Tracking Transaction Trends
Week Ending September 20, 2020

CONSUMERS CONTINUE STRONG USAGE OF CONTACTLESS, MOBILE WALLETS

CONSUMER GOODS and CREDIT CARD NOT PRESENT (CNP) transactions overall continue to set new records. Contactless transactions have increased from around 8% in mid-January to 14.1% in Week 38.

OVERALL SPEND

The overall debit card volume was down 14.7% on credit and down 20.8% on debit. For Automated Fuel Dispensers, transaction volume was down 14.7% on credit and down 20.8% on debit.

DEBIT

Overall U.S. spend was up 16.8% for debit purchases. Debit spending was down year over year. For the most recent week, the percentage points for credit and 6.9 for debit year over year.

CREDIT

For 2020, credit cardholders appear to pay more interest. The average payment was 4.1% in Week 38. The last week of the year had been a record average of 5.5%.

REGIONAL SPENDING TRENDS

This week’s deeper dive explores the gasoline sector, which includes 1,500 general credit unions and 1,500 full-service banks in 28% service stations for credit and 53% AFD and 47% service stations for debit.

PURCHASE GROWTH RATES

From a merchant category perspective, purchase growth rates were +7% for gas and +6% for services. The biggest contributors for credit were restaurants (down 17.7%) and gas (down 9.7%). For debit, 41.9% of purchase volume was CNP.

ATA AND ANNUALIZED GROWTH

28% service stations for credit and 53% AFD and 47% service stations for debit. The average card-present transaction size was $50.4 for credit, up 2.4% and higher than its four-week average of -9.0%.

TRANSACTION LOCATION

The 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 +0.4%.

REQUIRED COSTS TO STAY STRONG AND SURVIVE COVID-19

The requirement to stay strong and survive COVID-19 is not just one ingredient. It’s the combination of 3 key elements: Changes in consumer behavior, patchwork recovery in the U.S. and internationally, and the need to keep your costs down to stay strong.

Changes in consumer behavior:

1. Contactless and mobile wallet payments continue to grow as consumers look to avoid physical contact.
2. Virtual and online convenience: Consumers are turning to virtual and online options to get what they need without having to go out.
3. Remote work and shopping: With many people working remotely, there’s been an increase in online shopping.

Patchwork recovery in the U.S. and internationally:

1. Different regions have seen varying degrees of recovery. For example, the Southeast and Northeast have seen stronger growth rates compared to the Midwest and West.
2. Some sectors have seen stronger growth than others, with consumer goods and services leading the way.

The need to keep your costs down:

1. With revenue generation still uncertain, it’s important to control costs and maximize efficiency.
2. There’s a focus on reducing non-essential expenses and optimizing resources.

Recommended actions include:

1. Review and adjust your expenses regularly to ensure they align with current revenue expectations.
2. Consider cost-saving initiatives and cost-cutting measures.
3. Maintain a strong financial position to weather any potential downturns.

PSCL Data Note: The PSCL Data Note is a publication that provides insight into the latest trends and insights in the credit union industry. It is based on data collected from credit union members across the country. The information is used to help credit unions make informed decisions and improve their services.