

As we reach the one-year mark of the economic impact of the COVID-19 pandemic, year-over-year performance trends will now be influenced by the significant shifts in consumer behavior experienced over the past year. Accordingly, this will be the final weekly edition of PSCU's transaction analysis and we will sunset our COVID-19 microsite in the coming weeks (a library of our weekly Transaction Insights will soon be available on the [PSCU Insights page](#)). PSCU's Advisors Plus and Data Science & Analytics teams will continue to bring you valuable thought leadership and the latest trends in consumer spending on a monthly basis beginning in April. Stay tuned for the next evolution of our payment transaction analysis!

Below we have updated our year-over-year weekly transaction analysis from our Owner credit union members on a same-store basis to identify the impact of COVID-19 on consumer spending and shopping trends. In this final weekly installment, PSCU compares the 10th week of the year (**the week ending Mar. 7, 2021 compared to the week ending Mar. 8, 2020**).



## OVERALL SPEND

Week 10 results were strong for both debit and credit.

**Debit**  
↑ **18.1%**

Debit card spend is up 18.1% in Week 10 and debit transactions finished up 2.8%. Debit purchases are higher than the previous four-week average of +12.9% and transactions are also higher than the previous four-week average of -0.4%.

**Credit**  
↑ **14.6%**

Credit card spend in Week 10 finished up 14.6%, above the previous four-week average of +4.2%. Transactions finished up 4.3%, above the previous four-week average of -2.8%.

One year ago this week, the COVID-19 virus was declared a global pandemic. Major sporting events and seasons were cancelled or curtailed, travel was discouraged, social interactions restricted, and masks became required in most locations. As we have reported throughout the past year, the pandemic has had a major impact on payment preferences and purchasing behaviors. Notable observations from the last 12 months include:



### DEBIT

June 2020 through March 11, 2021

↑ **3% Transactions**  
↑ **17% Purchases**

Consumers continue to choose debit as the most preferred payment method. After an initial drop, year-over-year debit transactions returned to positive growth in June 2020. For the June 2020 through March 11, 2021 timeframe, debit transactions are up 3%. Debit purchases over that time span have been up 17%. During the peak of the pandemic in 2020, year-over-year debit purchases were negative for only three weeks in total. Credit transactions came close to being flat year over year back in October 2020. Since that time, credit transactions are down 2%. Credit purchases are up 4% year over year since October 2020.



### TRAVEL

Peak: April 2020

↓ **68% Debit**  
↓ **85% Credit**

June 2020 through March 7, 2021

↓ **23% Debit**  
↓ **54% Credit**

Travel and Entertainment were put on hold. Purchases in these two sectors have experienced the largest adverse impact, with the low point for these sectors in the April 2020 timeframe. For Travel, debit purchases were down 68% and credit purchases were down 85% in April 2020. For Entertainment, debit purchases were down 68% and credit was down 76%. From June 2020 through March 7, 2021, debit purchases are down 23% and credit purchases are down 54% for Travel. For the same timeframe in the Entertainment sector, debit purchases are down 28% and credit purchases are down 48%.



### ENTERTAINMENT

Peak: April 2020

↓ **68% Debit**  
↓ **76% Credit**

June 2020 through March 7, 2021

↓ **28% Debit**  
↓ **48% Credit**

Spending shifted to the consumer Goods ("Goods") and Grocery sectors. Debit and credit purchases have been positive in these sectors since April 2020. For Goods, debit purchases are up 34% and credit purchases are up 20%.



### GROCERY

Since April 2020

↑ **11% Debit**  
↑ **15% Credit**

For Groceries, debit purchases are up 11% and credit purchases are up 15%.



### AMAZON

Peak: May 2020

↑ **126% Debit**  
↑ **58% Credit**

Amazon was a major beneficiary of the shift to online buying and CNP transactions.

Debit experienced a monthly peak in May 2020, with purchase volume up 126% and averaging +73% since May.

Credit experienced a monthly peak in May 2020 with purchase volume up 58% and averaging +47% since May.



### HOME IMPROVEMENT

Peak: January 2021

↑ **65% Debit**

Peak: October 2020

↑ **39% Credit**

Home Supply, including stores such as Home Depot and Lowe's, were also beneficiaries as consumers focused on their homes.

Debit experienced a peak with purchase volume up 65% in January 2021 – when the second round of stimulus payments were disbursed – and has averaged +49% since May 2020.

Credit experienced a monthly peak with purchase volume up 39% in October 2020 and has averaged +33% since May 2020.



### GASOLINE

June 2020 through March 7, 2021

↓ **8% Debit**  
↓ **19% Credit**

As we reported in last week's deep dive, the Gasoline sector has seen increases in spending. This increase comes from higher gas prices per gallon, as overall gasoline consumption is still down year over year with many continuing to work remotely. From June 1, 2020 through March 7, 2021, gasoline purchases on debit cards are down 8% and purchases on credit are down 19%.



### CARD NOT PRESENT

April 2020 through March 7, 2021

**31% of Debit Transactions**  
**45% of Credit Transactions**

Card Not Present activity began 2020 experiencing good growth. In the January to March 2020 timeframe, debit CNP transactions were 25% of total debit transactions. In the weeks after the declaration of the pandemic and resulting store closures, online purchases and CNP activity quickly increased and have remained elevated. From April 2020 through March 7, 2021, debit CNP transactions are 31% of all debit transactions. Similarly, credit CNP transactions were 37% of all credit transactions or the first three months of 2020. From April 2020 through March 7, 2021, credit CNP transactions are 45% of total credit transactions.



### CONTACTLESS

March 2021

**17% of Debit Card Present Transactions**

**13% of Credit Card Present Transactions**

Contactless transactions on dual interface cards have shown strong consumer adoption. For debit, contactless tap-and-go transactions have more than doubled from 8% in January 2020 to 17% in March 2021. For credit, contactless tap-and-go transactions have also more than doubled from 6% in January 2020 to 13% in March 2021.



### ATM

April 2020 through March 11, 2021

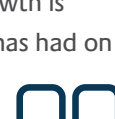
↓ **17% Transactions**  
↓ **12% Withdrawals**

ATM usage and demand for cash remains down. At the start of 2020, ATM transactions were up 7% through March 2020. From April 2020 through March 11, 2021, overall ATM transactions are down 17% and total cash withdrawn in the same timeframe is down 12%. Increases in ATM cash withdrawals were seen with the release of the U.S. Government coronavirus relief funds in April 2020 and January 2021.



While debit and credit spend growth both finished strong in Week 10, we have now reached the one-year mark of COVID-19's impact on consumer spending – and year-over-year comparisons are now influenced by the onset of the pandemic. With the recent approval of the third federal relief bill and funds beginning to arrive, a significant positive impact on consumer spending and debit card purchase growth is likely to continue. As we look back over the past year, we explore the notable impact the pandemic has had on payment preferences and purchasing behaviors, including continued preference for debit, shifts in merchant category spend, reduced use of cash, and the accelerated surge in contactless payments, mobile wallets and Card Not Present transactions.

— *Glynn Frechette, SVP, Advisors Plus Consulting at PSCU*



PSCU's **Weekly U.S. State/Territory Analysis** is available on [pscu.com/covid19](https://pscu.com/covid19), ranking U.S. states and territories by year-over-year performance for debit purchases, credit purchases and ATM transactions.