The state of bitcoin payments

An analysis of everyday spending on Square



A first look at bitcoin spending

For years, the conversation around bitcoin payments has been largely theoretical.

Can bitcoin function as everyday money? Will merchants accept it? Will consumers actually spend it? What kinds of purchases will they make? And perhaps most commonly — does anyone actually use bitcoin to pay for a cup of coffee? These questions have shaped policy debates around the world but, until recently, there has been little real-world data to ground those discussions in actual spending patterns.

That is beginning to change.

In late 2025, Square introduced bitcoin payments for U.S. sellers. Today, every eligible Square seller in the U.S. can accept bitcoin payments. In one of the first datasets of its kind, Block's analysis of bitcoin payments through Square offers an early look at how consumers actually spend bitcoin in everyday life.

That data tells an interesting story. Bitcoin payments through Square look far different than typical high-value investment transactions. Instead, they more resemble ordinary consumer spending. The data suggests coffee shops and fast food businesses sit at the heart of bitcoin use. While adoption remains in early stages, this report provides a starting point for understanding bitcoin's role in everyday purchases and the practical questions its use raises for overall policy decisions.

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Key findings

$29

Small purchases make up most payments.

The average bitcoin payment through Square is about $29, and the median is about $13. About 42% of payments are under $10, and nearly two-thirds are under $20.

72%

Food and drink lead the way.

These businesses account for 72% of bitcoin payments through Square. Coffee shops and fast food joints drive most activity within the category, with a $9.10 median payment consistent with a coffee or quick bite.

86%

Repeat payments follow familiar spending patterns.

Among customer-merchant pairs with at least two bitcoin payments, nearly 86% of repeat payments occur within 30 days. About 16% occur on the same day.

57%

Payments extend beyond Cash App.

External wallets account for nearly 57% of payments and 66% of total payment value, showing that sellers receive bitcoin payments from across a broader ecosystem.

24%

Everyday payments raise practical policy questions.

About one-quarter of businesses that don’t accept bitcoin cite tax and accounting complexity as a reason, underscoring the tax questions raised by small, routine purchases.

Where people spend bitcoin

Early bitcoin payments look remarkably ordinary

Much of the conversation about bitcoin centers on its potential as an investment. Payments through Square offer a view into what happens when people use bitcoin to pay for everyday transactions.

Two statistics stand out immediately: the average bitcoin payment made through Square is about $29, and the median bitcoin payment is about $13. These aren't the luxury purchases or large investment liquidations that are often associated with bitcoin. Instead, these amounts bring more familiar purchases to mind — from a quick stop at the local coffee shop, lunch with a friend, a retail purchase, or drinks at a bar.

As an emerging payment technology, bitcoin is still in the early stages of adoption, but this early payment data signals bitcoin is being used in everyday commerce.



~$29

Average bitcoin payment through Square

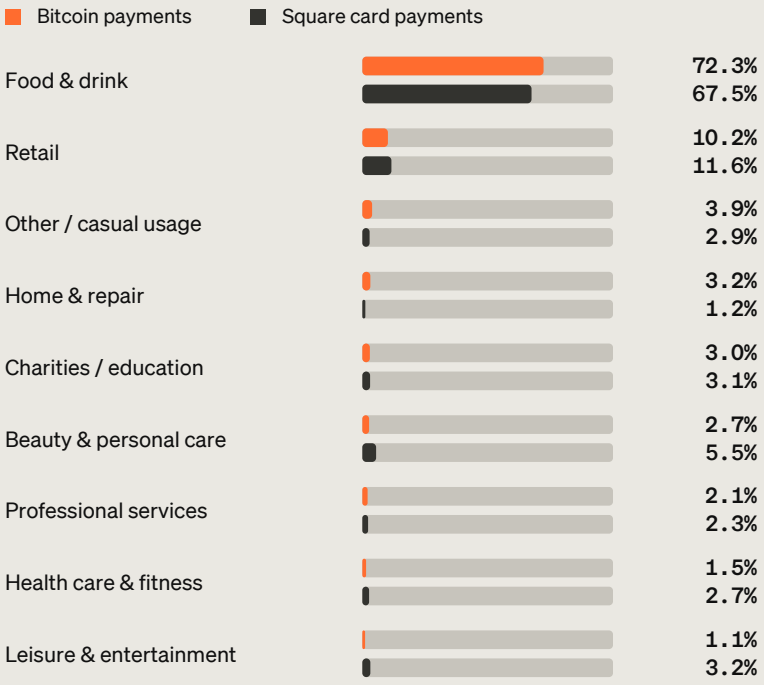
~$13

Median bitcoin payment through Square

Food and drink lead the way

BITCOIN PAYMENTS SKEW TOWARD FOOD AND DRINK

Share of payments by business category.



Source: Square bitcoin and card payment data, Nov. 1, 2025–Oct. 15, 2026. Includes completed payments greater than $1. Card figures include all U.S. Square card payments.



Where payments happen reinforces that picture. Food and drink businesses dominate, accounting for 72% of bitcoin payments through Square, with coffee shops, restaurants, bars, and food trucks driving much of the activity. The median payment at those businesses is $12, consistent with the cost of an everyday meal, snack, or drink. Retail is a distant second, accounting for just 10% of payments, but its median payment of $21 and average of $44 are roughly twice those at food and drink businesses.

Other categories show how payment sizes vary with the type of business. Home and repair businesses and professional services see higher total payment value, with average payments of $104 and $97, respectively — about five times the food and drink average, reflecting higher-ticket services. Together, they account for just 5.3% of payments but 18.1% of total payment value. Beauty and personal care businesses, meanwhile, have the highest median payment among business categories, at $43.75, suggesting bitcoin is also being used for midrange services at salons and spas.

For now, bitcoin payments through Square remain largely a food and beverage story, with nearly three in four bitcoin transactions occurring at these businesses. Payments at retail and service businesses represent growth opportunities, with room for bitcoin use to expand into larger everyday purchases.

From coffee shops to grocery stores

A closer look at food and drink businesses shows how bitcoin fits into familiar spending patterns.



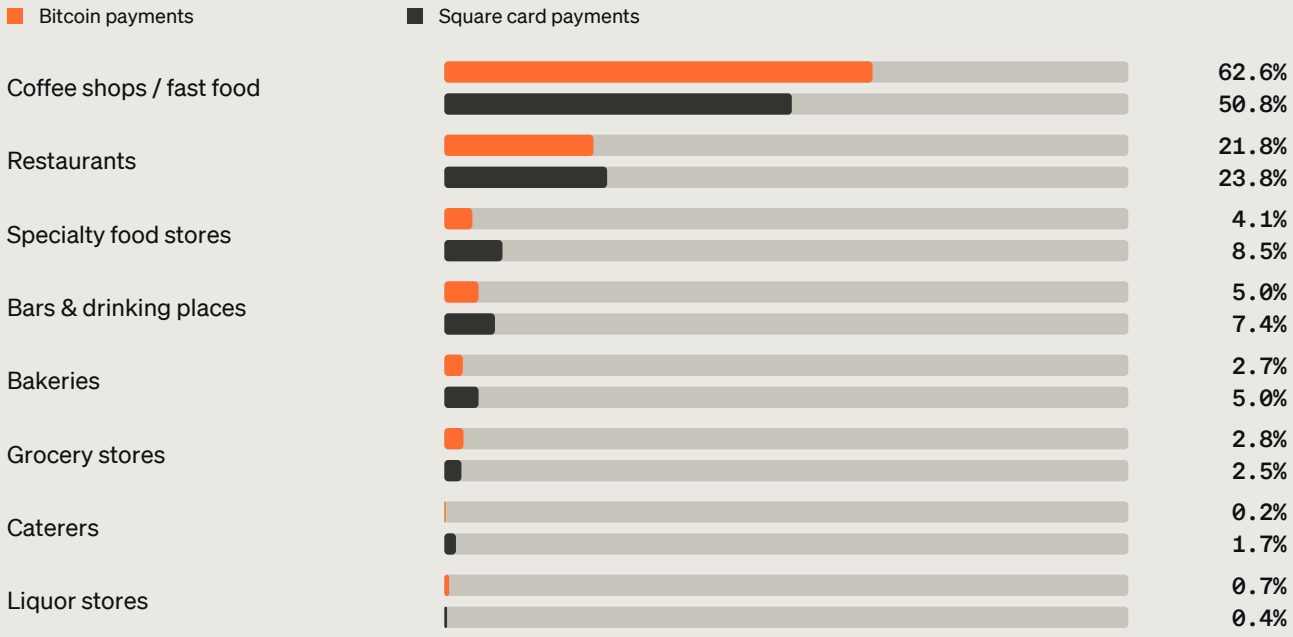
Together, coffee shops, fast food businesses, and restaurants account for about 84% of food and drink payments and 76% of total payment value in the category. Coffee shops and fast food businesses sit at the heart of bitcoin use, accounting for 62.6% of payments in the category. The $9.10 median payment suggests a classic coffee or quick-bite purchase. Restaurants are second by payment count, at 21.8%, but account for a larger share of total payment value, at 32.2%. With a $20.48 median payment, these meals generate twice the typical payment amount of coffee shops and fast food businesses.

Grocery stores represent a smaller share of activity but have the highest average payment within the food and drink category, at $60.73 — consistent with a true grocery run rather than the purchase of a single, small item. Bars represent a niche but growing use case, with a $22.26 average payment consistent with buying a couple of drinks. Rounding out the picture, bakeries show strong merchant diversity at 2.7 payments per merchant, suggesting broad but light adoption with an $11.88 median indicating a preference for small orders over a single pastry.

These businesses provide a familiar setting for bitcoin payments, consistent with everyday card payments at Square sellers.

COFFEE SHOPS AND FAST FOOD LEAD THE WAY

Share of food-and-drink payments, by business type.



Source: Square bitcoin and card payment data, Nov. 1, 2025–Oct. 15, 2026. Includes completed payments greater than $1. Card figures include all U.S. Square card payments.

What payment patterns reveal

Small purchases make up most payments

How much people spend tells another part of the story. Small purchases make up most bitcoin payments through Square, while a few larger purchases account for a substantial share of the dollars spent.

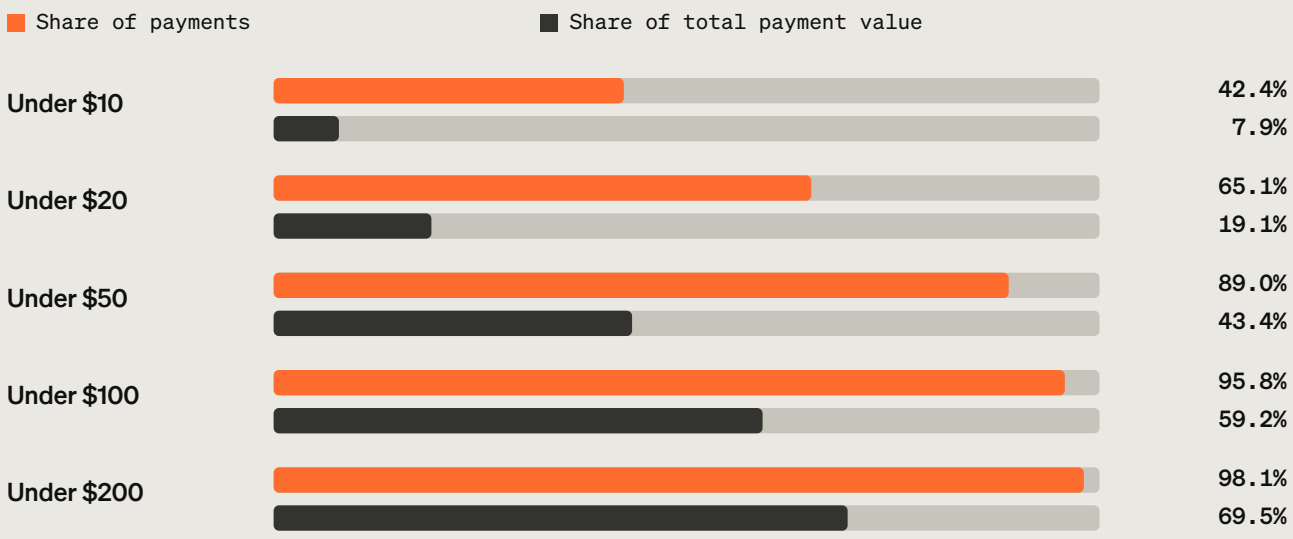
About 42% of bitcoin payments through Square are under $10, but these generate only 8% of total payment value. Even payments under $20 account for less than 20% of the dollars processed. The median within the under-$10 group is about $5.50, consistent with a coffee or snack — the kinds of everyday purchases that are frequent and made on-the-go.

The pattern extends beyond the smallest purchases. Nearly two-thirds of payments (65.1%) are under $20, and 89% are under $50. That puts most purchases within the price range of a casual meal or a few items from a store — reinforcing how heavily payment activity is concentrated at the lower end of the spending range.

Still, larger transactions contribute a disproportionate share of total payment value. About 98% of payments are under $200, yet they account for only 70% of total payment value. The remaining 2% — payments of $200 or more — contribute nearly 31%, showing how a small share of larger transactions make up a greater portion of total payment value even as small purchases remain the most common.

SMALL PAYMENTS DOMINATE BY COUNT

Share of Square bitcoin payments and total payment value below each dollar threshold.



Thresholds are cumulative: Each includes payments below the smaller thresholds. Source: Square bitcoin payment data, Nov. 1, 2025-Oct. 15, 2026. Includes completed payments greater than $1.

Familiar spending patterns

Spending patterns mirror familiar consumer behavior

The size of these payments is only part of the picture. How soon customers pay again with bitcoin at the same business also offers a glimpse of how it fits into everyday spending.

Among Cash App customers who made at least two bitcoin payments at the same merchant, the average number of purchases per customer-merchant pair was about five, with a median of three. Overall, 44% of bitcoin payments made by Cash App customers were repeat payments, and 86% of those occurred within 30 days. These patterns suggest routine consumer spending rather than isolated activity.

About 16% of repeat payments occurred on the same day as the customer's previous purchase at the same merchant. Among these same-day payments, the median time between purchases was 21 minutes, and the average was a little over 1.5 hours. The median daily total was about $22.15, with an average of about $42.66 — amounts that reflect routine spending.

REPEAT PAYMENTS OFTEN HAPPEN WITHIN A WEEK

Time between consecutive bitcoin payments by the same customer at the same merchant, among customer-merchant pairs with at least two payments.

Time frame	Share of payment intervals	Median days between payments
Same day	**15.8%**	**0**
1–7	**44.3%**	**3**
8–30	**25.8%**	**15**
31–90	**10.6%**	**47**
More than 90 days	**3.5%**	**135**

Source: Square bitcoin payment data matched to Cash App Lightning payment records, Nov. 1, 2025–Oct. 15, 2026. Includes completed payments greater than $1 where the payer could be identified (payments made from Cash App). Payments from other bitcoin wallets that can't be linked to a customer are excluded.

These patterns are consistent with familiar retail activity: ordering another coffee or lunch. Alongside the payment-size and business-category findings, they suggest bitcoin is being used for the kinds of small, repeated purchases that characterize everyday spending.

How people pay with bitcoin

Adoption extends well beyond a single app

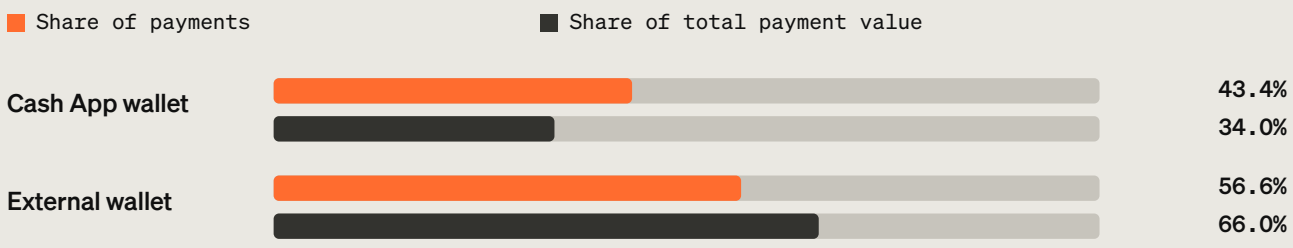


Another notable finding is where payments originate. Cash App wallets account for about 43% of bitcoin payments to Square sellers but only about 34% of total payment value. External Lightning-enabled wallets, such as Strike, Wallet of Satoshi, Phoenix, and Coinbase, account for the remaining 57% of payments and 66% of payment value.

In other words, merchants aren't just serving customers already inside one ecosystem. They're participating in a broader bitcoin economy. That ability to transact across apps is a defining feature of bitcoin and shows that payment activity extends beyond Cash App's reach.

BITCOIN PAYMENTS EXTEND BEYOND CASH APP

Share of Square bitcoin payments and total payment value by wallet source.



Source: Square bitcoin payment data, Nov. 1, 2025–Oct. 15, 2026. Includes completed payments greater than $1.

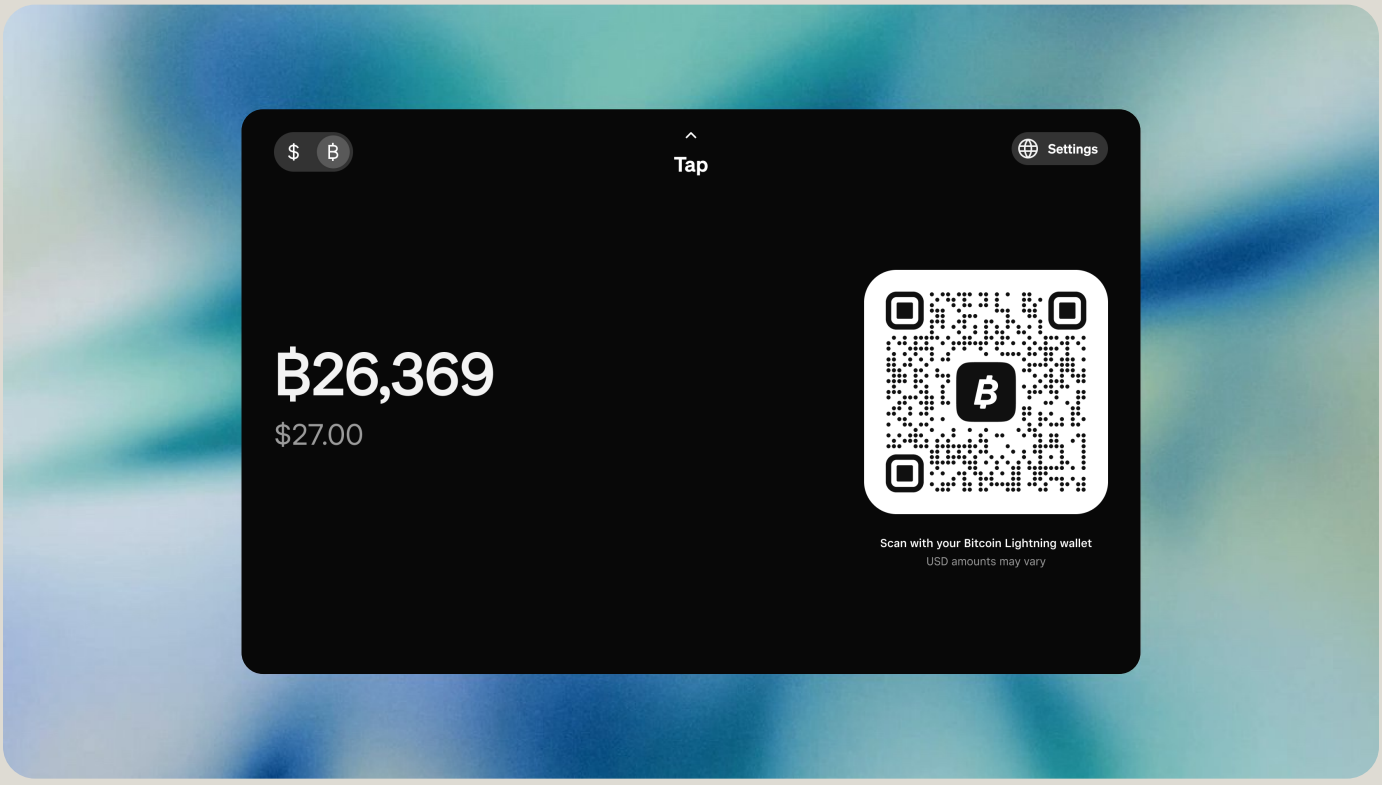
Merchants can choose how they receive payment

One of the advantages of accepting bitcoin payments is that merchants retain flexibility over how they receive the proceeds of a sale — some prefer bitcoin, others prefer U.S. dollars, but many use both depending on their business needs. Sellers can select what percentage of each sale they'd like to receive in bitcoin. For merchants who want to receive dollars, Square automatically converts the payment.

Regardless of that choice, the underlying transaction is the same: a customer chooses to pay in bitcoin and a merchant chooses to accept it. A merchant never has to miss a sale, and they get to enjoy a payment method with zero processing fees on Square*.

In addition to avoiding processing fees, saving bitcoin over time is another reason merchants choose to accept bitcoin payments. This way, they can automatically set aside a certain percentage of each sale into bitcoin savings without having to purchase it through an exchange.

Overall, zero fees, the ability to never miss a sale, and the option to save bitcoin over time are all compelling reasons merchants accept bitcoin payments. However, the merchant represents just one side of the counter. Bitcoin payments data also brings into focus the barriers customers face when spending their bitcoin. Most notably: tax.



*Zero fee payment processing on Square has been extended through Dec. 31, 2027.

Policy implications

Everyday payments raise practical questions

Tax rules typically reflect the way technology is used. Yet under current U.S. federal tax rules, using digital assets to pay for goods or services generally requires consumers to determine capital gain or loss — even for routine purchases.

For a cup of coffee, that can mean identifying which bitcoin was spent, determining its original cost and comparing that with its value at the time of payment. Those calculations become more complicated when someone has acquired bitcoin at different prices over time. That means a small purchase can carry significant recordkeeping and tax reporting obligations long after the checkout line.

When digital assets were used primarily as investments, the framework of treating them like property made sense. But as payment behavior evolves, it is worth asking whether policy should evolve as well. The data suggests that many bitcoin payments are small, routine, and recurring, resembling the kinds of low-value consumer purchases that policymakers have long treated differently in other contexts, such as the federal tax exemption for small gains when individuals use foreign currency for personal transactions.

BLOCK RESEARCH SHOWS THAT TAX CAN BE CONSIDERED A MEANINGFUL BARRIER TO ADOPTION FOR BOTH CONSUMERS AND BUSINESSES.

23.6%

Nearly a quarter (23.6%) of businesses that don't accept bitcoin as payment cite tax and accounting complexity as a reason why. That's about the same amount as those who cite regulation, refunds, or price swings.

27%

Among businesses that have considered accepting bitcoin but haven't yet, that number climbs further — 27% cite tax and accounting complexity as a reason why.

29.6%

About three in 10 (29.6%) consumers who don't own bitcoin say they'd be more likely to pay with it if it were easier. Among them, 15.7% say they're unsure how it's taxed or regulated.

Source: Morning Consult Bitcoin Brands Tracker, Wave 1, commissioned by Block.

Evidence for the policy conversation



So how should tax rules account for such everyday purchases? One approach under discussion is a de minimis exemption, a tax exemption for qualifying small gains realized when consumers use digital assets to make purchases. The data presented here can inform that discussion. Ultimately, the conversation should begin with evidence rather than assumptions.

Bitcoin payments remain in the early stages of adoption, but the data shows that they already reflect everyday commerce. Payment activity remains modest, and most purchases are relatively small, consistent with a new payment technology finding a place in everyday spending. These findings highlight bitcoin's dual utility as an investment and as a method of payment, both of which should be recognized in policymaking. Yet existing tax rules treat bitcoin primarily as an investment, without adequately accounting for its use in everyday payments, creating a barrier to further adoption.

At Block, we believe good public policy begins with understanding how people actually use technology. These early findings offer a starting point for understanding how bitcoin is being used as a method of payment by both consumers and merchants.

As bitcoin adoption grows, we'll continue sharing data that helps policymakers, researchers, developers, and the broader public better understand how this technology is being used in the local economy. Our goal is to help inform public policy that recognizes both how people hold bitcoin and how they spend it.

Methodology

Square payments data

Figures on bitcoin payments come from Block's records of completed bitcoin payments at U.S. Square sellers between Nov. 1, 2025 and Oct. 15, 2026. Known test payments and Block's internal sellers are excluded at source, and we also exclude every payment of $1 or less as a further guard against sellers testing the feature. Averages and medians are per payment. Business categories are the category currently recorded for each seller on Square, and food-and-drink business types use the seller's merchant category code, so neither identifies the item bought. Amounts are the gross dollar value of each payment, with no refunds netted.
The total number of Square bitcoin payments, the number of unique sellers receiving those payments, and total bitcoin gross payment volume (GPV) are proprietary business metrics and are not disclosed in this report.

Square card payments data

Card payment figures come from Block's records of completed card payments at U.S. Square sellers between Nov. 1, 2025 and Oct. 15, 2026. They cover all card brands, both in person and online, and are not sampled. As with the bitcoin data, every payment of $1 or less is excluded. Averages and medians are per payment, and amounts are the gross value of each payment, including tax and tip, with no refunds netted. Business categories come from each payment's merchant category code and are grouped to match the categories used for Square bitcoin payments. Neither identifies the item bought. Total card payment counts and volume are proprietary and are not disclosed in this report.

Survey data

Survey figures come from the Morning Consult Bitcoin Brands Tracker, Wave 1, commissioned by Block. Morning Consult surveyed 8,669 U.S. adults who are aware of bitcoin in an online survey from Aug. 13-21, 2026, and weighted the results; the margin of error on the full sample is 1.1 points. Because only bitcoin-aware adults took part, shares describe that group and do not extend to all U.S. adults. Business findings come from the 1,415 respondents who own a business or influence how a business they work for accepts payments, and the 1,047 of them whose business does not accept bitcoin or who are unsure. Findings on why people don't own bitcoin come from the 7,692 respondents who do not own it today. Differences described in the text are significant at 95% confidence, tested on sample sizes adjusted for weighting.

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