

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 31st week of the year (the week ending August 2, 2020 compared to the week ending August 4, 2019).



## OVERALL SPEND

Overall card payment volume growth rates trended down for the week, likely impacted by the recent expiration of the \$600 of enhanced unemployment benefits provided for by the federal government since late March.

**Debit**  
↑ **11.9%**

Debit card spend was up 11.9%, representing a decline from the prior four-week average of 17.9%. Transactions were up 0.3% and have been positive for five consecutive weeks.

**Credit**  
↓ **4.3%**

Credit card spend was down 4.3% year over year, lower than its four-week average of -2.7%. Transactions, hovering close to the seven-week average of -8.1%, finished down 7.1%.

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



**CONTACTLESS**  
↑ **12.6%** of Debit Card-Present Transactions  
↑ **9.2%** of Credit Card-Present Transactions

Contactless "tap-and-go" transactions via dual interface cards continue to gain adoption. Debit contactless transactions have grown from 9% pre-pandemic to 12.6% of card-present activity on contactless debit cards. Contactless credit transactions have also grown from 6.5% to 9.2% of card-present activity on contactless credit cards.



**MOBILE WALLETS**  
↑ **73.8%** Debit  
↑ **48.2%** Credit

Mobile wallet (i.e. "Pays") transactions and purchases continue to trend up for both credit and debit cards. Debit mobile wallet purchases finished Week 31 up 73.8%. Credit mobile wallet purchases are up 48.2% year over year, in line with the prior four-week average of 47.8%. These results represent six supported mobile wallets: Apple Pay, Fitbit Pay, Garmin Pay, Google Pay, LG Pay and Samsung.



**DEBIT CARD NOT PRESENT**  
↑ **43%** of Purchases  
↑ **28.6%** of Transactions  
**CREDIT CARD NOT PRESENT**  
↑ **52.9%** of Purchases  
↑ **42.1%** of Transactions

We continue to see more volume conducted in a Card Not Present (CNP) manner. For credit, 52.9% of purchase volume and 42.1% of transactions were CNP. For debit, 43% of purchase volume and 28.6% of transactions were CNP. Purchase volume mix has held steady and is up 6.4 percentage points for credit and 7.2 percentage points for debit. Transaction mix is also steady and up 9.5% for credit and 7.3% for debit.



**AMAZON**  
↑ **88%** Debit  
↑ **50%** Credit

Amazon, a top CNP merchant, had aggregate purchase volume increases across their various merchant categories of 88% for debit and 50% or credit.



**ATM**  
↓ **22.9%** Withdrawals

Cash withdrawal transactions at the ATM continue to be down. For the most recent week, the number of cash withdrawals is down 22.9%, just above the average for the past ten weeks, which is down 22.6%.

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



**GROCERY**  
↑ **5.5%** Debit  
↑ **14.9%** Credit

Grocery continues to perform well overall with purchases up 5.5% for debit and 14.9% for credit.



**DRUG STORES**  
↑ **8.0%** Debit  
↑ **3.8%** Credit

Drug Stores also remain in positive territory, with purchases up 8.0% for debit and 3.8% for credit.



**CONSUMER GOODS**  
↑ **31.0%** Debit  
↑ **17.8%** Credit

The purchase volume of consumer goods across retail stores remains very strong, but is trending down. Debit was up 31.0% and credit was up 17.8% as growth continues in Electronics, Home, Discount Stores, Automobile and Sporting Goods.



**RESTAURANTS**  
↓ **1.7%** Debit  
↓ **24.3%** Credit

After last week's jump into positive territory for debit spend at Restaurants, this category was down in Week 31 by 1.7%. Credit spend was down 24.3%, which is better than its eight-week average – down 29.1%.



**SERVICES**  
↑ **4.9%** Debit  
↓ **0.9%** Credit

Services saw another week of decline, with debit finishing up 4.9% and credit finishing down 0.9%. Positive contributors include Healthcare and Home Services, while Personal and School Services continue to worsen.



**TRAVEL**  
↓ **30.4%** Debit  
↓ **58.9%** Credit

Travel and Entertainment remain the two most significantly impacted sectors. Travel purchases were down 30.4% for debit and 58.9% for credit, while Entertainment was down 37.9% and 53.7%, respectively.



**ENTERTAINMENT**  
↓ **37.9%** Debit  
↓ **53.7%** Credit

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



**NO STAY AT HOME ORDERS**  
↑ **3.7%** Debit  
↓ **5.2%** Credit

For the past ten weeks, the eight states that never issued formal "stay at home" orders continue to see growth less than the overall U.S. Debit spend was up 3.7%. Credit spend was down 5.2%. These states include AR, IA, ND, NE, OK, SD, UT and WY.



**INITIAL HOT ZONES**  
↑ **11.6%** Debit  
↓ **7.4%** 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 11.6% and for the past 5 weeks have been within 1% of the overall U.S. spend. Credit spend was down by 7.4% last week and has been lower than the overall U.S. spend since April by roughly 4.0%.



**NEW HOT ZONES**  
↑ **11.5%** Debit  
↓ **4.9%** Credit

A second group of ten states that were identified as new "hot zones" by the White House Coronavirus Task Force has performed close to overall U.S. results, with purchases up 11.5% on debit and down 4.9% on credit for the current week. These states include AL, AZ, FL, GA, LA, MS, NV, SC, TX and UT.



We saw a slowdown in overall card payment volumes in Week 31 that we can attribute, in part, to the expiration of the \$600 enhanced unemployment benefits. At the same time, we know from our data that back-to-school time is second only to the holiday season as a purchase event. Early indications show some sluggishness this year, given delays in school openings and variations in attendance due to the ongoing COVID-19 pandemic. We will continue to monitor these trends as school resumes in various experiences throughout the country, along with new executive actions on additional stimulus relief.

— Glynn Frechette, SVP, Advisors Plus Consulting at PSCU



PSCU's Weekly U.S. State/Territory Analysis is available on [psc.com/covid19](https://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](https://psc.com/covid19).