

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 41st week of the year (the week ending October 11, 2020 compared to the week ending October 13, 2019).



## OVERALL SPEND

Card payment volume growth rates continued to show overall strength in Week 41, with debit rising slightly and credit showing continued positive growth.

**Debit**

**↑ 17.0%**

Debit card spend was up 17.0%, slightly higher than the four-week average of +16.4%. Transactions were up 3.6% and have been positive for 15 consecutive weeks.

**Credit**

**↑ 3.8%**

Credit card spend achieved its sixth consecutive week of positive growth at +3.8%, which is in line with the four-week average of +3.5%. Transactions were also slightly higher than the four-week average of -2.2%, finishing down 1.8%.

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



### CONTACTLESS

**16.4%** of Debit Card-Present Transactions

**10.5%** 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 8.4% in mid-January to 16.4% in Week 41.

Contactless credit transactions have also grown from 6.5% in mid-January to last week finishing at 10.5% of card-present activity on contactless credit cards.



### MOBILE WALLETS

**↑ 66.2%** Debit

**↑ 51.6%** Credit

Mobile wallet (i.e. "Pays") transactions and purchases for both credit and debit cards continue to show positive results. Debit mobile wallet purchases finished Week 41 up 66.2% year over year, lower than the four-week average of +68.5%. Credit mobile wallet purchases were up 51.6% year over year, slightly higher than the four-week average of +50.6%.

These results represent six supported mobile wallets: Apple Pay, Fitbit Pay, Garmin Pay, Google Pay, LG Pay and Samsung Pay.



### DEBIT CARD NOT PRESENT

**41.0%** of Purchases

**28.3%** of Transactions

### CREDIT CARD NOT PRESENT

**51.5%** of Purchases

**40.9%** of Transactions

We continue to see more volume conducted via Card Not Present (CNP) transactions. For credit, 51.5% of purchase volume and 40.9% of transactions were CNP. For debit, 42.0% of purchase volume and 28.3% of transactions were CNP. Purchase mix has held steady and is up 6.2 percentage points year over year for credit and 7.3 percentage points for debit. Transaction mix also remains steady, up 8.5 percentage points for credit and 7.1 percentage points for debit year over year.



### ATM

**↓ 18.6%** Withdrawals

Cash withdrawal transactions at the ATM remain down year over year. For the most recent week, the number of cash withdrawals was down 18.6%, just above the average for the past four weeks of -19.4%. The year over year change in total cash withdrawn is down 8.3%, which is higher than the four-week average of -9.5%.

## FROM A MERCHANT CATEGORY PERSPECTIVE, PURCHASE GROWTH RATES IN WEEK 41 WERE STEADY AND TRENDS REMAIN POSITIVE OVERALL.



### SERVICES

**↑ 20.7%** Debit

**↑ 10.9%** Credit

Services showed strong performance this week. Purchases are up 20.7% for debit, an increase of 9.7 percentage points from the previous week and credit is up 10.9%, an increase of 3.1 percentage points.



### TRAVEL

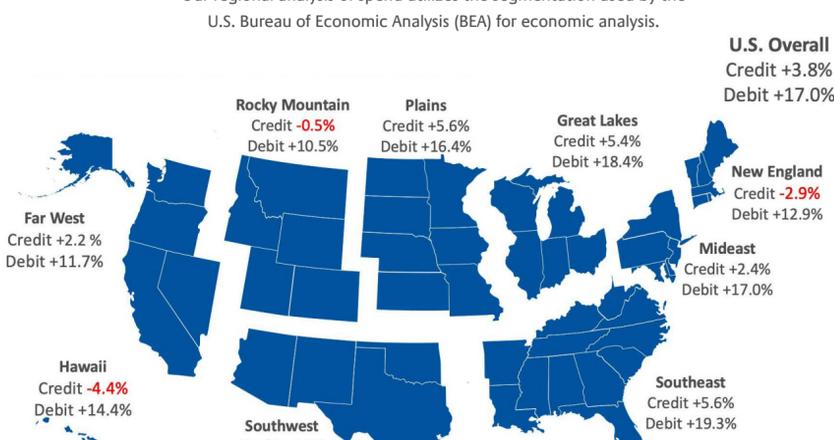
**↓ 15.5%** Debit

**↓ 49.6%** Credit

Travel remains the sector with the biggest opportunity for improvement. For Week 41, purchases are below 2019 levels by 49.6% for credit and down 15.5% for debit.

## 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 17.0% for debit purchases. The Great Lakes (+18.4%), Plains (+16.4%), Southeast (+19.3%) and the Southwest (+14.7%) finished as the strongest regions for Week 41. The Far West (+11.7%) and Rocky Mountain (+10.5%) regions had the lowest debit purchase performance.

### CREDIT

Overall U.S. spend was up 3.8% for credit purchases. The Great Lakes (+5.4%), Plains (+5.6%), Southeast (+5.6%) and the Southwest (+4.4%) finished as the strongest regions for Week 41. The Hawaii (-4.4%), New England (-2.9%) and Rocky Mountain (-0.5%) regions had the lowest credit purchase performance.

## THIS WEEK'S DEEPER DIVE EXPLORES THE UTILITY SECTOR, WHICH CURRENTLY MAKES UP 5% OF OVERALL CREDIT PURCHASES AND 10% OF ALL DEBIT PURCHASES.

The five sub-categories in the Utility sector, in order of volume, are Telecom Services, Cable, Satellite & Pay TV, Computer Network & Info Services, Utilities (Electric, Gas, Water), and Telecom Equipment.



### UTILITY SECTOR TOTAL

**↑ 17.3%** Debit

**↑ 5.9%** Credit

Debit purchases in this sector have been higher than their weekly 2019 levels for most of the year, finishing Week 41 up 18.9%, above the four-week average of +17.3%.

In this sector, the growth in debit purchases has come from year-over-year increases in the Computer Network & Info Services category, which currently makes up 20% of the utility sector. The top merchants in this category are Amazon and Microsoft (Xbox, Office365).

Credit purchases have been above 2019 levels all year, finishing Week 41 up 5.9%, in line with the four-week average of +5.9%.



### CABLE, SATELLITE, PAY TV

**\$48.47** Debit

**\$46.47** Credit

While the average purchase size varies within the Utility sector sub-categories, three of the five are stable at the weekly level. These three sub-categories and their respective four-week averages are:

- Cable, Satellite & Pay TV: \$46.47 credit and \$48.47 debit
- Computer Network & Info Services: \$34.49 credit and \$39.48 debit
- Telecom Services: \$96.20 credit and \$111.56 debit



### COMPUTER NETWORK & INFO SERVICES

**\$39.48** Debit

**\$34.49** Credit

The two Utility sub-categories with greater variation and their four-week average purchase amount are:

- Utilities (Electric, Gas, Water): \$132.20 credit and \$128.90 debit (this sub-category experiences a slight reduction in the summer months)
- Telecom Equipment: \$127.45 credit and \$101.18 debit (this sub-category experienced a drop in March, followed by an April rebound that was 10% over 2019 levels, and has recently returned to 2019 levels)



### TELECOM SERVICES

**\$111.56** Debit

**\$96.20** Credit



### UTILITIES (ELECTRIC, GAS, WATER)

**\$128.90** Debit

**\$132.20** Credit



### TELECOM EQUIPMENT

**\$101.18** Debit

**\$127.45** Credit



Both debit and credit purchase volume continued to show overall strength in Week 41, with the Services sector showing notably strong performance. This week's deeper dive into the Utility sector showed results in line with expectations – steady performance throughout 2020 despite the impacts of the pandemic on unemployment, discretionary spending and other shifts in consumer behavior.

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



PSCU's Weekly U.S. State/Territory Analysis is available on [pscucard.com/covid19](https://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](https://pscucard.com/covid19).