

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 48th week of the year (the week ending November 29, 2020 compared to the week ending December 1, 2019). Week 48 performance data includes Thanksgiving, Black Friday and Small Business Saturday. Cyber Monday (Nov. 30) will be reported in next week's data.



## OVERALL SPEND

Card payment volume growth rates dipped in Week 48 compared to 2019, when more stores were open on Thanksgiving and consumers were more willing to shop in stores. These trends resulted in diluted purchasing during the 2020 Thanksgiving holiday shopping week, despite a record Cyber Monday.

**Debit**  
↑ **4.9%**

Debit card spend remains in positive territory from past years despite the rise in COVID-19 cases. For Week 48, debit purchases are up 4.9%, below the four-week average of +14.2%. Transactions are down 0.8%, dipping into the negative for the first time in 21 weeks.

**Credit**  
↓ **2.0%**

Credit card spend, fell below 2019 levels for the first time in 13 weeks, finishing down 2.0%, below the four-week average of +4.4%. Transactions finished at -2.8%, lower 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**  
16.8% of Debit Card-Present Transactions

11.7% 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 doubled from around 8.4% in mid-January to 16.8% in Week 48. Contactless credit transactions have also grown from 6.5% in mid-January to 11.7% of card-present activity on contactless credit cards in Week 48. We continue to 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**  
↑ 50.6% Debit  
↑ 30.3% Credit

Mobile wallet (i.e. "Pays") transactions and purchases for both credit and debit cards continue to show good growth with card-present activity. Debit mobile wallet purchases finished Week 48 up 50.6% year over year, lower than the four-week average of +59.4%. Credit mobile wallet purchases are up 30.3% year over year, lower than the four-week average of +45.2%. These results represent six supported mobile wallets: Apple Pay, Fitbit Pay, Garmin Pay, Google Pay, LG Pay and Samsung Pay.



**DEBIT CARD NOT PRESENT**  
42.2% of Purchases  
31.0% of Transactions

**CREDIT CARD NOT PRESENT**  
54.7% of Purchases  
46.8% of Transactions

We continue to see more volume conducted via Card Not Present (CNP) transactions. For credit, 54.7% of purchase volume and 46.8% of transactions are CNP. For debit, 42.2% of purchase volume and 31.0% of transactions are CNP. Purchase mix has held steady and is up 8.6 percentage points year over year for credit and 7.8 percentage points for debit. Transaction mix also remains steady, up 10.0 percentage points for credit and 7.4 percentage points for debit year over year.



**ATM**  
↓ 24.1% Withdrawals

Cash withdrawal transactions at the ATM remain down year over year. For the most recent week, the number of cash withdrawals was down 24.1%, lower than the four-week average of -18.5%. For the pandemic period of Weeks 13 to 48, total cash withdrawn is down 14.4%.

## FROM A MERCHANT CATEGORY PERSPECTIVE, PURCHASE GROWTH RATES IN WEEK 48 DECLINED FOR BOTH CREDIT AND DEBIT, WITH YEAR-OVER-YEAR PURCHASE VOLUMES SIGNIFICANTLY IMPACTED AS CONSUMERS TRAVELED LESS, GATHERED IN SMALLER GROUPS AND ADAPTED TO THE IMPACTS OF COVID-19 ON THE THANKSGIVING HOLIDAY.



**GOODS**  
↑ 16.6% Debit  
↑ 11.4% Credit

Spend in the Goods sector slowed in both debit and credit, an indication that holiday spending is diluted as sales started earlier this year at the beginning of November. Purchases are up 16.6% for debit, a decrease of 18.9 percentage points week over week. Credit purchases are up 11.4%, down 16.8 percentage points from the previous week.



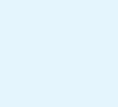
**GROCERY**  
↓ 5.9% Debit  
↓ 0.5% Credit

Grocery spend was down 0.5% year over year for credit and 5.9% for debit, the first time this year this sector has been in the negative. This can likely be attributed to smaller gatherings for Thanksgiving in the pandemic environment.



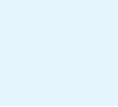
**RESTAURANT**  
↓ 6.6% Debit  
↓ 24.5% Credit

Credit spending in the Restaurant sector finished down 24.5%, an 8.4 percentage point decrease from the previous week. Debit spending finished down 6.6%, a 7.5 percentage point decrease from the previous week.



**TRAVEL**  
↓ 31.0% Debit  
↓ 54.8% Credit

Travel remains substantially down year over year. For Week 48, credit spending in the Travel sector finished down 54.8%, a 1.5 percentage point decrease from the previous week. Debit spending finished down 31.0%, a 6.1 percentage point decrease from the previous week.

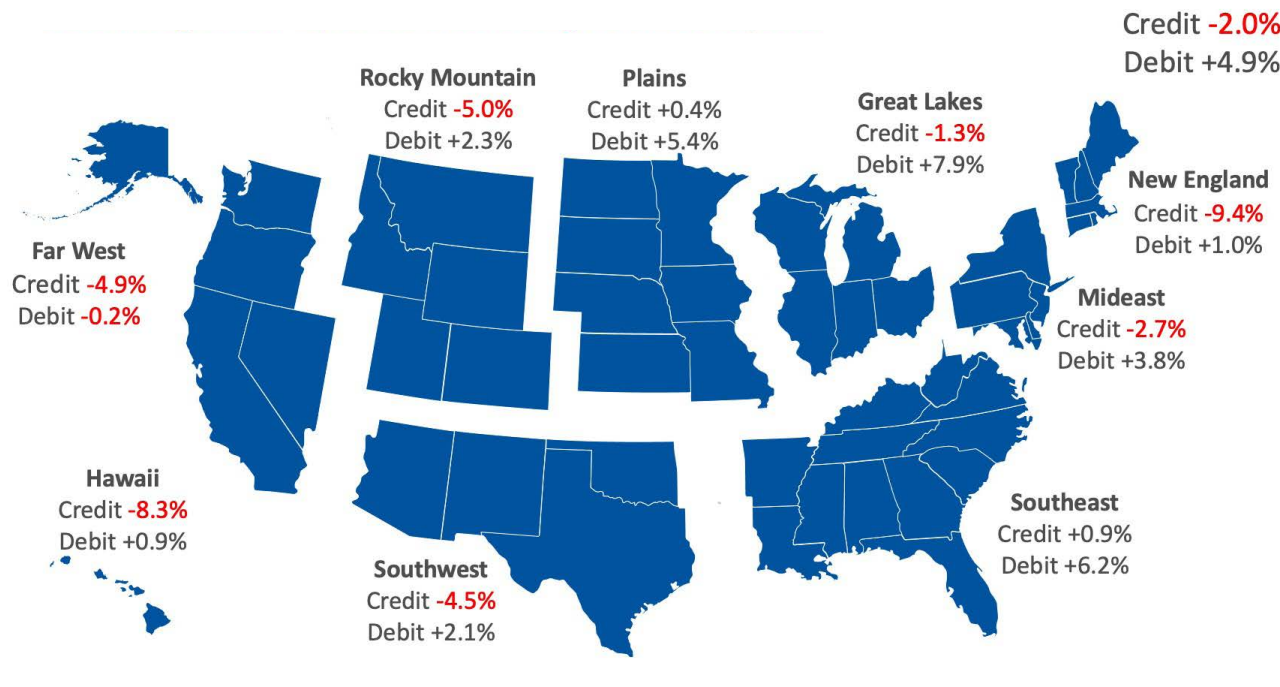


**GASOLINE**  
↓ 13.9% Debit  
↓ 23.6% Credit

As consumers drove less for Thanksgiving this year, Gasoline also remains down year over year. For Week 48, credit spending for Gasoline finished down 23.6%, a 4.2 percentage point decrease from the previous week. Debit spending finished down 13.9%, a 2.5 percentage point decrease from the previous 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 4.9% for debit purchases. The Great Lakes (+7.9%), Plains (+5.4%) and Southeast (+6.2%) finished as the strongest regions for Week 48. The Hawaii (+0.9%), Far West (-0.2%) and New England (+1.0%) regions had the lowest debit purchase performance.

### CREDIT

Overall U.S. spend was down 2.0% for credit purchases. The Great Lakes (-1.3%), Plains (0.4%) and Southeast (+0.9%) finished as the strongest regions for Week 48. The Hawaii (-8.3%) and New England (-9.4%) regions had the lowest credit purchase performance.

## THIS WEEK'S DEEPER DIVE EXPLORES HOLIDAY SPENDING. THE HOLIDAY SHOPPING SEASON ARRIVED EARLIER THIS YEAR, WITH MANY RETAILERS REPORTING STRONG SALES FRIDAY THROUGHOUT THE MONTH OF NOVEMBER.

Purchases within the Goods sector over the cumulative reported holiday period thus far (November 2-29) are up 19.8% for credit and 27.2% for debit. This strong sales growth suggests that consumer shopping began much earlier in the month than prior years and is well ahead of last year's pace.



**GOODS CARD NOT PRESENT**  
38.5% of Debit Purchases  
55.1% of Credit Purchases

Goods remains one of the sectors positively impacted by the COVID-19 pandemic, with much higher Card Not Present (CNP) activity. Driven by the surge in online shopping, CNP purchases within the Goods sector over the cumulative reported holiday period thus far (Nov. 2-29) are 55.1% for credit, up 10.3 percentage points, and 38.5% for debit, up 8.2 percentage points.



**THANKSGIVING DAY**  
↑ 3.6% Debit  
↓ 5.7% Credit

**CARD NOT PRESENT**  
58.1% of Debit Purchases  
88.2% of Credit Purchases

With holiday sales starting earlier than in years past, there is a decreased impact from the shopping days immediately after Thanksgiving. For each of the individual days, year-over-year purchases and CNP purchases in the Goods sector are:

**Thanksgiving Day (Nov. 26)**

- Credit purchases are down 5.7% and debit purchases are up 3.6%.
- Credit CNP purchases are 88.2%, up 30.5 percentage points, and debit CNP purchases are 58.1%, up 19.5 percentage points.

**Black Friday (Nov. 27)**

- Credit purchases are down 7.1% and debit purchases are down 2.3%.
- Credit CNP purchases are 49.8%, up 14.4 percentage points, and debit CNP purchases are 33.1%, up 10.6 percentage points.

**Small Business Saturday (Nov. 28)**

- Credit purchases are up 10.4% and debit purchases are up 14.0%.
- Credit CNP purchases are 53.4%, up 9.8 percentage points, and debit CNP purchases are 37.8%, up 7.3 percentage points.

**Sunday (Nov. 29)**

- Credit purchases are up 12.8% and debit purchases are up 19.6%.
- Credit CNP purchases are 62.1%, up 5.3 percentage points, and debit CNP purchases are 39.9%, up 3.4 percentage points.

**Cyber Monday (Nov. 30)**

- Credit purchases are up 15.5% and debit purchases are up 32.9%.
- Credit CNP purchases are 70.4%, up 5.8 percentage points, and debit CNP purchases are 52.3%, up 6.3 percentage points.

Please note: Nov. 30 is part of Week 49 and we will have additional reporting on this in next week's (Dec. 14) Transaction Insights.

We will continue to report on the weekly and cumulative holiday spending through the end of 2020. Please note that PSCU will not publish Transaction Insights on Dec. 28, due to the holiday break, but will return on Tuesday, Jan. 5.



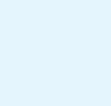
**BLACK FRIDAY**  
↓ 2.3% Debit  
↓ 7.1% Credit

**CARD NOT PRESENT**  
33.1% of Debit Purchases  
49.8% of Credit Purchases



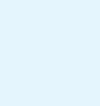
**SMALL BUSINESS SATURDAY**  
↑ 14.0% Debit  
↑ 10.4% Credit

**CARD NOT PRESENT**  
37.8% of Debit Purchases  
53.4% of Credit Purchases



**SUNDAY**  
↑ 19.6% Debit  
↑ 12.8% Credit

**CARD NOT PRESENT**  
39.9% of Debit Purchases  
62.1% of Credit Purchases



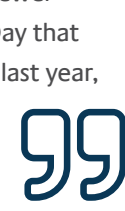
**CYBER MONDAY**  
↑ 32.9% Debit  
↑ 15.5% Credit

**CARD NOT PRESENT**  
52.3% of Debit Purchases  
70.4% of Credit Purchases



In this week's deeper dive into holiday spending, we saw that Card Not Present activity across the Goods sector showed strong increases during the Thanksgiving holiday shopping period, a strong indicator of consumers' continued preference for online shopping this year. Overall card payment volume dipped in Week 48, with debit transactions shifting into the negative for the first time in 21 weeks. This can be attributed to the differences of the 2020 holiday shopping season, including less holiday travel, fewer shoppers in stores and fewer stores open – including some major retailers closing on Thanksgiving Day that were open in prior years. In reality, consumer holiday spend started earlier and is currently ahead of last year, which is one of the trends we will closely monitor throughout the remainder of the holiday season.

— Glynn Frechette, SVP, Advisors Plus Consulting at PSCU



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