

Tracking Transaction Trends

Week Ending May 10, 2020

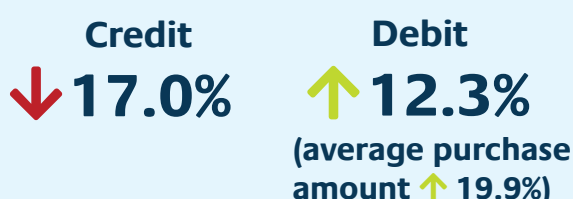


As the economic impact of the COVID-19 pandemic continues to grow, PSCU, the nation's premier payments credit union service organization, updated its weekly transaction analysis from its Owner credit union members on a same-store basis to identify the impact of COVID-19 on consumer spending and shopping 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 19th week of the year (**the week ending May 10, 2020 compared to the week ending May 12, 2019**).



OVERALL SPEND



The impact of the federal government stimulus package is still being seen, as the average debit card purchase amount was up 19.9%, year over year. For the sixth straight week, the volume of overall debit transactions increased. Overall debit transactions finished the week down 6.3% year over year, compared to being down 9.8% in the prior week.



ATM



There is an increase in ATM deposits last week, possibly indicating the arrival of paper stimulus checks. ATM deposits were up 11.1% compared to 2019, while overall ATM transactions remained down, finishing week 19 down 19.2%.



CONSUMER GOODS



The positive trend in consumer goods continued in week 19, with a greater percentage improvement in debit card purchases. In this category year over year, there was a 6.0% increase on credit card spend and an increase of 34.3% on debit card spend for the week ending May 10. The gains in the consumer goods category come from book stores (Amazon), wholesale distributors and manufacturers and retail stores. The consumer goods sector is negatively affected by clothing stores and automobiles.



STATE VIEW: NO STAY AT HOME ORDERS



EASED RESTRICTIONS: GEORGIA



There were eight states without state-level, governor-issued "stay at home" orders in place. The weekly buying patterns for these states mimic the overall U.S. weekly spending trends. For these eight states, credit card spend was down by 12.6%, improving at a greater rate than the overall U.S. Debit card spend was up by 11.2%, similar to the overall U.S. We are watching the now 46 states who were easing "stay at home" restrictions by May 16, representing 96% of the U.S. population. Georgia, which started easing restrictions on April 24, has seen increases in debit purchases at a greater rate of improvement compared to the entire U.S. Debit purchases in Georgia finished week 19 up by 15.4%, while credit card purchases in Georgia were down by 19.1%.



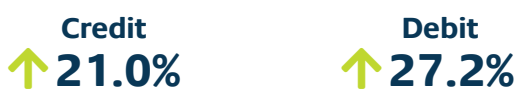
STATE VIEW: HOT ZONES



For the states/districts hardest hit by the pandemic ("hot zones"), spending is improving at the same rate as the overall U.S. The credit card spend for CA, CT, DC, IL, LA, MI, NJ, NY was down 21.6% last week. Debit card spend for these same areas was up 8.5% year over year.



GROCERY STORES/SUPERMARKETS



Grocery stores/supermarkets continue to show good year-over-year spending behaviors. The week ending May 10 finished at an increased rate of 21.0% over the comparable 2019 week for credit and 27.2% for debit. Debit card spend remains elevated above typical growth levels, but not as high as increases that were realized during the peak March weeks of COVID-19 stockpiling.



RESTAURANT/DINING SECTOR



The elevated rates of the Grocery stores/supermarket sector are an offset to the negatively impacted Restaurant/Dining sector, in which credit spend was down by 50.4% and debit was down by 24.8%.



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.

CREDIT CARD NOT PRESENT



DEBIT CARD NOT PRESENT



AMAZON



As a significant contributor to the CNP category, we have aggregated the merchant categories for Amazon to create a comprehensive view. For week 19, Amazon credit purchases are up 55%, while Amazon debit purchases are up 132% year over year.



Our data continues to show signs of consumer awakening, with the growth rate for debit spend above historic levels and credit card spend continuing to show week-over-week improvements. In areas that are starting the reopening process, we are seeing stronger growth, particularly for debit. It is also encouraging that the growth observed spans most spend categories.

— *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 pscuh.com/covid19