

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 36th week of the year (the week ending September 6, 2020 compared to the week ending September 8, 2019).



## OVERALL SPEND

Overall card payment volume growth rates increased in Week 36. A portion of the increases for Week 36 and declines in Week 35 are attributed to Labor Day occurring a week later this year (September 7, 2020) as compared to last year (September 2, 2019).

**Debit**  
↑ **23.6%**

Debit card spend was up 23.6%, higher than the four-week average of +15.4%. Transactions were up 7.8% and have been positive for ten consecutive weeks.

**Credit**  
↑ **9.9%**

Credit card spend was up 9.9%, which is higher than the four-week average of +1.5%. Transactions were up 2.0%, above the four-week average of -3.5%.

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



**CONTACTLESS**  
13.1% of Debit Card-Present Transactions

9.8% 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 13.1% in Week 36. Contactless credit transactions have also grown from 6.5% in mid-January to last week finishing at 9.8% of card-present activity on contactless credit cards.



**MOBILE WALLETS**  
↑ **73.5% Debit**

↑ **43.9% Credit**

Mobile wallet (i.e. "Pays") transactions and purchases for both credit and debit cards had positive results. Debit mobile wallet purchases finished Week 36 up 73.5% year over year, higher than the four-week average of +72.6%. Credit mobile wallet purchases were up 43.9% year over year, higher than the four-week average of +42.3%. These results represent six supported mobile wallets: Apple Pay, Fitbit Pay, Garmin Pay, Google Pay, LG Pay and Samsung.



**DEBIT CARD NOT PRESENT**  
44.1% of Purchases  
29.0% of Transactions

**CREDIT CARD NOT PRESENT**  
52.9% of Purchases  
41.9% of Transactions

We continue to see more volume conducted via Card Not Present (CNP) transactions. For credit, 52.9% of purchase volume and 41.9% of transactions were CNP. For debit, 44.1% of purchase volume and 29.0% of transactions were CNP. The purchase mix has held steady and is up 6.5 percentage points year over year for credit and 7.5 percentage points for debit. Transaction mix is also steady, up 8.3 percentage points for credit and 6.6 percentage points for debit year over year.



**ATM**  
↓ **14.6% Withdrawals**

Cash withdrawal transactions at the ATM remain down year over year. For the most recent week, the number of cash withdrawals was down 14.6%, above the average for the past four weeks of -21.8%.

## FROM A MERCHANT CATEGORY PERSPECTIVE, TRENDS SHOWED POSITIVE PATTERNS.



**GROCERY**  
↑ **9.7% Debit**  
↑ **17.5% Credit**

Grocery was strong this week, with purchases up 9.7% for debit and up 17.5% for credit.



**UTILITIES**  
↑ **22.8% Debit**  
↑ **7.7% Credit**

Utilities also remain in positive territory, with purchases up 22.8% for debit and up 7.7% for credit.



**CONSUMER GOODS**  
↑ **38.2% Debit**  
↑ **27.9% Credit**

The purchase volume of consumer goods across retail stores increased, with debit up 38.2% and credit up 27.9%. Growth was broad and included strength in Electronics, Sporting Goods, Home and Automotive. More details on this category is included in this week's deeper dive below.

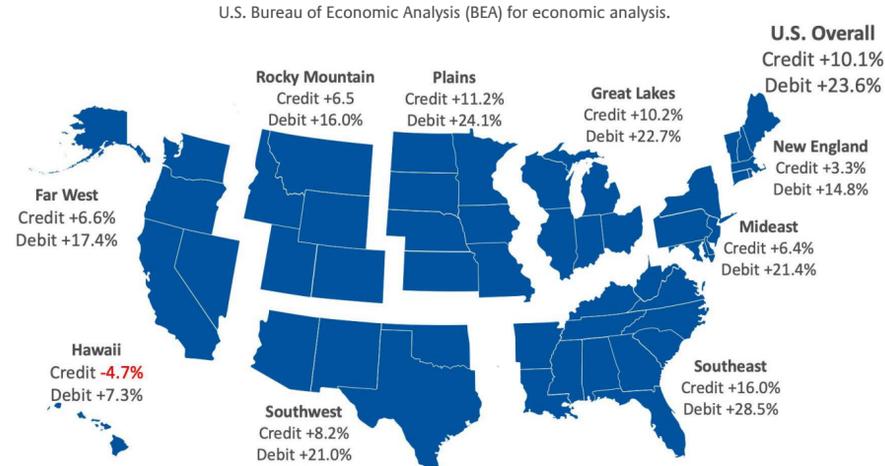


**RESTAURANTS**  
↑ **8.0% Debit**  
↓ **10.1% Credit**

Debit spend for Restaurants stayed positive in Week 36 at +8.0%, with Fast Food Restaurants continuing to lead the way. Credit spend was down 10.1%, which is above its four-week average of -16.4%.

## REGIONAL SPENDING TRENDS

Our regional analysis of spend utilizes the segmentation used by the U.S. Bureau of Economic Analysis (BEA) for economic analysis.



### DEBIT

Overall U.S. spend was up 23.6% for debit purchases. The Plains (+24.1%) and the Southeast (+28.5%) finished above the U.S. average for Week 36. The regions with the lowest debit purchase results are Hawaii (+7.3%) and the New England (+14.8%).

### CREDIT

Overall U.S. spend was up 10.1% for credit purchases. The Great Lakes (+10.2%), the Plains (+11.2%) and Southeast (+16.0%) finished as the strongest regions for Week 36. Hawaii (-4.7%) and the New England region (+3.3%) had the lowest credit purchase performance.

## THIS WEEK, WE TAKE A DEEPER DIVE INTO THE GOODS SECTOR AND ITS COMPONENTS, INCLUDING CLOTHING STORES AND RETAIL STORES.

PSCU's Goods sector is a consolidation of merchant categories including retailers that sell "goods" to consumers and businesses, including both physical stores and online retailers, spanning a broad array of merchandise.



**MISCELLANEOUS STORES**  
Four-week Average  
↑ **40.7% Debit**  
↑ **29.0% Credit**

The largest portion of the Goods sector comprises Miscellaneous Stores. For Week 36, this represents 38% of debit purchases and 36% of credit purchases. In this category, which includes Furniture, Home Furnishing, Appliance, Sporting Goods, Liquor, Pet and Hobby stores, debit purchases are up 45.6%, up from the four-week average of +40.7%. Credit purchases were up 27.2%, down from the four-week average of +29.0%. Electronics also continue to perform well, as debit purchases were up 45.6% in Week 36, up from their four-week average of +41.2%, and credit purchases were up 26.4%, up from their four-week average of +23.0%.



**RETAIL STORES**  
Four-week Average  
↑ **31.0% Debit**  
↑ **20.9% Credit**

38% of debit purchases and 31% of credit purchases in the Goods sector comprise Retail Stores. Within this category, Home Improvement, Hardware, Landscaping and Discount Stores have been seen increasing. For Retail Stores, debit purchases are up 35.1%, up from the four-week average of +31.0%. Credit purchases are up 25.4%, up from the four-week average of +20.9%.



**AMAZON**  
Four-week Average  
↑ **77% Debit**  
↑ **48% Credit**

Amazon continues to show strong performance, with sales crossing multiple merchant categories. Aggregate Amazon debit purchases are up 81% year over year, up from the four-week average of +77%, and credit purchases are up 54%, up from the four-week average of +48%.



**CLOTHING STORES**  
Four-week Average  
↑ **5.8% Debit**  
↓ **13.5% Credit**

Within Goods, the primary merchant category still adversely affected by the pandemic is Clothing Stores. Debit purchases have rebounded and have been positive since the start of June, finishing last week up 15.4%, above the four-week average of +5.8%. Credit purchases remain under 2019 levels, finishing last week down 6.7%, up from the four-week average of -13.5%.



Card payment volume growth rates increased as expected in Week 36, fueled by the Labor Day holiday. Aside from discretionary travel, consumers are spending more this year in the various back-to-school environments – just differently than we've historically seen. As we see in this week's deeper dive into the Goods sector, clothing remains down, while electronics and home-related purchases are up as virtual school and remote work continue for many.

— *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).