

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 28th week of the year (**the week ending July 12, 2020 compared to the week ending July 14, 2019**).



OVERALL SPEND

Overall card payment volumes were down moderately for the week.

Debit
↑ **17.9%**

Debit card spend was up 17.9%, a decrease of 1.0 percentage points over last week. Transactions were up 1.8%.

Credit
↓ **2.9%**

Credit card spend was down 2.9% year over year, dropping 1.6 percentage points from the previous week. Transactions were down 8.0% and are hovering at that rate for the past four weeks.

CONSUMERS CONTINUE STRONG USAGE OF CONTACTLESS, MOBILE WALLETS AND CARD-NOT-PRESENT (CNP) ALTERNATIVES, WHILE CONTINUING TO USE LESS CASH.



CONTACTLESS
↑ **12.4%** of Debit Card-Present Transactions

↑ **7.7%** of Credit Card-Present Transactions

Contactless "tap-and-go" transactions via dual interface cards are gaining popularity in the emerging "touchless" economy. Debit contactless transactions have grown from 9% pre-pandemic to 12.4% of card-present activity on contactless debit cards. Contactless credit transactions have also grown from 6.5% to 7.7% of card-present activity on contactless credit cards.



MOBILE WALLETS
↑ **83.4%** Debit

↑ **49.7%** Credit

Mobile wallet (i.e. "Pays") transactions and purchases are following a similar pandemic-affected pattern for both credit and debit cards as consumers opt for less physical contact. Credit mobile wallet transactions retracted at a greater rate through the early stages of the pandemic than debit mobile wallet transactions, with weekly activity falling below 2019 levels from late March through the end of May. Debit mobile wallet purchases remain strong, finishing Week 28 up 83.4% compared to 2019, while credit mobile wallet purchases are up 49.7% year over year. These results represent six supported mobile wallets: Apple Pay, Fitbit Pay, Garmin Pay, Google Pay, LG Pay and Samsung.



DEBIT CARD NOT PRESENT

↑ **47.0%** for Purchases

↑ **43.2%** for Transactions

CREDIT CARD NOT PRESENT

↑ **14.1%** for Purchases

↑ **23.1%** for Transactions

Debit card CNP volumes continue to show strong year-over-year growth, up 47.0% for purchases and 43.2% for transactions in Week 28. This is the 13th consecutive week of growth above 35% for debit.

Credit card CNP volumes were up 14.1% for purchases, with transactions up 23.1%.



AMAZON

↑ **85%** Debit

↑ **44%** Credit

Amazon, which spans multiple merchant categories and is a top CNP merchant, had aggregate purchase volume increases of 85% for debit and 44% for credit.



ATM

↓ **19.7%** Withdrawals

Cash withdrawal transactions at the ATM continue to be down. For the most recent week, the number of cash withdrawals are down 19.7%.

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



GROCERY

↑ **11.1%** Debit

↑ **14.0%** Credit

Grocery continues to perform well overall with purchases up 11.1% for debit and 14.0% for credit.



DRUG STORES

↑ **9.8%** Debit

↑ **3.2%** Credit

Drug Stores also remain in positive territory finishing up with purchases of 9.8% for debit and 3.2% for credit.



CONSUMER GOODS

↑ **40.8%** Debit

↑ **20.6%** Credit

The purchase volume of consumer goods remains very strong, increasing slightly from the prior week, up 40.8% for debit and 20.6% for credit. Strong categories of note include Electronics, Home, Discount Stores, Automobile and Sporting Goods.



SERVICES

↑ **17.5%** Debit

↑ **5.5%** Credit

Services purchases dropped last week, but remained up with debit at 17.5% and credit up 5.5%. Key contributors included Healthcare and Home Services.



TRAVEL

↓ **28.0%** Debit

↓ **61.3%** Credit

Travel and Entertainment remain the two most significantly impacted sectors. Travel purchases were down 28.0% for debit and 61.3% for credit, while Entertainment was down 40.8% and 52.2%, respectively.



ENTERTAINMENT

↓ **40.8%** Debit

↓ **52.2%** Credit

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



NO STAY AT HOME ORDERS

↑ **10.7%** Debit

↓ **5.9%** Credit

For the past 3 weeks, the eight states that never issued formal "stay at home" orders have seen a drop in debit spend. For week 28, debit spend was up 10.7% while the overall U.S. was at 17.9%. These states include AR, IA, ND, NE, OK, SD, UT and WY. For week 28, credit spend is down 5.9% compared to the overall U.S. down 2.9%.



INITIAL HOT ZONES

↑ **17.5%** Debit

↓ **6.2%** 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 17.5% and credit spend down by 6.2%. Spending for the combined group continues to be contracted as compared to the overall U.S.



NEW HOT ZONES

↑ **17.0%** Debit

↓ **4.0%** Credit

We continue to watch a second group of ten states that were identified as new "hot zones" by the White House Coronavirus Task Force in their press briefing on June 26. Performance in these states (AL, AZ, FL, GA, LA, MS, NV, SC, TX and UT) has been close to overall U.S. results, with purchases up 17.0% on debit and down 4.0% on credit for the current week.



While overall payment volume was down for the week, we continue to see pockets of strength across various merchant categories, including grocery and consumer goods. Consumers continue to transact differently as a result of the pandemic, with high growth in card-not-present volumes, including E-commerce and digital wallet transactions. For consumers with contactless cards, we are also seeing growth in tap-and-go transactions.

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



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

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 psc.com/covid19.