

Tracking Transaction Trends

Week Ending April 26, 2020



As the economic impact of the COVID-19 pandemic continues to grow, PSCU, the nation's premier payments credit union service organization, updated its weekly transaction analysis from its Owner credit union members on a same-store basis to identify the impact of COVID-19 on consumer spending and shopping trends.

To provide relevant updates on market performance, experts from PSCU's Advisors Plus and Data & Analytics teams today released year-over-year weekly performance data trends. In this week's installment, PSCU compares the 17th week of the year (**the week ending April 26, 2020 compared to the week ending April 28, 2019**).



OVERALL SPEND

Credit
↓ **24.7%**

Debit
↑ **5.0%**
(average purchase amount ↑ **19.6%**)

The impact of the federal government stimulus package is still being seen as the average debit card purchase amount was up 19.6%, year over year. The volume of overall debit transactions realized a very notable improvement. Overall debit transactions finished the week down by 12.2% year over year, compared to being down 16.7% in the prior week.



CONTACTLESS

Fast Food
39%
of contactless transactions

Grocery Stores
44%
of contactless spend

As concerns grow around the cleanliness of point of sale (POS) terminals, more members are using contactless as a form of payment in order to reduce exposure. From March 2020 through April 2020, Fast Food Restaurants accounted for 39% of the overall contactless transactions but account for only 9% of the overall contactless spend (smaller-ticket items). Grocery Stores accounted for 44% of the contactless dollars spent during this time.



CONSUMER GOODS

Credit
↓ **3.6%**

Debit
↑ **27.6%**

The positive trend in Consumer Goods continued in week 17, with a greater percentage improvement in debit card purchases. In this category year over year, there was a 3.6% decrease on credit card and an increase of 27.6% on debit card spend for the week ending April 26.



CARD PRESENT VS. CARD NOT PRESENT

Spending behaviors have changed with "stay at home" orders in place, as card-present (CP) versus card-not-present (CNP) transaction counts and dollars spent have seen a shift. Overall CP transactions and purchases have decreased at a greater pace than CNP transactions and purchases.



CREDIT CARD NOT PRESENT
55% of Overall Transactions
62% of Total Spend

DEBIT CARD NOT PRESENT
36% of Overall Transactions
47% of Total Spend

AMAZON

Credit Transactions ↑ **58.9%**
Credit Purchases ↑ **44.8%**

Debit Transactions ↑ **121.6%**
Debit Purchases ↑ **114.9%**

As a significant contributor to the CNP category, we have aggregated the merchant categories for Amazon to create a comprehensive view. For week 17, Amazon credit transactions are up 58.9% year over year and credit purchases are up 44.8%. Amazon debit transactions are up 121.6% and purchases are up 114.9%, year over year.



STATE VIEW: NO STAY AT HOME ORDERS

Credit
↓ **20.8%**

Debit
↑ **5.5%**

Currently, there are eight states without state-level "stay at home" orders in place. The weekly buying patterns for these states closely mimics the overall U.S. weekly spending trends. For these eight states, credit card spend was down by 20.8% and debit card spend was up by 5.5%. We are watching the 24 states who are beginning to ease "stay at home" restrictions effective May 1, with an early watch on Georgia, which started easing restrictions on April 24. Those 24 states represent 50% of the US population.



GROCERY STORES/SUPERMARKETS

Credit
↑ **19.0%**

Debit
↑ **25.2%**

Grocery stores/supermarkets continue to show more "pandemic normal" spending behaviors. The week ending April 26 finished at an increased rate of 19.0% over the comparable 2019 week for credit card and 25.2% for debit card. Debit card usage remains elevated, but not as high as increases that were realized during the peak March weeks of COVID-19 stockpiling. These elevated rates are an offset to the negatively impacted dining sector.



GAS TRANSACTIONS

Credit
↓ **59.6%**

Debit
↓ **39.1%**

Gas purchases remain soft and are hovering near the same rate over the past four weeks. Spend is down 59.6% for credit card and 39.1% for debit card for the week ending April 26, compared to 2019 levels. Lower gasoline prices at the pump, along with decreased transaction activity driven by the substantial increase in remote work and stay-at-home orders, continue to significantly affect the purchase of gas.



STATE VIEW: HOT ZONES

Credit
↓ **28.3%**

Debit
↑ **0.9%**

For the states/districts hardest hit by the pandemic ("hot zones"), spending is improving and continues to be slightly more curtailed than the overall U.S. The credit card spend for CA, CT, DC, IL, LA, MI, NJ, NY was down 28.3% last week. Debit card spend for these same areas was up 0.9%, year over year.



DRUG STORES/PHARMACIES

Credit
↓ **12.0%**

Debit
↓ **2.4%**

Drug Store/Pharmacy results remain below 2019 spending levels. Credit card spend at drug stores dropped by 12.0% and debit card spend dropped by 2.4%.



While volumes are still down year over year, debit purchase dollars posted a second straight week of positive growth, and credit improved from past weeks. Equally important, the number of transactions for both credit and debit advanced, meaning consumers are increasing card usage from the trough of the pandemic and continuing to spend from the initial round of stimulus monies. Contactless payment usage also increased as concerns grew around the cleanliness of point of sale terminals.

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



PSCU will continue to develop and share analysis of transaction trends on a regular basis moving forward through the COVID-19 crisis. For more COVID-19 support resources, visit pscuc.com/covid19