

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 50th week of the year (the week ending December 13, 2020 compared to the week ending December 15, 2019).



OVERALL SPEND

Card payment volume growth rates softened for credit and debit in Week 50, as the ongoing rise in COVID-19 cases continue to impact consumer behavior.

Debit
↑ **13.9%**

Debit card spend remains well above last year's results and this year's Thanksgiving week, but lower than the previous five weeks of the 2020 holiday spending period. For Week 50, debit purchases are up 13.9%, in line with the four-week average of +13.8%. Transactions are up 2.4%, also in line with the four-week average of +2.0%.

Credit
↑ **4.1%**

Credit card spend was up 4.1%, in line with the four-week average of +4.3%. Transactions finished at -0.8%, lower than the four-week average of -0.3%.

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 50. 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 50. 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

↑ **59.8%** Debit

↑ **44.8%** 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 50 up 59.8% year over year, in line with the four-week average of +59.9%. Credit mobile wallet purchases are up 44.8% year over year, also in line with the four-week average of +44.3%. These results represent six supported mobile wallets: Apple Pay, Fitbit Pay, Garmin Pay, Google Pay, LG Pay and Samsung Pay.



DEBIT CARD NOT PRESENT

↑ **43.9%** of Purchases

↑ **32.2%** of Transactions

CREDIT CARD NOT PRESENT

↑ **55.5%** of Purchases

↑ **47.9%** of Transactions

We continue to see more volume conducted via Card Not Present (CNP) transactions. For credit, 55.5% of purchase volume and 47.9% of transactions are CNP. For debit, 43.9% of purchase volume and 32.2% of transactions are CNP. Purchase mix has held steady and is up 8.0 percentage points year over year for credit and 7.9 percentage points for debit. Transaction mix also remains steady, up 10.6 percentage points for credit and 8.4 percentage points for debit year over year.



ATM

↓ **21.0%** Withdrawals

Cash withdrawal transactions at the ATM remain down year over year. For the most recent week, the number of cash withdrawals was down 21.0%, right at the four-week average of -21.0%. For the pandemic period of Weeks 13 to 50, total cash withdrawn is down 14.2%.

FROM A MERCHANT CATEGORY PERSPECTIVE, PURCHASE GROWTH RATES IN WEEK 50 FOR MOST SECTORS EASED FROM WEEK 49 LEVELS FOR BOTH CREDIT AND DEBIT.



GROCERY

↑ **6.8%** Debit

↑ **14.5%** Credit

Grocery spend saw declines in both credit and debit for Week 50, but is up 14.5% year over year for credit and 6.8% for debit.



RESTAURANT

↓ **2.7%** Debit

↓ **22.6%** Credit

Spending in the Restaurant sector softened slightly for both credit and debit for Week 50. Credit finished at -22.6%, a 0.9 percentage point decrease from the previous week. Debit spending finished at -2.7%, a 0.7 percentage point decrease from the previous week.



GASOLINE

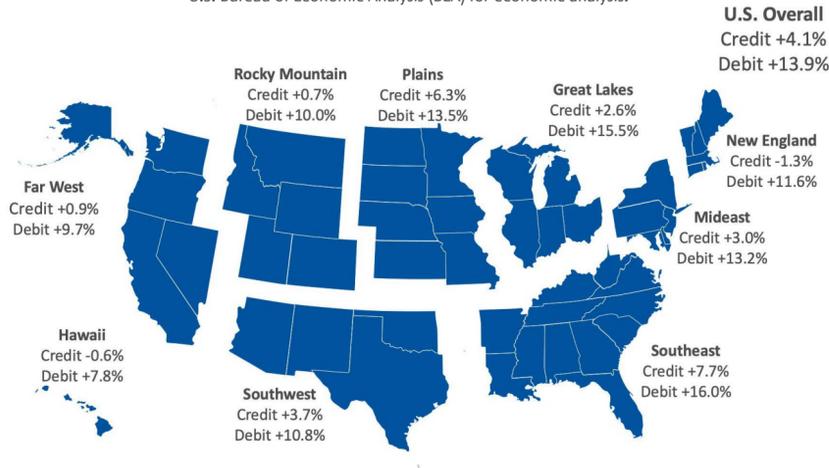
↓ **12.4%** Debit

↓ **20.6%** Credit

Spend in the Gasoline sector slowed slightly in debit, but saw a small increase in credit. Purchases are down 12.4% for debit, a decrease of 0.3 percentage points week over week. Credit purchases are down 20.6%, up 0.7 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 13.9% for debit purchases. The Great Lakes (+15.5%) and Southeast (+16.0%) finished as the strongest regions for Week 50. The Far West region (+9.7%) and Hawaii (+7.8%) had the lowest debit purchase performance.

CREDIT

Overall U.S. spend was up 4.1% for credit purchases. The Plains (+6.3%) and Southeast (+7.7%) finished as the strongest regions for Week 50. The New England region (-1.3%) and Hawaii (-0.6%) had the lowest credit purchase performance.

THIS WEEK'S DEEPER DIVE IS THE THIRD UPDATE ON 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 six-week holiday period (Nov. 2 through Dec. 13) are up 19.1% for credit and 27.0% for debit. So far in the 2020 holiday period, the two weeks preceding Thanksgiving (Nov. 9 through Nov. 22) have yielded the strongest year-over-year increases in purchase growth for credit and debit.



GOODS SECTOR

CARD NOT PRESENT

Nov. 2 – Dec. 13

↑ **40.3%** of Debit Purchases

↑ **57.3%** of Credit Purchases

Goods remains one of the sectors positively impacted by the COVID-19 pandemic, with much higher CNP activity, as more consumers are holiday shopping online than in physical stores. CNP purchases within the Goods sector over the six week cumulative reported holiday period thus far (Nov. 2 through Dec. 13) are 57.3% for credit, up 9.9 percentage points, and 40.3% for debit, up 8.0 percentage points.



GOODS SECTOR

CARD PRESENT PURCHASES

Nov. 2 – Dec. 13

↑ **12.0%** Debit

↓ **3.3%** Credit

For credit cards, CP activity is showing the effects of the growth in CNP. For this six-week holiday period, CP credit purchases are down 3.3% and CP credit transactions are down 9.4%. CP debit activity has stayed above 2019 levels with CP debit purchases up 12.0% and CP debit transactions up a modest 2.4%.



GOODS SECTOR

CARD PRESENT TRANSACTIONS

Nov. 2 – Dec. 13

↑ **2.4%** Debit

↓ **9.4%** Credit

Average purchase size within the Goods sector is up 4.7% for credit and 11.7% for debit. Consistent with previous observations of consumer behavior favoring debit cards, the average purchase amount for CNP debit is up 14.7% or \$6.97 compared to the same six-week holiday period in 2019. For the same subset on credit cards, the increase is 6.2% or \$4.59.



GOODS SECTOR

OVERALL PURCHASES

Nov. 2 – Dec. 13

↑ **11.7%** Debit

↑ **4.7%** Credit



GREEN MONDAY

CARD NOT PRESENT

↑ **43.9%** of Debit Purchases

↑ **61.7%** of Credit Purchases

On Green Monday (Dec. 14), credit purchases in the Goods sector are up 20.4% and debit purchases are up 38.3%. The percentages of CNP purchases for debit and credit in the Goods sector are also up when comparing Green Monday year over year. For credit, CNP purchases are 61.7%, up 5.2 percentage points, and debit CNP Purchases are 43.9%, up 6.7 percentage points.



GREEN MONDAY

GOODS SECTOR PURCHASES

↑ **20.4%** Debit

↑ **38.3%** Credit

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, and will return on Tuesday, Jan. 5.



While card payment volume growth rates softened for both debit and credit in Week 50, debit spend remains well above last year's performance. Green Monday – the last day to safely order gifts online via free shipping for arrival before Christmas – yielded significant year-over-year increases in the Goods sector for both debit and credit purchases, further supporting the continued surge in online shopping and Card Not Present activity. As a second federal stimulus package works its way through approvals, the end of the 2020 holiday shopping season approaches and COVID-19 vaccine adoption begins while cases continue to rise, we will continue to monitor the impacts of these forces on consumer spending and behavior.

— 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.