

ABSTRACT

It is based on research on rapid technological development, especially in the economic sector, the payment system. Using cards as non-cash payments makes transactions and transfer between individuals easier for the community. Non-cash payments are increasingly advancing with the electronic payment system, which is growing rapidly. It shows that people are shifting from cash payments to non-cash payments, which will impact the current money supply formula. Using cards and electronic money is the same as using cash as a means of payment because whatever the unit of value contained in the electronic money media, the value of the cash can be exchanged back to the issuer in cash.

In this study, the authors formulated several things: the effect of the volume of ATM / Debit cards and the volume of Electronic Money transactions on the Amount of Narrow Money Circulating (M1). This study aims to determine the impact of non-cash payments on the narrow money supply. This type of research is quantitative research with secondary data sources. The method of analysis uses multiple linear regression. The dependent variable used is the Amount of Narrow Money Circulating (M1). The independent variable used is the ATM / Debit Card Volume and the Electronic Money Volume from 2016 to 2020.

The results showed that partially the ATM / Debit Card Volume significantly and positively affected the Amount of Narrow Money Circulating (M1) and the Electronic Money Volume had a significant and positive effect on the Amount of Narrow Money Circulating (M1).

Keywords: Money Supply (M1), ATM / Debit Cards, Electronic Money, Non-Cash Payment Systems