Tracking Transaction Trends

Week Ending July 5, 2020

PSCU

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 27th week of the year **(the week ending July 5, 2020 compared to the week ending July 7, 2019).**

OVERALL SPEND

Overall card payment volumes showed positive improvement for the week. Debit continues to lead the rebound.

Debit ↑18.8%

Debit card spend was up 18.8%, an increase of 6.7 percentage points over last week. Transactions were up 3.4% after a dip to negative last week.

Credit ↓1.3%

Credit card spend was down 1.3% year over year, rising 4.7 percentage points from the previous week. Transactions were down 6.9% and back on track for a positive trend of improvements.

CONSUMERS CONTINUE STRONG USAGE OF CARD-NOT-PRESENT (CNP) ALTERNATIVES AND APPEAR TO BE USING CASH LESS.

DEBIT CARD NOT PRESENT

↑47.8% for Purchases

↑42.3% for Transactions

CREDIT CARD NOT PRESENT

↑16.3% for Purchases

↑23.5% for Transactions

Debit card CNP volumes continue to show strong year-over-year growth, up 47.8% for purchases and 42.3% for transactions in Week 27. This is the 12th consecutive week of growth above 35% for debit.

Credit card CNP volumes were up 16.3% for purchases, with transactions up 23.5%.

AMAZON

↑94% Debit

↑55% Credit

Amazon, which spans multiple merchant categories and is a top CNP merchant, had aggregate purchase volume increases of 94% for debit and 55% for credit.

ATM

↓17.8% Withdrawals

Cash withdrawal transactions at the ATM continue to be down, indicating less of a preference and desire for cash. For the most recent week, the number of cash withdrawals are down 17.8%.

FROM A MERCHANT CATEGORY PERSPECTIVE, TRENDS CONTINUE TO BE MIXED.

GROCERY

↑11.0% Debit

↑12.2% Credit

Grocery continues to perform well overall with purchases up 11.0% for debit and 12.2% for credit.

DRUG STORES

↑9.6% Debit

↑3.8% Credit

Drug Stores also posted an improvement from the previous week and finished with purchases up 9.6% for debit and 3.8% for credit.

CONSUMER GOODS

↑40.1% Debit

↑20.3% Credit

The purchase volume of consumer goods remains very strong, increasing slightly from the prior week, up 40.1% for debit and 20.3% for credit. Strong categories of note include Electronics, Home, Discount Stores, Automobile and Sporting Goods.

SERVICES

↑22.1% Debit

↑14.3% Credit

Services had a notable increase with debit up 22.1% and credit up 14.3%. Key contributors included Healthcare and Home Services.

TRAVEL

↓27.5% Debit

↓58.2% Credit

ENTERTAINMENT

↓40.9% Debit

↓51.8% Credit

Travel and Entertainment remain the two most significantly impacted sectors. Travel purchases were down 27.5% for debit and 58.2% for credit, while Entertainment was down 40.9% and 51.8%, respectively.

SOME DIFFERENCES ARE EVIDENT BY MARKET, WITH THE "HOT ZONES" UNDERPERFORMING.

NO STAY AT HOME ORDERS

↑13.1% Debit

↓2.1% Credit

The eight states that never issued formal "stay at home" orders saw debit spend up by 13.1% and credit spend down by 2.1% for the week. These are lower than the overall U.S.

INITIAL HOT ZONES

↑17.6% Debit

↓5.2% Credit

The initial eight states/districts (CA, CT, DC, IL, LA, MI, NJ and NY) that were hardest hit by the pandemic ("hot zones") saw debit spend up by 17.6% and credit spend down by 5.2%. Spending for the combined group continues to be contracted as compared to the overall U.S.

NEW HOT ZONES

↑17.5% Debit

↓2.4% Credit

We continue to watch a second group of ten states that were identified as new "hot zones" by the White House Coronavirus Task Force in their press briefing on June 26. Performance in these states (AL, AZ, FL, GA, LA, MS, NV, SC, TX and UT) has been close to overall U.S. results, with purchases up 17.5% on debit and down 2.4% on credit for the current week.

> Consumers showed resilience as overall payment volume was very strong for the week, despite resurgent COVID-19 case numbers and slowdowns in state re-openings. Debit led the way once again, with volumes improving week over week for both debit and credit. Even the newly designated "hot zone" states with rising cases and restrictions showed growth in line with the overall U.S. In addition to the continuation of strong spending on groceries and goods, we also saw very strong growth in the Services sector led by Healthcare and Home services.
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> *— Glynn Frechette, SVP, Advisors Plus Consulting at PSCU*

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