

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 **both the 51st and 52nd weeks of the year (the weeks ending Dec. 20 and Dec. 27, 2020 compared to the weeks ending Dec. 22 and Dec. 29, 2019).**



## OVERALL SPEND

Card payment volume growth rates softened for credit and debit in the week prior to Christmas (Week 51, which ended Dec. 20), and finished stronger to end the year in Week 52.

**Debit**  
↑ **21.1%**

Debit card spend dropped in Week 51 to 9.2% growth, with debit transactions falling to below 2019 levels, finishing down 0.9%. For Week 52, debit purchases are up 21.1%, higher than the four-week average of +15.6%. Transactions are up 9.2%, also higher than the four-week average of +3.5%.

**Credit**  
↑ **6.1%**

Credit card spend dropped below 2019 levels in Week 51 to -0.7%, with transactions finishing down 5.4%. For Week 52, credit purchases finished up 6.1%, higher than the four-week average of +3.8%. Transactions finished at +1.3%, higher than the four-week average of -1.0%.

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



**CONTACTLESS**  
↑ **17.1%** of Debit Card Present Transactions

↑ **12.1%** 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 17.1% in Week 52. Contactless credit transactions have also grown from 6.5% in mid-January to 12.1% of card present activity on contactless credit cards in Week 52. 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**  
↑ **79.2%** Debit

↑ **52.4%** 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 52 up 79.2% year over year, higher than the four-week average of +63.2%. Credit mobile wallet purchases are up 52.4% year over year, also higher than the four-week average of +45.1%. These results represent six supported mobile wallets: Apple Pay, Fitbit Pay, Garmin Pay, Google Pay, LG Pay and Samsung Pay.



**DEBIT CARD NOT PRESENT**  
↑ **37.4%** of Purchases

↑ **29.7%** of Transactions

**CREDIT CARD NOT PRESENT**  
↑ **47.3%** of Purchases

↑ **41.9%** of Transactions

We continue to see more volume conducted via Card Not Present (CNP) transactions. For credit, 47.3% of purchase volume and 41.9% of transactions are CNP. For debit, 37.4% of purchase volume and 29.7% of transactions are CNP. Purchase mix has held steady and is up 7.3 percentage points year over year for credit and 6.2 percentage points for debit. Transaction mix also remains steady, up 9.2 percentage points for credit and 7.3 percentage points for debit year over year.



**ATM**  
↓ **14.4%** Withdrawals

Cash withdrawal transactions at the ATM remain down year over year. For the most recent week, the number of cash withdrawals was down 14.4%, higher than the four-week average of -18.9%. For the pandemic period of Weeks 13 to 52, total cash withdrawn is down 13.9%.

## FROM A MERCHANT CATEGORY PERSPECTIVE, PURCHASE GROWTH RATES IN WEEK 52 FOR MOST SECTORS SAW IMPROVEMENTS FROM WEEK 51 LEVELS FOR BOTH CREDIT AND DEBIT.



**GROCERY**  
↑ **20.7%** Debit

↑ **21.3%** Credit

Grocery spend was up 21.3% year over year for credit and 20.7% for debit, each showing an increase of approximately 18 percentage points.



**DRUG STORES**  
↑ **17.9%** Debit

↑ **12.1%** Credit

Spend in the Drug Stores sector saw the largest increases in credit and debit. Purchases were up 17.9% for debit, an increase of 23.5 percentage points week over week. Credit purchases are up 12.1%, up 16.7 percentage points from the previous week.



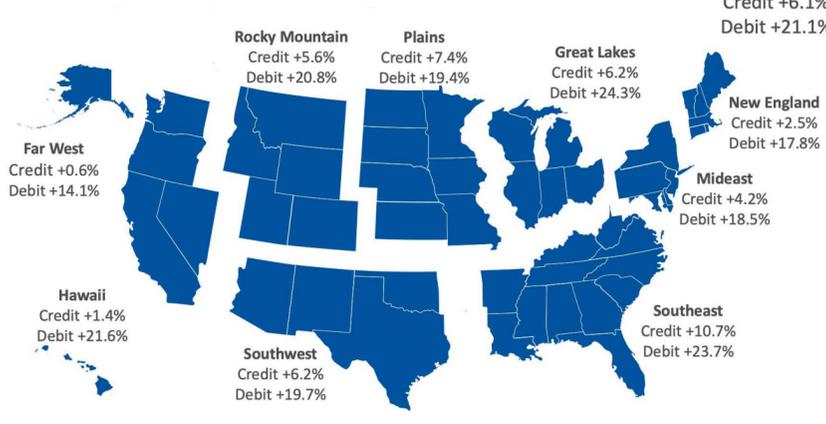
**TRAVEL**  
↓ **25.1%** Debit

↓ **55.3%** Credit

The Travel sector saw the largest weekly decrease in spending within credit, finishing at -55.3%, a 5.1 percentage point decrease. Debit purchases finished at -25.1%, a 1.0 percentage increase week over 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 21.1% for debit purchases. The Great Lakes (+24.3%) and Southeast (+23.7%) finished as the strongest regions for Week 52. The Far West (+14.1%) and New England (+17.8%) regions had the lowest debit purchase performance.

### CREDIT

Overall U.S. spend was up 6.1% for credit purchases. The Plains (+7.4%) and Southeast (+10.7%) finished as the strongest regions for Week 52. The Far West (+0.6%), New England regions (+2.5%) and Hawaii (+1.4%) had the lowest credit purchase performance.

## THIS WEEK'S DEEPER DIVE IS THE FOURTH 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 eight-week holiday period (Nov. 2 through Dec. 27) are up 18.1% for credit and 26.2% for debit. The two weeks preceding Thanksgiving (Nov. 9 through Nov. 22) yielded the strongest year-over-year increases in purchase growth for credit and debit, while the week of Thanksgiving (Nov. 29) saw the lowest year-over-year growth for both credit and debit for this year's holiday period.



**GOODS SECTOR CARD NOT PRESENT**  
Nov. 2 – Dec. 27

↑ **38.7%** of Debit Purchases

↑ **55.8%** 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 (as a percentage of all Goods purchases) over the eight-week cumulative reported holiday period thus far (Nov. 2 through Dec. 27) are 55.8% for credit, up 10.3 percentage points, and 38.7% for debit, up 8.0 percentage points.



**GOODS SECTOR CARD PRESENT PURCHASES**  
Nov. 2 – Dec. 27

↑ **11.7%** Debit

↓ **4.1%** Credit

While CP activity is showing the effects of the growth in CNP, there was a spike in CP activity as shipping delays potentially impacted on-time holiday delivery. For credit cards during this eight-week holiday period, CP credit purchases are down 4.1% and CP credit transactions are down 10.5%. CP debit activity has stayed above 2019 levels with CP debit purchases up 11.7% and CP debit transactions up a modest 1.9%.



**GOODS SECTOR CARD PRESENT TRANSACTIONS**  
Nov. 2 – Dec. 27

↑ **1.9%** Debit

↓ **10.5%** Credit

Average purchase size within the Goods sector is up 5.4% for credit and 12.0% for debit. Consistent with previous observations of consumer behavior favoring debit cards, the average purchase amount for CNP is up 16.1%, or \$7.47 compared to the same eight-week holiday period in 2019. For the same subset on credit cards, the increase is 7.5%, or \$5.43.



**GOODS SECTOR OVERALL PURCHASES**  
Nov. 2 – Dec. 27

↑ **12.0%** Debit

↑ **5.4%** Credit



**SUPER SATURDAY CARD NOT PRESENT**

↑ **27.4%** of Debit Purchases

↑ **39.7%** of Credit Purchases

On Super Saturday (Dec. 19, the last Saturday before Christmas), credit purchases in the Goods sector are up 7.6% and debit purchases are up 14.2%. The percentages of CNP purchases for debit and credit in the Goods sector are also up when comparing Super Saturday year over year. For credit, CNP purchases are 39.7%, up 12.8 percentage points, and debit CNP Purchases are 27.4%, up 8.8 percentage points.



**SUPER SATURDAY GOODS SECTOR PURCHASES**

↑ **14.2%** Debit

↑ **7.6%** Credit

In 2020, Super Saturday occurred with two additional days to shipping versus 2019 (Dec. 19, 2020 vs. Dec. 21, 2019) which may have contributed to the continued higher credit and debit CNP purchases for 2020, especially given reports from shipping services (USPS, FedEx, UPS) about delays in delivery times during the holidays.



The 2020 holiday season ended with impressive year-over-year card payment growth. While card payment volume softened for credit and debit in Week 51, both finished stronger in Week 52. In this week's deeper dive, we saw a rise in Card Present activity across the Goods sector, as shipping delays and last-minute holiday purchases likely led to an uptick of in-store transactions. As consumers have begun to receive the second round of federal stimulus payments, we will closely monitor the resulting impact on spending behaviors, along with any additional economic relief developments.

— *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).