

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 49th week of the year (the week ending December 6, 2020 compared to the week ending December 8, 2019). Week 49 performance data includes Cyber Monday (Nov. 30) and Giving Tuesday (Dec. 1).



OVERALL SPEND

Card payment volume growth rates returned to their strong pre-Thanksgiving week levels in Week 49 for credit and debit despite the continued rise in COVID-19 cases.

Debit
↑ **18.1%**

Debit card spend remains well above last year's results. For Week 49, debit purchases are up 18.1%, above the four-week average of +14.4%. Transactions are back up 3.4%, above the four-week average of +2.2%.

Credit
↑ **5.7%**

Credit card spend has risen into the positive again, finishing up 5.7%, in line with the four-week average of +5.1%. Transactions finished at +0.7%, higher than the four-week average of -0.1%.

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



CONTACTLESS
↑ **17.5%** of Debit Card Present Transactions

↑ **11.9%** 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 17.5% in Week 49. Contactless credit transactions have also grown from 6.5% in mid-January to 11.9% of card present activity on contactless credit cards in Week 49. 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
↑ **62.1%** Debit

↑ **51.3%** 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 49 up 62.1% year over year, higher than the four-week average of +60.3%. Credit mobile wallet purchases are up 51.3% year over year, higher than the four-week average of +46.5%. These results represent six supported mobile wallets: Apple Pay, Fitbit Pay, Garmin Pay, Google Pay, LG Pay and Samsung Pay.



DEBIT CARD NOT PRESENT
↑ **48.4%** of Purchases

↑ **34.2%** of Transactions

CREDIT CARD NOT PRESENT
↑ **60.1%** of Purchases

↑ **51.3%** of Transactions

We continue to see more volume conducted via Card Not Present (CNP) transactions and this category benefited significantly from Cyber Monday. For credit, 60.1% of purchase volume and 51.3% of transactions are CNP. For debit, 48.4% of purchase volume and 34.2% of transactions are CNP. Purchase mix has held steady and is up 7.8 percentage points year over year for credit and 7.9 percentage points for debit. Transaction mix also remains steady, up 11.2 percentage points for credit and 8.4 percentage points for debit year over year.



ATM
↓ **18.4%** Withdrawals

Cash withdrawal transactions at the ATM remain down year over year. For the most recent week, the number of cash withdrawals was down 18.4%, higher than the four-week average of -20.2%. For the pandemic period of Weeks 13 to 49 total cash withdrawn is down 14.2%.

FROM A MERCHANT CATEGORY PERSPECTIVE, PURCHASE GROWTH RATES IN WEEK 49 FOR MOST SECTORS RETURNED TO PRE-THANKSGIVING WEEK LEVELS FOR BOTH CREDIT AND DEBIT.



GROCERY
↑ **10.8%** Debit

↑ **15.6%** Credit

Grocery spend was up 15.6% year over year for credit and 10.8% for debit, one of the sectors with the largest improvements for the week.



ENTERTAINMENT
↓ **23.9%** Debit

↓ **42.7%** Credit

Spending in the Entertainment sector also saw significant growth for Week 49. Although year-over-year spending is still down, credit finished at -42.7%, an 11.5 percentage point increase from the previous week. Debit spending finished at -23.9%, a 15.4 percentage point increase from the previous week.



SERVICE
↑ **24.1%** Debit

↑ **16.6%** Credit

Service also saw large improvements week over week. For Week 49, credit spending finished up 16.6%, a 14.7 percentage point increase from the previous week. Debit spending finished up 24.1%, a 19.2 percentage point increase from the previous week.



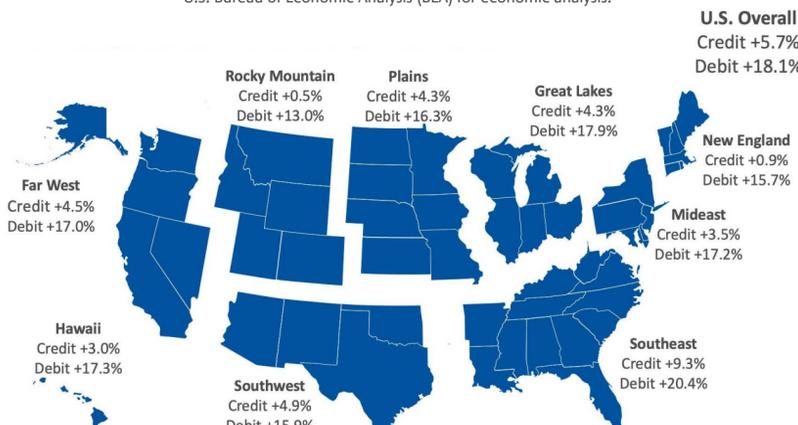
DRUG STORES
↑ **2.6%** Debit

↑ **5.9%** Credit

Spend in the Drug Stores sector slowed in credit, but saw a small increase in debit. Purchases are up 2.6% for debit, an increase of 1.8 percentage points week over week. Credit purchases are up 5.9%, down 2.4 percentage points 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 18.1% for debit purchases. The Southeast (+20.4%) finished as the strongest region for Week 49. While the New England (+15.7%) and Rocky Mountain (+13.0%) regions had the lowest debit purchase performance, they still finished the week strong.

CREDIT

Overall U.S. spend was up 5.7% for credit purchases. The Southeast (+9.3%) finished as the strongest region for Week 49. The New England (+0.9%) and Rocky Mountain (+0.5%) regions had the lowest credit purchase performance.

THIS WEEK'S DEEPER DIVE CONTINUES TO EXPLORE HOLIDAY SPENDING IN THE GOODS SECTOR. THE HOLIDAY SHOPPING SEASON ARRIVED EARLIER THIS YEAR, WITH MANY RETAILERS ADVERTISING BLACK FRIDAY SALES THROUGHOUT THE MONTH OF NOVEMBER.

Purchases within the Goods sector over the cumulative reported holiday period thus far (Nov. 2 – Dec. 6) are up 19.3% for credit and 27.4% for debit. So far in the 2020 holiday period, the two weeks preceding Thanksgiving (Nov. 9 – Nov. 22) have yielded the strongest year-over-year increases in purchases for credit and debit.



GOODS CARD NOT PRESENT
Nov. 2 – Dec. 6
↑ **40.1%** of Debit Purchases

↑ **57.0%** of Credit Purchases

Goods remains one of the sectors positively impacted by the COVID-19 pandemic, with much higher Card Not Present (CNP) activity, as more consumers are holiday shopping online than in physical stores. CNP purchases within the Goods sector over the cumulative reported holiday period thus far (Nov. 2 – Dec. 6) are 57.0% for credit, up 9.8 percentage points, and 40.1% for debit, up 7.8 percentage points.



GOODS CARD PRESENT PURCHASES
Nov. 2 – Dec. 6

↑ **12.7%** Debit

↓ **2.7%** Credit

For credit cards, Card Present (CP) activity is showing the effects of the growth in CNP. For this five-week holiday period, CP credit purchases are down 2.7% and CP credit transactions are down 8.7%. CP debit activity has stayed above 2019 levels with CP debit purchases up 12.7% and CP debit transactions up a modest 2.9%.



GOODS CARD PRESENT TRANSACTIONS
Nov. 2 – Dec. 6

↑ **2.9%** Debit

↓ **8.7%** Credit

Average purchases within the Goods sector are up 4.5% for credit and 11.6% for debit. Consistent with previous observations of consumer behavior favoring debit cards, the average purchase amount for CNP debit is up 14.4% or \$6.85 compared to the same five-week holiday period in 2019. For the same subset on credit cards, the increase is 5.7% or \$4.35.



GOODS OVERALL PURCHASES
Nov. 2 – Dec. 6

↑ **11.6%** Debit

↑ **4.5%** Credit



CYBER MONDAY

↑ **32.9%** Debit

↑ **15.5%** Credit

CARD NOT PRESENT
↑ **52.3%** of Debit Purchases

↑ **70.4%** of Credit Purchases

With holiday sales starting earlier than in prior years, there was a decreased impact from the shopping days immediately after Thanksgiving. As Week 49 started with Cyber Monday (Nov. 30), it appears higher purchasing volumes have resumed. 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.



GIVING TUESDAY

↑ **38.5%** Debit

↑ **68.2%** Credit

On Giving Tuesday (Dec. 1), credit purchases in the Charitable and Social Service Organizations category are up 68.2% and debit purchases are up 38.5%.

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.



Growth rates rebounded to strong pre-Thanksgiving levels in Week 49, with positive spend performance in both credit and debit. Following a dip in payment volume during the Thanksgiving holiday week, we saw a quick return to strong holiday spending buoyed by a record Cyber Monday. Strong performance in Card Not Present activity was fueled by healthy sales on Cyber Monday, strengthening cumulative holiday spending this season.

— *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.