

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 sixth week of the year (the week ending February 7, 2021 compared to the week ending February 9, 2020).



## OVERALL SPEND

Growth rates for both debit and credit were very strong in Week 6.

**Debit**  
↑ **21.6%**

Debit card spend is up 21.6% in Week 6 and debit transactions finished up 3.6%. Debit purchases are lower than the previous four-week average of +25.8% and transactions are also lower than the previous four-week average of +7.6%.

**Credit**  
↑ **8.0%**

Credit card spend in Week 6 finished up 8.0%, well above the previous four-week average of +3.4%. Transactions finished up 0.1%, higher than the previous four-week average of -3.2%.

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



### CONTACTLESS

**18.2%** 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 18.2% in Week 6 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

↑ **57.4%** Debit

↑ **46.7%** 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 6 up 57.4% year over year, lower than the previous four-week average of +68.2%. Credit mobile wallet purchases are up 46.7% year over year, higher than the previous four-week average of +43.3%. These results represent six supported mobile wallets: Apple Pay, Fitbit Pay, Garmin Pay, Google Pay, LG Pay and Samsung Pay.



### DEBIT CARD NOT PRESENT

**47.0%** of Purchases

**32.5%** of Transactions

### CREDIT CARD NOT PRESENT

**57.5%** of Purchases

**46.5%** of Transactions

We continue to see more volume conducted via Card Not Present (CNP) transactions. For credit, 57.5% of purchase volume and 46.5% of transactions are CNP. For debit, 47.0% of purchase volume and 32.5% of transactions are CNP. Purchase mix has held steady and is up 7.3 percentage points year over year for credit and 7.4 percentage points for debit. Transaction mix also remains steady, up 10.5 percentage points for credit and 8.1 percentage points for debit year over year.



### ATM

↓ **17.4%** Withdrawals

Cash withdrawal transactions at the ATM are down year over year. For the most recent week, the number of cash withdrawals was down 17.4%, below the previous four-week average of -15.1%.

## FROM A MERCHANT CATEGORY PERSPECTIVE, THE START OF 2021 CONTINUES TO SHOW STRONG RESULTS IN GOODS, UTILITIES, SERVICES AND GROCERY STORES, WHILE YEAR-OVER-YEAR PERFORMANCE FOR TRAVEL AND ENTERTAINMENT REMAIN DEPRESSED. DRUG STORE PERFORMANCE HAS SEEN A STEADY DECLINE IN THE PAST FEW WEEKS. (ALL PERCENTAGES ARE YEAR-OVER-YEAR WEEKLY COMPARISONS).



### GOODS

↑ **34.6%** Debit

↑ **27.3%** Credit

Purchases in the Goods sector remain strong, up 27.3% for credit and 34.6% for debit.



### UTILITIES

↑ **22.3%** Debit

↑ **13.1%** Credit

Utilities spend was up 22.3% for debit and up 13.1% for credit.



### SERVICE

↑ **27.0%** Debit

↑ **14.5%** Credit

Service spend was up 27.0% for debit and up 14.5% for credit.



### GROCERY

↑ **15.0%** Debit

↑ **23.0%** Credit

Grocery spend was up 15.0% for debit and up 23.0% for credit.



### DRUG STORES

↓ **2.2%** Debit

↑ **1.3%** Credit

Sectors trying to return to positive growth include Drug Stores, which are down 2.2% for debit and up 1.3% for credit.



### RESTAURANTS

↑ **1.4%** Debit

↓ **14.2%** Credit

Restaurant spend finished up 1.4% for debit and down 14.2% for credit.



### TRAVEL

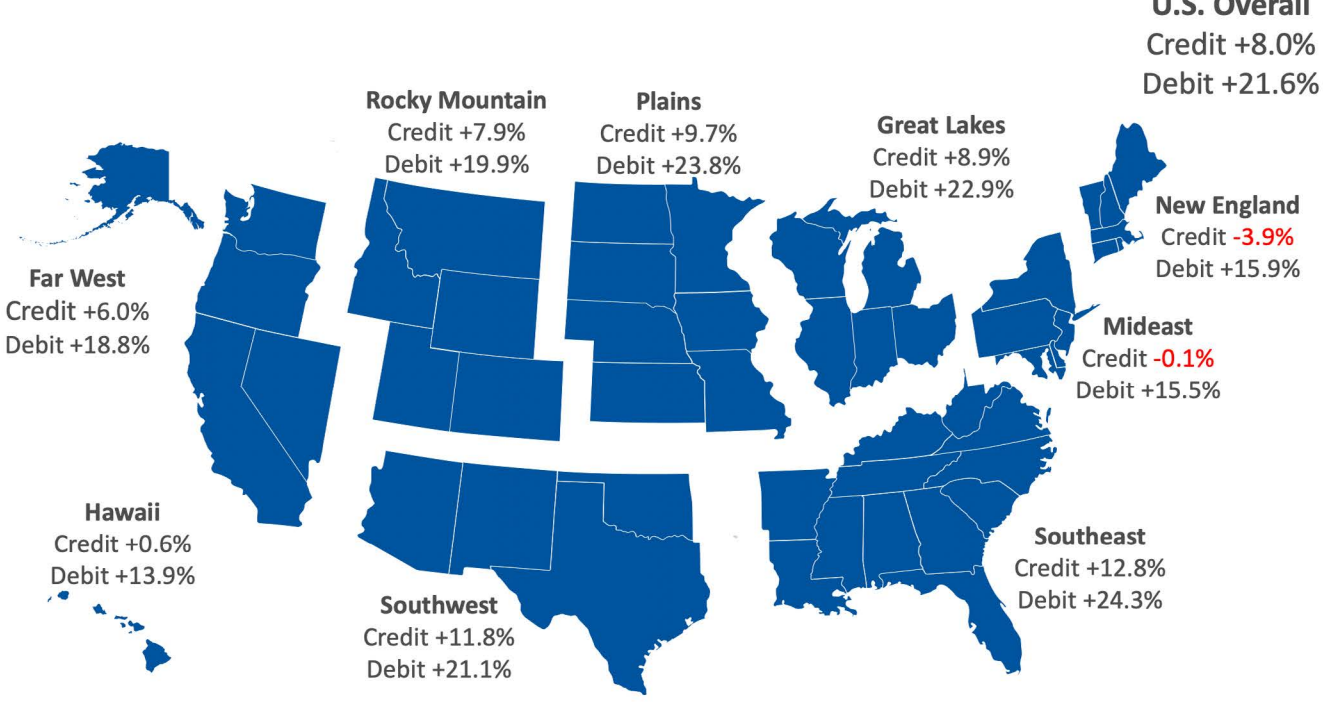
↓ **15.5%** Debit

↓ **48.3%** Credit

Travel remains depressed, down 15.5% for debit and down 48.3% for credit.

Our regional analysis of spend utilizes the segmentation used by the U.S. Bureau of Economic Analysis (BEA) for economic analysis. Please see the attached infographic for a map of changes to credit and debit purchases by region.

## REGIONAL SPENDING TRENDS



### DEBIT

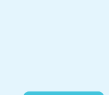
Overall U.S. spend was up 21.6% for debit purchases. The Southeast (+24.3%) and Plains (+23.8) finished as the strongest regions for Week 6. Hawaii (+13.9%) and the Midwest (+15.5%) region had the lowest debit purchase performance.

### CREDIT

Overall U.S. spend was up 8.0% for credit purchases. The Southeast (+12.8%) and Southwest (+11.8%) finished as the strongest regions for Week 6. The Midwest (-0.1%) and New England (-3.9%) regions had the lowest credit purchase performance.

## THIS WEEK'S DEEP DIVE REVISITS THE GOODS SECTOR:

PSCU's Goods sector is a consolidation of merchant categories for retailers that sell "goods" to consumers and businesses, including both physical stores and online retailers, spanning a broad array of merchandise.



### MISCELLANEOUS STORES

↑ **37.0%** Debit

↑ **29.0%** Credit

The largest portion of the Goods sector is comprised of Miscellaneous Stores, including furniture, home furnishings, appliances, sporting goods, liquor, pet and hobby stores. For Week 6, this makes up 33% of debit purchases and 34% of credit purchases. Purchases are up in this category 37% for debit and 29% for credit in Week 6.

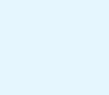


### RETAIL STORES

↑ **37%** Debit

↑ **30%** Credit

Retail stores represent 30% of debit purchases and 26% of credit purchases within the Goods sector. Within this category, home improvement, hardware, landscaping and discount stores have experienced increased spending. For Retail Stores, debit purchases are up 37%, lower than the prior four-week average of +49%. Credit purchases are up 30%, above the prior four-week average of +27%.

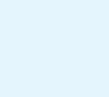


### AMAZON

↑ **70%** Debit

↑ **50%** Credit

As a significant contributor to the CNP category, we have aggregated the merchant categories for Amazon to create a comprehensive view. Amazon debit purchases are up 70% year over year. Amazon debit purchases are up 50%. For the prior four weeks, debit purchases were up 83% and credit purchases were up 48%.

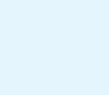


### CLOTHING STORES

↑ **18%** Debit

↑ **3%** Credit

Clothing Stores, one of the most affected categories within the Goods sector, have seen improvements and are now enjoying positive year-over-year growth. For this category, debit purchases outperform credit purchases in finishing Week 6, up 18% for debit and up 3% for credit. The previous four-week averages are +38% for debit purchases and +3% for credit purchases.



### DEBIT CARD NOT PRESENT

**41%** of Purchases

### CREDIT CARD NOT PRESENT

**57%** of Purchases

Goods Sector Card Not Present (CNP) activity remains well above the prior year. For Week 6 in the Goods sector, debit CNP purchases are 41% for 2021 compared to 33% in 2020. For credit CNP purchases, the results are 57% for 2021 compared to 47% in 2020.



Growth was strong in Week 6 for both debit and credit purchases, with credit performing well above the previous four-week average. In this week's deeper dive, we revisit the Goods sector, where we continue to see healthy increases across multiple retail categories. Amazon continues to experience exceptional year-over-year growth, further supporting the significant increase in ecommerce activity since the onset of the pandemic.



— 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).