

The Velera Payments Index: January 2025

The 2024 holiday shopping season delivered strong results for the last month of the year. Aided by the late occurrence of Thanksgiving, growth for December holiday spend, along with overall credit and debit results, were positive. Credit posted the best monthly performance for all of 2024 and aided the full-year 2024 growth to show positive year-over-year results. Debit, which had positive growth for each month of 2024, finished December close to the full-year results for purchases and transactions. In our January 2025 edition of the Velera Payments Index, we conclude our three-part series on holiday spending, which aggregates the results of the overall holiday shopping season from October to December 2024.

Consumer sentiment studies show mixed expectations as we start the new year, with sweeping political changes on the horizon ahead of President Trump's Inauguration Day on Jan. 20. The [Consumer Confidence Index](#) declined in December by 8.1 points to 104.7, with less optimism in the area of future business conditions and incomes. The notable decrease places the score back where results have mainly been over the past two years. The University of Michigan [Index of Consumer Sentiment](#) was mainly unchanged from December at 73.2. The short-term economic outlook dropped 7% and the long-run economic outlook dropped 5%. Near-term inflation expectations increased from 2.8% in December to 3.3% in January.

In the Labor Department's Jan. 15 update, the [Consumer Price Index \(CPI\)](#) increased 0.4% in December, bringing the cumulative 12-month rate of inflation up to 2.9%. Forty percent of the December increase comes from the Energy sector with the gasoline index rising 4.4%. Food increased by 0.3%, with the indexes for food at home and food away both increasing 0.3%. Core CPI, which excludes the Food and Energy sectors, increased by 0.2% in December after increasing 0.3% in the prior four months.

In December, jobs grew by 256,000, with increases in healthcare, government and social assistance. The increase is much larger than the 155,000 that analysts expected [casting doubt](#) on near-term rate decreases. The U.S. Bureau of Labor Statistics (BLS) [reported](#) the overall unemployment rate decreased slightly for December to 4.1%, or 691 million people. The unemployment rate has been between 4.1% and 4.2% for the past seven months. There has also been consistency in the labor force participation rate since December 2023, currently 62.5%.

The first 2025 Federal Open Market Committee (FOMC) meetings will conclude on Jan. 31. From the last meeting in December 2024, the Fed cut rates by a quarter-point and signaled a slower pace of rate cuts in the new year amid concerns that [President Trump's plans for trade and immigration policy changes](#) could prolong inflation.

We hope that the insights from the Velera Payments Index continue to help our financial institutions make informed, strategic decisions. To subscribe and receive updates when the report is published every month, click [here](#).

Overall Performance - Key Takeaways for December 2024

Purchases 2024 VS. 2023



2023 VS. 2022



Transactions 2024 VS. 2023



2023 VS. 2022



- For the month of December, year-over-year growth rates strengthened, impacted by the 2024 Thanksgiving holiday timing and subsequent peak shopping days occurring five days later than in 2023. Debit purchases were up 4.3% and credit purchases were up 4.0% in December. Debit transactions were up 2.5% and credit transactions were up 3.0%.
- For both credit and debit, the Goods sector had the biggest impact on the year-over-year increase, accounting for roughly half of the growth in purchases. Money Services had been the top contributor to debit purchases growth since March 2024. In December, Money Services accounted for 1.4% of the debit purchases growth while Goods accounted for 1.9% of the overall 4.3% increase.
- The 12-month CPI through December increased by 2.9%, up 0.2% from November. The Energy index increased 2.6% and accounted for 40% of the overall increase. While an increase in CPI could point toward a rate reduction, other key indicators will most likely lead to no near-term interest rate cuts by the Fed.
- The 2024 holiday shopping season ended with strong consumer purchasing and a surge in Card Not Present (CNP) activity. For the cumulative three-month holiday season, growth in Goods sector debit purchases was up 5.4% and growth in Goods sector credit purchases was up 0.6%. Of our tracked major retailers, all were positive for growth in credit and debit purchases and transactions. Much like the 2023 holiday season, Amazon again had the strongest growth for debit purchases, up 8.0% and credit purchases up 4.5% for the cumulative period.



“Consumer spending was remarkably sustained throughout the holiday season in the face of increased budget consciousness, lower overall consumer confidence and real uncertainty about the future. The continued growth of online shopping and mobile purchases, as reflected in card-not-present transactions, was also notable.

Looking ahead to 2025, we see both optimistic trend lines and some worrying indicators. For many credit union leaders, there are concerns about asset quality deterioration on their balance sheets - which may impact consumer spending, especially considering record levels of consumer credit card debt. Additionally, the unsettled regulatory and policy environment is generating additional uncertainty. It will be critical for credit unions, in the face of this uncertainty, to avoid decision paralysis and remain proactive in their strategic decision-making.”

**Taylor Nelms, Senior Director,
Market Insights & Advisory Services,
Filene Research Institute**

Deep Dive: Holiday Spend Part III

The third and final installment of our annual Deep Dive on holiday spending revealed that year-over-year consumer spending growth in the Goods sector peaked in December, influenced by the Thanksgiving holiday occurring later in the month of November. For December, growth in the Goods sector was up 5.8% for credit purchases and up 6.5% for debit purchases. Similarly, transaction growth peaked for the three-month holiday shopping season in December. Credit and debit transactions were each up 5.3% for the Goods sector when compared to December 2023.

For the cumulative holiday season (October through December), year-over-year credit purchases in the Goods sector were up 0.6%, compared to being down 1.2% a year ago, while debit purchases were up 5.4%, compared to being up 2.7% for the same period in 2023. Growth in Card Not Present (CNP) for the three-month holiday period in the Goods sector grew faster than Card Present (CP). For transaction growth for the cumulative holiday period, credit CNP was up 3.9% and credit CP was down 0.9%, while debit CNP was up 8.2% and debit CP was up 1.1%.

Within the Goods sector, the sub-category with the largest year-over-year positive growth and the largest percentage of Goods sector purchases was Digital Merchants, which mainly consists of Amazon. For the three-month period, credit purchases were up 3.5% and debit purchases were up 8.9%. Discount stores (Target, Walmart, Ross, HomeGoods, Dollar General), Wholesale Clubs (Costco, Sam's Club, BJ's Wholesale Club) and Digital Goods (Google, Apple, Microsoft) all experienced positive year-over-year growth. While each of these categories were positive, growth in debit purchases outpaced growth in credit purchases for the cumulative holiday season.

The three bellwether large retailers (Amazon, Target and Walmart), like the overall Goods sector, peaked in December for growth in both credit and debit purchases. Amazon started with and maintained the strongest growth of the three, with credit purchases up 4.5% and debit purchases up 8.0% for the cumulative holiday period. For the same period, transaction growth was up 5.1% for credit and up 8.7% for debit.

For the three-month holiday season, both Target and Walmart saw their peak for growth in credit purchases in December and the peak for growth in debit purchases in November. Also, both Target and Walmart saw much higher growth during the last week of the year compared to 2023. For Walmart, credit purchases were up 1.4% and debit purchases up 3.0% year over year for the October to December period. Walmart transaction growth was up 2.0% for credit and up 2.5% for debit. For Target, credit purchase growth was up 0.2% for the 13-week period and up 3.7% for debit. For transaction growth, Target was up 1.6% for credit and up 4.3% for debit year over year. These results are exclusively based on the Velera Payments Index card populations with these select merchants. Growth with payment cards at these merchants could be impacted by actions at each retailer to promote alternative payment solutions, such as co-branded or private label cards, ACH, etc.

Growth in Card Not Present (CNP) was the clear winner in the 2024 three-month holiday spending season. For each of the segments (overall Goods sector, Amazon, Target and Walmart), each saw growth in CNP

outpace growth in Card Present (CP) activity (transactions and purchases) for both credit and debit. Additionally, growth in debit (both transactions and purchases) grew stronger than its credit card counterpart for the holiday season. For the overall Goods sector, debit CNP transactions were up 8.8%, debit CP transactions were up 2.2% while credit CNP transactions were up 2.1% and credit CP transactions were down 1.1%.

Both credit and debit CNP growth skyrocketed in December, with double-digit growth for each segment, transactions and purchases, with one exception – growth in credit CNP transactions for the overall Goods sector grew by 9.2%. For December transactions, debit CNP Goods grew by 11.1%, Walmart CNP debit grew by 31.6% and CNP credit grew by 21.5%, Target CNP debit grew by 20.5% and CNP credit grew by 21.3%, and Amazon (which includes Whole Foods) CNP debit grew by 12.1% and CNP credit grew by 10.4%. Comparatively, CP activity for debit and credit, transactions and purchases all grew within the range of +3.2% to -2.0%.

Holiday Spend Part III: Goods Sector and Large Retailers October to December 2024 vs 2023

Transaction Growth

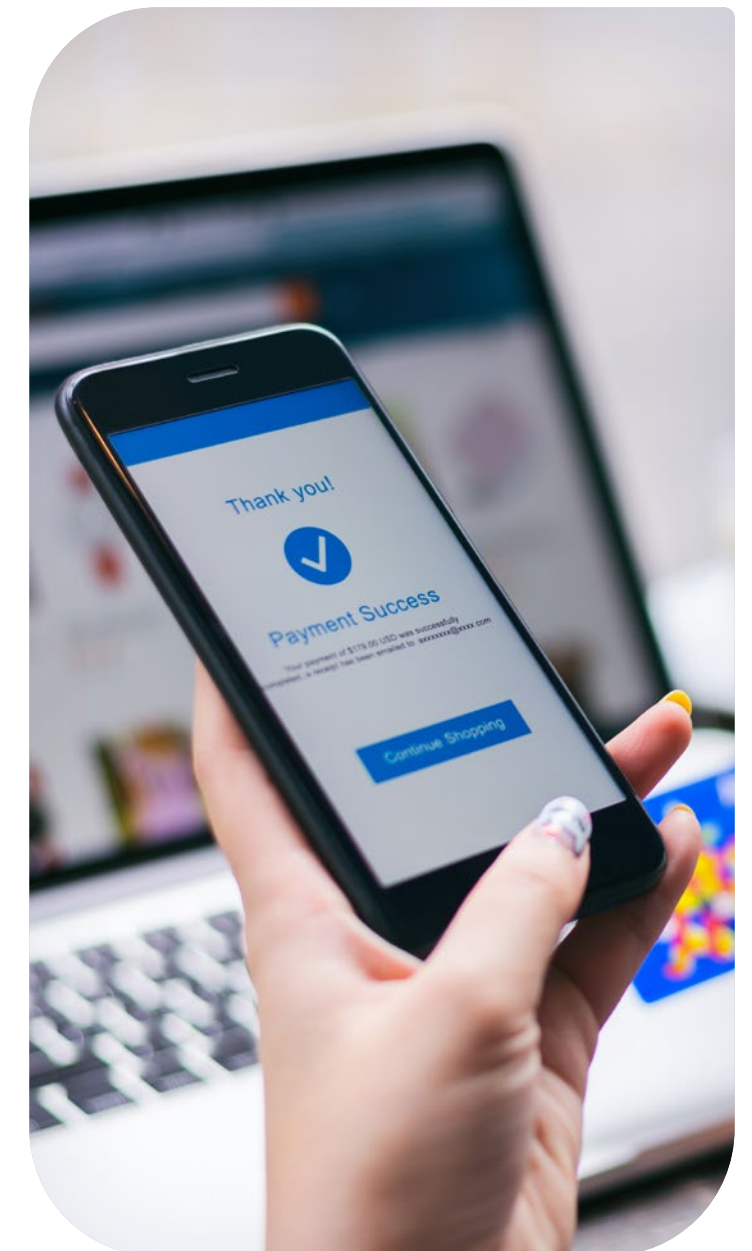
Retailer	Credit				Debit			
	Oct 2024	Nov 2024	Dec 2024	Cumulative Holiday Period	Oct 2024	Nov 2024	Dec 2024	Cumulative Holiday Period
Goods (Overall)	2.4%	-1.7%	5.3%	2.1%	5.5%	4.0%	5.3%	5.0%
Amazon/Whole Foods	3.0%	0.5%	10.2%	5.1%	6.3%	6.7%	12.0%	8.7%
Target	-2.8%	-0.5%	6.2%	1.6%	-0.4%	6.6%	5.6%	4.3%
Walmart*	-1.8%	1.5%	5.4%	2.0%	-0.3%	4.3%	3.1%	2.5%

* Less Gasoline

Purchase Growth

Retailer	Credit				Debit			
	Oct 2024	Nov 2024	Dec 2024	Cumulative Holiday Period	Oct 2024	Nov 2024	Nov 2024	Cumulative Holiday Period
Goods (Overall)	0.4%	-4.5%	5.8%	0.6%	5.7%	4.0%	6.5%	5.4%
Amazon/Whole Foods	1.7%	-3.5%	13.0%	4.5%	5.3%	3.4%	13.4%	8.0%
Target	-3.1%	-1.8%	3.4%	0.2%	-0.3%	6.8%	3.8%	3.7%
Walmart*	-0.8%	-0.6%	4.7%	1.4%	1.3%	5.0%	2.5%	3.0%

* Less Gasoline



Holiday Spend Part III: Goods Sector and Large Retailers – CNP/CP October to December 2024 vs 2023

Transaction Growth

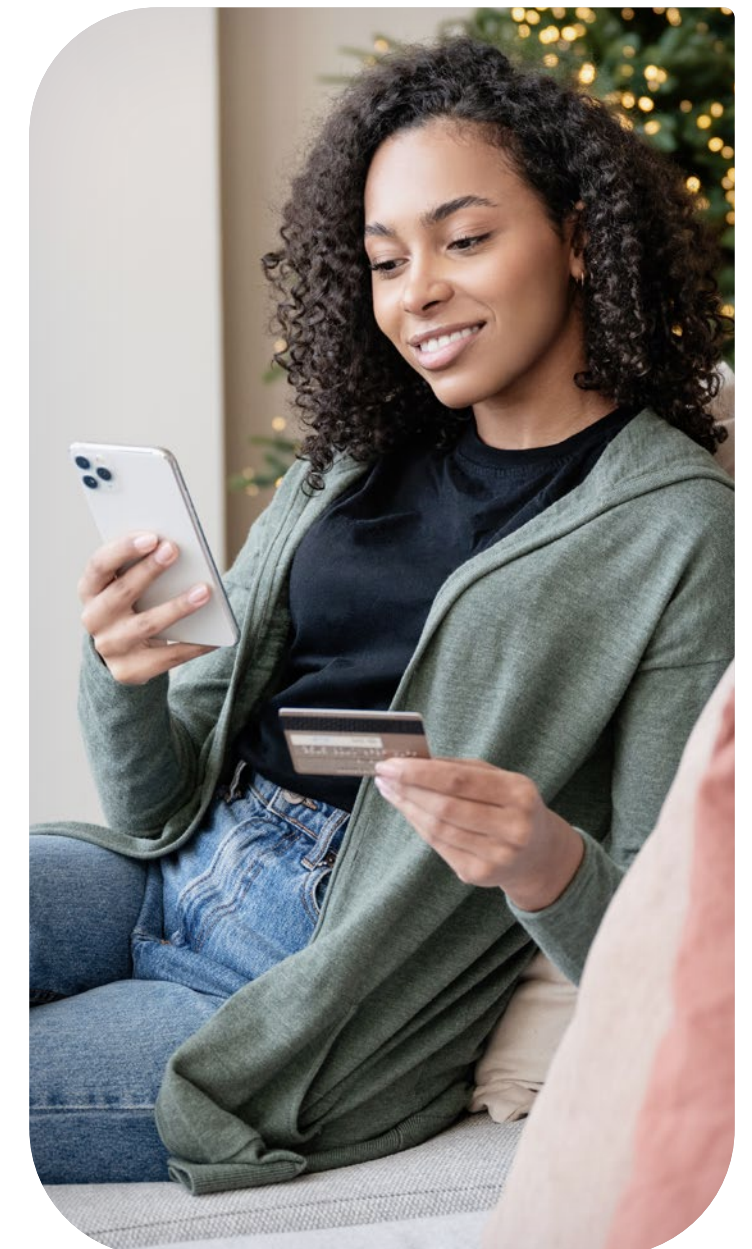
Retailer		Credit				Debit			
		Oct 2024	Nov 2024	Dec 2024	Cumulative Holiday Period	Oct 2024	Nov 2024	Dec 2024	Cumulative Holiday Period
Goods (Overall)	CNP	4.2%	-2.2%	9.2%	3.9%	8.4%	4.7%	11.1%	8.2%
	CP	-0.5%	-0.9%	-1.3%	-0.9%	2.0%	3.3%	-1.5%	1.1%
Amazon/Whole Foods	CNP	3.0%	0.4%	10.4%	5.1%	6.4%	6.7%	12.1%	8.8%
	CP	2.3%	4.5%	2.4%	3.1%	0.3%	5.3%	3.2%	3.0%
Target	CNP	-3.0%	-9.8%	21.3%	4.0%	-0.4%	0.2%	20.5%	8.4%
	CP	-2.8%	3.4%	1.1%	0.8%	-0.4%	7.9%	2.8%	3.5%
Walmart*	CNP	3.9%	4.8%	21.5%	11.0%	15.2%	19.5%	31.6%	23.0%
	CP	-3.1%	0.5%	0.9%	-0.4%	-2.5%	1.7%	-1.6%	-0.8%

* Less Gasoline

Purchase Growth

Retailer		Credit				Debit			
		Oct 2024	Nov 2024	Dec 2024	Cumulative Holiday Period	Oct 2024	Nov 2024	Dec 2024	Cumulative Holiday Period
Goods (Overall)	CNP	1.9%	-6.9%	11.4%	2.1%	9.3%	3.0%	13.6%	8.8%
	CP	-1.3%	-1.2%	-0.8%	-1.1%	2.3%	5.0%	-0.1%	2.2%
Amazon/Whole Foods	CNP	1.7%	-3.7%	13.3%	4.6%	5.4%	3.4%	13.6%	8.2%
	CP	1.7%	2.3%	2.3%	2.1%	-0.3%	3.3%	0.2%	1.1%
Target	CNP	-0.2%	-10.6%	20.6%	3.7%	3.2%	0.4%	21.9%	9.8%
	CP	-3.7%	1.4%	-0.5%	-0.7%	-0.7%	7.9%	1.3%	2.8%
Walmart*	CNP	7.3%	-0.4%	20.5%	9.1%	18.2%	16.2%	29.8%	21.9%
	CP	-2.7%	-0.7%	0.7%	-0.7%	-1.2%	2.9%	-1.9%	-0.2%

* Less Gasoline



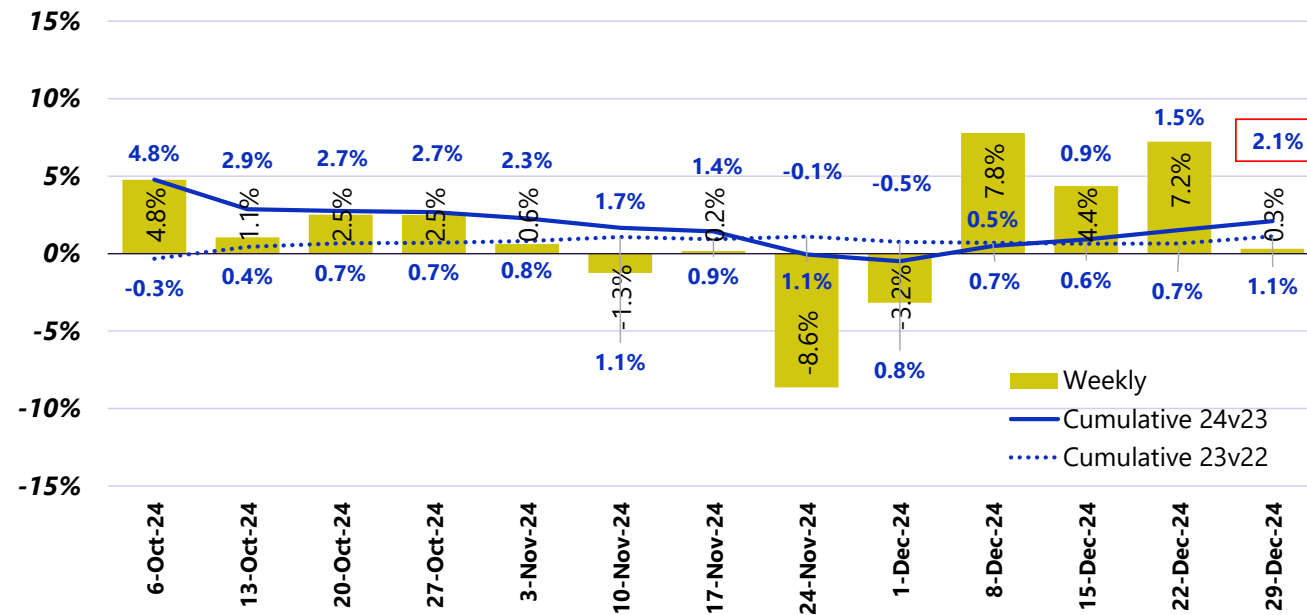
Holiday Spend Part III: Goods Sector Sub-Categories: October to December 2024

Merchant Category	Credit				Debit			
	Transactions	Purchases	Avg. Purchase	% Goods Purchases	Transactions	Purchases	Avg. Purchase	% Goods Purchases
Digital Merchants	5.6%	3.5%	\$43.77	27%	8.6%	8.9%	\$32.34	32%
Apparel & Accessories	-0.3%	-0.7%	\$104.77	12%	1.5%	2.6%	\$71.86	11%
Discount Stores	2.6%	1.2%	\$65.30	6%	4.9%	7.5%	\$45.64	11%
Home Supply & Hardware	0.3%	-0.4%	\$116.93	8%	1.5%	1.8%	\$70.86	7%
Vehicles - Automobiles	-0.2%	-1.0%	\$259.86	8%	4.0%	7.7%	\$130.64	7%
Wholesale Clubs	4.6%	5.7%	\$132.50	7%	8.3%	9.2%	\$99.39	6%
Miscellaneous Stores	-0.2%	-0.3%	\$91.71	6%	0.4%	0.6%	\$43.70	4%
Drug & Pharmacy	-3.8%	2.8%	\$40.78	3%	-1.2%	2.1%	\$29.34	4%
Retail Stores	10.0%	3.2%	\$72.97	4%	10.0%	5.4%	\$57.36	3%
Hobby Stores	-18.9%	-4.2%	\$54.93	2%	-3.5%	2.5%	\$34.99	3%
Sporting	-6.5%	-6.8%	\$152.29	3%	-1.9%	-0.3%	\$97.16	3%
Home Furnishings	-3.8%	-2.2%	\$323.51	6%	-2.8%	-0.3%	\$151.62	3%
Wholesale Distributors and Manufacturers	0.4%	-2.8%	\$196.83	4%	6.9%	3.1%	\$91.35	2%
Pet Services	-1.8%	-1.7%	\$76.44	2%	-0.9%	-0.1%	\$57.98	2%
Digital Goods	13.6%	16.4%	\$29.71	1%	5.9%	6.0%	\$21.58	1%
Direct Marketing	-8.5%	-11.2%	\$57.55	1%	-6.6%	-8.1%	\$32.66	1%
Pawn/Consignment	-1.8%	-4.1%	\$49.57	0%	-1.3%	-0.5%	\$37.30	1%
Vehicles - Other	-13.1%	-9.8%	\$432.04	0%	-8.0%	2.3%	\$232.87	0%
Grand Total	2.1%	0.6%	\$74.42	100%	5.0%	5.4%	\$46.29	100%

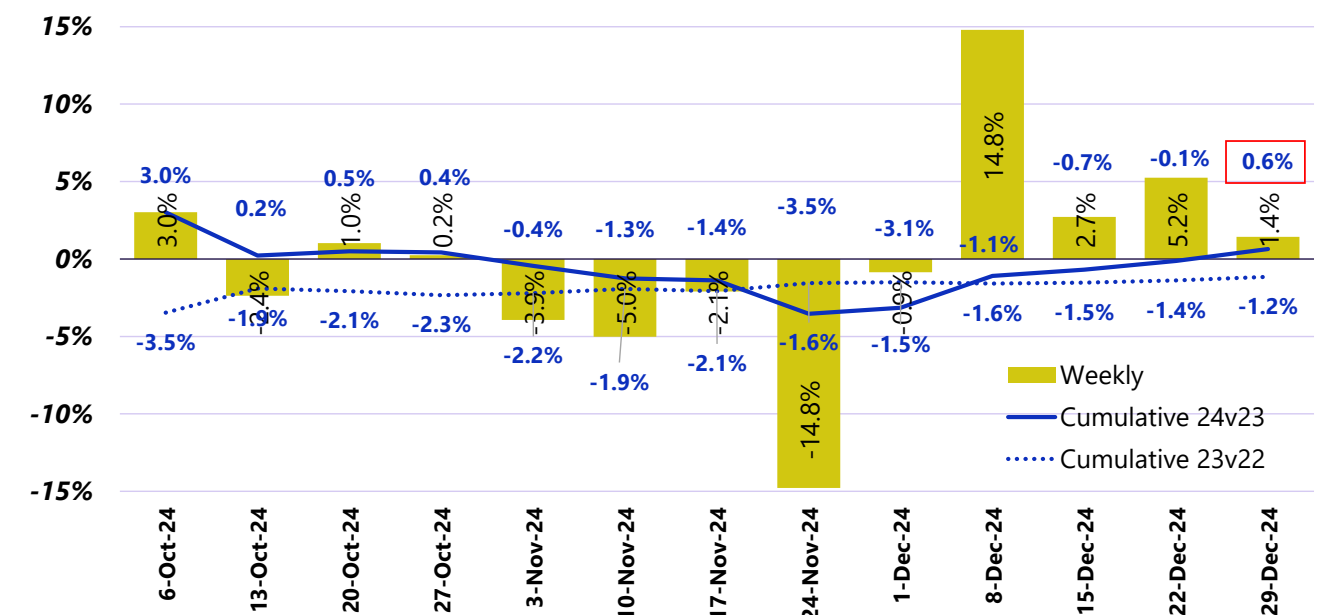
Holiday Season Purchases: Goods Sector 2024 Weekly Results Compared to 2023

Cumulative

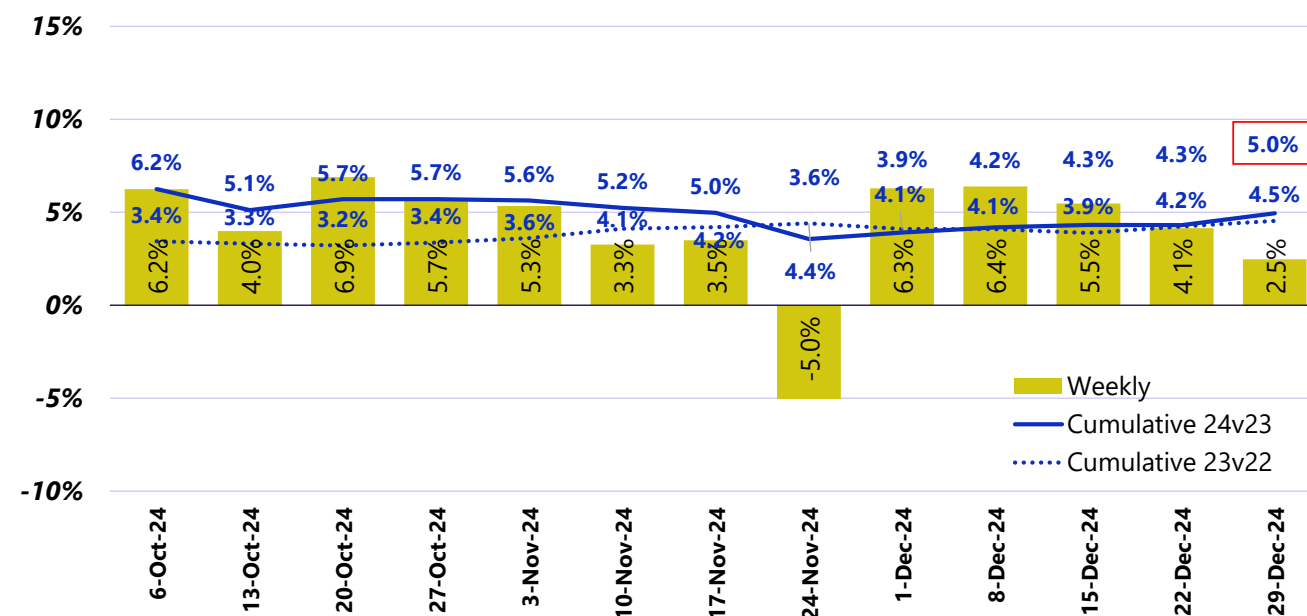
Goods Sector Credit Transactions



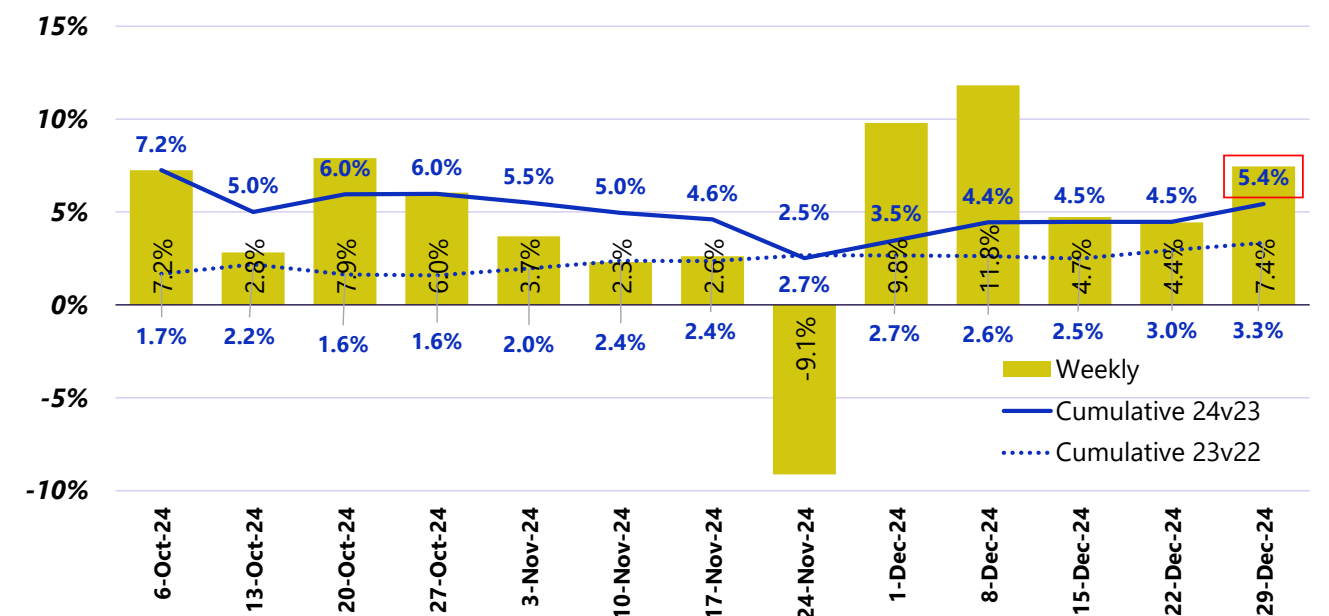
Goods Sector Credit Purchases



Goods Sector Debit Transactions



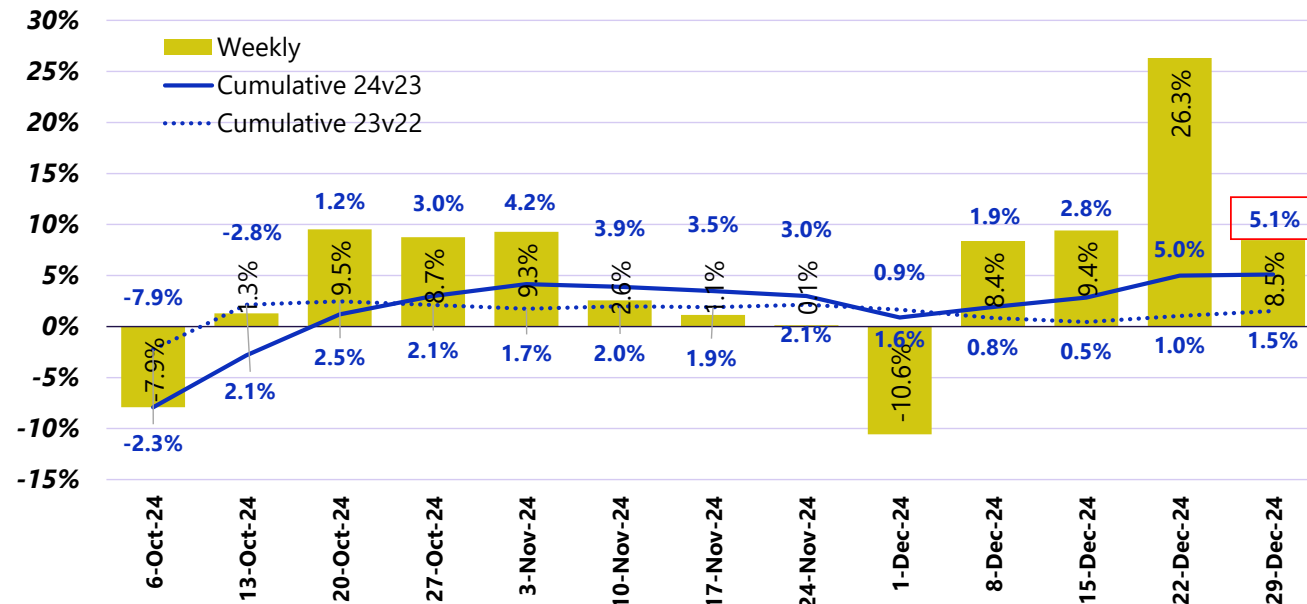
Goods Sector Debit Purchases



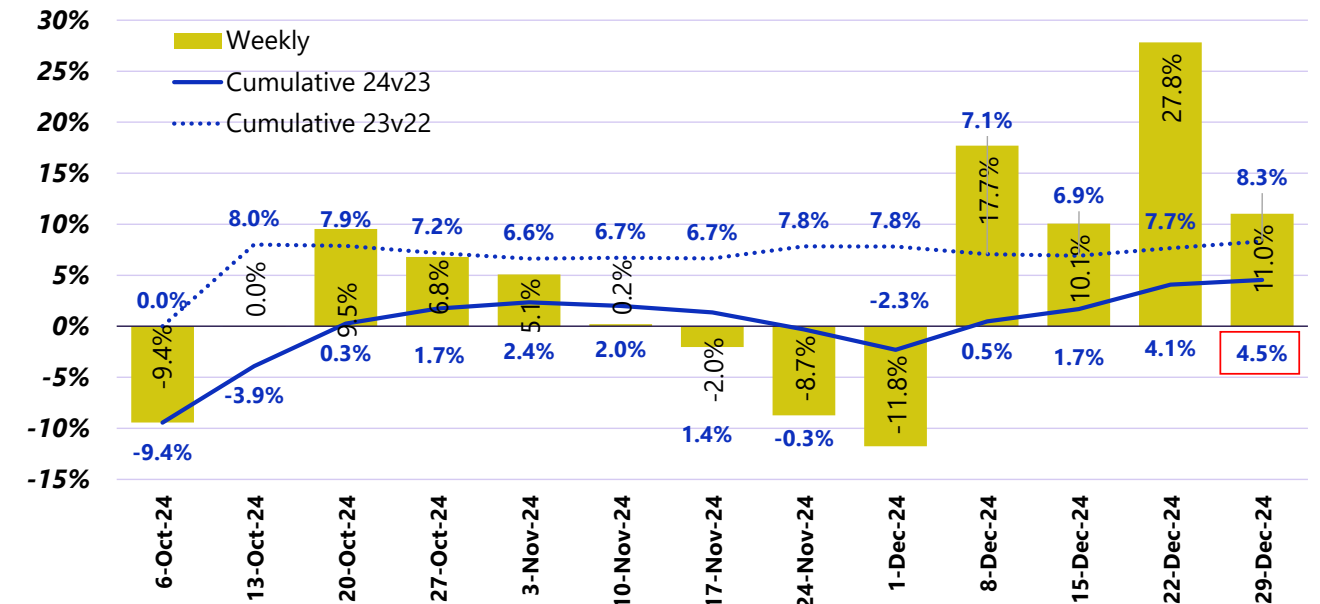
Holiday Season Purchases: Amazon/Whole Foods 2024 Weekly Results Compared to 2023

Cumulative

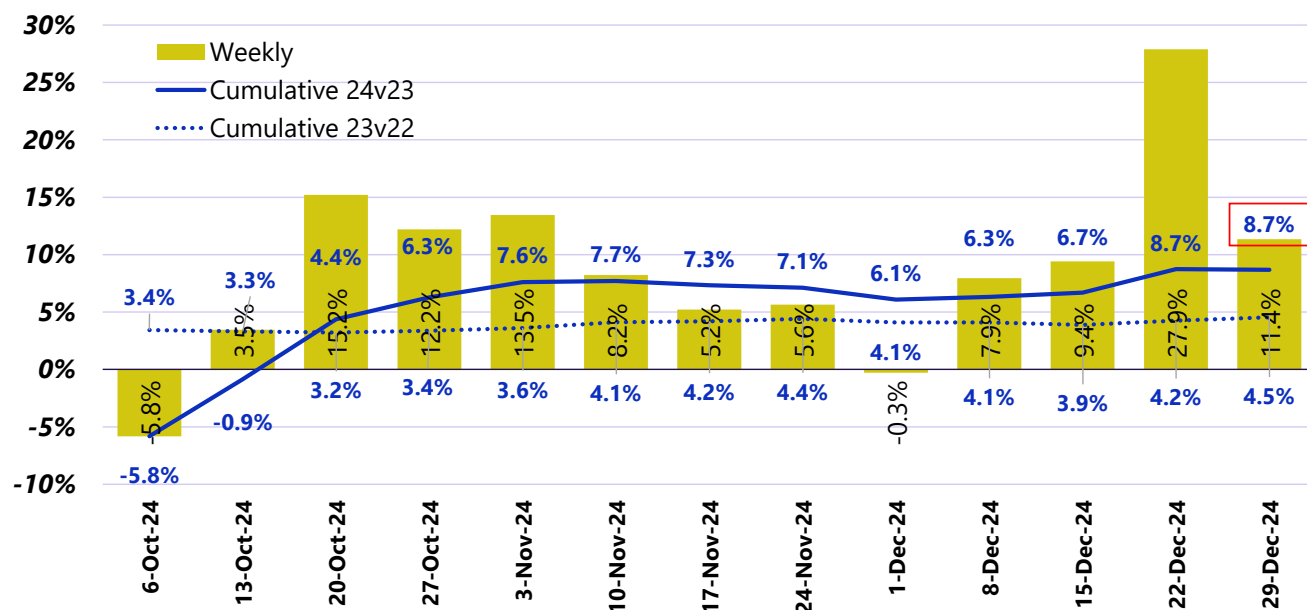
Amazon/Whole Foods Credit Transactions



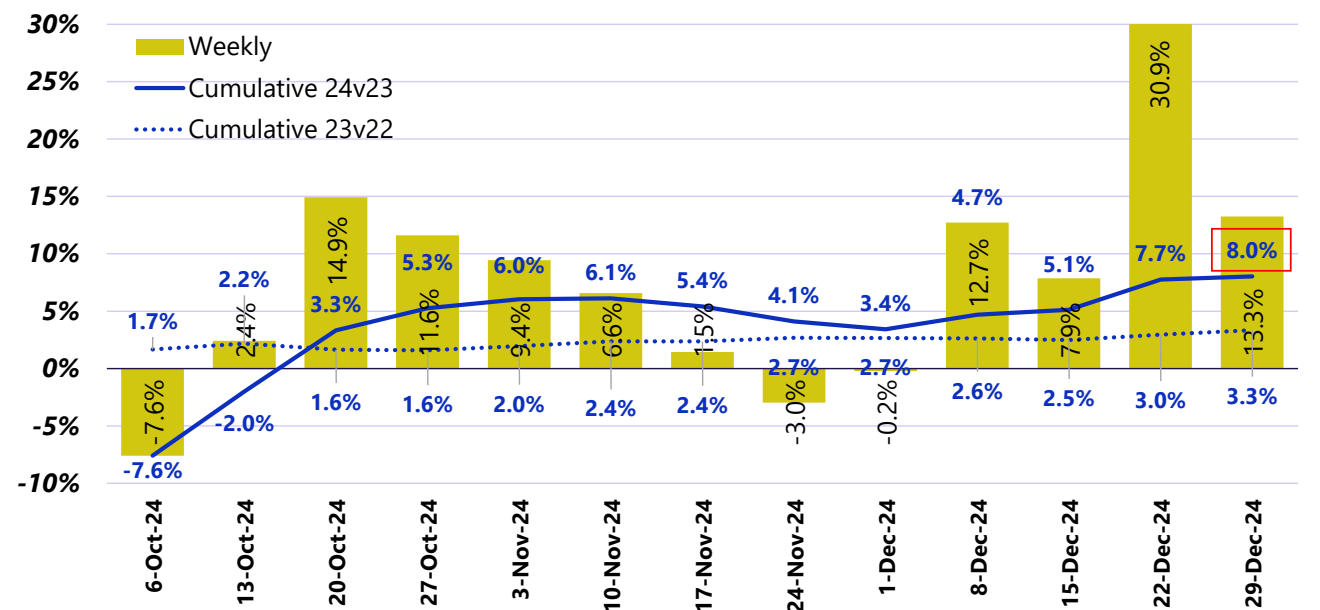
Amazon/Whole Foods Credit Purchases



Amazon/Whole Foods Debit Transactions



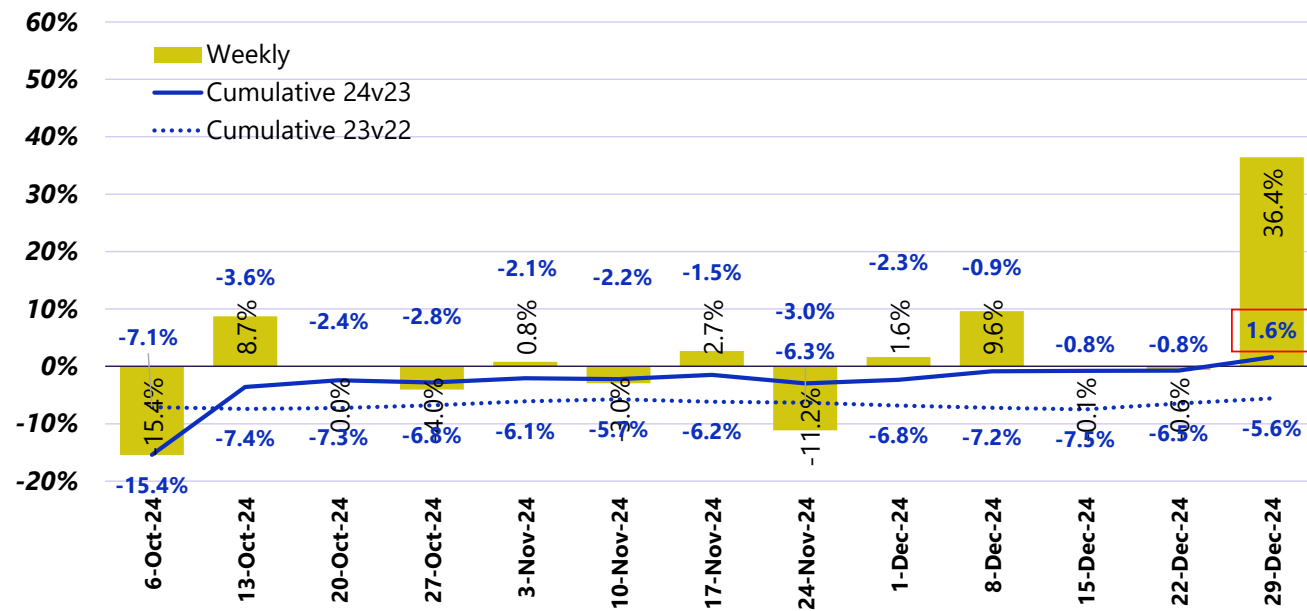
Amazon/Whole Foods Debit Purchases



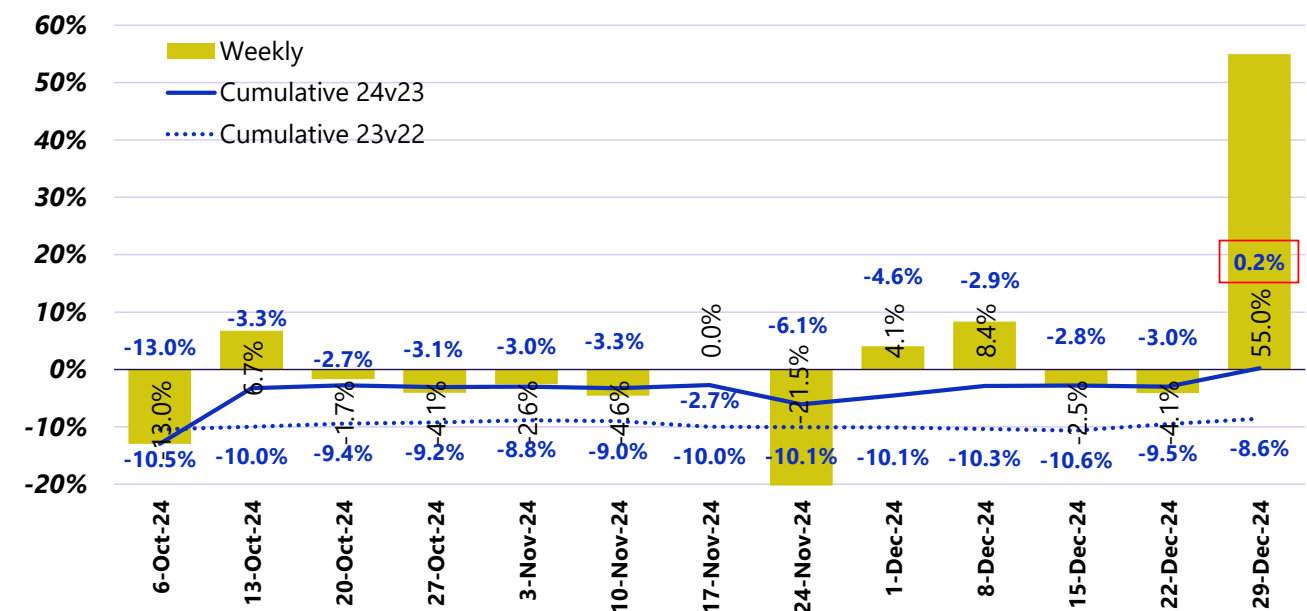
Holiday Season Purchases: Target 2024 Weekly Results Compared to 2023

Cumulative

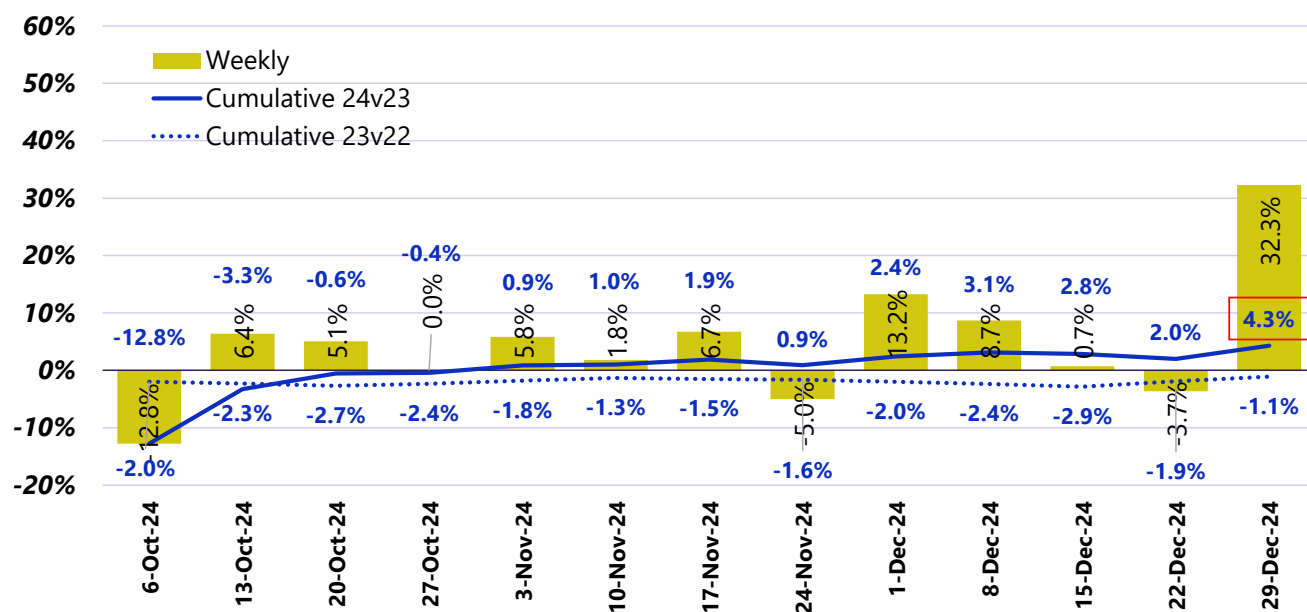
Target Credit Transactions



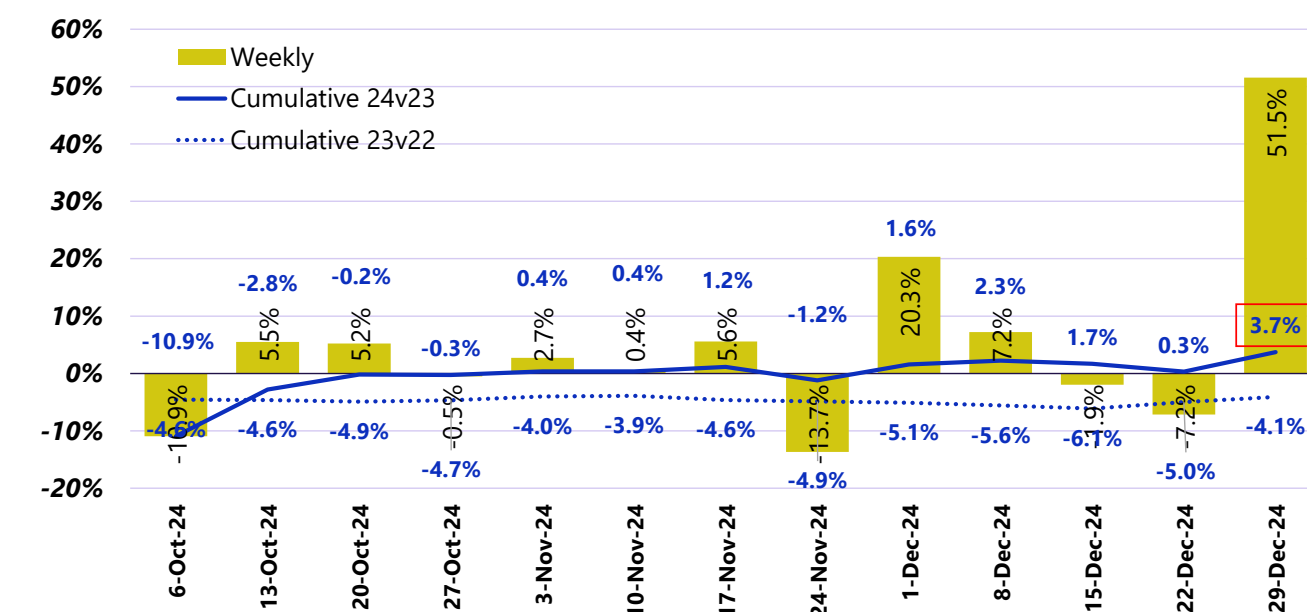
Target Credit Purchases



Target Debit Transactions



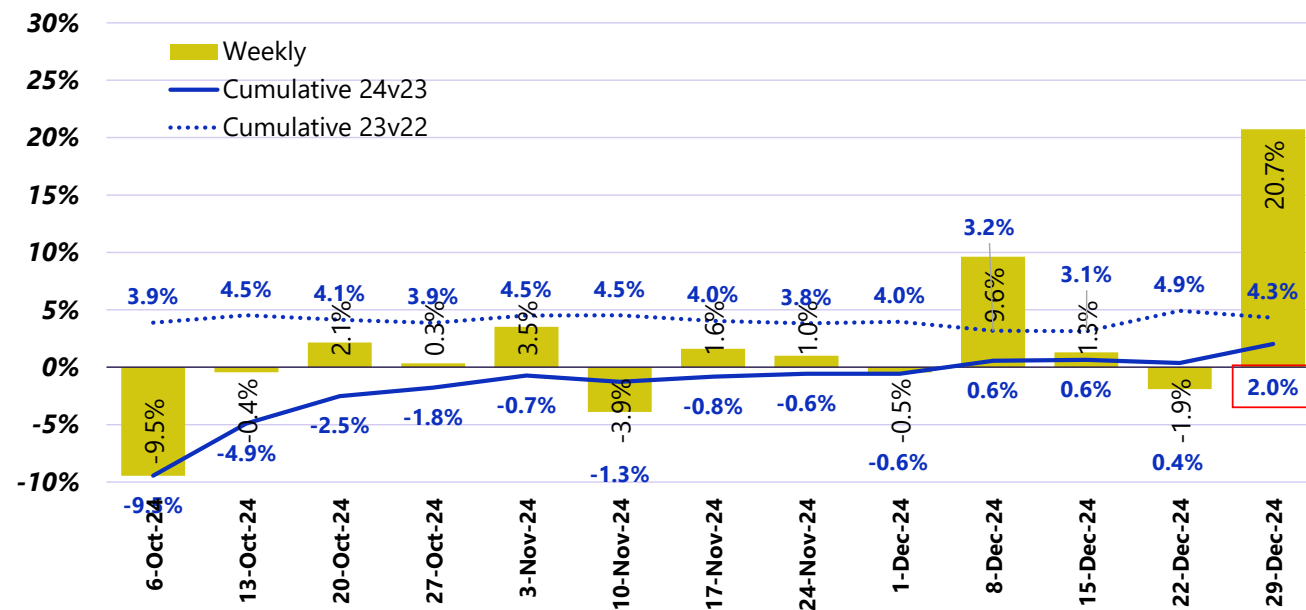
Target Debit Purchases



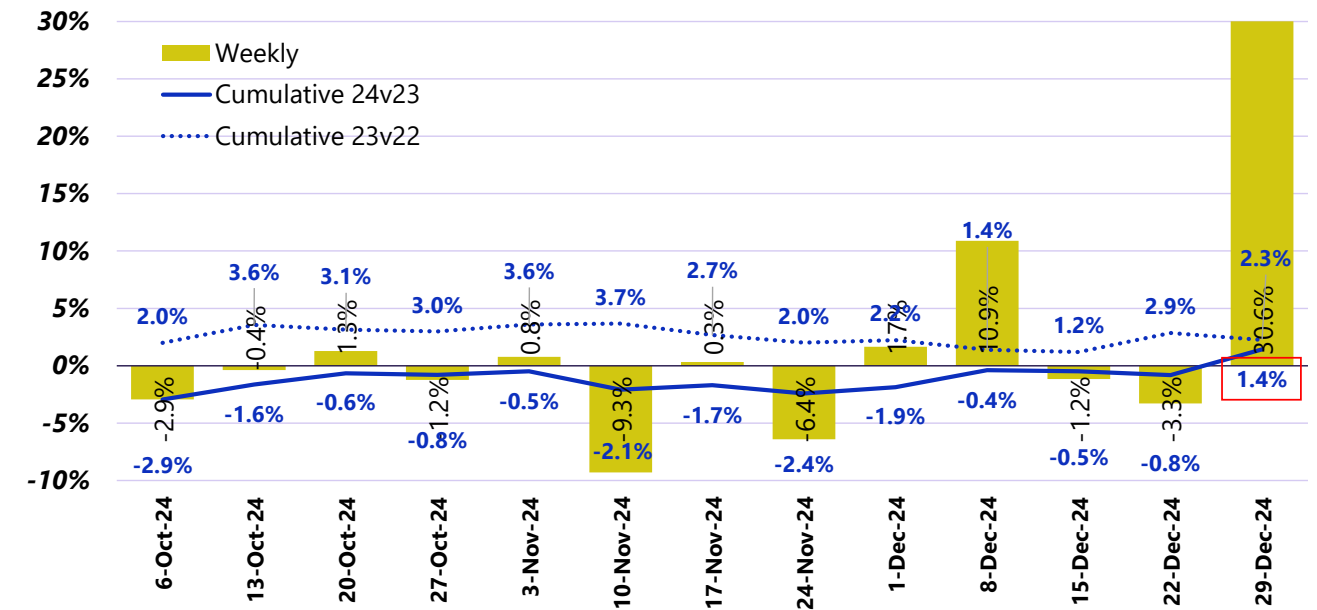
Holiday Season Purchases: Walmart (less Gas) 2024 Weekly Results Compared to 2023

Cumulative

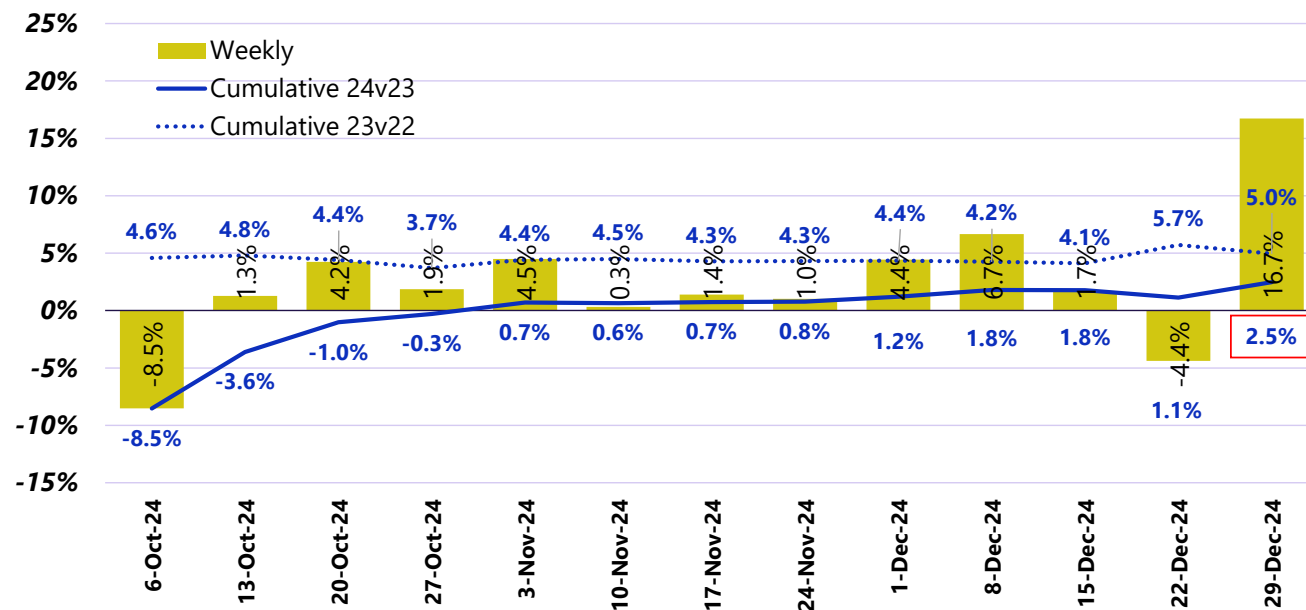
Walmart (less Gas) Credit Transactions



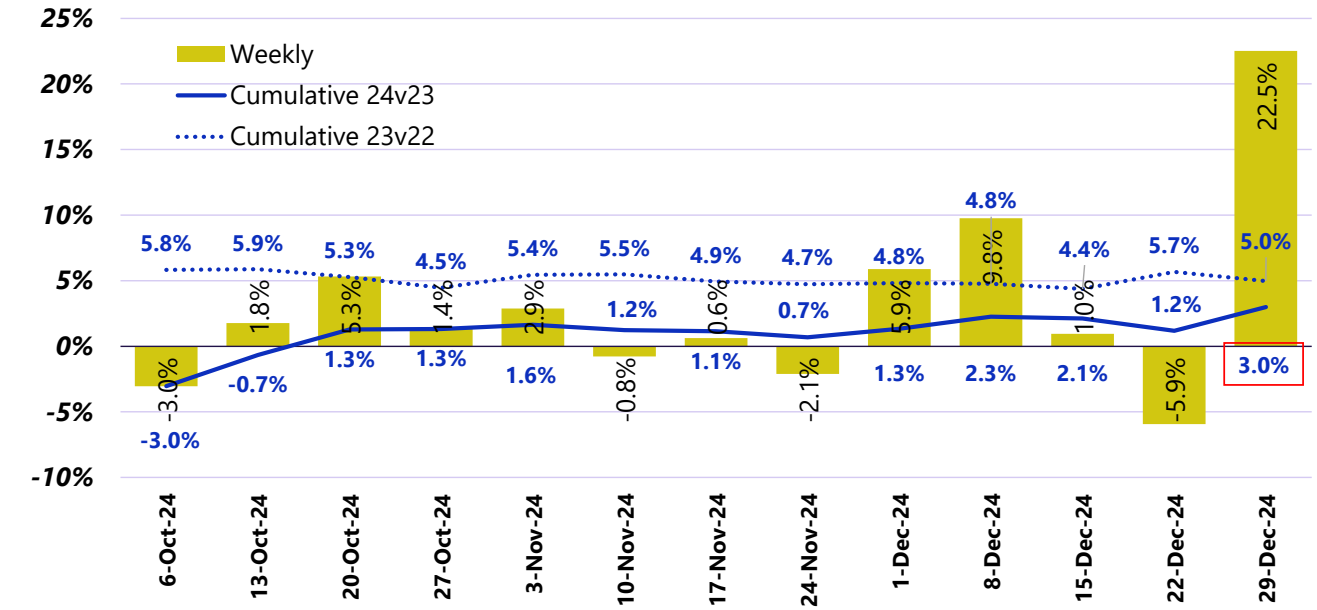
Walmart (less Gas) Credit Purchases



Walmart (less Gas) Debit Transactions



Walmart (less Gas) Debit Purchases



What Should Credit Unions Do Now?

- 1** Begin planning for the second quarter of 2025. Execute card awareness communications, which center on consumer convenience as well as card product benefits. Highlight features such as alerts and digital wallets and include “set and forget” messaging for recurring bill payments, memberships and subscriptions. Velera’s Advisors Plus has a number of credit and debit card awareness marketing programs slated for Q2 2025, including Digital Wallet, Recurring Payments and Everyday Purchases. Enrollment deadlines are Feb. 1 for an April 15 launch.
- 2** Consider implementing a Home Improvement campaign to drive transactions during peak spring and summer spending in this merchant category. Enrollment deadline for Velera’s Advisors Plus campaign is Feb. 1 for a spring launch.
- 3** While 2024 was a challenging year for credit card volumes, there is an opportunity to capture balances from competitive credit cards by offering balance transfers at special rates, as well as offering big-ticket promotions or extra reward points for members using their credit union’s credit card. The new year is also a good time to evaluate members’ credit limits to ensure they are within reason and can support these additional balances and transactions.

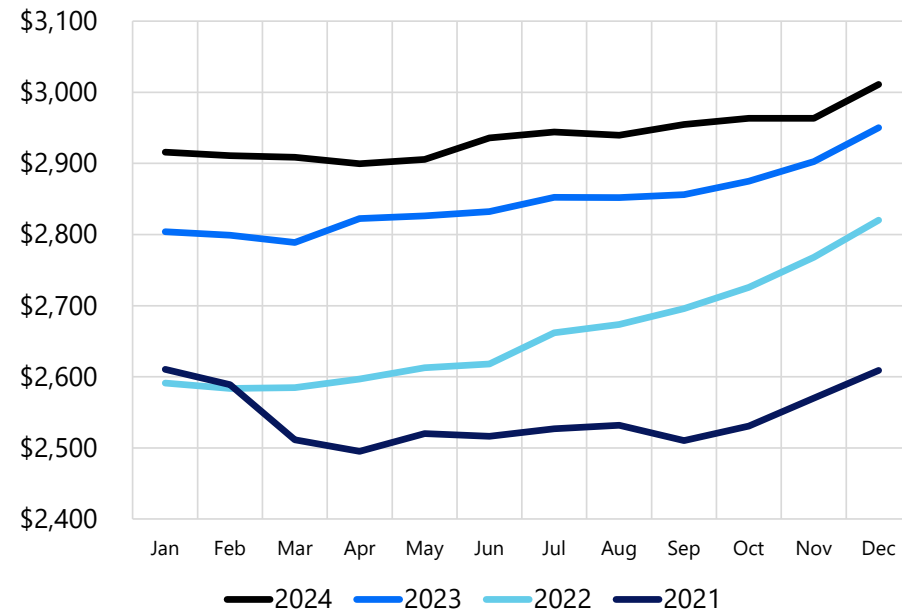
Contact your Client Growth Executive for further details or to explore how Velera can support your credit union with these opportunities.



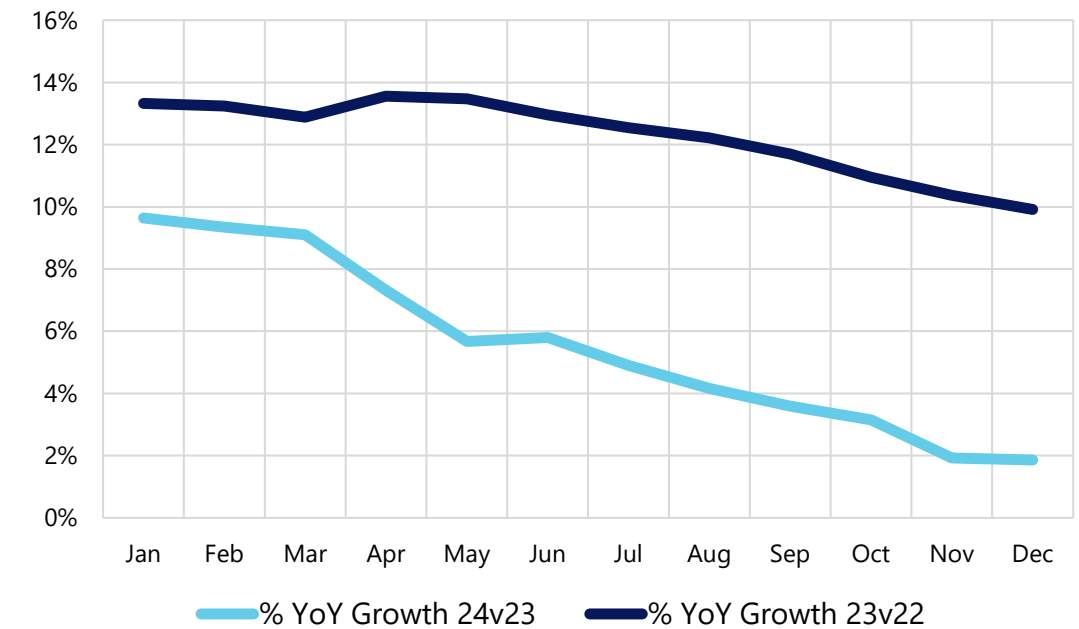
Credit Card Balances

The average credit card balance finished December at \$3,011, an increase of 2.06% (or \$61) year over year. However, this was the slowest rate of growth for 2024. Compared to November, the average increased 1.6%, or \$47. Since January, the average balance was up 3.3%, which was lower than the same measure for the prior two years at 5.2% and 8.8%, respectively. Total December credit card balances increased just 1.9% compared to one year ago.

Average Credit Card Balances per Gross Active Account



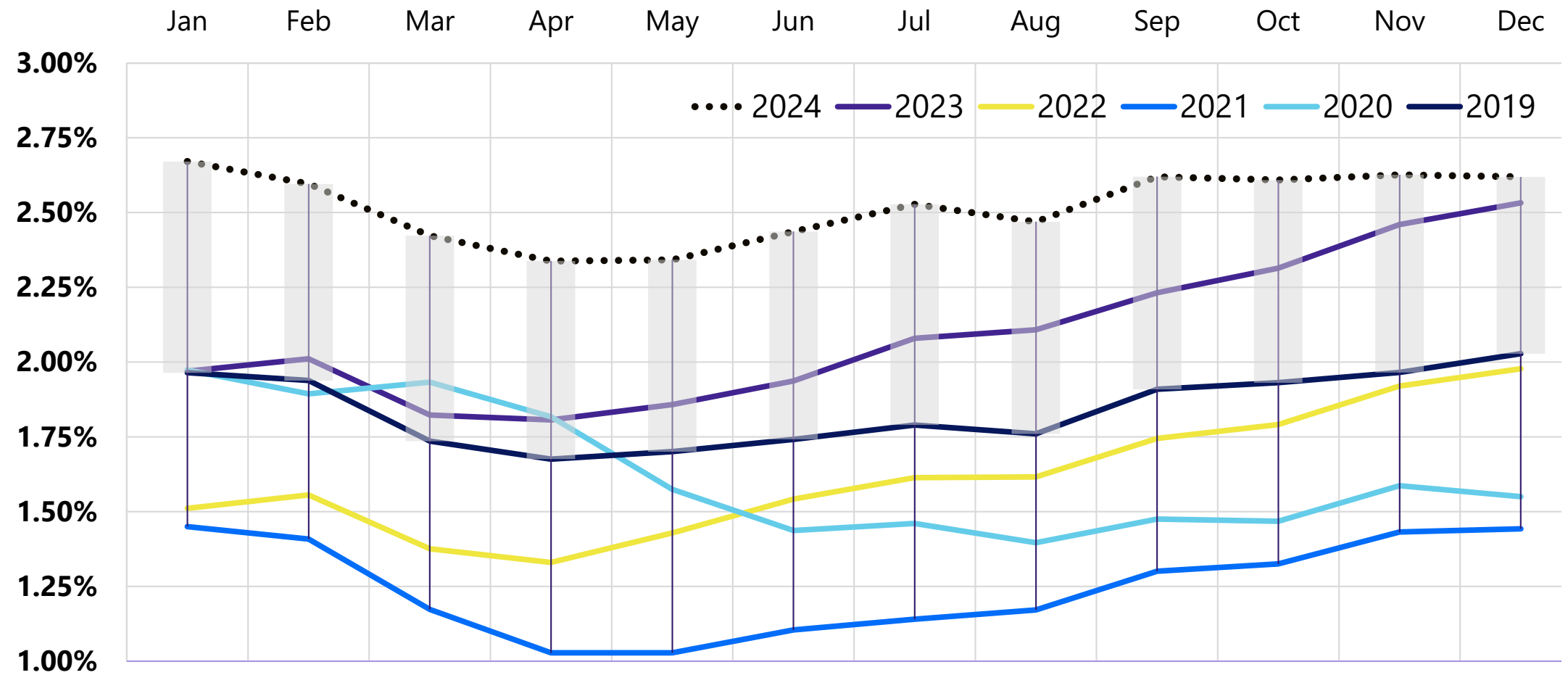
Percentage Change in Total Credit Card Balances



Credit Card Delinquencies

Contrary to previous years, the delinquency rate did not peak in December but has remained flat since September. The percentage of balances delinquent was still nine basis points higher than a year ago, finishing at 2.62%. Furthermore, the December delinquency rate, compared to the start of the year, was five basis points lower. In comparison to pre-pandemic December 2019, the delinquency rate was 59 basis points higher, the smallest difference for 2024 versus 2019.

Overall Credit Card Delinquency Rate December 2024



Credit and Debit Cards

Consumer credit card spending growth improved from November, with credit purchases up 4.0% year over year, and exceeded the previous year's measure. Debit card purchase growth fell month over month, but grew 4.3% year over year. The Goods sector was the lead driver of purchase growth for both credit and debit, contributing 2.4% and 1.9% of growth, respectively, unseating Money Services as the top contributor for debit since March 2024.

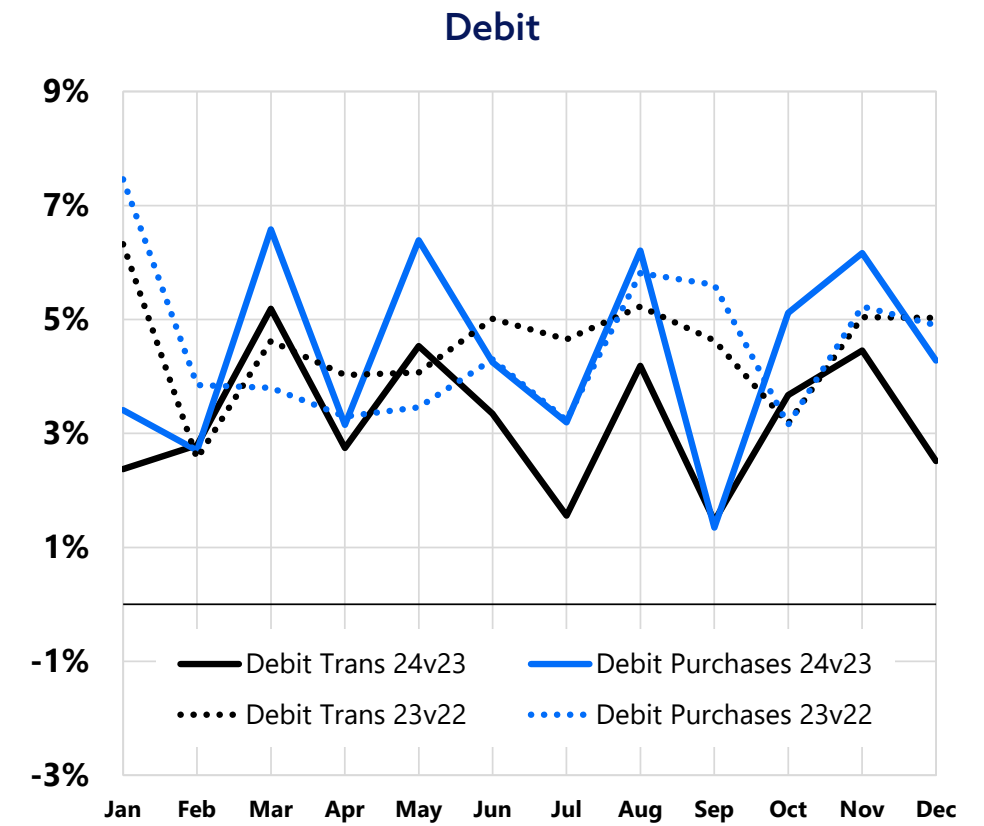
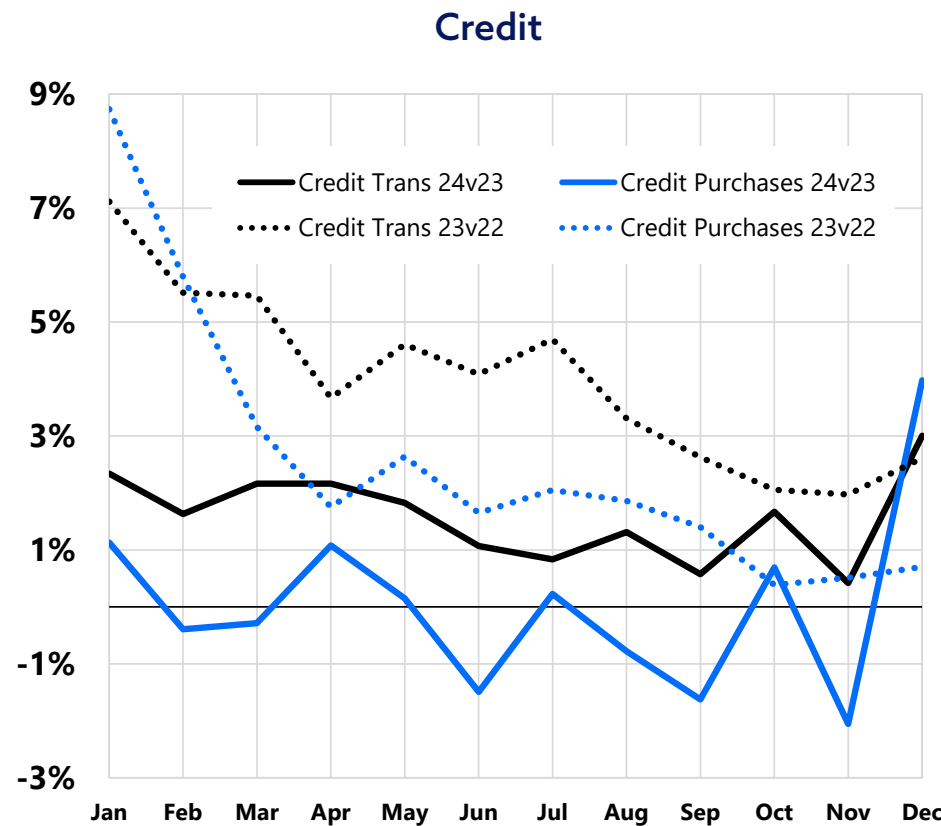
Transactions grew at a slightly slower pace than purchases, with the volume of credit transactions up 3.0% and debit transactions up 2.5% compared to the same timeframe a year ago. Like purchases, the Goods sector had the greatest impact on growth for both credit and debit, providing 2.1% and 1.6%, respectively.

The lower rate of growth for transactions versus purchases resulted in higher average purchase amounts for both credit and debit. The average purchase amount per transaction for credit increased 0.9% year over year to \$70.78, the first positive year-over-year growth of 2024, and debit was up 1.7% to \$47.26.

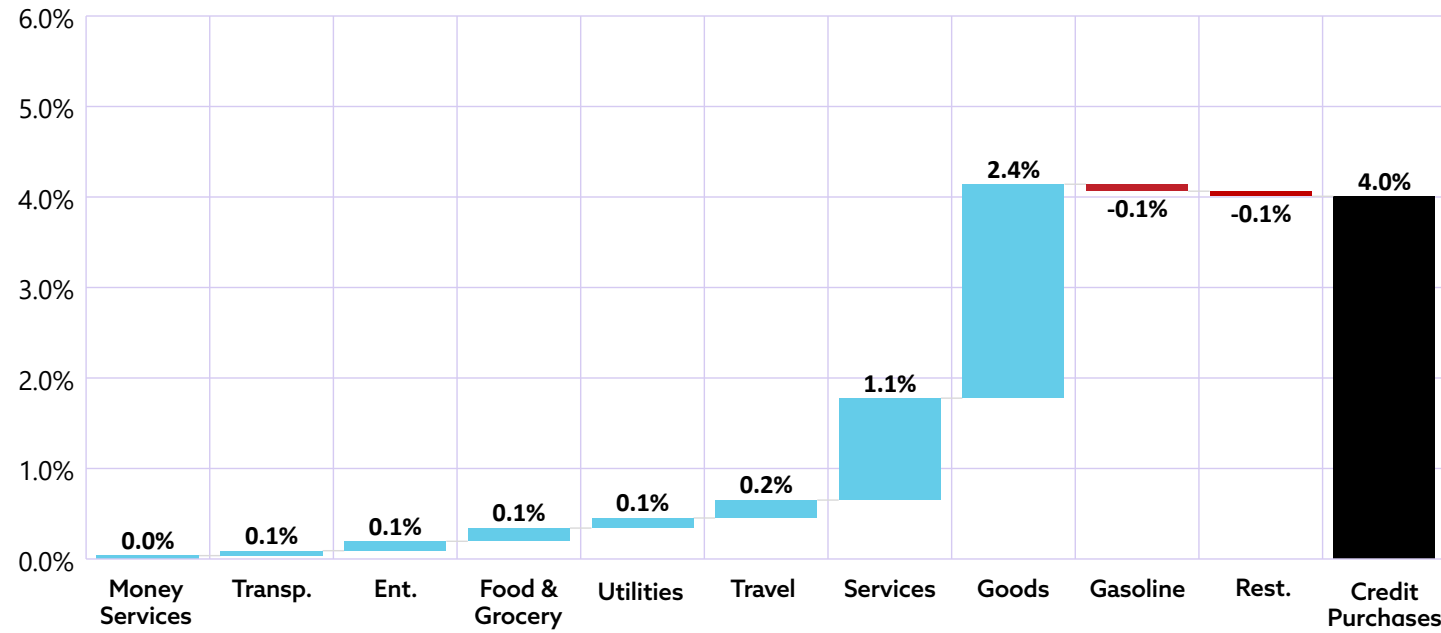
For the full year 2024, purchase and transaction growth rates were up 0.1% and 1.6% year over year, respectively, for credit and 4.4% and 3.2% for debit. However, rates were below those for full-year 2023.

Month of December	Credit		Debit	
	Transactions	Purchases	Transactions	Purchases
2024 v 2023	3.0%	4.0%	2.5%	4.3%
2023 v 2022	2.6%	0.7%	5.0%	4.9%

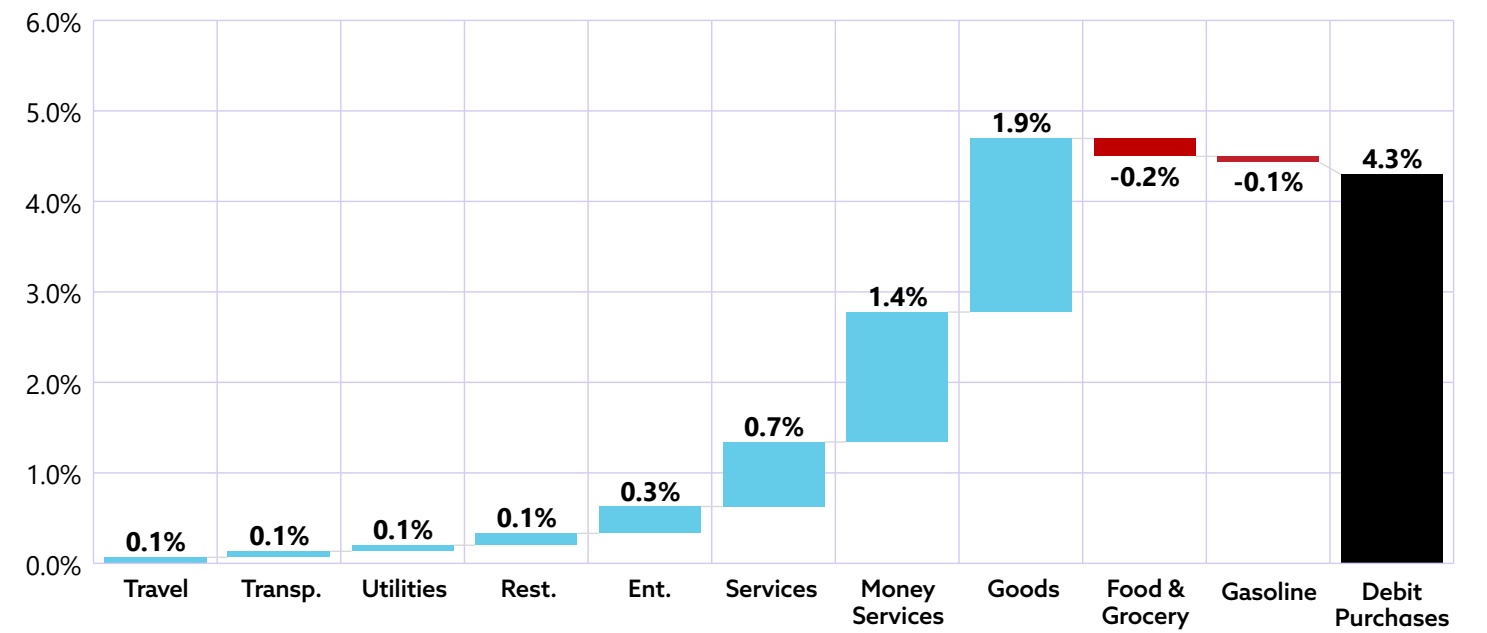
Full Year	Credit		Debit	
	Transactions	Purchases	Transactions	Purchases
2024 v 2023	1.6%	0.1%	3.2%	4.4%
2023 v 2022	3.8%	2.3%	4.5%	4.5%



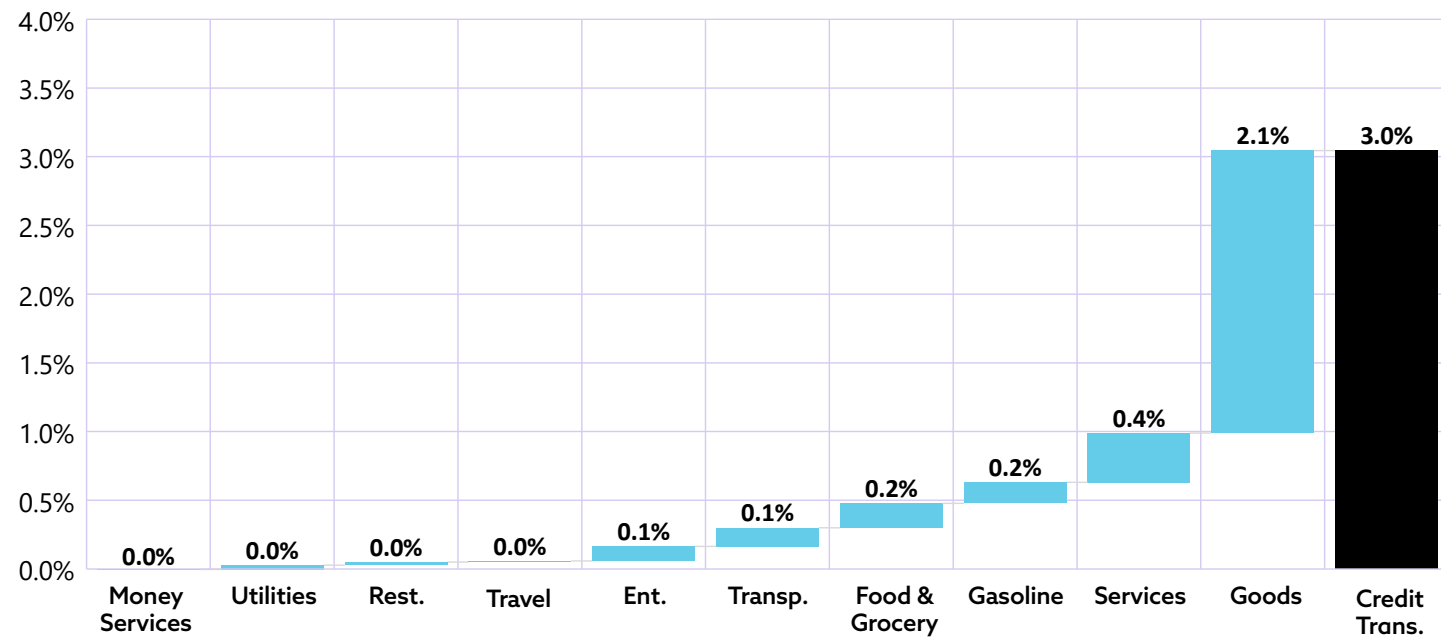
Sector Contributions to Growth in Credit Purchases: December



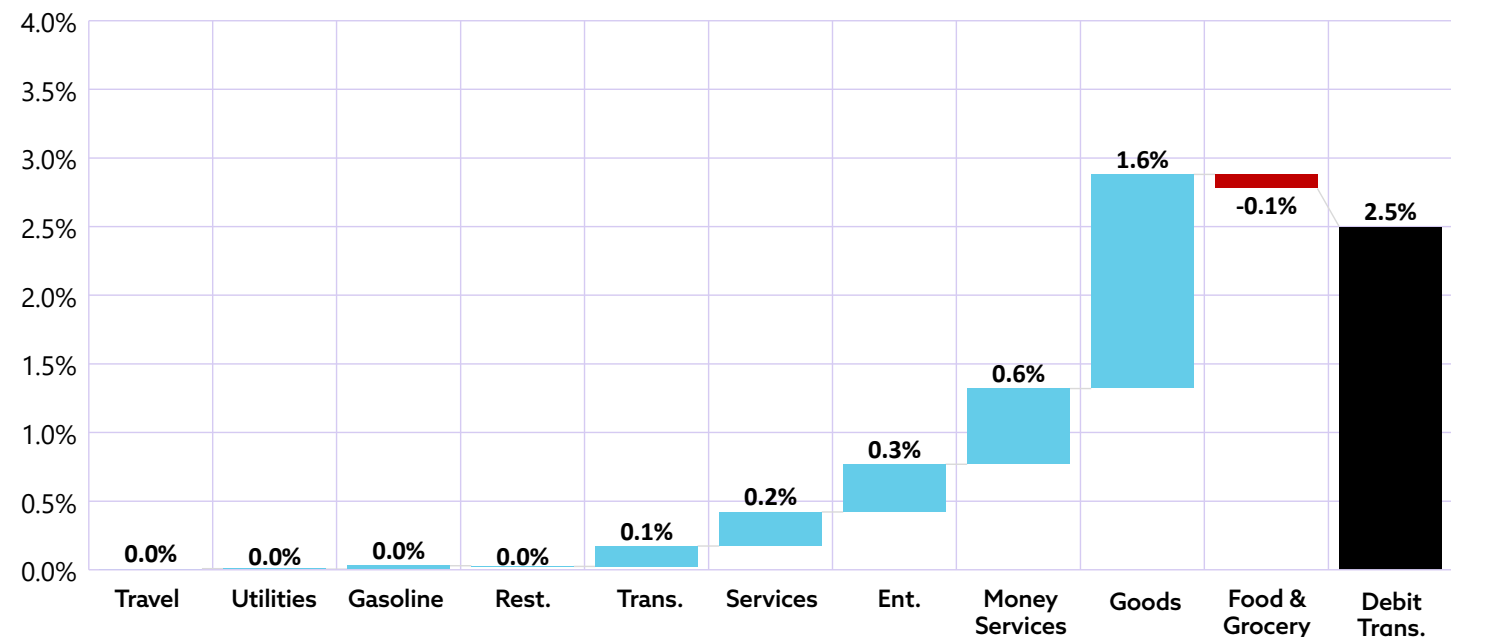
Sector Contributions to Growth in Debit Purchases: December



Sector Contributions to Growth in Credit Transactions: December



Sector Contributions to Growth in Debit Transactions: December



■ Increase
 ■ Decrease
 ■ Total

Discretionary and Non-Discretionary: December 2024

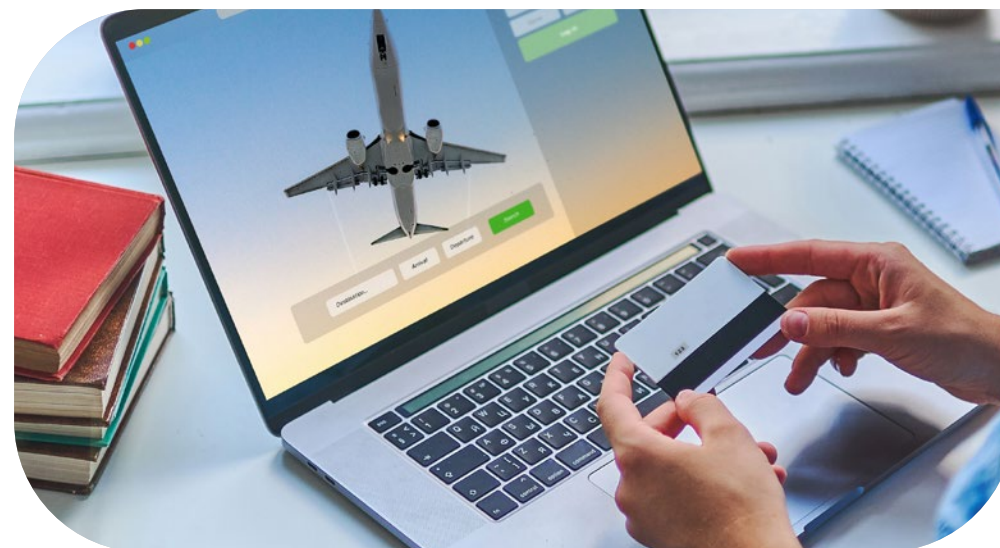
Discretionary activity comprises nearly all merchant categories within the Entertainment and Travel sectors, as well as just under half of the merchant categories in the Services sector. There are also several merchant categories identified as discretionary within the Food & Grocery and Goods sectors.

For December, the growth in credit non-discretionary purchases outpaced discretionary, with non-discretionary purchases up 4.2% year over year and discretionary up 3.2%. Conversely, debit discretionary purchase growth was higher than non-discretionary at 6.7% year over year versus 4.2%.

For the full year, credit discretionary purchase growth was down 1.0% year over year, while debit was up 5.5%; non-discretionary growth rates were 0.3% for credit and 4.4% for debit.

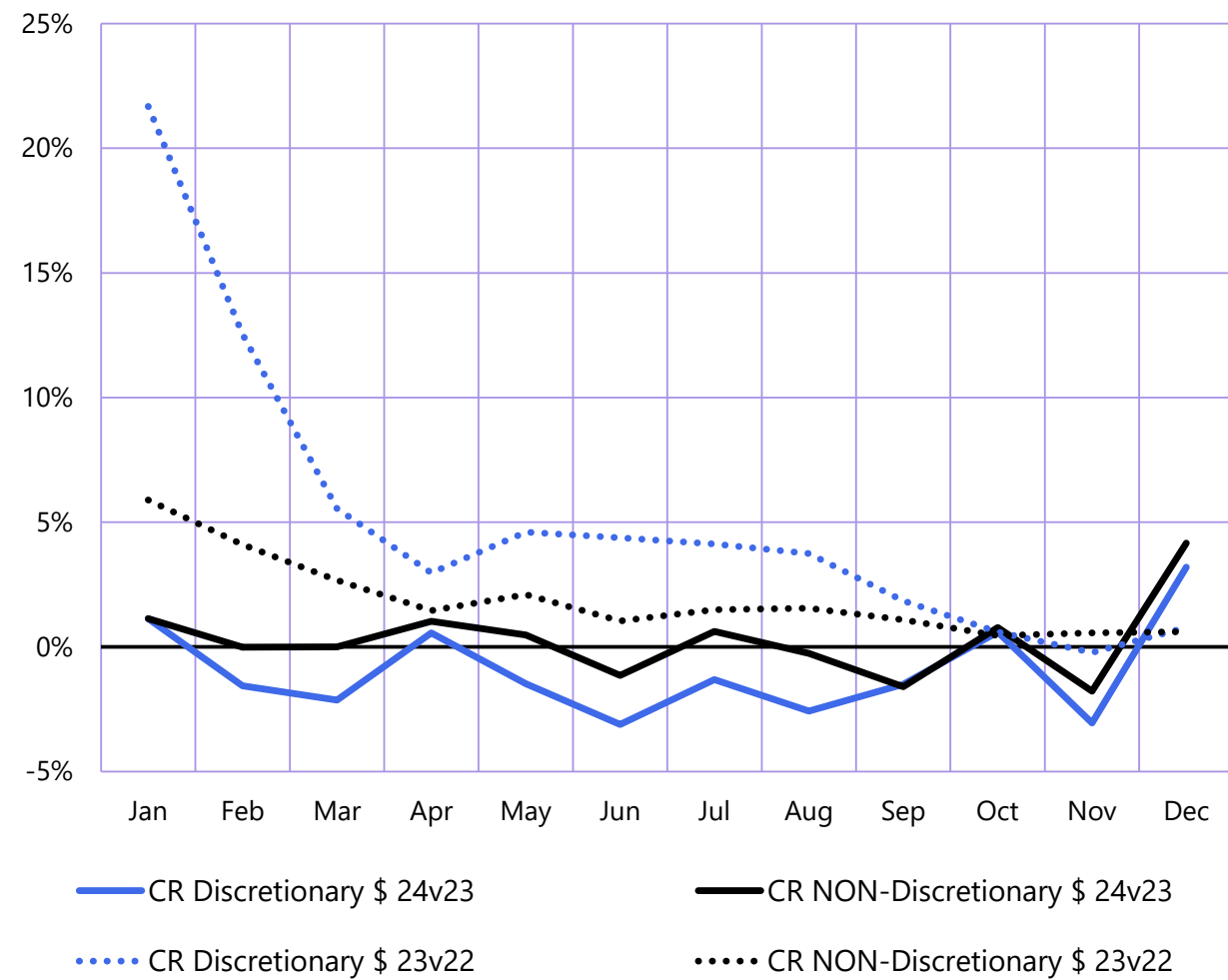
Credit	% of Overall Purchases	YoY Growth		Average Purchases
		Transactions	Purchases	
Discretionary	15%	3.1%	3.2%	\$146
Non-Discretionary	85%	3.0%	4.2%	\$65

Debit	% of Overall Purchases	YoY Growth		Average Purchases
		Transactions	Purchases	
Discretionary	8%	9.6%	6.7%	\$67
Non-Discretionary	92%	2.4%	4.2%	\$46

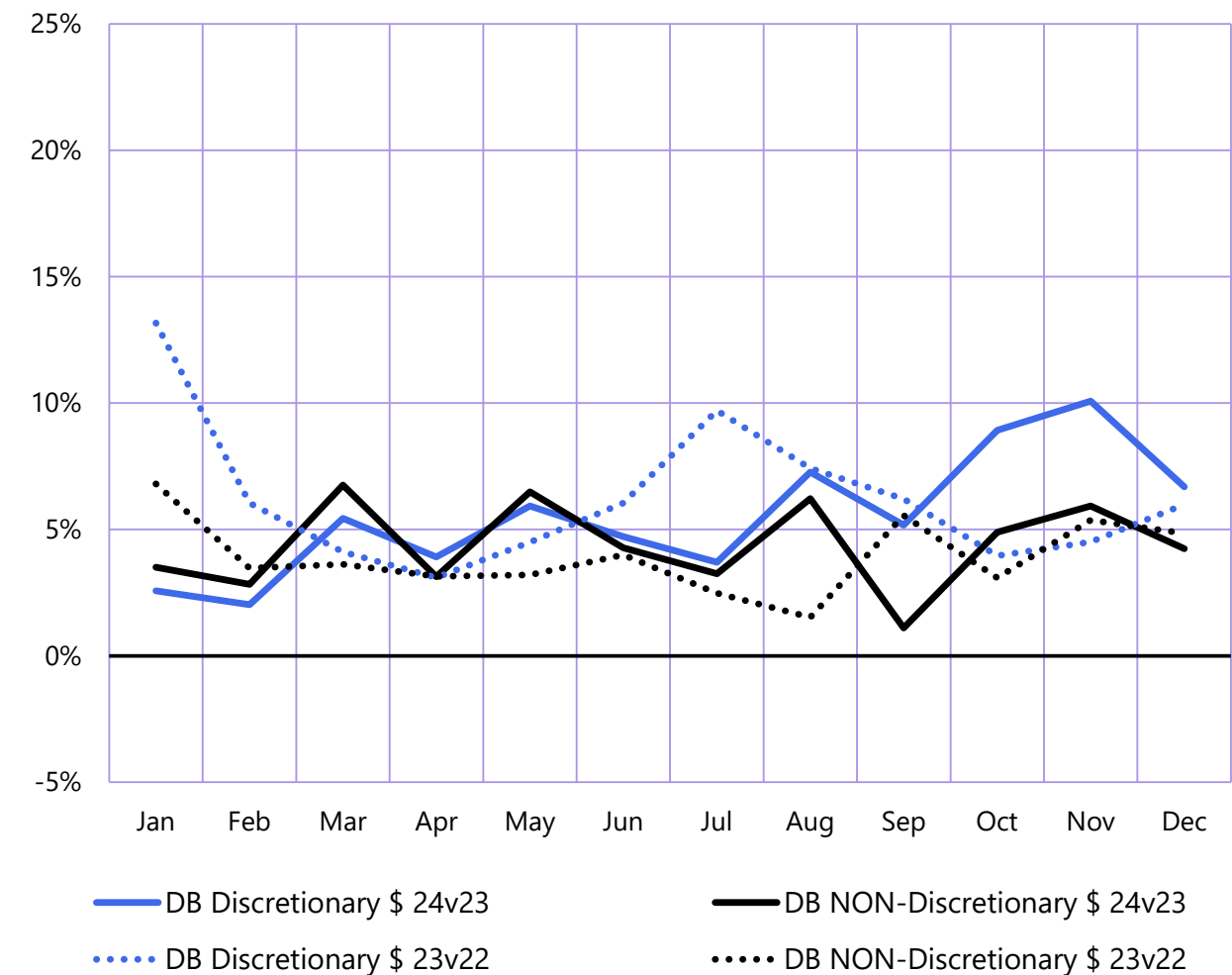


Growth in Discretionary/Non-Discretionary Overall Purchases

Credit

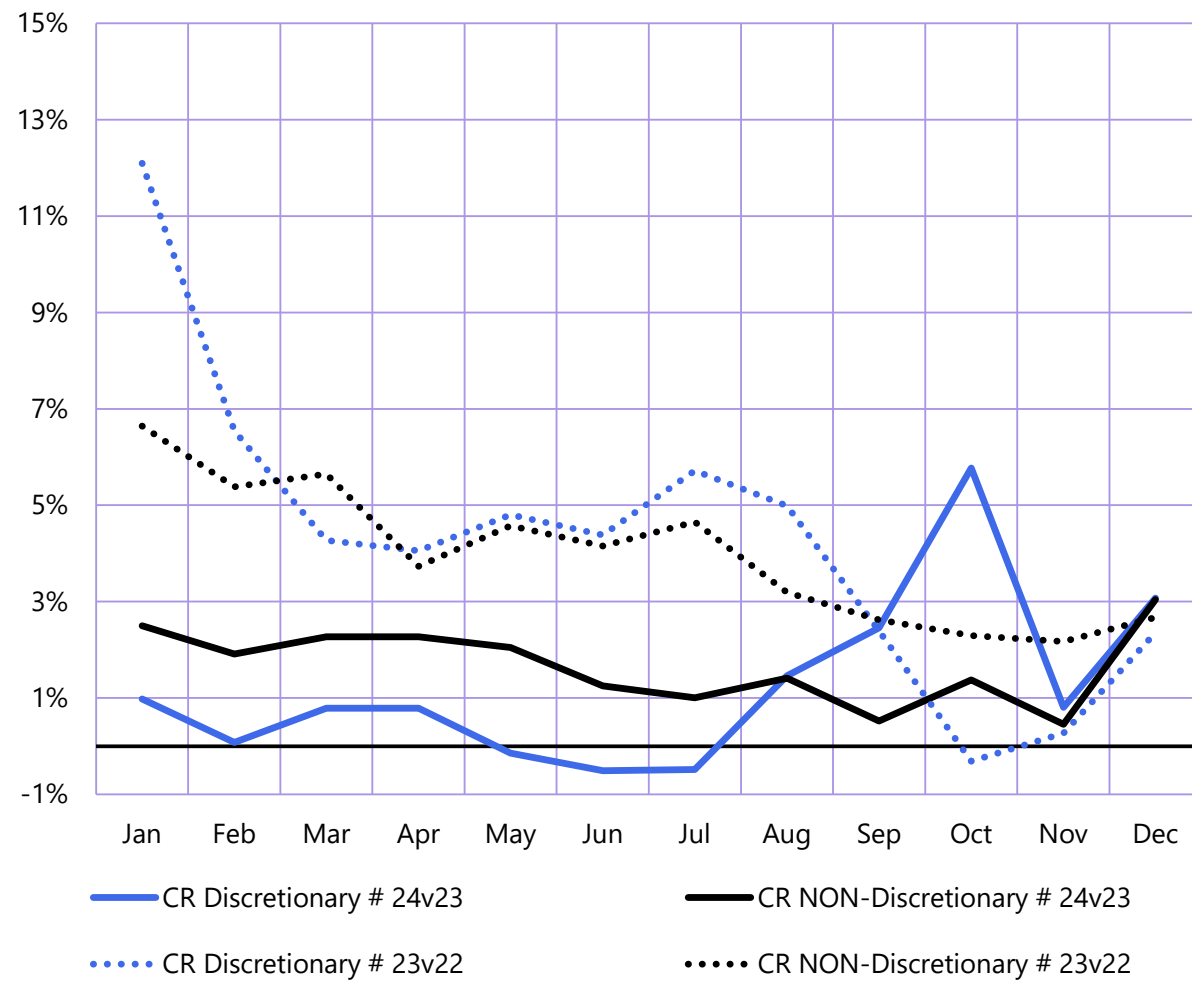


Debit

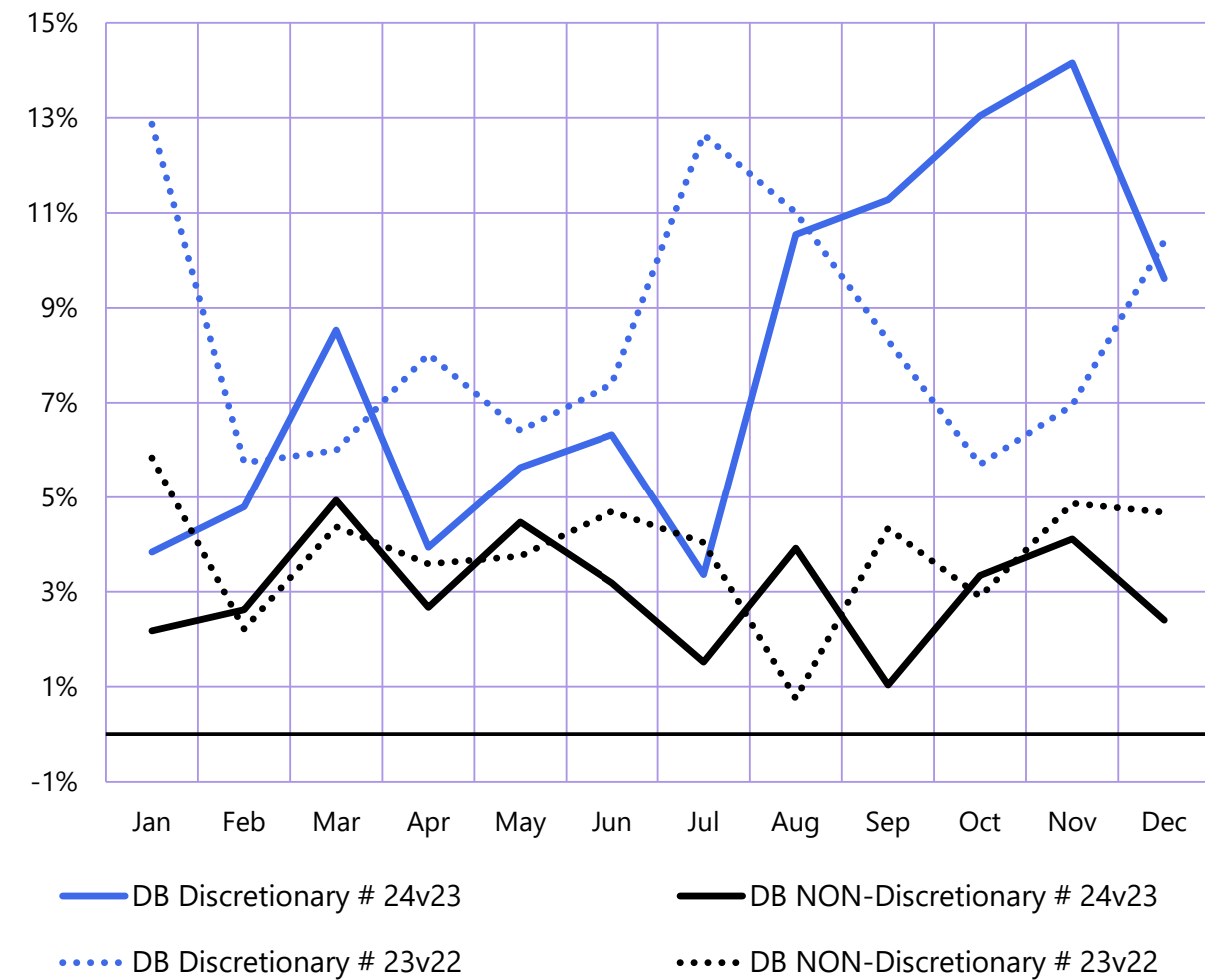


Growth in Discretionary/Non-Discretionary Overall Transactions

Credit




Debit



Sectors/Merchant Categories


The vast majority of the sectors had positive year-over-year growth for both debit and credit purchases in December. Outside of the Gasoline sector, the only negative purchase growth was in the Restaurants sector for credit (-1%) and the Food & Grocery sector for debit (-1%). The sectors with the greatest growth in purchases included Transportation for both credit (+9%) and debit (+15%). The Goods and Services sectors experienced solid growth in credit purchases (+6%) while debit purchase growth in the Entertainment sector (+8%) was robust.

In looking at full-year 2024 growth rates versus 2023, Travel, Dining and Entertainment sectors experienced the greatest difference in purchases, down an average of seven percentage points among the three sectors for credit and an average four percentage points for debit. In addition, the Gasoline sector was down 6% year over year for credit purchases and down 3% for debit. The national average price per gallon of gasoline finished at [\\$3.05](#) for the week ending Jan. 13, down 0.5% or \$0.02 year over year.




ENTERTAINMENT
December 2024 V 2023

	Credit	Debit
YoY Purchases	3%	8%
YoY Transactions	3%	8%




FOOD & GROCERY
December 2024 V 2023

	Credit	Debit
YoY Purchases	1%	-1%
YoY Transactions	1%	-1%




GASOLINE
December 2024 V 2023

	Credit	Debit
YoY Purchases	-2%	-1%
YoY Transactions	2%	0%




GOODS
December 2024 V 2023

	Credit	Debit
YoY Purchases	6%	6%
YoY Transactions	5%	5%




MONEY SERVICES
December 2024 V 2023

	Credit	Debit
YoY Purchases	4%	13%
YoY Transactions	-1%	11%




RESTAURANTS
December 2024 V 2023

	Credit	Debit
YoY Purchases	-1%	1%
YoY Transactions	0%	0%



SERVICES
December 2024 V 2023

	Credit	Debit
YoY Purchases	6%	5%
YoY Transactions	4%	4%




TRANSPORTATION
December 2024 V 2023

	Credit	Debit
YoY Purchases	9%	15%
YoY Transactions	7%	13%



TRAVEL
December 2024 V 2023

	Credit	Debit
YoY Purchases	3%	4%
YoY Transactions	1%	2%



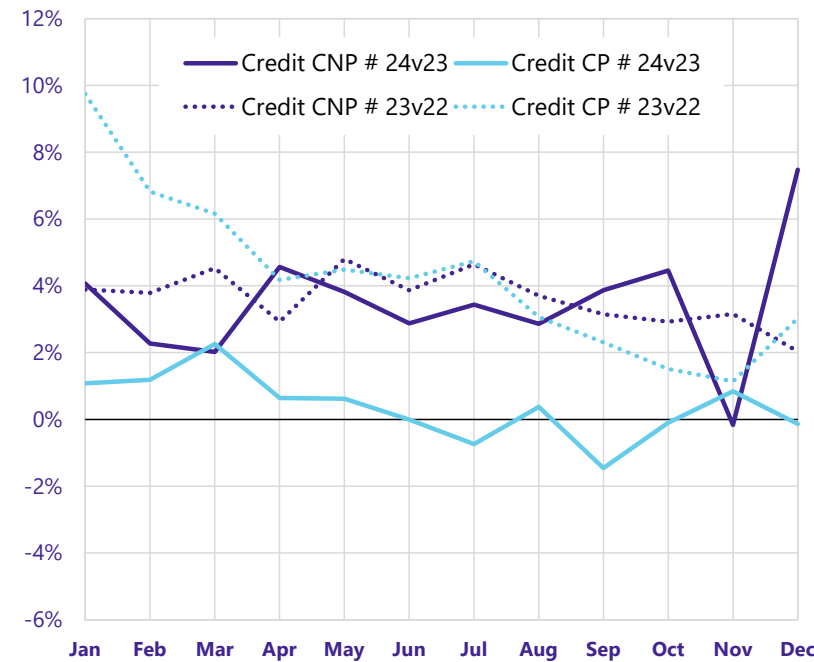
UTILITIES
December 2024 V 2023

	Credit	Debit
YoY Purchases	4%	2%
YoY Transactions	2%	0%

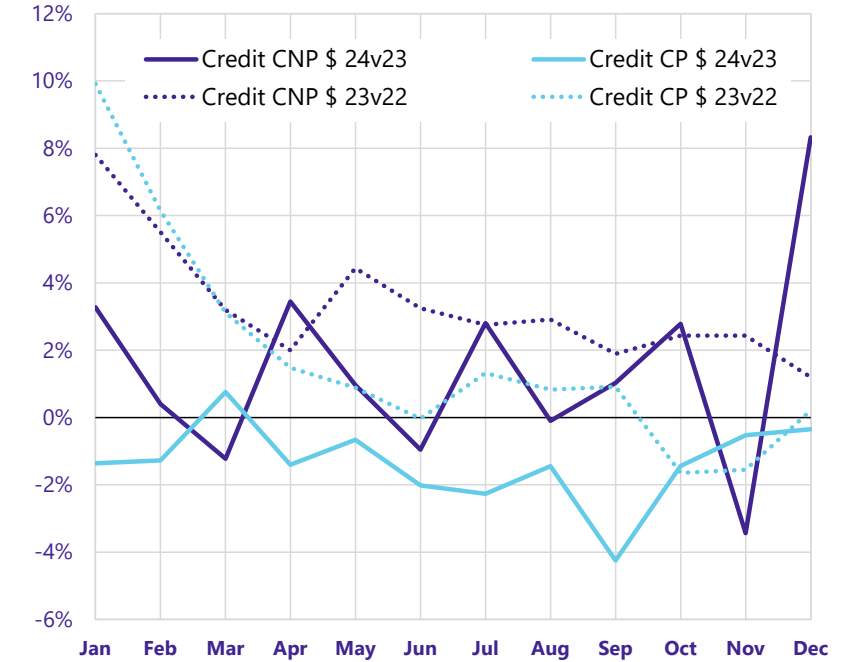
Card Not Present (CNP) and Card Present (CP) Activity

Credit Card Not Present (CNP) activity surged in December, with transactions and purchases up 7.5% and 8.3% year over year, respectively – significantly higher than the same period one year ago. The strong CNP performance benefited from the timing of the 2024 holiday season, in particular Cyber Monday and Giving Tuesday occurring in December. Debit CNP transaction and purchase growth rates experienced an uptick, increasing 9.4% and 10.3% year over year, but CP growth rates were down considerably compared to one year ago. Nonetheless, CP transactions continue to comprise most of the credit and debit transactions. For December, CP transactions accounted for 57% of credit transactions, down from 59% one year ago, and 62% of debit transactions, down from 65%.

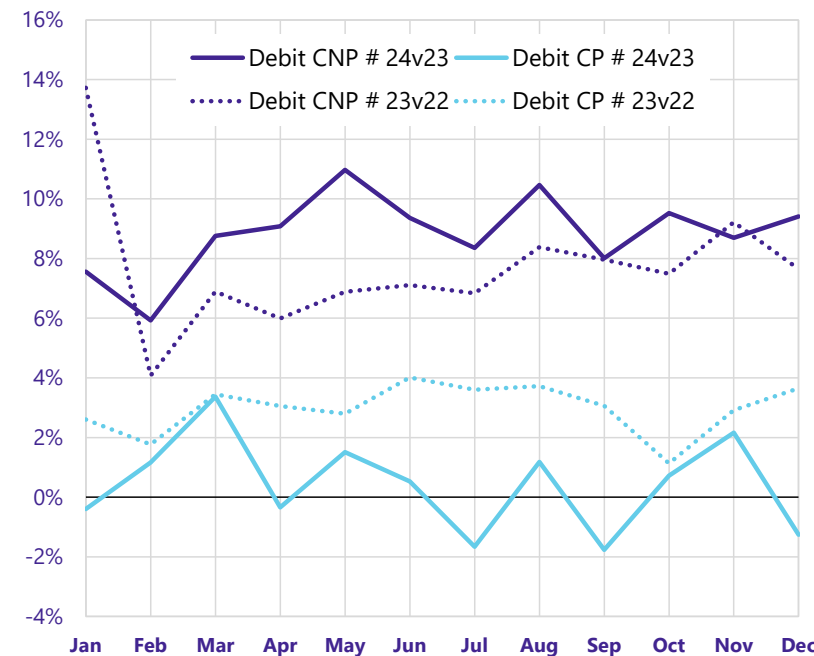
YOY % Growth in Credit Transactions



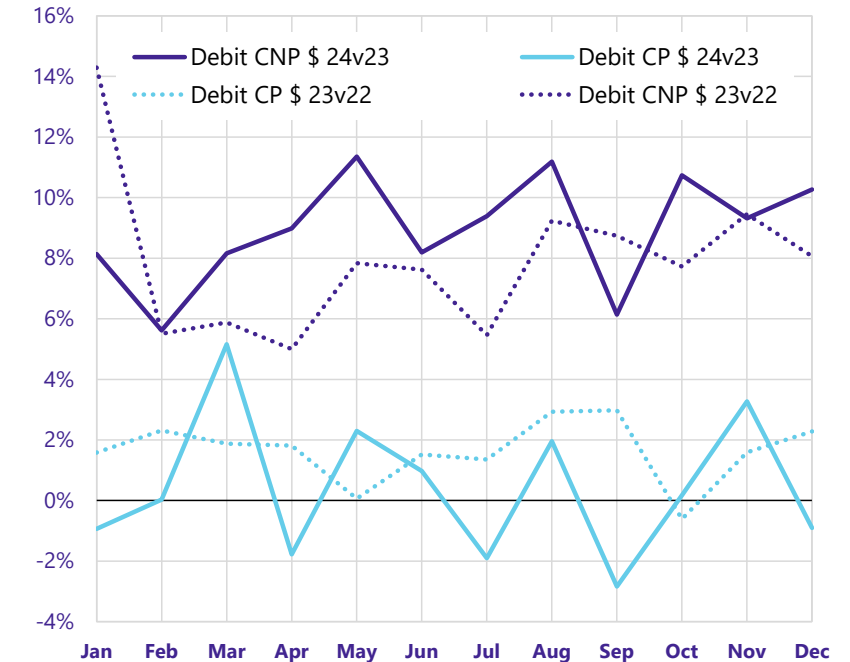
YOY % Growth in Credit Purchases



YOY % Growth in Debit Transactions



YOY % Growth in Debit Purchases

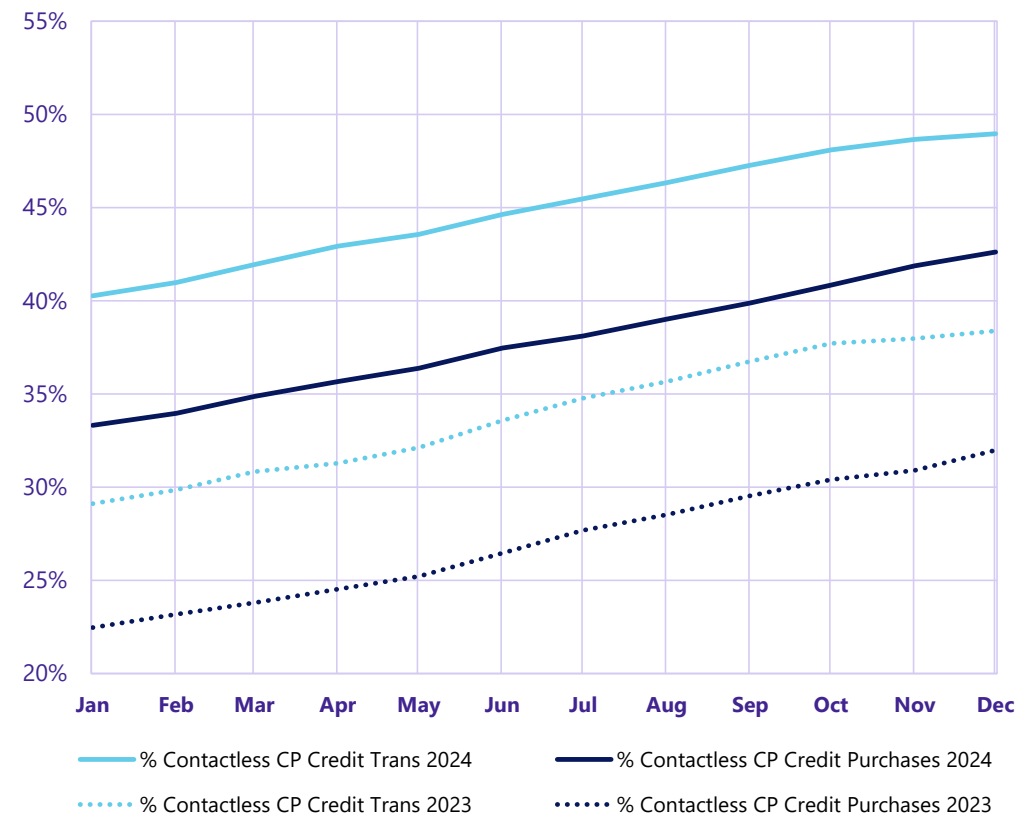


Contactless Transactions

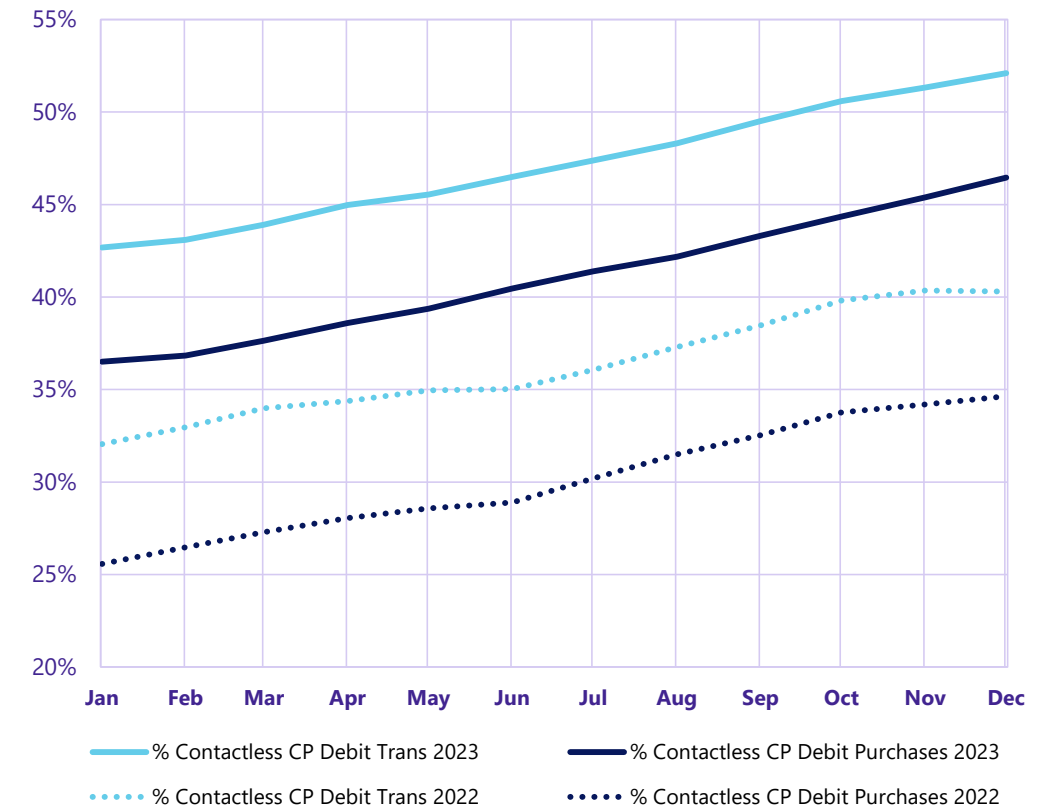
Contactless tap-and-go credit transactions finished 2024 capturing 49% of total Card Present (CP) volume on contactless cards, compared to 40% at the start of the year. For debit, contactless tap-and-go transactions finished at 52%, compared to 43% in January. The average contactless credit and debit purchase amount increased in December, up 4.9% year over year to \$53.76 for credit and up 5.3% to \$47.26 for debit.

The increase in contactless activity coincides with an increase in the number of credit union members with a contactless card, due in part to natural card reissuance. Velera's 2024 [Eye on Payments](#) study reported 79% of credit union members having a contactless debit or credit card. In addition, nearly half (47%) of contactless card owners reported tapping or waving their contactless-enabled card at the point-of-sale at least a few times per week.

% Contactless Credit Activity on Contactless Cards



% Contactless Debit Activity on Contactless Cards

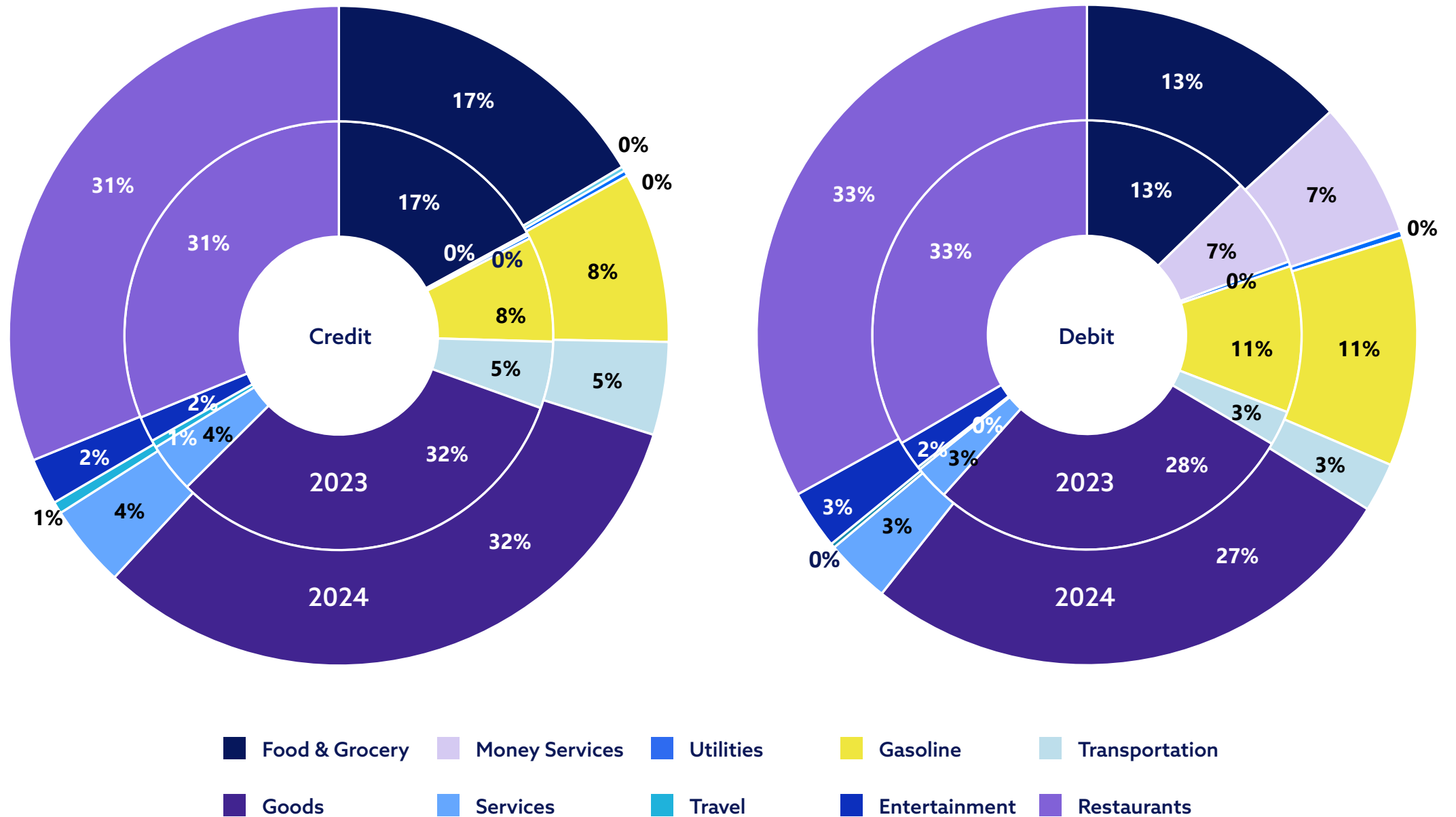


Digital Wallets

Digital wallet transactions as a percentage of total transactions ended 2024 capturing 4.9% of credit transactions, up from 3.7% at the outset of the year, and 8.7% of debit transactions, up from 6.5%. December year-over-year growth rates for digital wallet transactions measured 45% for credit and 47% for debit while purchases grew 49% and 51%, respectively. The December average digital wallet purchase amount per transaction was up 3.4% to \$40.24 for credit and 3.2% to \$30.98 for debit. There was minimal shift in total digital wallet transactions year over year by sector for both credit and debit in December.

Through research gathered in Velera’s 2024 [Eye on Payments study](#), findings on digital wallet usage showed a dramatic decrease in the number of credit union members who never use the technology, from 57% in 2022 down to 35%. At the same time, the number of those who use their mobile wallet at least a few times per week rose 11 percentage points in one year. Furthermore, 59% of credit union members indicated they are likely to use a mobile wallet in the next six months – nearly double the percentage from 2022.

Sector Percentage of Digital Wallet Transactions





About the Velera Payments Index

The Velera Payments Index provides timely insights, trend analysis and thought leadership on consumer payment preferences and behavior. Distributed monthly to financial institutions, the payments market and industry media, the Velera Payments Index is designed to help credit unions make strategic, data-informed decisions on behalf of their members.

For current-year results, credit unions included in the Velera Payments Index data set have been processing with our company from the start of 2022 through the most current complete month of 2024, enabling an accurate and relevant year-over-year same-store comparison (2024 vs. 2023, 2023 vs. 2022) for purchasing behaviors and data. When the credit union populations are reviewed and updated each year, some metrics may have a nominal change from previously posted results. Additionally, as we become aware of new or changing market conditions, we may adjust merchant category code characteristics to portray the most accurate view of the consumer payments landscape.

For the “same-store” population of credit unions over the past rolling 12-month period, the January 2025 edition of the Velera Payments Index represents a total of 3.4 billion transactions valued at \$171 billion of credit and debit card activity from January 2024 through December 2024.

A library of past Payments Index reports is available on the [Payments Index site](#). To subscribe to the Payments Index and receive alerts when the Index is published each month, please visit the [Payments Index site](#).

About Velera

Velera, formerly PSCU/Co-op Solutions, is the nation’s premier payments credit union service organization (CUSO) and an integrated financial technology solutions provider. With over four decades of industry experience and a commitment to service excellence and innovation, the company serves more than 4,000 financial institutions throughout North America, operating with velocity to help its clients keep pace with the rapid momentum of change and fuel growth in the new era of financial services. Velera leverages its expertise and resources on behalf of credit unions and their members, offering an end-to-end product portfolio that includes payment processing, fraud and risk management, data and analytics, digital banking, instant payments, strategic consulting, collections, ATM and POS networks, shared branching and 24/7/365 member support via its contact centers. For more information, visit [velera.com](#).