

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 39th week of the year (the week ending September 27, 2020 compared to the week ending September 29, 2019).



OVERALL SPEND

Overall card payment volume growth rates were steady in Week 39, with strength continuing in debit and credit remaining positive.

Debit
↑ **17.3%**

Debit card spend was up 17.3%, slightly lower than the four-week average of +18.5%. Transactions were up 3.7% and have been positive for 13 consecutive weeks.

Credit
↑ **3.4%**

Credit card spend achieved its fourth consecutive week of positive growth at +3.4%, which is lower than the four-week average of +4.3%. Transactions were down 2.6%, hovering close to the four-week average of -1.9%.

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



CONTACTLESS
14.4% of Debit Card-Present Transactions

10.2% 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 8.4% in mid-January to 14.4% in Week 39, including a two-percentage-point increase in the past six weeks. Contactless credit transactions have also grown from 6.5% in mid-January to last week finishing at 10.2% of card-present activity on contactless credit cards.



MOBILE WALLETS
↑ **70.2%** Debit

↑ **50.2%** Credit

Mobile wallet (i.e. "Pays") transactions and purchases for both credit and debit cards had positive results. Debit mobile wallet purchases finished Week 39 up 70.2% year over year, slightly lower than the four-week average of +71.8%. Credit mobile wallet purchases were up 50.2% year over year, higher than the four-week average of +49.9%. These results represent six supported mobile wallets: Apple Pay, Fitbit Pay, Garmin Pay, Google Pay, LG Pay and Samsung Pay.



DEBIT CARD NOT PRESENT
41.2% of Purchases

28.0% of Transactions

CREDIT CARD NOT PRESENT
51.6% of Purchases

40.9% of Transactions

We continue to see more volume conducted via Card Not Present (CNP) transactions. For credit, 51.6% of purchase volume and 40.9% of transactions were CNP. For debit, 41.2% of purchase volume and 28.0% of transactions were CNP. Purchase mix has held steady and is up 6.1 percentage points year over year for credit and 6.4 for debit. Transaction mix is also steady and up 8.6 percentage points for credit and 6.9 for debit year over year.



ATM
↓ **20.7%** Withdrawals

Cash withdrawal transactions at the ATM remain down year over year. For the most recent week, the number of cash withdrawals was down 20.7%, just below the average for the past four weeks of -18.8%.

FROM A MERCHANT CATEGORY PERSPECTIVE, PURCHASE GROWTH RATES IN WEEK 39 WERE STEADY AND TRENDS REMAIN POSITIVE OVERALL.



GROCERY
↑ **9.7%** Debit

↑ **17.0%** Credit

Grocery remained steady this week, with purchases up 9.7% for debit and up 17.0% for credit.



CONSUMER GOODS
↑ **36.6%** Debit

↑ **23.4%** Credit

Goods continued strong performance, with purchases up 36.6% for debit and up 23.4% for credit.



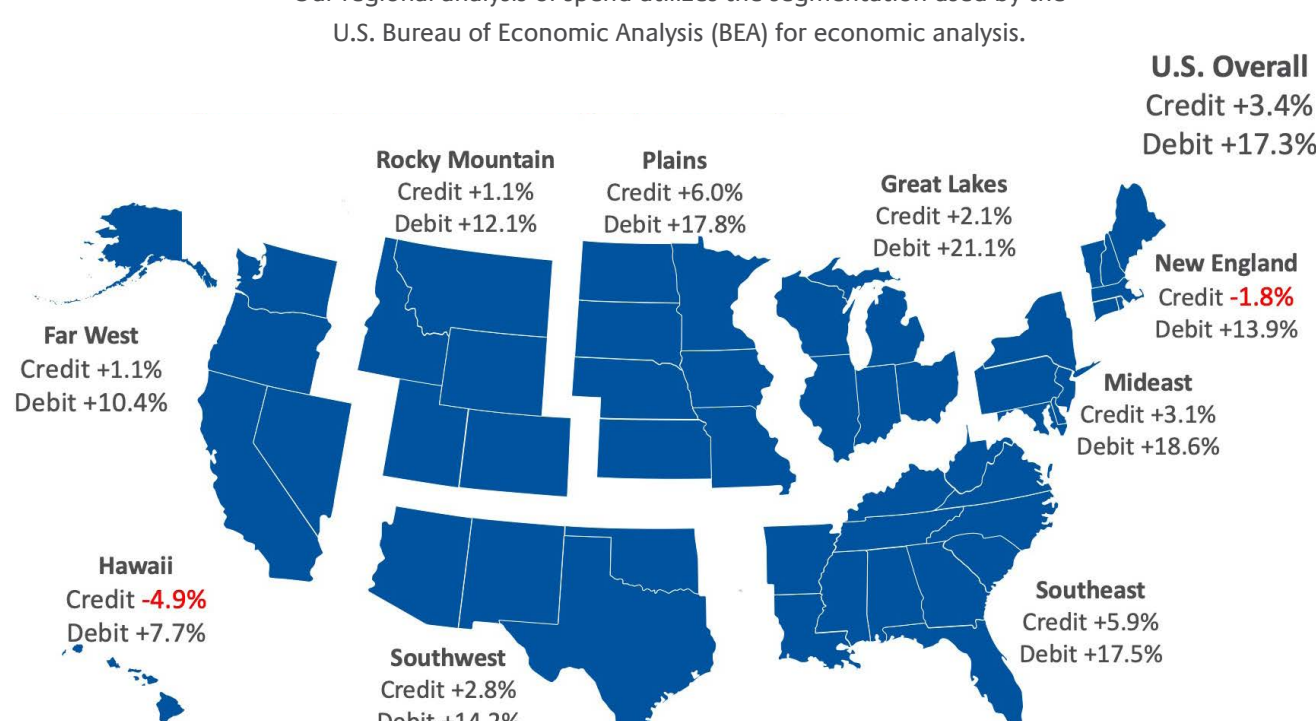
DRUG STORES
↑ **5.3%** Debit

↑ **3.3%** Credit

Drug Stores showed the largest credit category decrease, down 3.3 percentage points from last week, to +3.3%. Drug Stores remained steady on debit, finishing at +5.3%, down just 0.1 percentage points from last week.

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 17.3% for debit purchases. The Great Lakes (+21.1%), the Mideast (+18.6%), the Plains (+17.8%) and the Southeast (+17.5%) finished above the U.S. average for Week 39. The Far West region (+10.4%) and Hawaii (+7.7%) showed the lowest debit purchase performance.

CREDIT

Overall U.S. spend was up 3.4% for credit purchases. The Plains (+6.0%) and the Southeast (+5.9%) finished as the strongest regions for Week 39. Hawaii (-4.9%) and the New England region (-1.8%) had the lowest credit purchase performance.

THIS WEEK'S DEEPER DIVE EXPLORES THE RESTAURANT SECTOR, WHICH CURRENTLY MAKES UP 6.8% OF OVERALL CREDIT PURCHASES AND 11.1% OF ALL DEBIT PURCHASES.

While four sub-categories comprise this sector, two Purchase Merchant Categories – Eating Places/Restaurants ("Eating Places") and Fast Food Restaurants ("Fast Food") – represent 95% of purchases. For Week 39, the percentage of spend within these sub-categories are 69% at Eating Places and 27% at Fast Food for credit and 57% at Eating Places and 40% at Fast Food for debit.

The other two categories in this sector are Drinking Places and Caterers.



EATING PLACES
Four-week Average

↑ **4.2%** Debit

↓ **16.9%** Credit

For debit, purchases in the four sub-categories have largely worked their way back to near or above 2019 levels. Drinking Places finished Week 39 up 11.6% year over year, up from the four-week average of +8.1%. Fast Food purchases were up 10.2% in Week 39, in line with the four-week average of +10.8%. Eating Places were up 5.3% in Week 39, up slightly from the four-week average of +4.2%.



FAST FOOD
Four-week Average

↑ **10.8%** Debit

↑ **1.4%** Credit

For credit, purchases in Fast Food have nearly returned to 2019 levels, finishing week 39 down 0.3%, down slightly from the four-week average of +1.4%. The remaining sub-categories are still well below 2019 levels. Caterers finished Week 39 at -32.0%, down from the four-week average of -25.3%. Drinking Places were down 19.6% in Week 39, up from the four-week average of -23.3%. Eating Places were down 16.7% in Week 39, in line with the four-week average of -16.9%.



DRINKING PLACES
Four-week Average

↑ **8.1%** Debit

↓ **23.3%** Credit

In the two dominant sub-categories of the Restaurant sector, Eating Places and Fast Food, the average purchase amounts have been elevated since April for both credit and debit, indicating that purchase frequency has been slower to return. For Week 39, the credit average purchase amount for Eating Places is \$38.16, up 5.5% year over year and for Fast Food is \$12.65, up 14.1%. For debit, the average purchase amount for Eating Places is \$30.86, up 12.7%, and for Fast Food is \$11.29, up 15.5%.

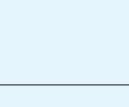


CATERERS
Four-week Average

↑ **5.3%** Debit

↓ **25.3%** Credit

Restaurant purchases are clearly one of the more impacted sectors in the shift to Card Not Present activity.



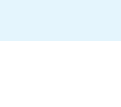
CARD NOT PRESENT PURCHASES
Four-week Average

↑ **112.0%** Debit

↑ **91.4%** Credit

For debit purchases, the percentage change in Card Not Present purchases for Week 39 is up 110%, down from the four-week average of +112%, and has been over 100% for the past 26 weeks.

For credit purchases, the percentage change in Card Not Present purchases for Week 39 is up 89%, down slightly from the four-week average of +91.4%, and has been above this level for the past 25 weeks.



Week 39 saw another strong week of performance in both debit and credit purchase volume, fueled by strong growth in retail. Contactless transactions continued to grow, up two percentage points over the past six weeks on debit, representing stronger week-to-week growth than we have historically seen. In this week's deeper dive into the Restaurant sector, we saw that card-not-present activity continues to grow exponentially year over year. Both of these trends are good indicators of the continued behavioral changes and adaptation of both consumers and businesses in a post-pandemic environment.

— Glynn Frechette, SVP, Advisors Plus Consulting at PSCU



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