

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 ninth week of the year (the week ending Feb. 28, 2021 compared to the week ending Mar. 1, 2020).



OVERALL SPEND

While debit continues to soften from January's stimulus fund-aided performance, growth rates for both debit and credit remain positive.

Debit
↑ **9.1%**

Debit card spend is up 9.1% in Week 9 and debit transactions finished up 1.3%. Debit purchases are lower than the previous four-week average of +14.9% and transactions are above the previous four-week average, which was flat (0.0%) to the same four-week period last year.

Credit
↑ **6.5%**

Credit card spend in Week 9 finished up 6.5%, above the previous four-week average of +3.0%. Transactions finished down 0.4%, above the previous four-week average of -3.9%.

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



CONTACTLESS
↑ **17.9%** of Debit Card Present Transactions

↑ **13.5%** 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 17.9% in Week 9 of 2021. Contactless credit transactions have also more than doubled, growing from 6.5% to 13.5% 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
↑ **55.6%** Debit

↑ **32.4%** 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 up 55.6% year over year in Week 9, in line with the previous four-week average of +55.5%. Credit mobile wallet purchases are up 32.4% year over year, lower than the previous four-week average of +40.0%. These results represent six supported mobile wallets: Apple Pay, Fitbit Pay, Garmin Pay, Google Pay, LG Pay and Samsung Pay.



DEBIT CARD NOT PRESENT
↑ **45.1%** of Purchases

↑ **31.2%** of Transactions

CREDIT CARD NOT PRESENT
↑ **55.0%** of Purchases

↑ **44.4%** of Transactions

We continue to see more volume conducted via Card Not Present (CNP) transactions. For credit, 55.0% of purchase volume and 44.4% of transactions are CNP. For debit, 45.1% of purchase volume and 31.2% of transactions are CNP. Purchase mix has remained up and held steady, up 5.2 percentage points for both credit and debit. Transaction mix also remains positive and steady, up 7.6 percentage points for credit and 6.7 percentage points for debit.



ATM
↓ **20.1%** Withdrawals

Cash withdrawal transactions at the ATM are down year over year. For the most recent week, the number of cash withdrawals was down 20.1%, higher than the previous four-week average of -23.1%.

A REVIEW OF MERCHANT CATEGORIES

From a merchant category perspective, we continue to see strong results in Goods, Utilities, Service and Grocery Stores, while year-over-year performance for Restaurants remains mixed. Drug Store performance has seen a steady decline in the past few weeks. (All percentages are year-over-year weekly comparisons.)



GROCERY
↓ **1.5%** Debit

↑ **10.3%** Credit



UTILITIES
↑ **11.6%** Debit

↑ **14.1%** Credit



SERVICE
↑ **6.5%** Debit

↑ **9.0%** Credit



GOODS
↑ **19.1%** Debit

↑ **24.1%** Credit



DRUG STORES
↓ **3.8%** Debit

↓ **0.1%** Credit



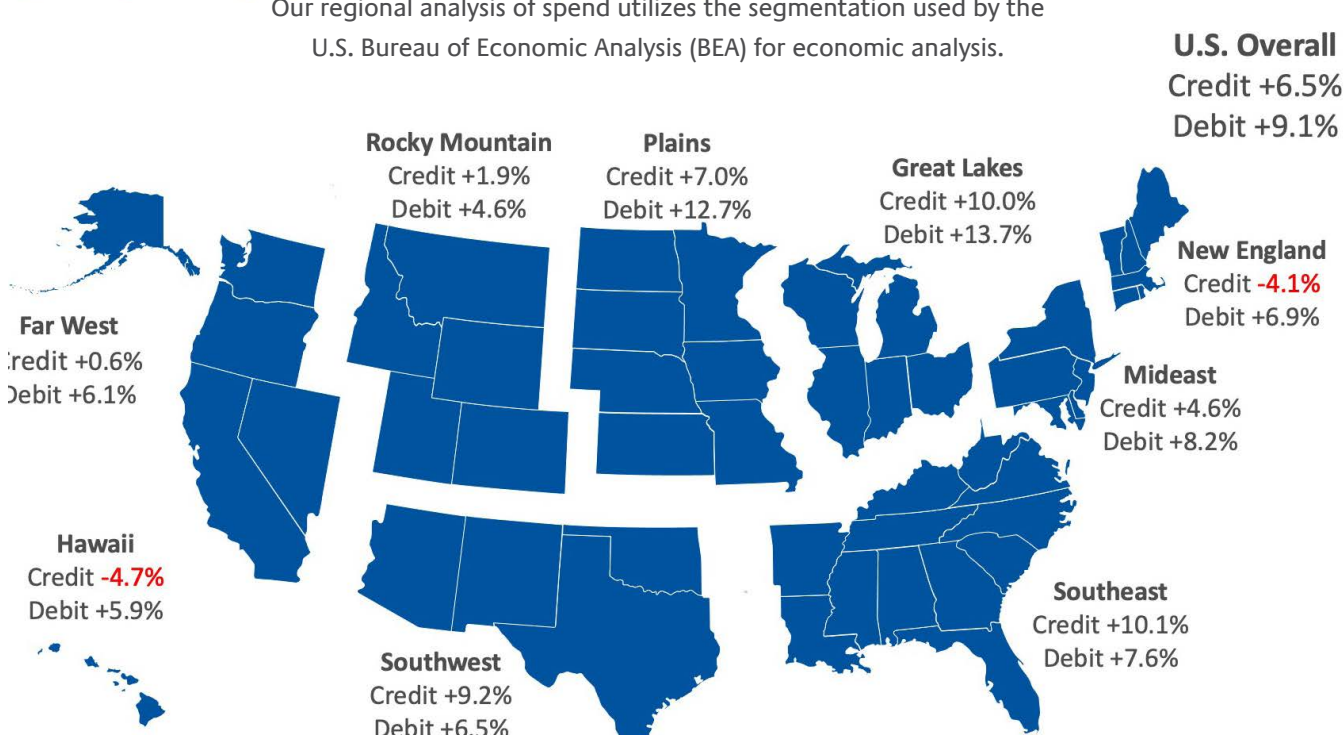
RESTAURANTS
↑ **5.5%** Debit

↓ **6.2%** 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.

U.S. Overall
Credit +6.5%
Debit +9.1%



DEBIT

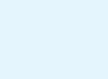
Overall U.S. spend was up 9.1% for debit purchases. The Great Lakes (+13.7%) and Plains (+12.7%) finished as the strongest regions for Week 9. Hawaii (+5.9%) and the Rocky Mountain region (+4.6%) had the lowest debit purchase performance.

CREDIT

Overall U.S. spend was up 6.5% for credit purchases. The Great Lakes (+10.0%) and Southeast (+10.1%) finished as the strongest regions for Week 9. Hawaii (-4.7%) and the New England region (-4.1%) had the lowest credit purchase performance.

THIS WEEK'S DEEPER DIVE REVISITS THE GASOLINE SECTOR.

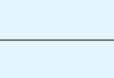
Purchases in this sector had plateaued as we entered the fall (September 2020). Starting in mid-December, weekly gas purchase volumes began to increase, reaching a new peak in Week 9 of 2021. Overall debit purchases in the Gasoline sector are up year over year, finishing up 6.2%, with debit transactions down 2.1%. Credit purchases are up 2.4% for Week 9 and credit transactions are down 4.6%.



AVERAGE TRANSACTION AMOUNT
↑ **8.6%** Debit

↑ **7.3%** Credit

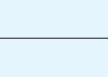
This mix of increased purchases and reduced transactions translates into higher average transaction amounts. For Week 9, the average debit transaction is up 8.6% at \$21.47 and the average credit transaction is up 7.3% at \$28.52.



AVERAGE PRICE ALL GRADES ALL FORMULATIONS
↑ **11%** Per Gallon

\$2.79 Per Gallon

Fueling the increase in purchases are higher per-gallon gasoline prices. For Week 9, the U.S. All Grades All Formulations Retail Gasoline Prices Dollars per Gallon* is \$2.79, up 11% year over year. There are notable regional price differences in average gasoline prices. California has consistently higher average gas prices, finishing Week 9 at \$3.65 per gallon, while the Gulf Coast states – defined by the U.S. Energy Information Administration (EIA) as Alabama, Arkansas, Louisiana, Mississippi, New Mexico and Texas – have the lowest average price per gallon of gas at \$2.48.



AUTOMATED FUEL DISPENSER
Gallons of Gasoline Purchased

↓ **7.0%** Debit

↓ **11.0%** Credit

Using Automated Fuel Dispenser (AFD) purchases and the EIA average price per gallon, the overall quantity of gasoline purchases in Week 9 on debit cards at AFDs is down 7% and down 11% on credit cards.

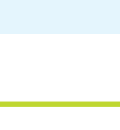


TRANSACTION LOCATION

| | Credit | Debit |
|--------------------------|--------|-------|
| Automated Fuel Dispenser | 75% | 56% |
| Service Station | 25% | 44% |

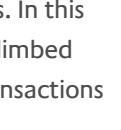
The Gasoline sector can be broken out into two categories: Automated Fuel Dispensers (AFD) (Pay at the Pump) and Service Stations (with or without Ancillary Services). Year over year, the percentage of purchases at each point of sale has been fairly consistent. For Week 9, the breakout of debit purchases is 56% AFD and 44% Service Station. For credit purchases, the results are 75% AFD and 25% Service Station.

* Published by the U.S. Energy Information Administration (EIA)



While debit spend continues to soften in Week 9, overall debit and credit growth remain strong, with credit spend up twice the previous four-week average. As we approach the one-year mark of the impact of COVID-19, the overall card payment volume growth rate is in line with pre-pandemic levels. In this week's deep dive, we revisit the Gasoline sector, where weekly gas purchase volumes have steadily climbed since mid-December. While overall debit and credit purchases in this sector are up year over year, transactions are down, indicating higher average transaction amounts as gasoline prices continue to rise.

— *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.