

Tracking Transaction Trends

Week Ending June 21, 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.

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 25th week of the year (**the week ending June 21, 2020 compared to the week ending June 23, 2019**).



OVERALL SPEND

Overall card payment volumes were very positive for the week, with debit continuing to lead the rebound.

Debit
↑ **21.4%**

Debit card spend was up 21.4%, marking the tenth consecutive week of year-over-year growth, the best growth level of 2020 and one of the highest in recent years. Transactions were up 4.4%, and are in positive territory for the first week since March 15.

Credit
↓ **2.7%**

Credit card spend was down 2.7% year over year, but showed a strong improvement over the previous week. Transactions were down 7.8%, but have shown improvements for 11 consecutive weeks.

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



DEBIT CARD NOT PRESENT

↑ **49.6%** for Purchases
↑ **48.7%** for Transactions

Debit CNP volumes continue to show strong year-over-year growth, up 49.6% for purchases and 48.7% for transactions in Week 25. This is the tenth consecutive week of growth above 40% for debit.

CREDIT CARD NOT PRESENT

↑ **13.4%** for Purchases
↑ **25.3%** for Transactions

Credit CNP volumes were up 13.4% for purchases, with transactions up 25.3%.



AMAZON

↑ **99%** Debit
↑ **54%** Credit

Amazon, which spans multiple merchant categories and is a top CNP merchant, had aggregate purchase volume increases of 99% for debit and 54% for credit.



ATM

↓ **21.0%** Withdrawals

Cash withdrawal transactions at the ATM have been down 20% or more for 13 straight weeks, indicating less of a preference and desire for cash. For the most recent week, the number of cash withdrawals are down 21.0%.

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



GROCERY

↑ **8.1%** Debit
↑ **9.8%** Credit

Grocery continues to perform well, with growth rates accelerating this past week. Purchases were up 18.3% for debit and 19.5% for credit.



DRUG STORES

↑ **18.5%** Debit
↑ **8.6%** Credit

Drug Stores have been trending flat, but showed strong growth this week with purchases up 18.5% for debit and 8.6% for credit.



CONSUMER GOODS

↑ **49.7%** Debit
↑ **22.4%** Credit

The purchase volume of consumer goods was up 49.7% for debit and 22.4% for credit. Strong categories of note include Electronics, Home, Discount Stores, Automobile and Sporting Goods.



TRAVEL

↓ **29.0%** Debit
↓ **62.0%** Credit

Travel and Entertainment remain the two most significantly impacted sectors. Travel purchases were down 29.0% for debit and 62.0% for credit, and Entertainment was down 34.8% and 48.1%, respectively.



ENTERTAINMENT

↓ **34.8%** Debit
↓ **48.1%** Credit

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



NO STAY AT HOME ORDERS

↑ **18.9%** Debit
↓ **3.3%** Credit

The eight states that never issued formal "stay at home" orders saw debit spend up by 18.9% and credit spend down by 3.3% for the week.



INITIAL HOT ZONES

↑ **14.4%** Debit
↓ **5.1%** Credit

The initial eight states/districts (CA, CT, DC, IL, LA, MI, NJ and NY) that were hardest hit by the pandemic ("hot zones") saw debit spend up by 14.4% and credit spend down by 5.1%. Spending for the combined group continues to be contracted as compared to the overall U.S. This group is expected to be an important indicator in the coming weeks, given the reduced spread of COVID-19 in some of these states and the reduced COVID-19-related hospitalizations and deaths in the northeastern U.S. states.



NEW HOT ZONES

↑ **22.8%** Debit
↓ **2.1%** Credit

We are watching a second grouping of ten states that were identified as new "hot zones" by the White House Coronavirus Task Force in their press briefing on June 26. While performance in these states (AL, AZ, FL, GA, LA, MS, NV, SC, TX and UT) has been close to overall U.S. results, we expect this to be an important segment to watch in the coming weeks, with purchases up 22.8% on debit and down 2.1% on credit for the current week.



We continued to see strength in card spend across the board this week, with credit improving and debit growing at record levels. While we are encouraged with these phenomenal rates of growth in debit and anticipate this to continue, we do not expect 20-percent growth to be the next 'normal' and would not be surprised at some tempering – especially in light of some state opening pullbacks announced last week. While the travel and entertainment sectors remain muted, it is intriguing to see credit purchase volumes rebound to current levels, which we will continue to monitor given some of the increased COVID levels in the new 'hot zones.'

— *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 pscuhq.com/covid19