. Like sometimes maybe you need to protect yourself sometimes. Like sometimes maybe you need to not be tracked by um, uh, dangerous ex or insert, you know, a person here.

BOB: Sure. There's all sorts of recent that you wouldn't want that. And also just conceptually, you're a person who doesn't believe that you want to target or the government to know every time you buy a set of sheets for your bed. Well, you should have the right to live that way.

BOB: In this world, we need to make accommodations for people who feel that way, even if the majority don't, just because of majority is okay with this doesn't mean this minority group shouldn't have the right to live the way they want to live.

ALIA: I think I entered this conversation thinking, Oh, this is like a business problem. Like this is a problem for businesses. And I think now I think, Oh no, this is a problem for the government to figure out.

BOB: It's funny though, uh, uh, you know, when you start this, they're thinking about this topic. If we were to advertise this podcast, we're going to do a podcast Alia about payments. I wouldn't, you wouldn't show up at the studio. You can't find a way to be sick that day. Yeah. What are we walking? Let's do with something. I'm payments. This couldn't sound any less exciting. Right?

ALIA: Well, but it's something that affects everybody every single day.



**SO, BOB**

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BOB: It turns out payments is, is perhaps the most important issue. Not just of our time. Of all times.

ALIA: Okay, what do you think some actual actionable advice for people, two types of people, people who are unbanked, who are trying to like function in the world and then people who are banked but are like, how can I not contribute to the problem? How can I, how can I be, um, thoughtful about all of this?

BOB: Okay. So, first of all, the news for the unbanked in the U S is actually much better than it would have been say 10 years ago. There's lots of competition now in the pre loadable card business. So it used to be the fees were enormous. If you had to buy one of those prepaid debit cards. Um, so that is, that has solved the problem. They are far more reasonable. You can get a pre loadable card now that gives you online banking and all sorts of other checking account like tools. So that's really positive. Also, a lot of government benefits are issued on preload, uh, essentially, um, debit cards now, And so that is introduced a whole other set of plastic to other people that can't be used everywhere. A lot of them have limitations on them, but we're getting closer and closer to the place where more and more the population has access to some kind of plastic.

So that's positive. Um, but there's still obviously a whole set of people who haven't gotten around to that or have reasons not to want to interact with that system. Um, but going forward for the general population, it's very, very difficult to keep track of what's happening in payments. I mean it used to be, I mean recall how long it took us to move from magnetic stripes to computer chips on our credit cards. That essentially took a generation. We were a generation behind Europe, doing that. Payments tend to move very, very slowly because people are very conservative about change in how they spend money. So, so it takes almost a generation for people to pick up new money habits. So it'll be slow. My opinion is that in the last five to 10 years, that has sped up insanely fast and it actually began with Starbucks. Starbucks has its own money system. There's more money loaded onto Starbucks apps than then Apple pay for example, and all these other alternative financial systems. Um, we're getting more and more used to tapping our cell phone at checkout. Those systems are still largely tied to credit cards. But the big thing to watch out for is with systems like Venmo or Zelle, which are not tied to credit cards because then they don't come with all of these amazing consumer fraud protections that were used to you buy something online, you use your credit card, you can get your money back when something goes wrong.





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But with Venmo and Zelle and all these other new fangled systems, that's not true. And people are so used to having those protections that they make mistakes. They assume it's true. Next thing you know they pay somebody \$5,000 with Zelle and the money's gone. They can't get it back. So it's very, very important. Whenever you cross into one of these fun new realms, you go to lunch with someone and they demand that you pay them with Venmo and they we'll take any other way. I'll take a minute to figure out what your rights are and what your rights are when you use it. Use a new money system because you should not assume that whoever is behind Facebook Libra or Venmo or Zelle, you should not assume that they're looking out for your best interest. They're looking out for their own.

ALIA: Is there a quick way for me to know, like if we're at lunch and I'm like, Bob, I want you to pay me with this really cool new app called Mike stand. How would you know? Like how could you quickly check in that, you know, well, uncomfortable. 10 minutes on their lunch.

BOB: Of course, at lunch, I would pull out the phone and pull up the privacy policy and then spend the next 45 minutes reading. Absolutely. What I would do. No, that you would say I'll buy next time after I've had a chance to learn more about this app. I'm,

ALIA: Oh man.

BOB: Don't let anybody talk you into using an app on the spot.

ALIA: Don't be bullied, you guys.

BOB: Don't be bullied into using some cyber currency you've never heard of. That's a really good piece of advice.

ALIA: Say no. Just say no.

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ALIA: This is the final episode of So, Bob season 2. But don't go anywhere, we're not done yet. Next week, we're bringing you a special ad-free series about the state of privacy. What have we done right? What have we done wrong and what can we do moving forward?



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ALIA: If you like what you're hearing, head to apple podcast and drop us some stars. Write a review if you're really feeling it. This helps other people in the world with burning tech questions find our show.

Speaking of burning tech questions, If you have a nagging question about your digital life, write to us at. So bob@spokemedia.io or dm us on Twitter at So Bob Pod, no question is too big or too small, so send them our way.

So Bob is a Spoke Media production.

It's hosted by me, Alia Tavakolian and Bob Sullivan

Thanks to this week's guest of Aviva Litan. You can find her on Twitter at AvivahL. That's A V. I V. A. H. L.

We're produced by Kelly Kolff with help from Reyes Mendoza and Tre Jones.

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This episode was mixed by Alexander Mark.

Our head of post production is will short

The songs you hear in this episode come from Firstcom.

Our executive producer is Keith Reynolds.  
Thanks for listening.