

Tracking Transaction Trends

Week Ending November 15, 2020



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 46th week of the year (**the week ending November 15, 2020 compared to the week ending November 17, 2019**).



OVERALL SPEND

Card payment volume growth rates continued to show overall strength in Week 46, with debit rising slightly and credit showing continued positive year-over-year growth.

Debit
↑ **16.6%**

Debit card spend continues to grow at twice the normal rate from past years and is impressive, given the rise in COVID-19 cases. For last week, debit purchases were up 16.6%, in line with the four-week average of +16.6%. Transactions were up 3.1% and have been positive for 20 consecutive weeks.

Credit
↑ **7.4%**

Credit card spend, at the highest point since the start of the pandemic, remained positive for an eleventh consecutive week at +7.4%, higher than the four-week average of +5.1%. Transactions finished at -0.2%, slightly higher than the four-week average of -0.7%.

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



CONTACTLESS
16.7% of Debit Card-Present Transactions

11.4% of Credit Card-Present Transactions

Contactless "tap-and-go" transactions via dual interface cards continue to gain adoption, with debit showing notable strength. Debit contactless transactions as a percent of card-present activity on contactless debit cards have nearly doubled from around 8.4% in mid-January to 16.7% in Week 46. Contactless credit transactions have also grown from 6.5% in mid-January to last week finishing at 11.4% of card-present activity on contactless credit cards. We view these results as conservative, as the ratio considers the proportion of contactless activity to all card-present transactions, not just those able to be tapped.



MOBILE WALLETS
↑ **61.6%** Debit
↑ **53.7%** Credit

Mobile wallet (i.e. "Pays") transactions and purchases for both credit and debit cards continue to show very strong growth with card-present activity. Debit mobile wallet purchases finished Week 46 up 61.6% year over year, lower than the four-week average of +62.4%. Credit mobile wallet purchases were up 53.7% year over year, higher than the four-week average of +51.2%. These results represent six supported mobile wallets: Apple Pay, Fitbit Pay, Garmin Pay, Google Pay, LG Pay and Samsung Pay.



DEBIT CARD NOT PRESENT
42.1% of Purchases
29.3% of Transactions

CREDIT CARD NOT PRESENT
52.6% of Purchases
43.1% of Transactions

We continue to see more volume conducted via Card Not Present (CNP) transactions. For credit, 52.6% of purchase volume and 43.1% of transactions were CNP. For debit, 42.1% of purchase volume and 29.3% of transactions were CNP. Purchase mix has held steady and is up 6.5 percentage points year over year for credit and 6.7 percentage points for debit. Transaction mix also remains steady, up 8.9 percentage points for credit and 7.0 percentage points for debit year over year.



ATM
↓ **17.7%** Withdrawals

Cash withdrawal transactions at the ATM remain down year over year. For the most recent week, the number of cash withdrawals was down 17.7%, lower than the four-week average of -16.7%. The year-over-year change in total cash withdrawn is down 7.9%, which is lower than the four-week average of -6.6%.

FROM A MERCHANT CATEGORY PERSPECTIVE, PURCHASE GROWTH RATES IN WEEK 46 REMAINED STEADY FOR BOTH CREDIT AND DEBIT.



GOODS
↑ **33.7%** Debit
↑ **26.5%** Credit

Spend in the Goods sector increased in both debit and credit, a clear sign the holiday spending is underway. Purchases are up 33.7% for debit, an increase of 7.0 percentage points week over week. Credit purchases were up 26.5%, up 10.6 percentage points from the previous week.



GROCERY
↑ **12.6%** Debit
↑ **23.9%** Credit

Grocery spend increased for both debit and credit. Purchases are up 12.6% year over year for debit and 23.9% for credit.

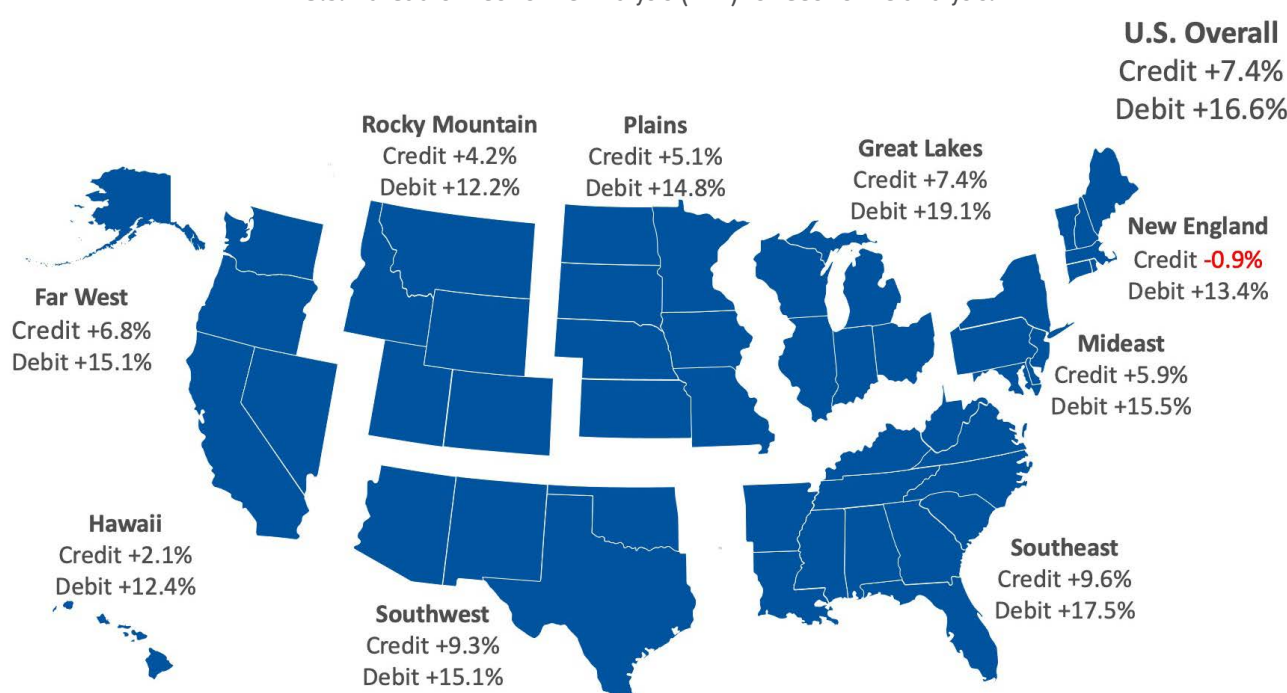


GASOLINE
↓ **12.9%** Debit
↓ **21.8%** Credit

Gasoline remains substantially down year over year. For Week 46, purchases are below 2019 levels by 21.8% for credit and down 12.9% 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 16.6% for debit purchases. The Great Lakes (+19.1%) and Southeast (+17.5%) finished as the strongest regions for Week 46. Hawaii (+12.4%) and the Rocky Mountain (+12.2%) region had the lowest debit purchase performance.

CREDIT

Overall U.S. spend was up 7.4% for credit purchases. The Southeast (+9.6%) and Southwest (+9.3%) finished as the strongest regions for Week 46. The Hawaii (+2.1%) and New England (-0.9%) regions had the lowest credit purchase performance.



While debit growth continues to remain strong, credit performance for the week saw the highest growth rate since the onset of the pandemic. Despite the surge in coronavirus cases around the country, spend in the goods sector showed a healthy increase, indicating holiday spending is well underway. As we move into Thanksgiving week, we will closely monitor consumer buying behavior during the upcoming Black Friday and Cyber Monday shopping days with interest.

— Glynn Frechette, SVP, Advisors Plus Consulting at PSCU



PSCU's **Weekly U.S. State/Territory Analysis** is available on 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.