

Tracking Transaction Trends

Week Ending May 31, 2020



PSCU, the nation's premier payments credit union service organization, has 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. An infographic is also attached.

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 22nd week of the year (**the week ending May 31, 2020 compared to the week ending June 2, 2019**).



OVERALL SPEND

Overall card payment volumes were generally positive for the week, with debit continuing to lead the way. The slight deceleration in spend growth for the week was in line with historic levels for the Memorial Day holiday week.

Debit
↑ **9.5%**

Debit card spend was up 9.5%, marking the seventh consecutive week of year-over-year growth. Transactions were down 3.7%, but have showed weekly improvements for nine consecutive weeks.

Credit
↓ **13.4%**

Credit card spend was down 13.4% year over year, which was slightly worse than last week. Transactions were down 15.6%, but have shown improvements for eight consecutive weeks.

CONSUMERS CONTINUE STRONG USAGE OF CARD-NOT-PRESENT (CNP) ALTERNATIVES AND APPEAR TO BE USING CASH LESS.



DEBIT CARD NOT PRESENT

↑ **40%** for Purchases

↑ **45%** for Transactions

Debit card CNP volumes continue to show strong year-over-year growth, up 40% for purchases and 45% for transactions. This is the seventh consecutive week of growth above 40% for debit.

CREDIT CARD NOT PRESENT

↑ **6%** for Purchases

↑ **23%** for Transactions

Credit card CNP volumes were up 6% for purchases, with transactions up 23%.



AMAZON

↑ **118%** Debit

↑ **63%** Credit

Amazon, which spans multiple merchant categories and is a top CNP merchant, had aggregate purchase volume increases of 118% for debit and 63% for credit.



ATM

↓ **31.1%** Withdrawals

Cash withdrawal transactions at the ATM have been down 30% or more for ten straight weeks, indicating less of a preference and need for cash. For the most recent week, withdrawal amounts are down 31.1%.

FROM A MERCHANT CATEGORY PERSPECTIVE, TRENDS CONTINUE TO BE MIXED.



GROCERY

↑ **10.2%** Debit

↑ **10.2%** Credit

Grocery continues to perform well, with purchases up 10.2% for debit and credit.



CONSUMER GOODS

↑ **36.9%** Debit

↑ **11.2%** Credit

The purchase volume of consumer goods was up 36.9% for debit and 11.2% for credit. Strong categories of note include Electronics, Home, Discount Stores and Automobile.



TRAVEL

↓ **45.1%** Debit

↓ **70.7%** Credit



ENTERTAINMENT

↓ **56.7%** Debit

↓ **66.0%** Credit

Travel and Entertainment remain the two most significantly impacted sectors. Travel purchases were down 45.1% for debit and 70.7% for credit, and Entertainment was down 56.7% and 66.0%, respectively.

SOME DIFFERENCES ARE EVIDENT BY MARKET, WITH THE "HOT ZONES" UNDERPERFORMING.



NO STAY AT HOME ORDERS

↑ **8.6%** Debit

↓ **9.5%** Credit

The eight states that never issued formal "stay at home" orders saw debit spend of 8.6% and credit spend of -9.5%.



HOT ZONES

↑ **1.5%** Debit

↓ **17.0%** Credit

The eight states/districts (CA, CT, DC, IL, LA, MI, NJ and NY) that were hardest hit by the pandemic ("hot zones") saw debit spend of +1.5% and credit spend of -17.0%.



Over the past few weeks, we have seen several continuing trends in our data. There is strength in debit, which has maintained its high preference among consumers and has grown for several weeks at rates above historical levels. This debit growth has occurred in card-not-present channels, indicating a comfort in using debit for online purchases and via digital wallets. For credit card, we have seen gradual improvement – which we expect to continue – although we do foresee downward pressure until the Travel and Entertainment sectors bounce back.

— *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