

Tracking Transaction Trends

Week Ending August 23, 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 34th week of the year (the week ending August 23, 2020 compared to the week ending August 25, 2019).



OVERALL SPEND

Overall card payment volume growth rates improved in Week 34.

Debit
↑ **18.1%**

Debit card spend was up 18.1%, which is higher than the prior four-week average of +16.1%. Transactions were up 4.7% and have been positive for eight consecutive weeks.

Credit
↑ **0.9%**

Credit card spend finished in positive territory for the first time in 23 weeks, up 0.9%, which is better than the four-week average of -1.9%. Transactions closed above the four-week average of -5.9%, finishing down 4.1%.

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



CONTACTLESS
↑ **11.7%** of Debit Card-Present Transactions

↑ **9.5%** of Credit Card-Present Transactions

Contactless "tap-and-go" transactions via dual interface cards continue to gain adoption. Debit contactless transactions as a percent of card-present activity on contactless debit cards have grown from around 8% in mid-January to a peak of 12.9% in July, finishing at 11.7% in Week 34. Contactless credit transactions have also grown from 6.5% in mid-January to last week finishing at 9.5% of card-present activity on contactless credit cards.



MOBILE WALLETS

↑ **74.7%** Debit

↑ **49.7%** 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 34 up 74.7% year over year. Credit mobile wallet purchases were up 49.7% year over year, in line with the prior four-week average of 49.6%. These results represent six supported mobile wallets: Apple Pay, Fitbit Pay, Garmin Pay, Google Pay, LG Pay and Samsung.



DEBIT CARD NOT PRESENT

↑ **41.7%** of Purchases

↑ **28.3%** of Transactions

CREDIT CARD NOT PRESENT

↑ **51.8%** of Purchases

↑ **40.9%** of Transactions

We continue to see more volume conducted via Card Not Present (CNP) transactions. For credit, 51.8% of purchase volume and 40.9% of transactions were CNP. For debit, 41.7% of purchase volume and 28.3% of transactions were CNP. Purchase mix has held steady and is up 6.9 percentage points year over year for credit and 7.3 percentage points for debit. Transaction mix is also steady and up 9.0 percentage points for credit and 7.2 percentage points for debit.



AMAZON

↑ **76%** Debit

↑ **44%** Credit

Amazon, a top CNP merchant, had aggregate purchase volume increases across their various merchant categories of 76% for debit and 44% for credit.



ATM

↓ **21.0%** Withdrawals

Cash withdrawal transactions at the ATM remain down year over year. For the most recent week, the number of cash withdrawals was down 21.0%, just below the average for the past four weeks, which is -20.8%.

FROM A MERCHANT CATEGORY PERSPECTIVE, TRENDS SHOWED MIXED PATTERNS.



GROCERY

↑ **8.8%** Debit

↑ **14.5%** Credit

Grocery continues to perform well overall, with purchases up 8.8% for debit and 14.5% for credit.



UTILITIES

↑ **22.5%** Debit

↑ **7.4%** Credit

Utilities also remain in positive territory, with purchases up 22.5% for debit and 7.4% for credit.



CONSUMER GOODS

↑ **33.9%** Debit

↑ **19.8%** Credit

The purchase volume of consumer goods across retail stores remains very strong, as debit was up 33.9% and credit up 19.8%. Growth continues across most retail categories, led by Electronics, Home, Discount Stores, Automobile and Sporting Goods.



RESTAURANTS

↑ **6.0%** Debit

↓ **18.2%** Credit

Debit spend for Restaurants stayed positive in Week 34 at 6.0%, with Fast Food Restaurants leading the way. Credit spend was down 18.2%, which is better than its four-week average of -22.0%.



SERVICES

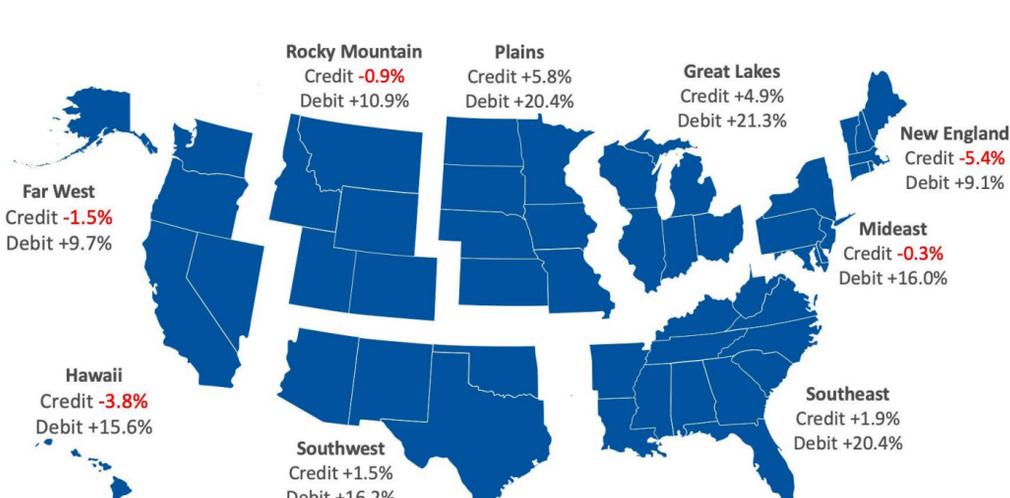
↑ **16.7%** Debit

↑ **6.3%** Credit

Services rebounded this week, with debit finishing up 16.7% and credit up 6.3%. Positive contributors include Healthcare, Auto, Pet and Home Services.

REGIONAL SPENDING TRENDS

To provide more detailed insight into the impact of the COVID-19 pandemic on the economic regions of the U.S., we have modified our reporting to include regional breakouts that mirror the segmentation used by the U.S. Bureau of Economic Analysis (BEA).



DEBIT

Overall U.S. spend was up 0.9% for credit purchases. The Plains states (up 5.8%) and the Great Lakes states (up 4.9%) finished as the strongest regions for Week 34. New England (down 5.8%) and the state of Hawaii (down 3.8%) had the lowest credit purchases performance.

CREDIT

Overall U.S. spend was up 18.1% for debit purchases. The Great Lakes (+21.3%) the Plains states (+20.4%) and the Southeast (+20.4%) all finished above the U.S. average for Week 34. The regions with the lowest debit purchase results are New England (+9.1%) the Far West (+9.7%), and the Rocky Mountains (+10.9%).



Card payment volumes improved in Week 34, with credit card spend finishing in positive territory for the first time since March. Looking at the number of transactions, the year-over-year change is at its highest level since the onset of the pandemic. The same is true with card-present transactions, suggesting consumers may be out and doing more. Additionally, if we exclude travel and entertainment from total credit card purchases, volume has been positive for 12 consecutive weeks. While we still have a way to go, these trends indicate a move toward normalization.

— *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. 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.