

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 38th week of the year (the week ending September 20, 2020 compared to the week ending September 22, 2019).



OVERALL SPEND

Overall card payment volume growth rates were steady in Week 38.

Debit
↑ **16.8%**

Debit card spend was up 16.8%, in line with the four-week average of +16.5%. Transactions were up 1.8% and have been positive for twelve consecutive weeks.

Credit
↑ **3.2%**

Credit card spend achieved its third consecutive week of positive growth at +3.2%, which is slightly higher than the four-week average of +2.9%. Transactions were down 3.2%, hovering close to the four-week average of -2.8%.

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



CONTACTLESS
14.1% of Debit Card-Present Transactions

10.0% 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 14.1% in Week 38.

Contactless credit transactions have also grown from 6.5% in mid-January to last week finishing at 10.0% of card-present activity on contactless credit cards.



MOBILE WALLETS
↑ **70.3%** Debit

↑ **50.4%** Credit

Mobile wallet (i.e. "Pays") transactions and purchases for both credit and debit cards had positive results. Debit mobile wallet purchases finished Week 38 up 70.3% year over year, slightly lower than the four-week average of +71.3%. Credit mobile wallet purchases were up 50.4% year over year, higher than the four-week average of +43.1%. These results represent six supported mobile wallets: Apple Pay, Fitbit Pay, Garmin Pay, Google Pay, LG Pay and Samsung Pay.



DEBIT CARD NOT PRESENT
41.9% of Purchases

28.4% of Transactions

CREDIT CARD NOT PRESENT
52.1% of Purchases

41.4% of Transactions

We continue to see more volume conducted via Card Not Present (CNP) transactions. For credit, 52.1% of purchase volume and 41.4% of transactions were CNP. For debit, 41.9% of purchase volume and 28.4% of transactions were CNP. Purchase mix has held steady and is up 6.3 percentage points year over year for credit and 6.4 percentage points for debit. Transaction mix is also steady, up 8.9 percentage points for credit and 6.9 for debit year over year.



ATM
↓ **19.3%** Withdrawals

Cash withdrawal transactions at the ATM remain down year over year. For the most recent week, the number of cash withdrawals was down 19.3%, just above the average for the past four weeks of -20.4%.

FROM A MERCHANT CATEGORY PERSPECTIVE, PURCHASE GROWTH RATES IN WEEK 38 WERE STEADY AND TRENDS REMAIN POSITIVE OVERALL.



GROCERY
↑ **9.6%** Debit

↑ **17.7%** Credit

Grocery was strong this week, with purchases up 9.6% for debit and up 17.7% for credit.



CONSUMER GOODS
↑ **37.2%** Debit

↑ **23.4%** Credit

Goods also remain in positive territory, with purchases up 37.2% for debit and up 23.4% for credit.



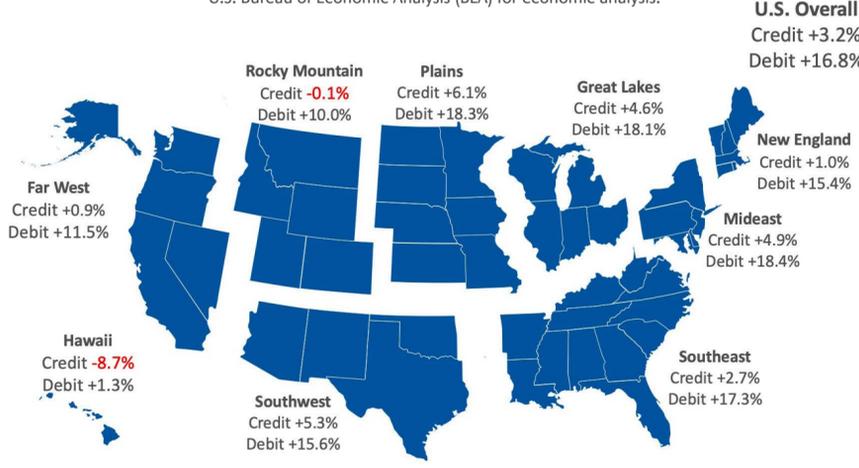
SERVICES
↑ **13.0%** Debit

↑ **8.5%** Credit

The Service sector made the largest week-over-week improvement in both credit and debit. Services finished the week up 8.5% for credit and 13.0% for debit. The biggest contributors for credit were Contracted Services and Professional Services & Membership Organizations, while performance within debit is largely attributed to Contracted Services and Digital Goods.

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 16.8% for debit purchases. The Great Lakes (+18.1%), the Midwest (+18.4%), the Plains (+18.3%) and the Southeast (+17.3%) finished above the U.S. average for Week 38. Hawaii (+1.3%) continues to show the lowest debit purchase performance.

CREDIT

Overall U.S. spend was up 3.2% for credit purchases. The Great Lakes (+4.6%), the Midwest (+4.9%), the Plains (+6.1%) and the Southwest (+5.3%) finished as the strongest regions for Week 38. Hawaii (-8.7%) and the Rocky Mountain region (-0.1%) had the lowest credit purchase performance.

THIS WEEK'S DEEPER DIVE EXPLORES THE GASOLINE SECTOR, WHICH MADE UP 4.1% OF OVERALL CREDIT PURCHASES AND 7.1% OF ALL DEBIT PURCHASES IN WEEK 38.

There are two components to this sector: Automated Fuel Dispensers (AFD) and Service Stations. For Week 38, the percentage of spend within these subcategories was 72% AFD and 28% Service Stations for credit and 53% AFD and 47% Service Stations for debit.

Purchases in this sector are greatly influenced by gasoline prices, which remain down. The average price in the U.S. for a gallon of gasoline is down 13.9% as compared to the same week last year, per the U.S. Energy Information Administration.



AUTOMATED FUEL DISPENSER
Four-week Average

↓ **9.0%** Debit

↓ **10.6%** Credit

For Automated Fuel Dispensers, transaction volume was down 14.7% on credit and down 10.6% on debit. Purchase volume was down 26.2% on credit and down 20.8% on debit. Average purchase size has recovered for AFDs from the dip in the April/May time frame, which was impacted by the lower demand and lower prices. For Week 38, the average purchase size for AFDs was \$27.56 for credit, down 13.5%, and lower than its four-week average of -10.6%, and \$25.93 for debit, down 11.4%, and lower than its four-week average of -9.0%.



SERVICE STATIONS
Four-week Average

↑ **5.8%** Debit

↑ **0.5%** Credit

For Service Stations, transaction volume was down 2.6% on credit and down 1.3% on debit. Purchase volume was down 0.3% on credit and up 5.0% on debit. Average purchase size in Service Stations has remained remarkably consistent throughout 2020. For Week 38, Service Station average purchase size was \$18.93 for credit, up 2.4% and higher than its four-week average of +0.5%, and \$14.31 for debit, up 6.4% and higher than its four-week average of +5.8%.



TRANSACTION FREQUENCY
Four-week Average

↓ **2.7%** Debit

↓ **8.9%** Credit

Ultimately, while members are buying the same quantity of gas when they visit the gas station as they did earlier in the year (especially given the impact of the drop in fuel prices), the frequency of purchases has changed. Over the last four weeks, gasoline transactions on average are down 8.9% for credit and down 2.7% for debit.



TRANSACTION LOCATION
2020 YTD

	Credit	Debit
Automated Fuel Dispenser	38%	65%
Service Station	62%	35%

For 2020, credit cardholders appear to pay more often at the AFDs (65%) versus inside the Service Station (35%) and debit cardholders appear to favor in-store Service Stations (62%) versus AFDs (38%).



We saw solid performance overall in Week 38, with notable continued strength in contactless debit. Credit card spend continued to rebound, achieving its third straight week of positive growth – ten straight weeks of growth if removing travel. We'll continue to monitor this trend closely, as the extent to which consumers start using credit for living expenses could serve as an economic indicator. Meanwhile, the gasoline sector, which we explore in this week's deeper dive, remains notably down as consumers are traveling and commuting to work less frequently.

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



PSCU's Weekly U.S. State/Territory Analysis is available on pscuhq.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 pscuhq.com/covid19.