

## THE PSCU PAYMENTS INDEX: MAY 2022

Welcome to the May edition of the PSCU Payments Index. This month's report finds continued strong consumer purchasing activity amidst ongoing inflationary pressures, while our Deep Dive shows that generational differences point to future growth in mobile wallets.

In the Labor Department's May 11 update, the [Consumer Price Index \(CPI\)](#) moderated slightly, with a 0.3% increase in April. The rate of inflation improved, on an annual basis, to 8.3% in April, which was a 0.2% decrease from March – marking the first drop in the inflation rate in eight months. Top growth sectors included Shelter, Food, Airline Fares and New Vehicles. The Bureau of Labor Statistics (BLS) [reported](#) the April 2022 unemployment rate was unchanged from March at 3.6%, with job growth led by gains in Leisure and Hospitality, Manufacturing, and Transportation and Warehousing. This combination of strong job growth and low unemployment will likely further fuel consumer spending – even as wage increases due to low labor supply continues to fuel inflation.

April performance was similar to March, reflecting strong growth rates in consumer spending. Credit card purchases were up 20% over 2021, while debit card purchases were up 4%. As noted in last month's comparisons, the 2021 timeframe was impacted by consumers receiving the third economic impact payment (EIP3), which materialized in much higher debit spending last spring. The April 2021 year-over-year growth in debit purchases was up 35% (2021 vs. 2020). We expect to see higher debit growth rates in the coming months as overall consumer spending remains strong.

Now into its third month, the war in Ukraine has created the largest refugee crisis in Europe since World War II and worldwide energy prices remain elevated. The European Union is debating a proposed ban of Russian oil that, if approved, could take effect at the end of 2022. Potential passage of this embargo, along with [China resuming production activities from its current COVID shutdown](#), could have impacts on gasoline prices well into 2023.

The [Consumer Confidence Index](#) decreased slightly in April following an increase in March. Purchasing intentions were down overall from recent levels as interest rates have started to rise. The Federal Reserve [increased interest rates by 50 basis points](#) with plans for similar increases in upcoming meetings. It's the first time in 22 years that interest rates have been increased by a half point to help counterbalance the highest inflation in 40 years.

Contactless tokenized Card Present transactions continue to gain momentum in the market. This month, we take a deeper look into Mobile Wallet usage. We hope the relevant insights from the PSCU Payments Index will continue to help our financial institutions make informed, strategic decisions in 2022.

**Click [here](#) to subscribe to the PSCU Payments Index and receive updates when we publish each month.**

## OVERALL PERFORMANCE – APRIL 2022

### PURCHASES

2022 VS. 2021



2021 VS. 2020

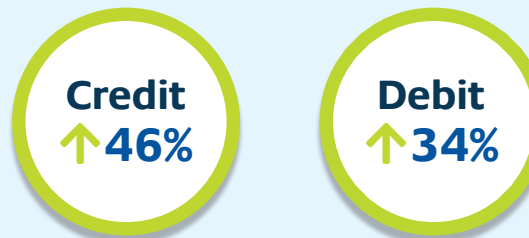


### TRANSACTIONS

2022 VS. 2021



2021 VS. 2020



## KEY TAKEAWAYS

- The Consumer Price Index (CPI-U) for March moderated slightly to 8.3% in April, which was a 0.2% decrease from March – and the first drop in the CPI in eight months. In April, the Fed increased interest rates by 50 basis points with another half point hike on the table for its meetings in June.
- Mobile Wallets continue to show strong growth, with notable growth coming from younger generations. For Gen Z (19- to 23-year-olds), Mobile Wallet transactions in April were up 158% for credit and 102% for debit year over year. The importance of being top of wallet in their mobile device for this age group is growing, as Mobile Wallet transactions now represent 7.4% of Card Present debit activity and 3.9% of Card Present credit activity.
- Consumer spending on cards remains strong, with credit purchases up 20% and debit purchases up 4% year over year. Again contributing to the lower growth in debit was exceptional spend in 2021 funded by the third economic stimulus payment. The Entertainment sector once again posted top growth rates for credit and debit purchases in April. For credit purchases, Travel and Gasoline were a close second and third, respectively. For debit purchases, Gasoline was a close second, with Restaurants and Travel tied for a more distance third.
- The average credit card balance for April 2022 was \$2,711, up 3.4% (or \$90) year over year. April marked the second consecutive month of year-over-year growth.



Consumer spending remained strong in April 2022, with credit continuing to drive the largest growth and average credit card balances experiencing the second consecutive

month of year-over-year growth. This month's Consumer Price Index experienced the first drop in eight months, while the Fed increased interest rates again, with additional increases expected to come this summer. As growth in touchless payments at the point of sale continues to gain momentum, we take a look at the growth of Mobile Wallets in this month's Deep Dive, including the top merchant sectors and usage differences by generation.

— *Cody Banks, Managing Vice President, Payments and Fraud Strategy at PSCU*





## DEEP DIVE: MOBILE WALLETS

Growth in touchless payments at the point of sale accelerated throughout the pandemic and continues to be robust. For April 2022, year-over-year growth in Mobile Wallet transactions was up 81% for debit and 78% for credit. As we reported in our Weekly Transaction Insights in November 2020, the top three mobile wallets (Apple Pay, Google Pay and Samsung Pay) represented 99% of the Mobile Wallet transactions for the week in review. As we fast forward 18 months, we find the paradigm to be the same with Apple Pay building on its command of market share among the five supported mobile wallets (with Fitbit Pay and Garmin Pay rounding out the field).

Despite the collective growth of Mobile Wallet usage, for April 2022 Mobile Wallet debit card transactions represented only 2.8% of overall Card Present (CP) debit card transactions and 1.9% of CP credit card transactions. From a generational perspective, usage and growth in Mobile Wallet activities skewed to the younger generations and provide insight into continued growth of this payment channel. There were also differences in the percentage of Mobile Wallet activity by merchant sector that suggest the rate of usage is influenced by the level of merchant adoption.

### MOBILE WALLET TRANSACTIONS – APRIL 2022

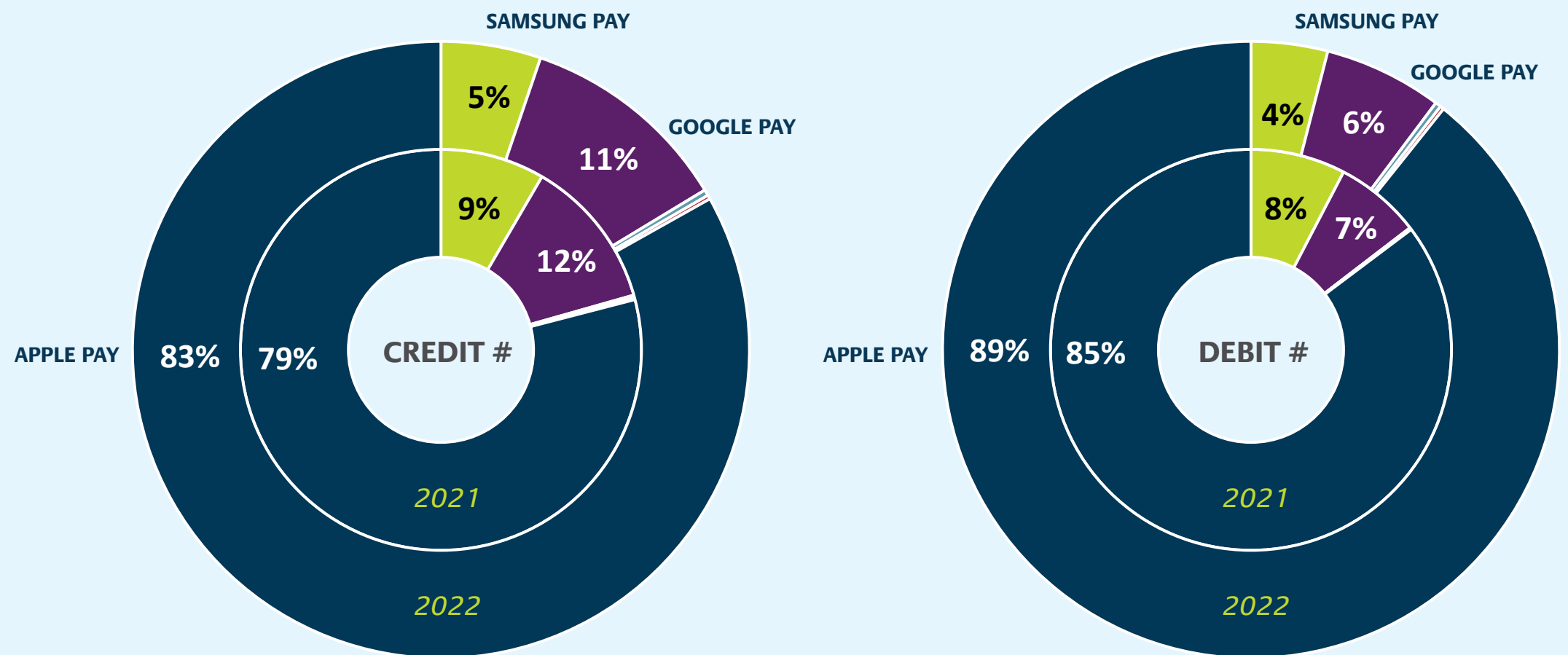
Mobile Wallet	Growth YoY		Market Share	
	Credit	Debit	Credit	Debit
Apple Pay	86%	90%	83%	89%
Google Pay	65%	59%	11%	6%
Samsung Pay	15%	6%	5%	4%
Other	55%	38%	<1%	<1%
<b>Total</b>	<b>78%</b>	<b>81%</b>	<b>100%</b>	<b>100%</b>

For April 2022, Apple Pay had 89% of the share of debit card Mobile Wallet transactions, while Google Pay and Samsung Pay had 6% and 4%, respectively. [From our November 2020 analysis](#), we reported debit card Mobile Wallet transaction market share as 83% for Apple Pay, 9% for Google Pay and 8% for Samsung Pay.

For credit card Mobile Wallet market share, Apple Pay transactions were 83% of all Mobile Wallet transactions, followed by Google Pay at 11% and Samsung Pay at 5%. From the November 2020 update, Apple Pay represented 77% of the credit card Mobile Wallet transactions, with Google Pay at 13% and Samsung Pay at 10%.

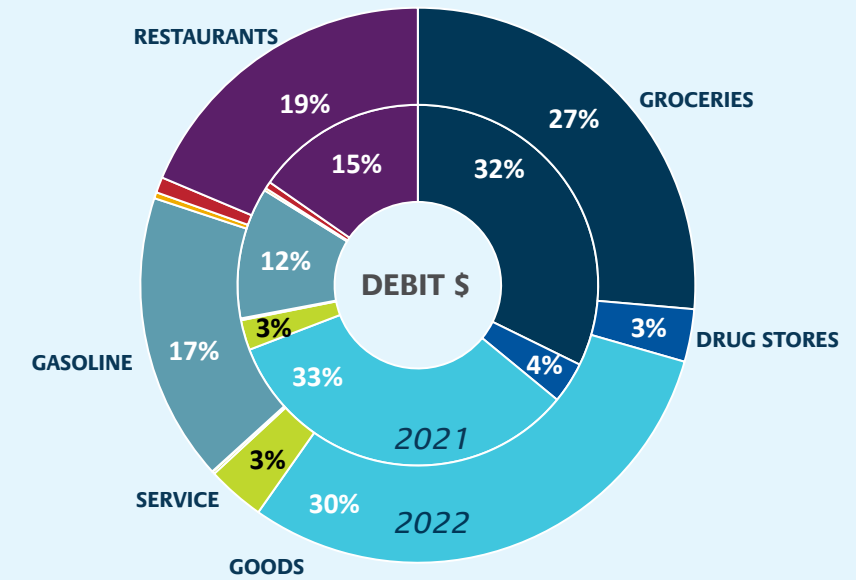
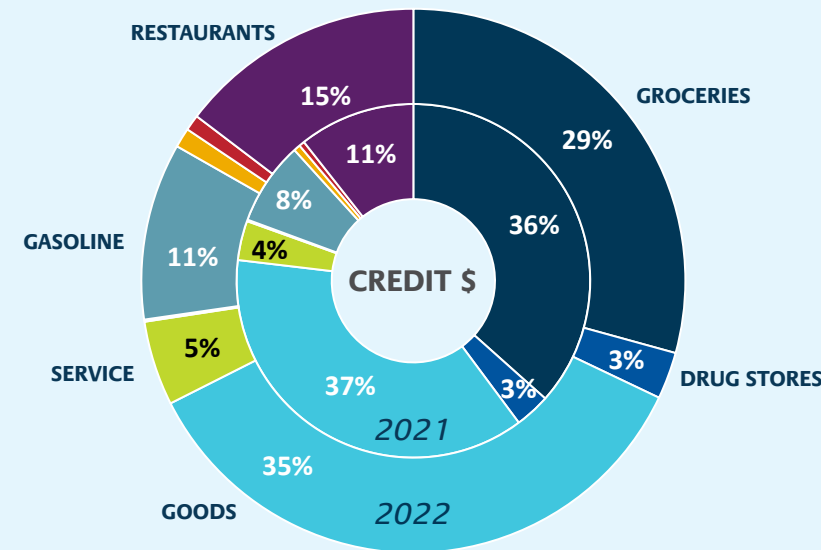
Since our last reporting on this topic, LG Pay has dropped out of the Mobile Wallet market. Fitbit Pay and Garmin Pay are active wallets combining for the remaining one percent of market share.

## PERCENTAGE OF MOBILE WALLET TRANSACTIONS BY PROVIDER – APRIL

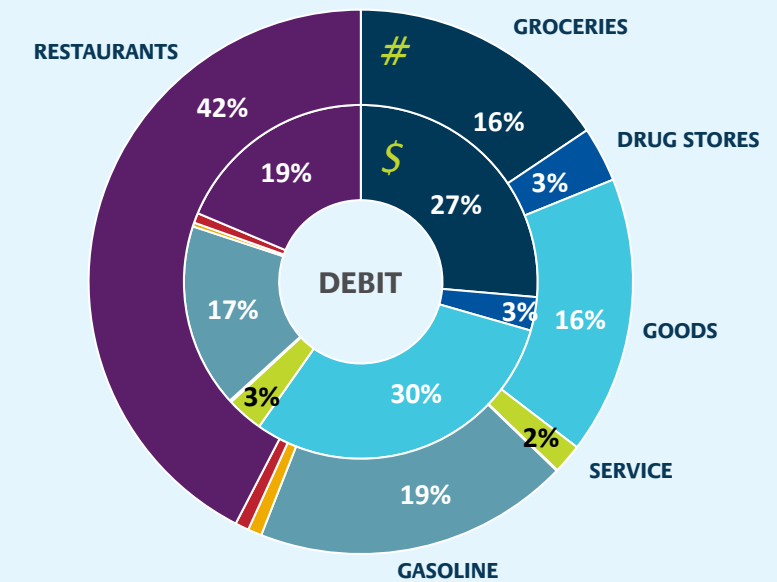
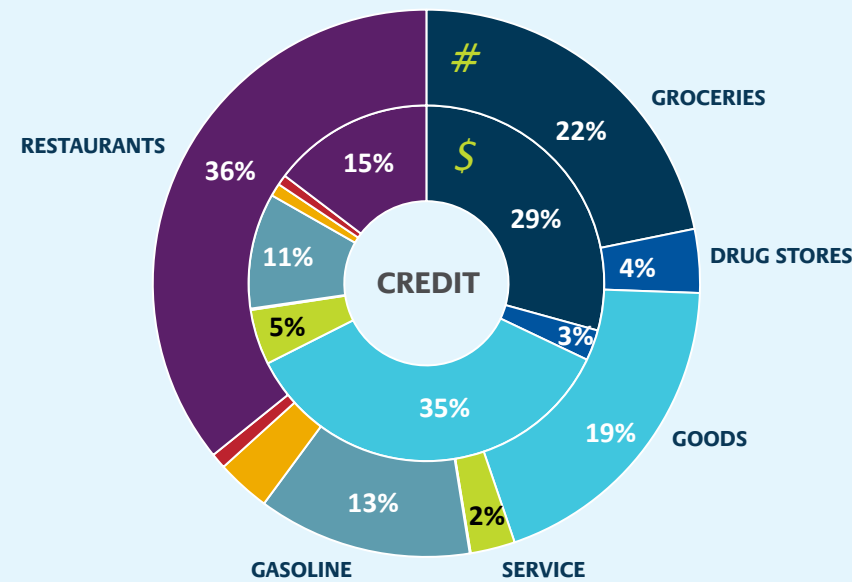


Ninety-three percent of all credit and debit Mobile Wallet transactions occurred within five merchant sectors in April 2022: Goods, Groceries, Restaurants, Gasoline and Drug Stores. The average purchase amounts for both credit and debit were roughly half the amount of overall Card Present average purchases.

## PERCENTAGE OF MOBILE WALLET PURCHASES BY SECTOR – APRIL



## PERCENTAGE OF MOBILE WALLET ACTIVITY BY SECTOR – APRIL 2022





**Restaurants:** This sector represented the largest percentage of Mobile Wallet transactions for both credit and debit. Credit card Mobile Wallet transactions for April represented 36% of all Mobile Wallet transactions and 42% for debit card Mobile Wallet transactions. The average Mobile Wallet purchase amounts for the Restaurant sector were \$12.44 for credit and \$8.09 for debit, which had the greatest variance when compared to their overall Card Present Restaurant sector purchases by -56% for credit and -58% for debit. This was driven by a large portion of the Mobile Wallet activity occurring at Quick Service Restaurants (QSRs), which includes vending machine merchants.

**Groceries:** Credit card Mobile Wallet transactions for April represented 22% of all Mobile Wallet transactions and 16% for debit card Mobile Wallet transactions. The average Mobile Wallet purchase amount in Groceries on credit was \$40.77 and was the closest to the overall Card Present average Grocery purchase (\$52.43). For debit, the average Mobile Wallet purchase in the Grocery sector was \$31.08.

**Goods:** Credit card Mobile Wallet transactions for April represented 19% of all Mobile Wallet

transactions and 16% for debit card Mobile Wallet transactions. The average Mobile Wallet purchase amounts in the Goods sector were \$56.10 for credit and \$33.72 for debit.

**Gasoline:** Credit card Mobile Wallet Gasoline transactions for April represented 13% of all Mobile Wallet transactions and 19% for debit card Mobile Wallet Gasoline transactions. The average Mobile Wallet purchase amount for gasoline on credit was \$25.25. For debit, the average Mobile Wallet purchase in the Gasoline sector was \$16.42. Within the Gasoline sector, 64% of credit Mobile Wallet transactions and 81% of debit Mobile Wallet transactions occurred within the Service Station category, leaving the balance of the Gasoline Mobile Wallet transactions (36% for credit 19% for debit) via Automated Fuel Dispensers (AFDs). Mobile Wallet transaction growth in the Gas sector was more pronounced on debit cards, with AFD transactions up 176% year over year for April and Service Station transactions up 92%. On credit cards, Mobile Wallet Gas transactions were up 81% on AFDs and up 86% for Service Stations.

**Drug Stores:** While Drug Store Mobile Wallet transactions for April represented 4% of all Mobile Wallet transactions for credit and 3% on

## AVERAGE PURCHASE SIZE MOBILE WALLETS AND CARD PRESENT – APRIL 2022

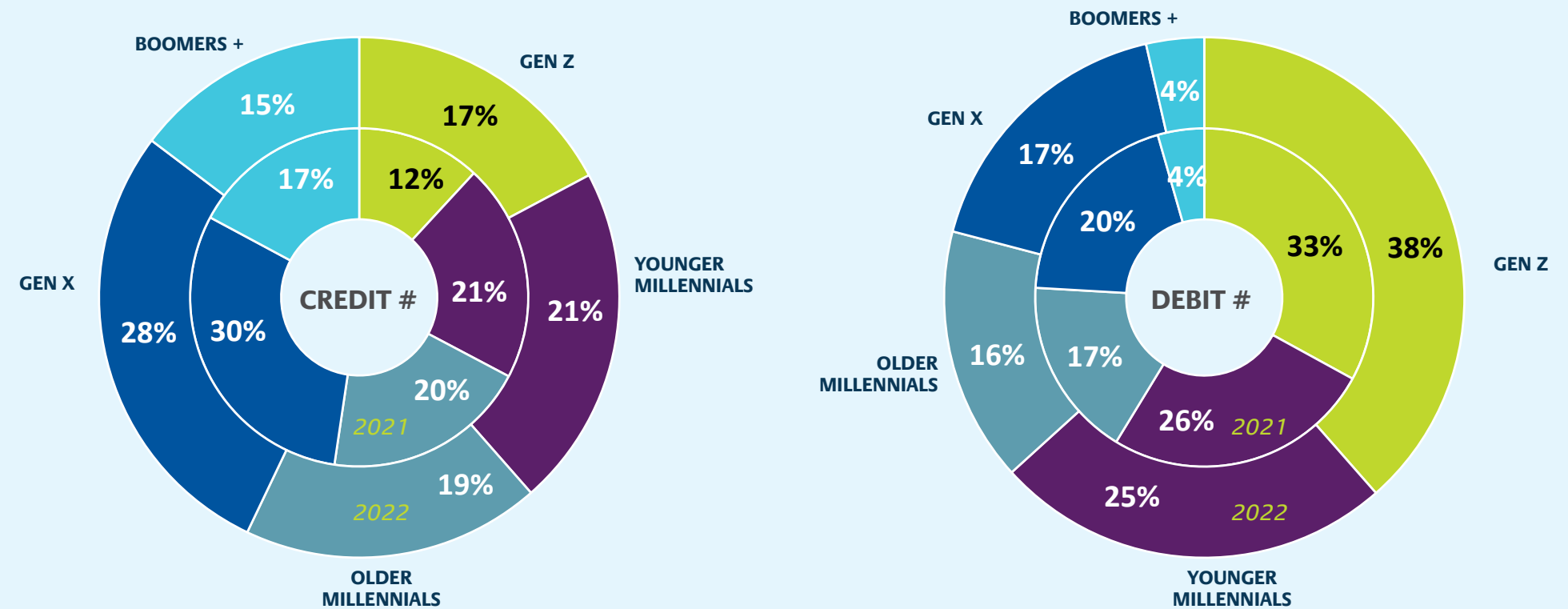
Sector	Average Credit Purchase			Average Debit Purchase		
	Card Present	% Diff	Mobile Wallet	Mobile Wallet	% Diff	Card Present
Drug Stores	\$33.25	-32%	\$22.53	\$17.19	-36%	\$26.69
Gasoline	\$38.46	-34%	\$25.25	\$16.46	-37%	\$26.06
Goods	\$96.35	-42%	\$56.10	\$33.72	-37%	\$53.17
Groceries	\$52.43	-22%	\$40.77	\$31.08	-40%	\$51.54
Restaurants	\$27.96	-56%	\$12.44	\$8.09	-58%	\$19.49
<b>Overall</b>	<b>\$59.04</b>	<b>-49%</b>	<b>\$30.36</b>	<b>\$18.38</b>	<b>-50%</b>	<b>\$36.79</b>

debit, this merchant sector had more Mobile Wallet volume as a mix of point-of-sale volume than any other sector. For April, Mobile Wallet credit card Drug Store transactions were 2.6% of overall Card Present credit card Drug Store transactions. Similarly, on debit cards, it represented 3.8% of Card Present debit card Drug Store transactions. This is, in part, influenced by the major national merchants in this sector accepting Mobile Wallets, namely Walgreens, CVS and Rite Aid and their related subsidiaries. Collectively, these merchants represented 88% of all Mobile Wallet credit

card purchases and 94% of all Mobile Wallet debit card purchases at Drug Store merchants. The average purchase amount for Mobile Wallet Drug Stores on credit was \$22.53. For debit, the average Mobile Wallet purchase in the Drug Store sector was \$17.19.

Growth in Mobile Wallet transactions was notably affected by the different generations. The younger the age demographic, the greater of both the year-over-year transaction growth and percentage of overall Card Present transactions. Gen Z (19 to 23 year-olds) yielded the largest growth in Mobile Wallet transactions for April, up 158% on credit cards and up 102% on debit cards. This same demographic had the largest percentage of Mobile Wallet transactions as a percentage of the generation's overall Card Present transactions. Gen Z's Mobile Wallet transactions were 7.4% of the overall debit Card Present transactions and 3.9% of the overall credit Card Present transactions. Gen Z had a large lead over all generations with the highest share of overall Mobile Wallet transactions at 38%. For credit card Mobile Wallet transactions, Gen Z ranked fourth, with 17%.

## PERCENTAGE OF OVERALL MOBILE WALLET TRANSACTIONS BY GENERATION – APRIL 2022



**GROWTH IN MOBILE WALLET TRANSACTIONS BY GENERATION**  
APRIL 2022 V APRIL 2021

Generation	Credit	Debit
Gen Z	158%	102%
Younger Millennials	81%	66%
Older Millennials	68%	59%
Gen X	64%	52%
Boomers +	52%	40%
<b>Overall</b>	<b>78%</b>	<b>81%</b>

**MOBILE WALLET TRANSACTIONS AS A % OF OVERALL CARD PRESENT TRANSACTIONS**  
APRIL 2022

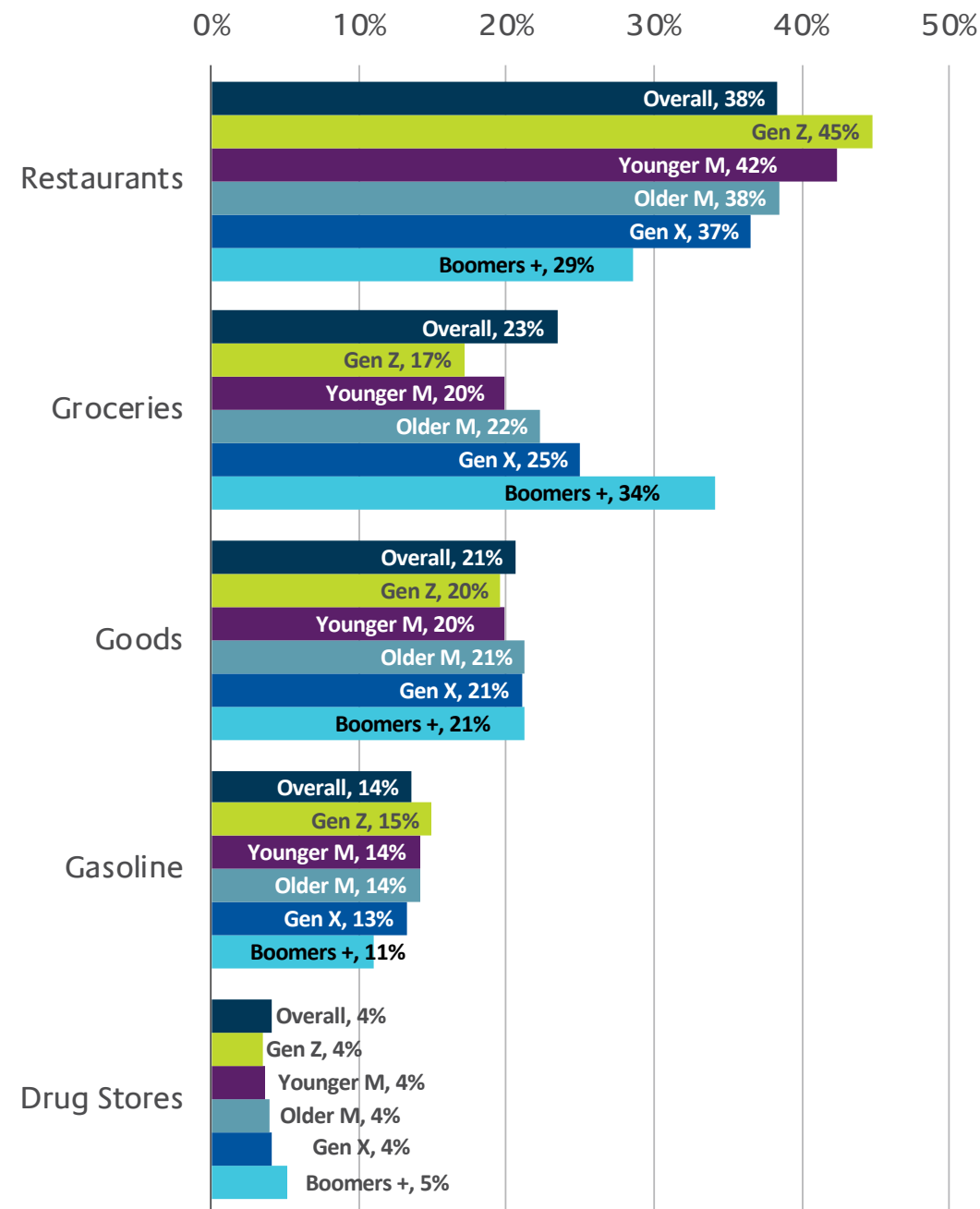
Generation	Credit	Debit
Gen Z	3.9%	7.4%
Younger Millennials	2.8%	3.9%
Older Millennials	2.6%	2.5%
Gen X	2.0%	1.5%
Boomers +	0.7%	0.4%
<b>Overall</b>	<b>1.9%</b>	<b>2.8%</b>

**MOBILE WALLET DRUG STORE TRANSACTIONS AS A % OF OVERALL CARD PRESENT DRUG STORE TRANSACTIONS**  
APRIL 2022

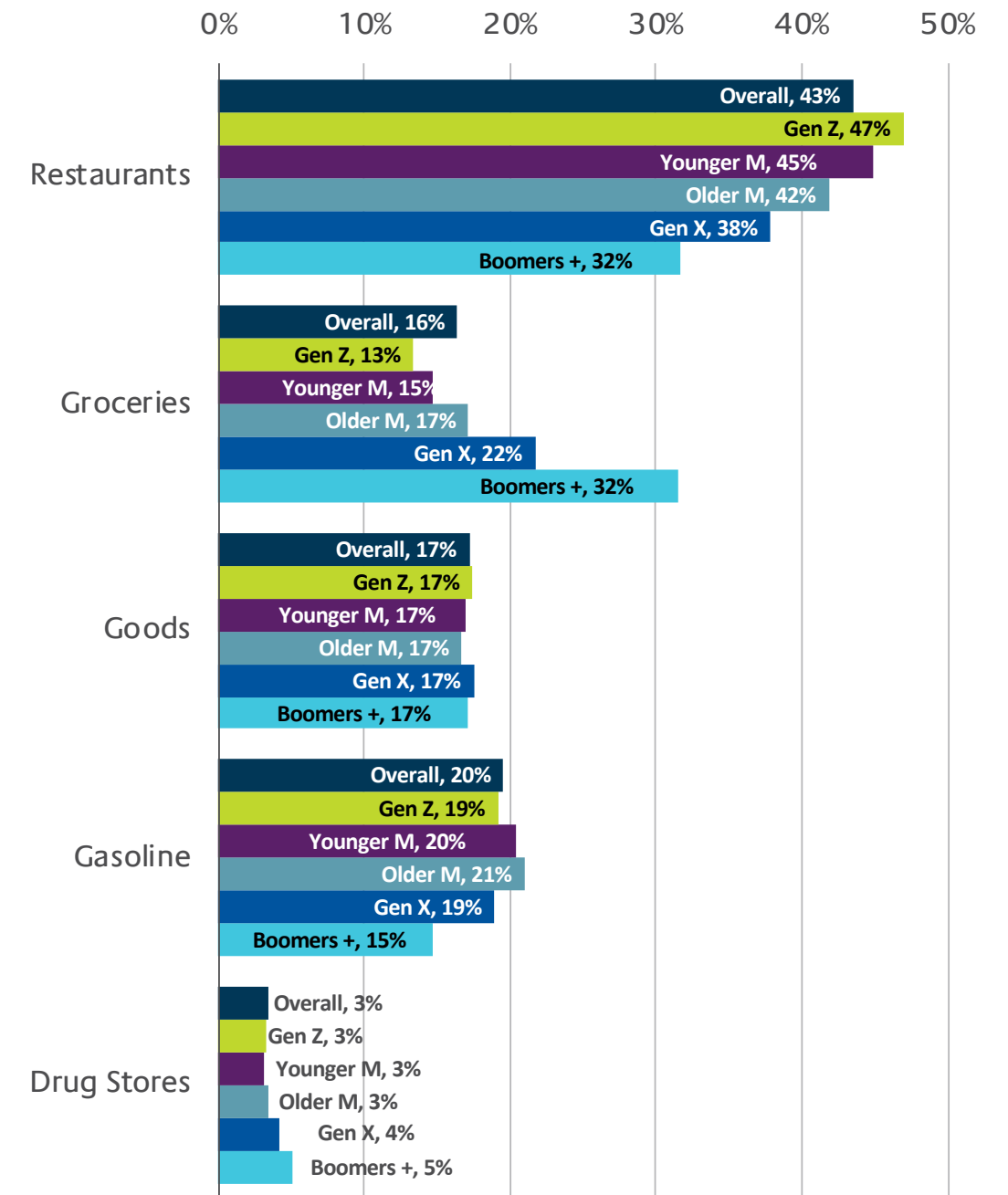
Generation	Credit	Debit
Gen Z	7.5%	13.4%
Younger Millennials	5.0%	6.4%
Older Millennials	4.5%	4.0%
Gen X	3.3%	2.4%
Boomers +	1.0%	0.6%
<b>Overall</b>	<b>2.6%</b>	<b>3.8%</b>

Differences exist in where each generation chooses to use Mobile Wallets. Restaurants were the top sector for percentage of Mobile Wallet use for all generations except Baby Boomers +. For the oldest generation, their top sector for Mobile Wallet credit transactions was Grocery stores and a tie between Restaurants and Grocery stores for debit transactions. Within Restaurants, usage was skewed toward Fast Food Restaurants for the younger generations and Full-Service Restaurants for the older generations. For Grocery store transactions, Baby Boomers + used Mobile Wallets at twice the rate of Gen Z. For Gasoline Mobile Wallet transactions, Baby Boomers + used AFDs more often than going into the Service Stations.

**PERCENT OF MOBILE WALLET CREDIT SECTOR TRANSACTIONS BY GENERATION – APRIL 2022**



**PERCENT OF MOBILE WALLET DEBIT SECTOR TRANSACTIONS BY GENERATION – APRIL 2022**

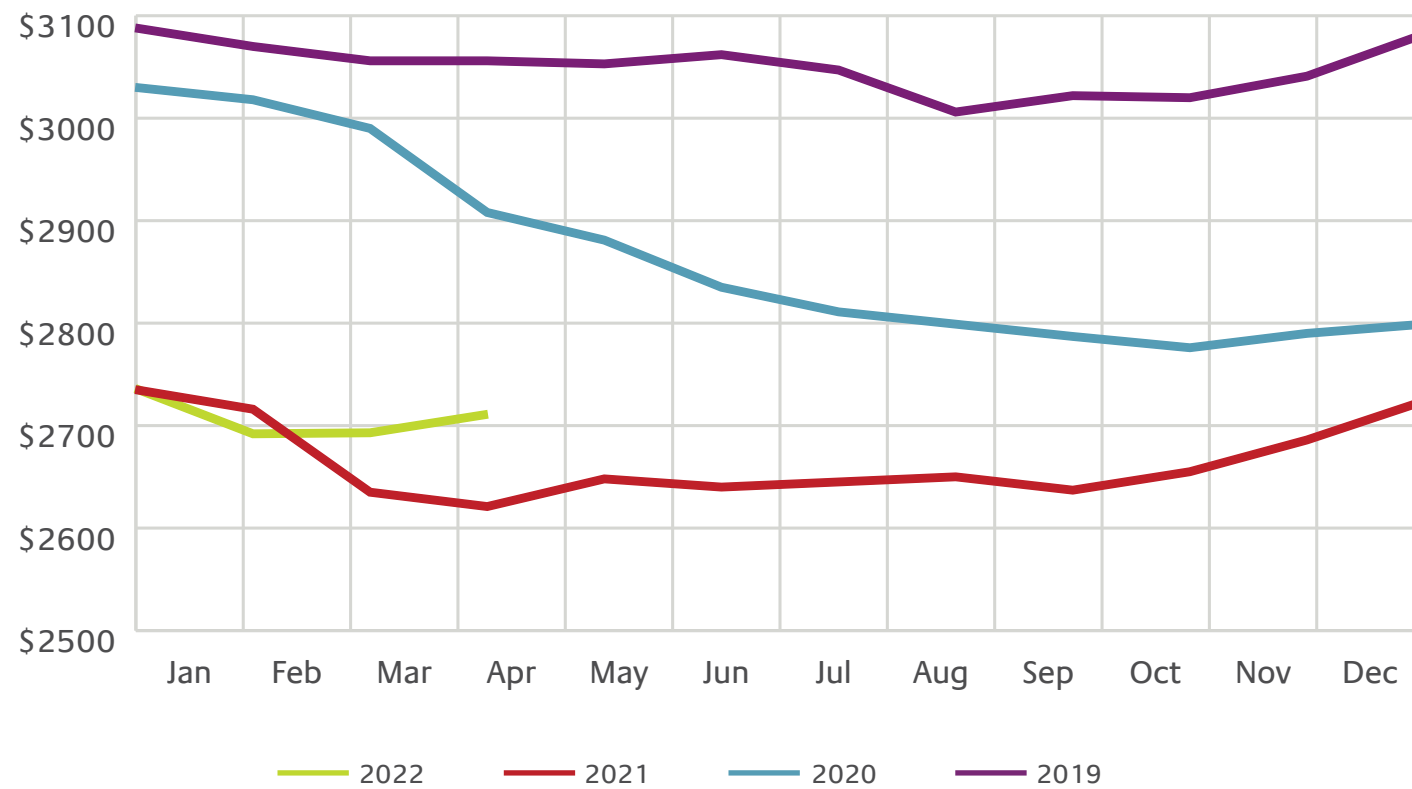




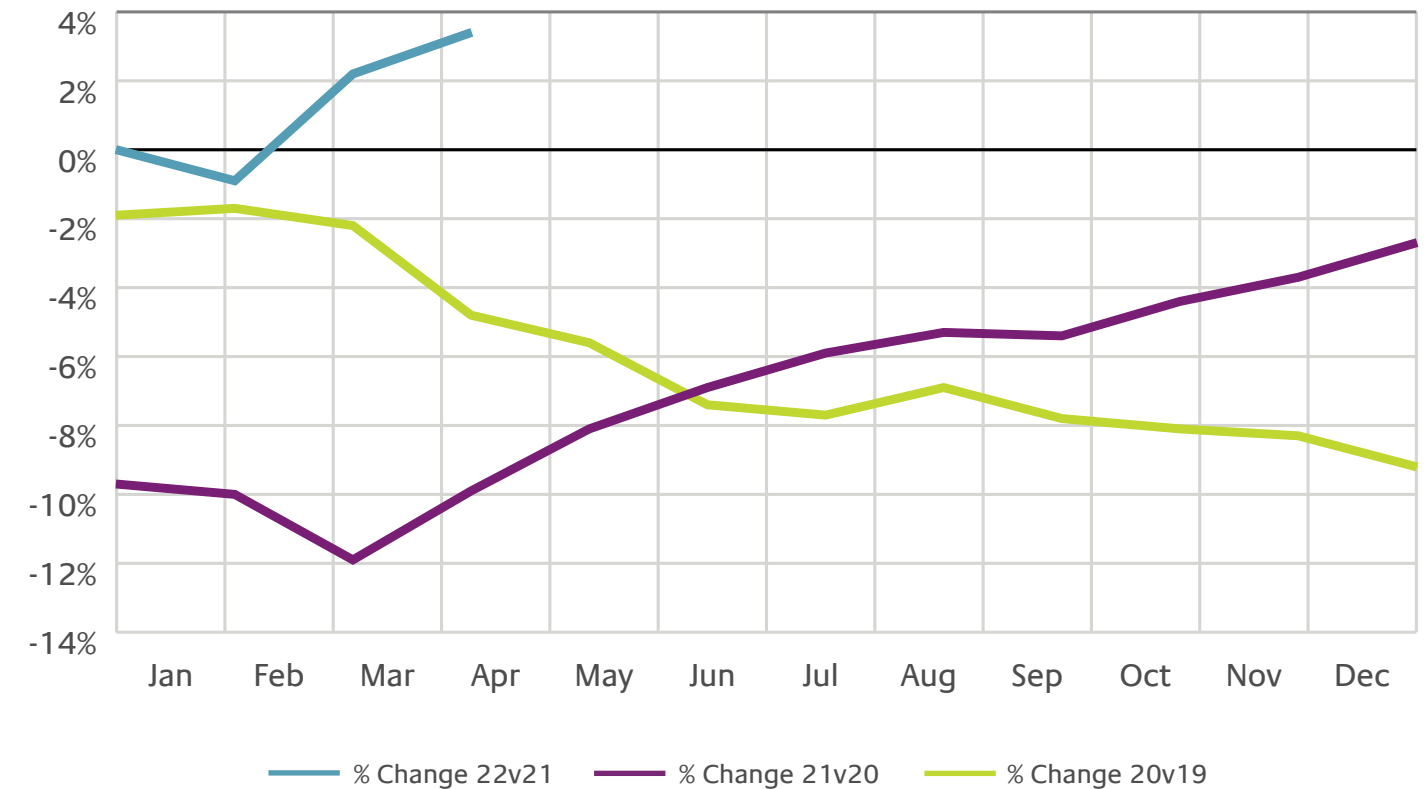
## CREDIT CARD ACCOUNT BALANCES

Average credit card account balances finished April 2022 at \$2,711, up 3.4% compared to April 2021. Compared to April 2020, average credit card account balances were down 6.8%, or \$197.

**AVERAGE CREDIT CARD BALANCES PER GROSS ACTIVE ACCOUNT**  
April



**PERCENTAGE CHANGE IN AVERAGE CREDIT CARD BALANCES**  
April

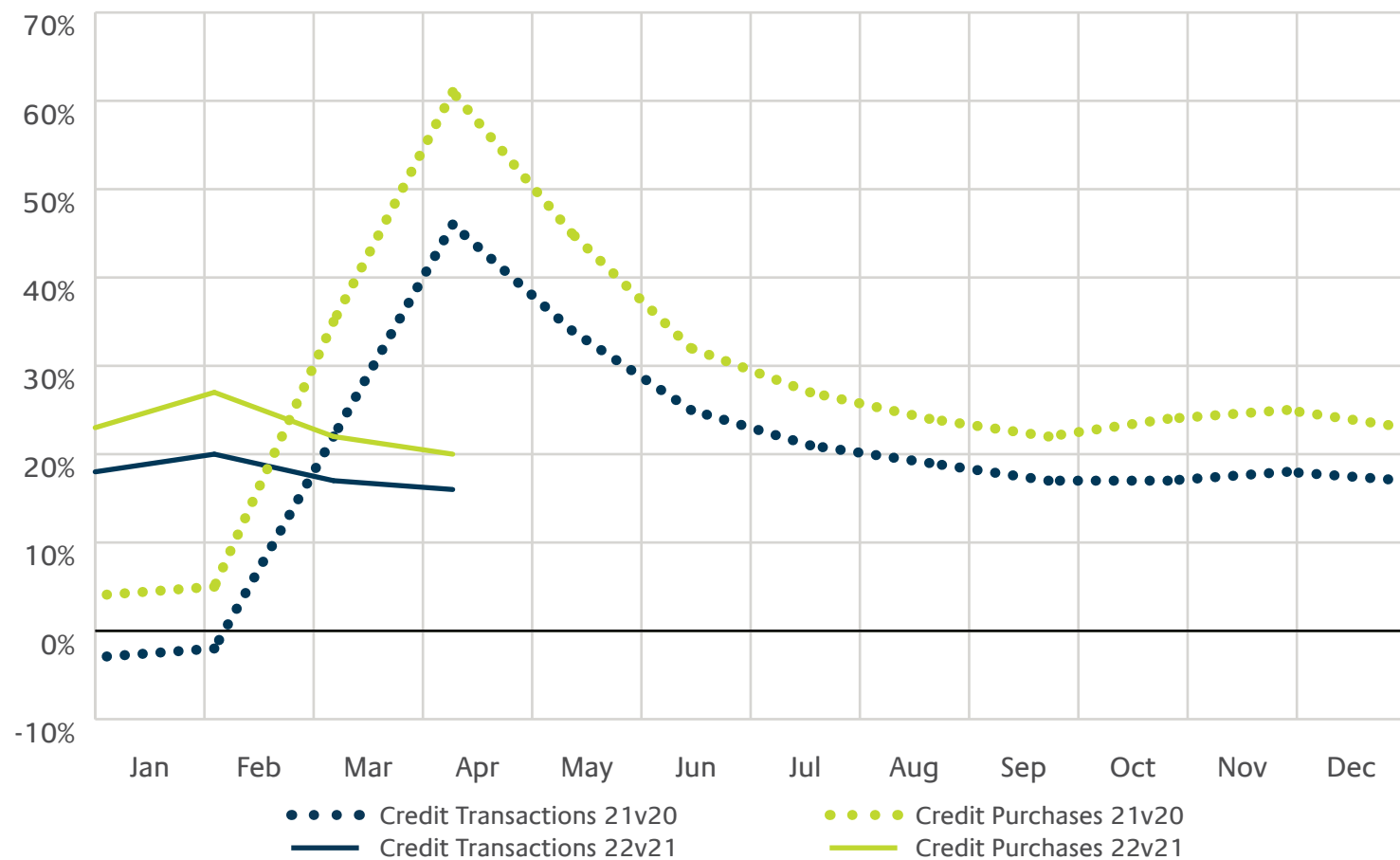


## CREDIT AND DEBIT CARDS

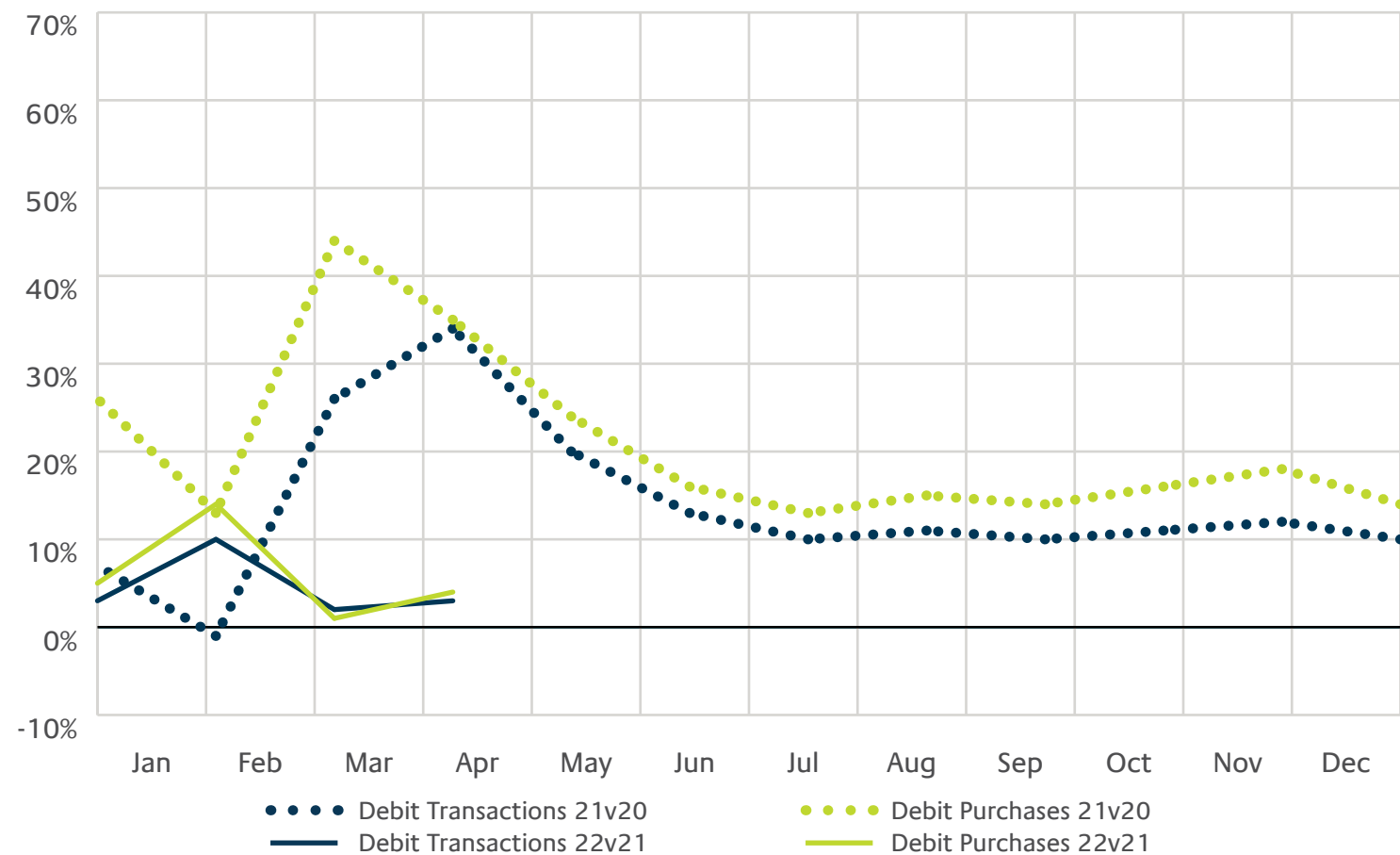
Consumer spending growth remained strong in April, with credit purchases up 20% and debit purchases up 4% year over year. 2022 results were again influenced by the lingered impact of the third Economic Impact Payment (\$1,400 per person) in March 2021, with portions spent in the subsequent weeks.

	Credit		Debit	
	Transactions	Purchases	Transactions	Purchases
2022 v 2021	<b>16%</b>	<b>20%</b>	<b>3%</b>	<b>4%</b>
2021 v 2020	<b>46%</b>	<b>61%</b>	<b>34%</b>	<b>35%</b>

**CREDIT ACTIVITY**  
April



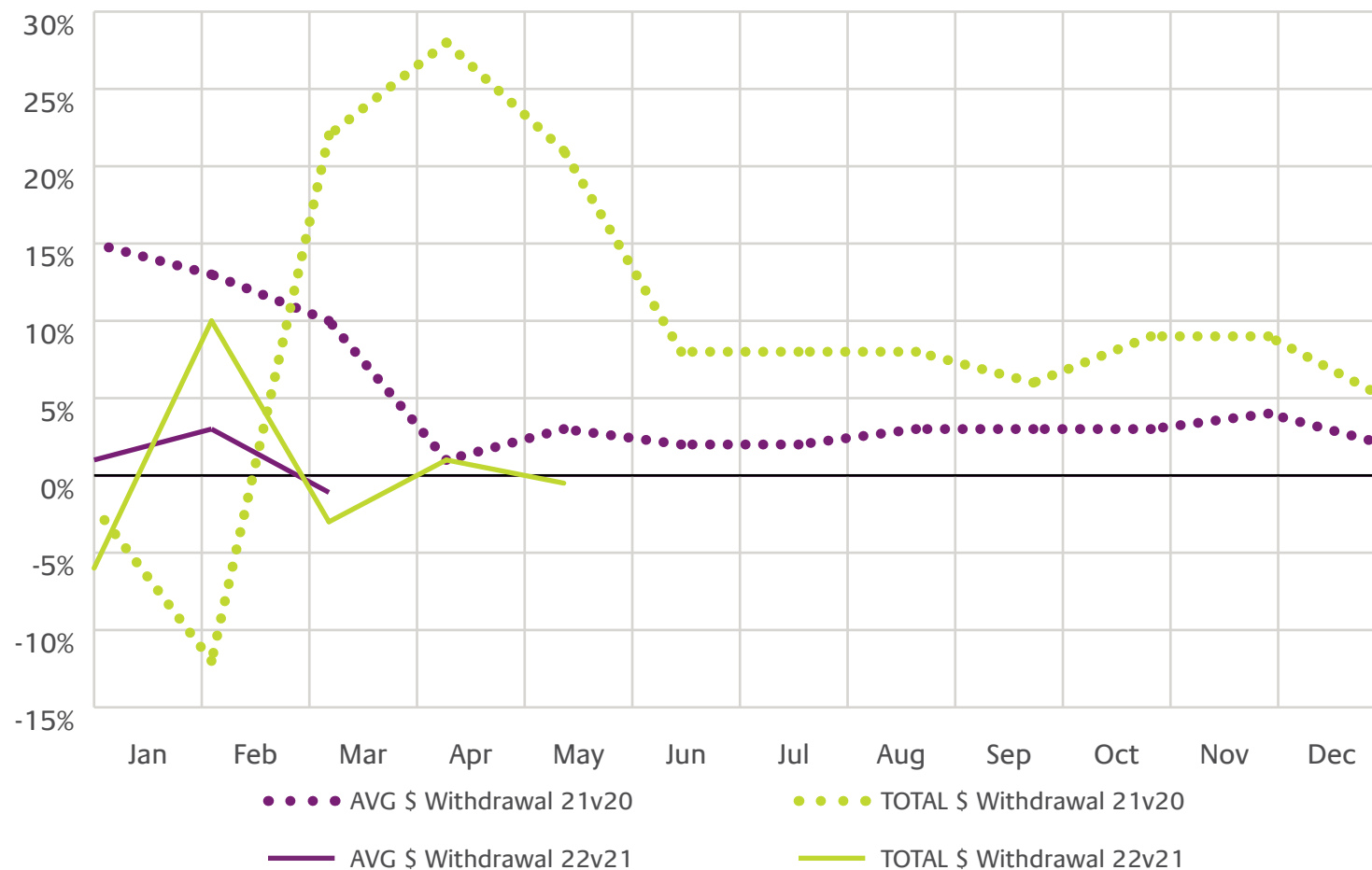
**DEBIT ACTIVITY**  
April



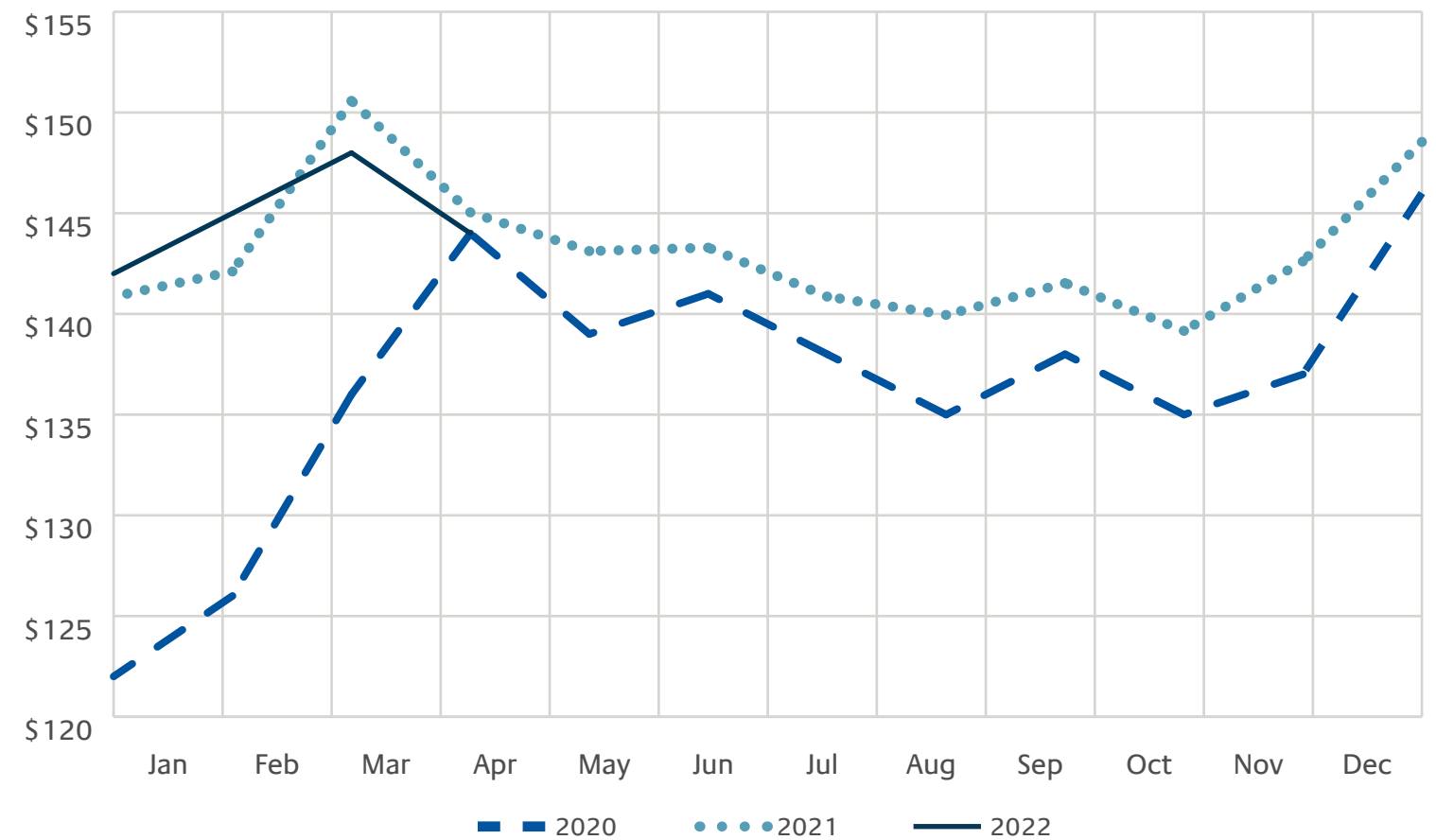
## ATM

For April 2022, growth in ATM withdrawal transaction volume was up 1% year over year. The average amount withdrawn per transaction dropped slightly in April for the second consecutive month, down 0.5% compared to April 2021, at \$144. For April 2022, total cash withdrawn was up 0.7% year over year.

**YOY GROWTH IN ATM WITHDRAWALS**  
April



**AVERAGE ATM WITHDRAWAL**  
April





## SECTORS/MERCHANT CATEGORIES

Growth rates in every sector for credit purchases in April again outpaced growth in all corresponding debit purchase sectors. Similar to March, each sector in credit purchases posted double-digit growth with the exception of Goods, which was up 8% year over year. The top three sectors for year-over-year growth remained the same as the previous two months, with Entertainment up 67%, Travel up 57% and Gasoline up 52%.

For debit purchases, the Goods sector experienced a second consecutive month of negative year-over-year performance in April, down 7%. Again, it is important to note that the drop in debit growth is partly due to the exorbitant (and unsustainable) growth that materialized in 2021 from EIP3. The sectors with the highest year-over-year growth were Entertainment (up 35%) and Gasoline (up 27%), along with Travel and Restaurants (each up 8%).



### DRUG STORES

April

	Credit	Debit
2022 v 2021	14%	2%
2021 v 2020	16%	6%



### ENTERTAINMENT

April

	Credit	Debit
2022 v 2021	67%	35%
2021 v 2020	208%	236%



### GASOLINE

April

	Credit	Debit
2022 v 2021	52%	27%
2021 v 2020	148%	81%



### GOODS

April

	Credit	Debit
2022 v 2021	8%	-7%
2021 v 2020	48%	32%



### GROCERIES

April

	Credit	Debit
2022 v 2021	18%	4%
2021 v 2020	1%	-8%



### RESTAURANTS

April

	Credit	Debit
2022 v 2021	34%	8%
2021 v 2020	160%	97%



### SERVICES

April

	Credit	Debit
2022 v 2021	21%	6%
2021 v 2020	70%	49%



### TRAVEL

April

	Credit	Debit
2022 v 2021	57%	8%
2021 v 2020	390%	223%



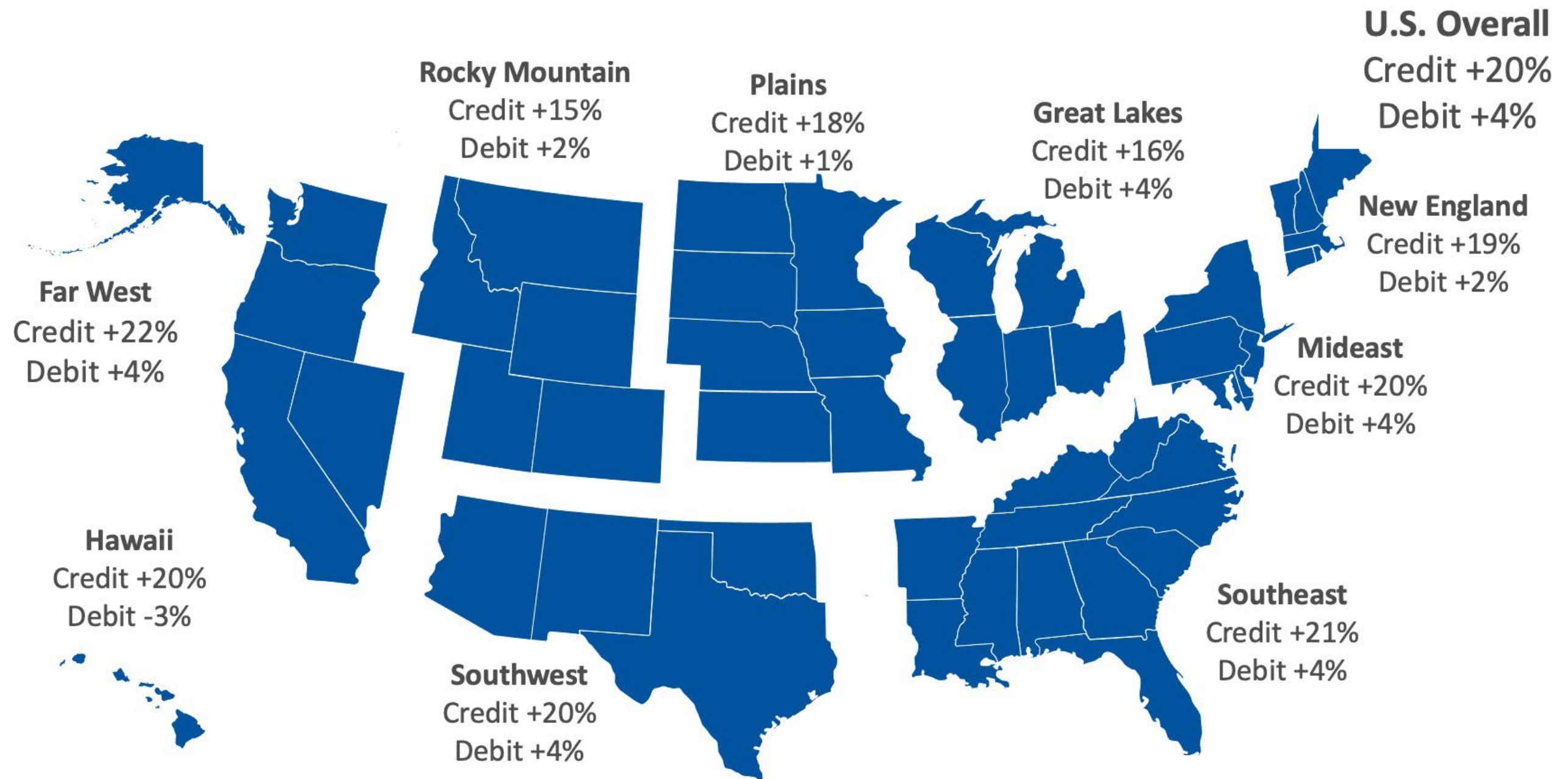
### UTILITIES

April

	Credit	Debit
2022 v 2021	15%	3%
2021 v 2020	18%	6%

## REGIONAL STATE LEVEL PURCHASE DOLLARS APRIL

Our regional analysis of spend utilizes the segmentation used by the U.S. Bureau of Economic Analysis for economic analysis.

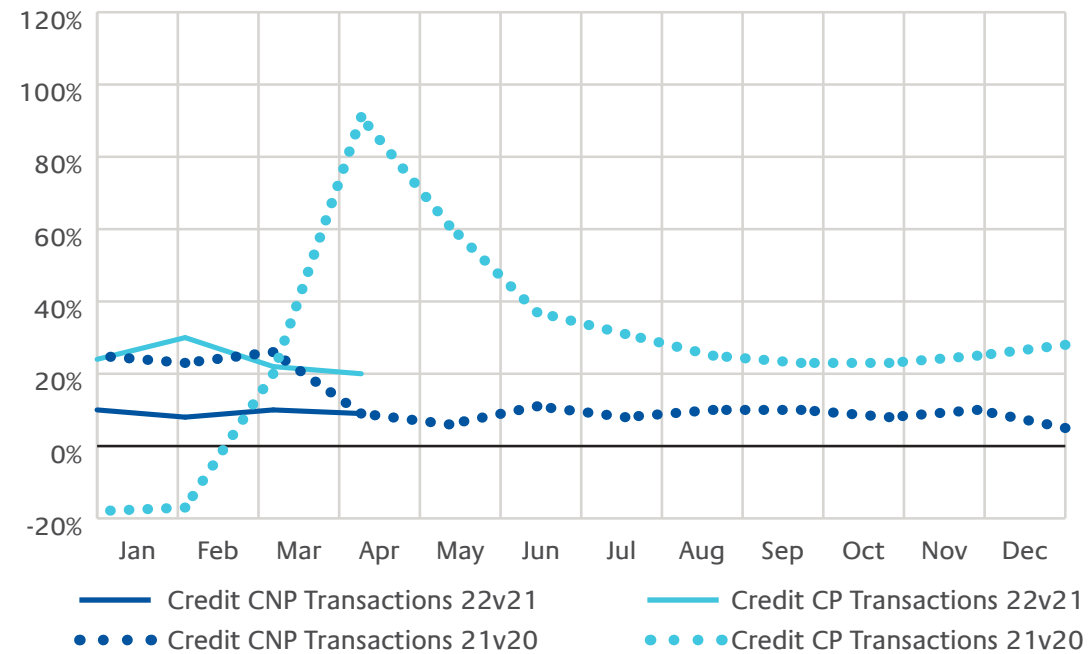


## CARD NOT PRESENT (CNP) & CARD PRESENT (CP) ACTIVITY

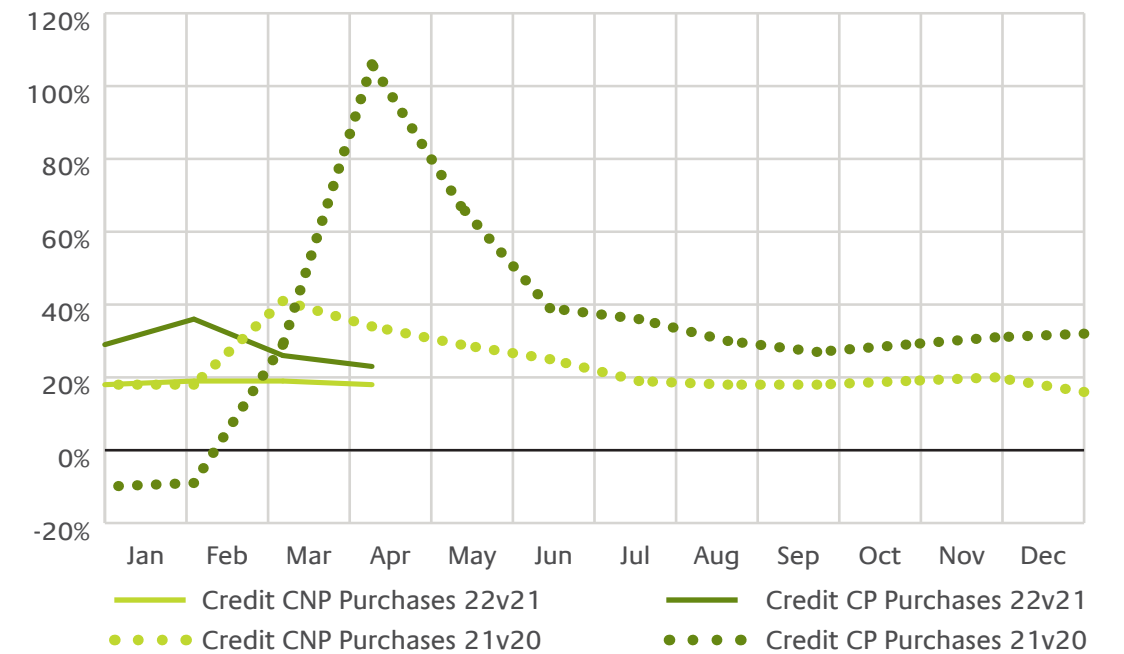
April 2022 Card Not Present (CNP) credit purchases represented 52% of all purchases, down one percentage point from April 2021. CNP debit purchases represented 46% of overall debit purchases in April 2022, up three percentage points from April 2021.

We continue to see higher growth in credit Card Present (CP) activity compared to CNP, with CP credit transactions for April 2022 up 20% compared to 2021, while CNP credit transactions were up 9% compared to 2021. For debit, there was growth in CNP activity as debit transactions were up 13% compared to 2021, while CP debit transactions were down 1% compared to April 2021.

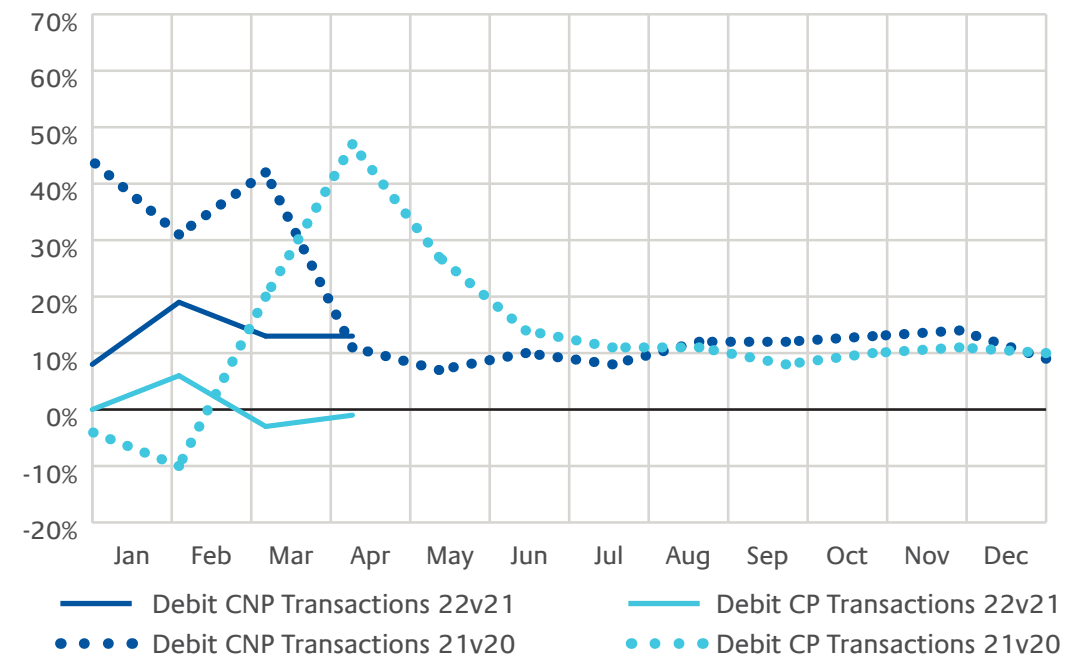
**YOY % GROWTH IN CREDIT TRANSACTIONS**  
April



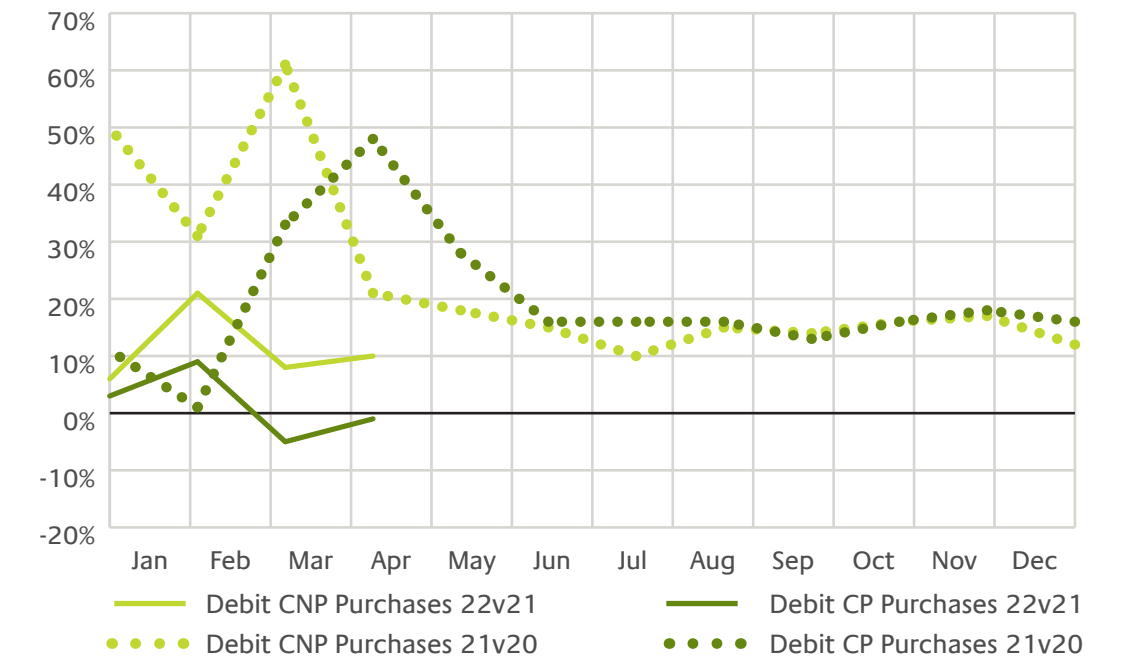
**YOY % GROWTH IN CREDIT PURCHASES**  
April



**YOY % GROWTH IN DEBIT TRANSACTIONS**  
April



**YOY % GROWTH IN DEBIT PURCHASES**  
April



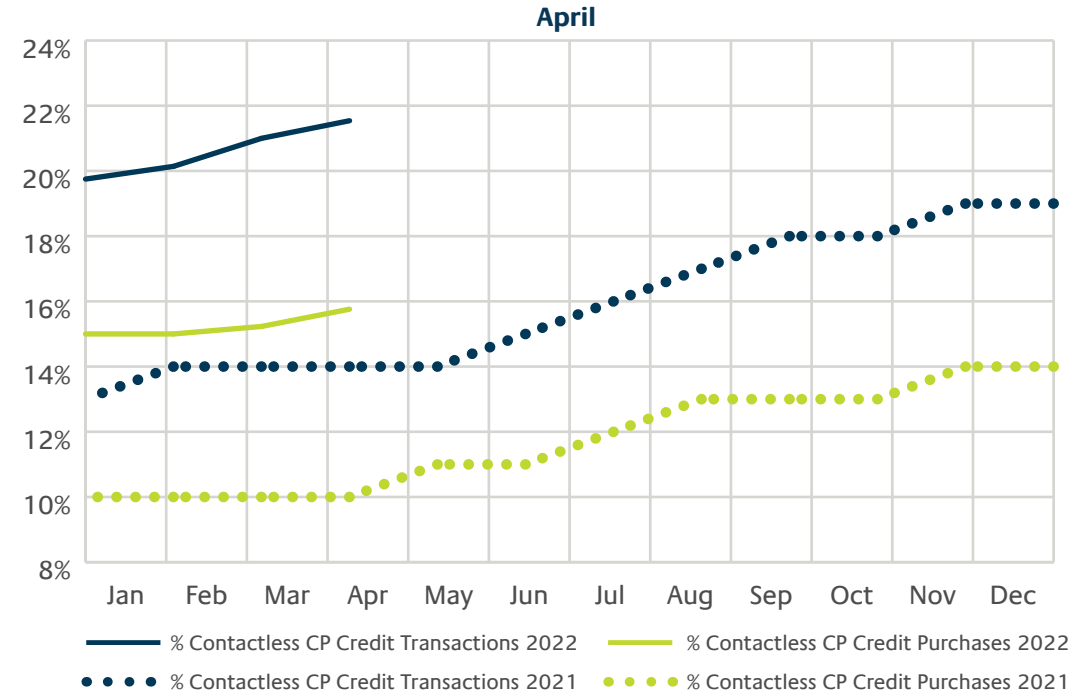


## CONTACTLESS TRANSACTIONS

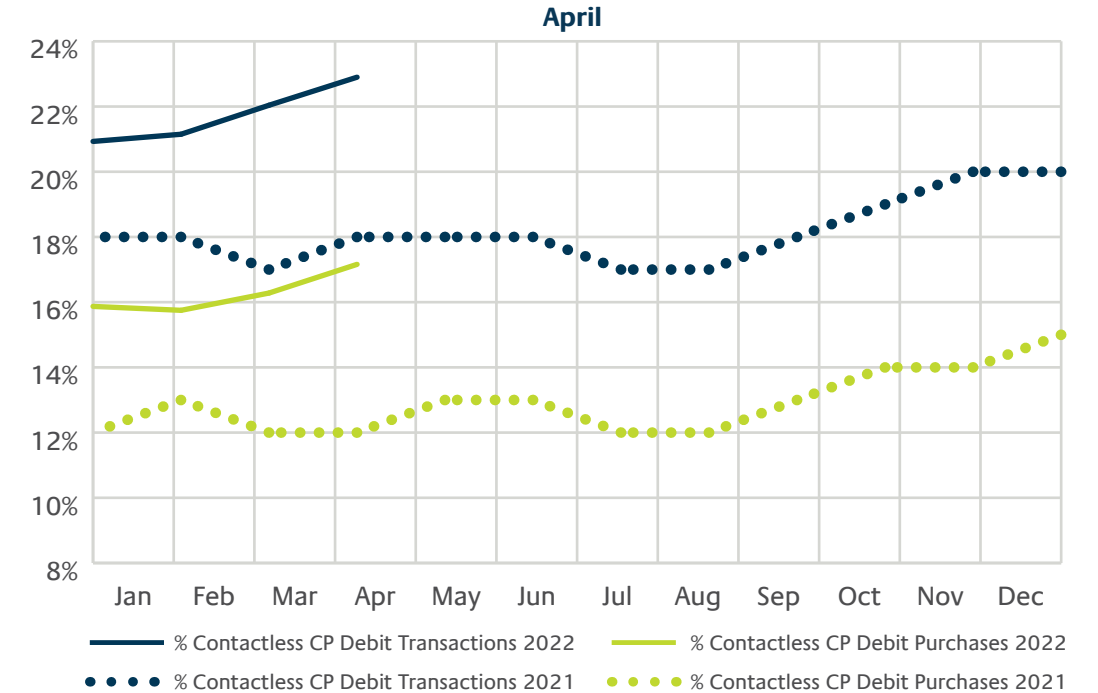
Growth in contactless card usage continues to set new highs for both credit and debit. In April 2022, contactless tap-and-go credit transactions were 22% of total Card Present volume, compared to 14% in April 2021. For debit, contactless tap-and-go transactions finished at 23% in April 2022, compared to 15% in April 2021.

Contactless transactions continue to replace cash for smaller purchases. The average contactless purchase remains well below the non-contactless card purchase. For April, the average credit contactless purchase was \$44, up 1% (or \$0.32) compared to April 2021 – and the average debit contactless purchase was \$25, up 12% compared to 2021 and flat to each month of 2022.

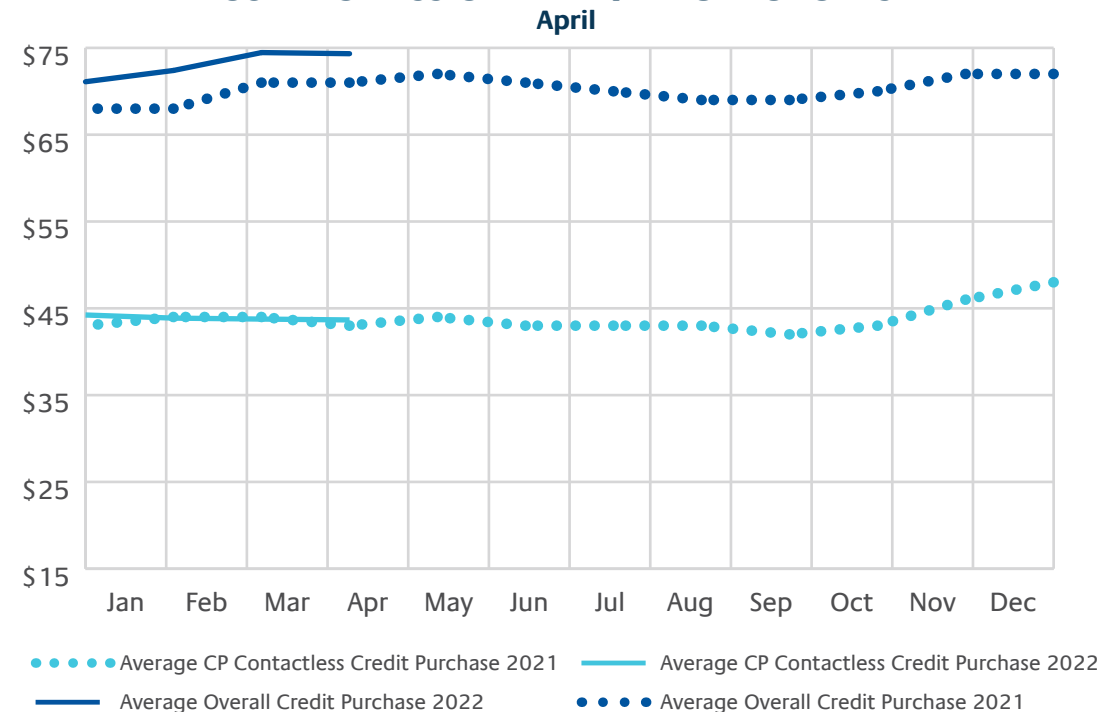
**% CONTACTLESS CREDIT ACTIVITY ON CONTACTLESS CARDS**



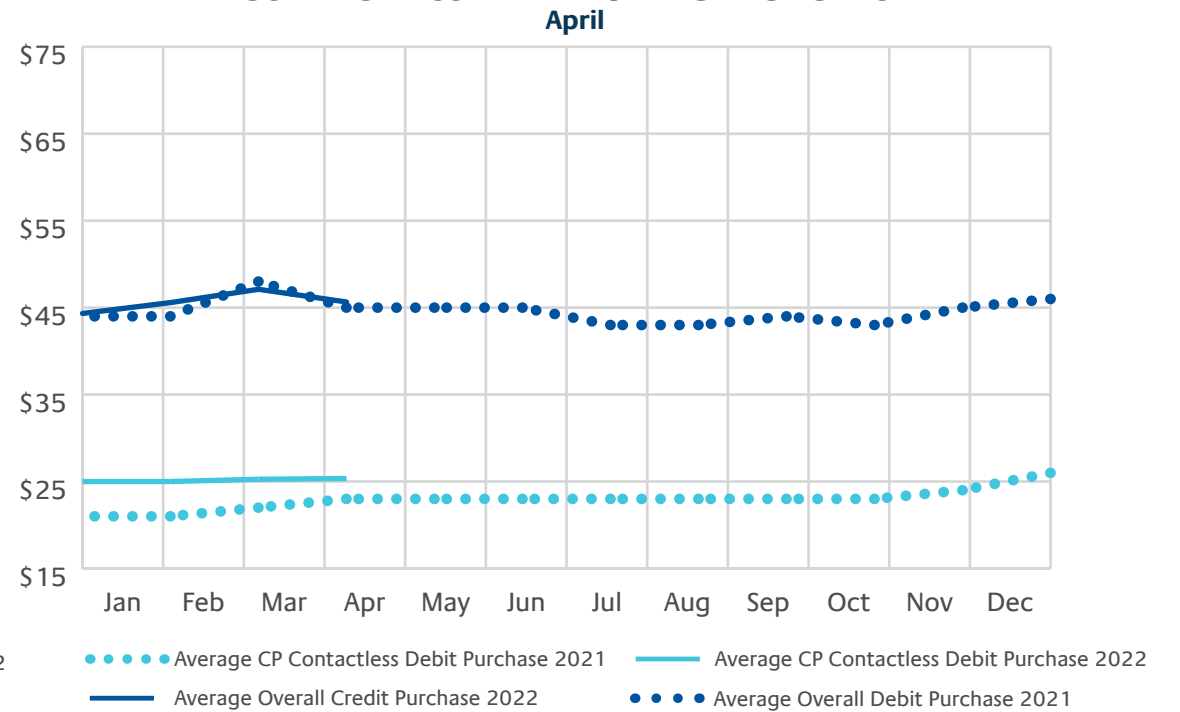
**% CONTACTLESS DEBIT ACTIVITY ON CONTACTLESS CARDS**



**CONTACTLESS CREDIT AVERAGE PURCHASE**



**CONTACTLESS DEBIT AVERAGE PURCHASE**





## ABOUT THE PSCU PAYMENTS INDEX

For current year results, credit unions included in the PSCU Payments Index dataset have been processing with PSCU from the start of 2020 through the most current month of 2022, enabling an accurate and relevant year-over-year same-store comparison (2021 vs. 2022) for purchasing behaviors and data.

For the “same-store” population of credit unions over the past rolling 12-month period, the April edition of the Payments Index represents a total of 2.7 billion transactions valued at \$135 billion of credit and debit card activity from May 2021 through April 2022.

Financial institutions that process with PSCU can access comparable reports to benchmark their own cardholder data with the PSCU Payments Index for debit, credit and ATM transactions via [Member Insight](#), our comprehensive data analytics and reporting tool. Additionally, a library of past PSCU Payments Index reports and historical weekly Transactional Insights infographics and state/territory analyses are available on the [PSCU Payments Index site](#).

To subscribe to the PSCU Payments Index and receive alerts when the Index is published each month, please visit the [PSCU Payments Index site](#).

## ABOUT PSCU

PSCU, the nation’s premier payments CUSO, supports the success of more than 1,900 financial institutions representing nearly 7 billion transactions annually. Committed to service excellence and focused on innovation, PSCU’s payment processing, risk management, data and analytics, loyalty programs, digital banking, marketing, strategic consulting and mobile platforms help deliver possibilities and seamless member experiences. Comprehensive, 24/7/365 member support is provided by contact centers located throughout the United States. The origin of PSCU’s model is collaboration and scale, and the company has leveraged its influence on behalf of credit unions and their members for more than 40 years. Today, PSCU provides an end-to-end, competitive advantage that enables credit unions to securely grow and meet evolving consumer demands. For more information, [visit pscu.com](#).