

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 trends. In this week's installment, PSCU compares the fifth week of the year (the week ending Jan. 31, 2021 compared to the week ending Feb. 2, 2020).



OVERALL SPEND

Although growth rates slowed in Week 5 for credit and debit, overall purchases are still strong as the first month of 2021 closes out.

Debit
↑ **16.8%**

Debit card spend is up 16.8% in Week 5 and debit transactions finished up 2.9%. Debit purchases are lower than the previous four-week average of +25.7% and transactions are also lower than the previous four-week average of +7.8%. For the month of January, debit purchases were up 26% year over year, one of the highest monthly growth rates in recent history.

Credit
↑ **1.8%**

Credit card spend in Week 5 finished up 1.8%, below the previous four-week average of +3.4%. Transactions finished down 4.8%, lower than the previous four-week average of -2.4%. For the month of January, credit purchases were up 3.4% year over year.

CONSUMERS CONTINUE TO SHOW STRONG ADOPTION OF DIGITAL PAYMENTS, INCLUDING CONTACTLESS, MOBILE WALLETS AND CARD NOT PRESENT (CNP) ALTERNATIVES, WHILE USING LESS CASH.



CONTACTLESS
18.6% of Debit Card Present Transactions

13.6% of Credit Card Present Transactions

Contactless "tap-and-go" transactions via dual interface cards continue to show strong consumer acceptance, with debit showing notable strength. Debit contactless transactions as a percent of Card Present activity on contactless debit cards have more than doubled from around 8.4% in January 2020 to 18.6% in Week 5 of 2021. Contactless credit transactions have also more than doubled, growing from 6.5% to 13.6% of Card Present activity on contactless credit cards in the same timeframe. 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
↑ 59.6% Debit
↑ 35.7% 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 5 up 59.6% year over year, lower than the previous four-week average of +69.9%. Credit mobile wallet purchases are up 35.7% year over year, lower than the previous four-week average of +45.9%. These results represent six supported mobile wallets: Apple Pay, Fitbit Pay, Garmin Pay, Google Pay, LG Pay and Samsung Pay.



DEBIT CARD NOT PRESENT
44.9% of Purchases
31.3% of Transactions

CREDIT CARD NOT PRESENT
56.2% of Purchases
45.2% of Transactions

We continue to see more volume conducted via Card Not Present (CNP) transactions. For credit, 56.2% of purchase volume and 45.2% of transactions are CNP. For debit, 44.9% of purchase volume and 31.3% of transactions are CNP. Purchase mix has held steady and is up 6.0 percentage points year over year for credit and 6.5 percentage points for debit. Transaction mix also remains steady, up 9.4 percentage points for credit and 7.7 percentage points for debit year over year.



ATM
↓ 24.1% Withdrawals

Cash withdrawal transactions at the ATM are down year over year. For the most recent week, the number of cash withdrawals was down 24.1%, below the previous four-week average of -13.7%.

A REVIEW OF MERCHANT CATEGORIES

From a merchant category perspective, the start of 2021 continues to show strong results in Goods, Utilities, Service, Grocery Stores and Restaurants, while year-over-year performance for Travel and Entertainment remains depressed. Gasoline has rebounded to its best performance since the onset of the pandemic.



GOODS
↑ 37.2% Debit
↑ 24.8% Credit



UTILITIES
↑ 21.5% Debit
↑ 12.3% Credit



SERVICE
↑ 12.9% Debit
↑ 2.9% Credit



GROCERY
↑ 5.7% Debit
↑ 11.4% Credit



RESTAURANTS
↑ 7.2% Debit
↓ 16.2% Credit



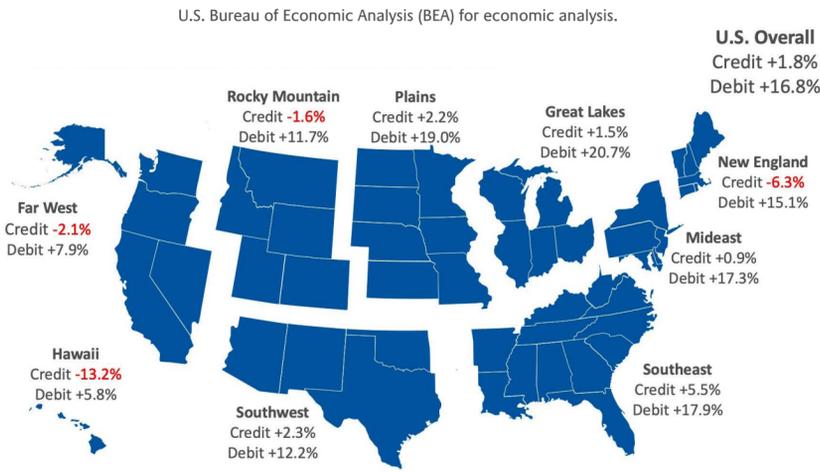
TRAVEL
↓ 22.7% Debit
↓ 54.4% Credit



GASOLINE
↑ 1.6% Debit
↓ 9.7% Credit

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 16.8% for debit purchases. The Great Lakes (+20.7%) and Plains (+19.0%) finished as the strongest regions for Week 5. Hawaii (+5.8%) and the Far West (+7.9%) region had the lowest debit purchase performance.

CREDIT

Overall U.S. spend was up 1.8% for credit purchases. The Plains (+2.2%), Southeast (+5.5%) and Southwest (+2.3%) finished as the strongest regions for Week 5. Hawaii (-13.2%) and the New England region (-6.3%) had the lowest credit purchase performance.

THIS WEEK'S DEEPER DIVE EXAMINES THE ENTERTAINMENT SECTOR.

With all eyes on the Tampa Bay area for Super Bowl LV, usually the pinnacle of both in-person and televised entertainment, this week's deeper dive explores the Entertainment sector. For Week 5, debit purchases are down 26% and credit purchases are down 54%. While this reduction represents a smaller portion of overall debit and credit spending, we have seen significant reductions in purchases in these Entertainment sub-categories since the start of the COVID-19 pandemic.



ARENA & STADIUM SPORTS
Four-week Average

↓ 36% Debit
↓ 64% Credit

Arena & Stadium Sports: This category is comprised of commercial sports and pro sports clubs. Currently, Arena & Stadium Sports represent roughly 3% of the Entertainment purchases. For Week 5, debit purchases finished down 52%, well below the previous four-week average of -36% and credit purchases are down 71%, well below the previous four-week average of -64%.



MEMBERSHIP CLUBS & GOLF COURSES:
Four-week Average

↓ 15% Debit
↓ 28% Credit

Membership Clubs & Golf Courses: In this category are public golf courses and private golf clubs, country clubs and sports/recreation membership clubs. Currently, this subset represents 20% of debit purchases and 30% of credit purchases. For Week 5, debit purchases finished down 48%, well below the previous four-week average of -15% and credit purchases are down 54%, well below the previous four-week average of -28%. Both the significant drops in debit and credit versus the four-week average are attributable to the timing of gym membership payments.



PARKS & ATTRACTIONS
Four-week Average

↓ 22% Debit
↓ 38% Credit

Parks & Attractions: This category includes amusement and theme parks, aquariums, tourist attractions, circuses and carnivals. Within the Entertainment sector, Parks & Attractions represent roughly 10% of debit purchases and 14% of credit purchases. For Week 5, debit purchases finished down 21%, just above the previous four-week average of -22% and credit purchases are down 34%, just above the previous four-week average of -38%.



THEATERS
Four-week Average

↓ 82% Debit
↓ 86% Credit

Theaters: Included in this category are movie theaters, theatrical productions, ticket agencies, bands and orchestras. Currently, Theaters represent roughly 10% of Entertainment purchases. For Week 5, debit purchases finished down 80%, just above the previous four-week average of -82% and credit purchases are down 87%, just below the previous four-week average of -86%.

Influenced by the pandemic at the local level, consumer purchasing in the Entertainment sector varies across the United States. These regions have experienced the largest drop in year-over-year purchases for the past four weeks:

- 1 FAR WEST**
↓ 54% Debit
↓ 61% Credit
- 2 NEW ENGLAND**
↓ 28% Debit
↓ 58% Credit
- 3 PLAINS**
↓ 33% Debit
↓ 51% Credit

These regions have experienced the best regional performance in year-over-year purchases for the past four weeks:

- 1 MIDEAST**
↑ 16% Debit
↓ 41% Credit
- 2 GREAT LAKES**
↓ 3% Debit
↓ 36% Credit



While card payment volume softened for debit and credit in Week 5, overall purchases remain strong, with debit purchases experiencing one of the highest monthly growth rates in recent history. Following the Super Bowl this past weekend, we take a deeper dive into the Entertainment sector, where we continue to see significant impact to purchases across all categories.

— Glynn Frechette, SVP, Advisors Plus Consulting at PSCU



PSCU's Weekly U.S. State/Territory Analysis is available on pscuc.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 pscuc.com/covid19.