

The Velera Payments Index: December 2024

The 2024 holiday shopping season is in full swing and heading toward the rush of the final spending days. As multiple sentiment studies show continued consumer optimism and favorable expectations of inflation on the horizon, consumers spent record amounts online this year during the peak five-day shopping period from Thanksgiving through Cyber Monday. In our December 2024 edition of the Velera Payments Index, we present the second of our three-part installment on holiday spending, which details both results from the peak five-day period (Nov. 28 through Dec. 2) and the month of November.

The [Consumer Confidence Index](#) increased in November to 111.7 from 109.6 in October, with a large jump in confidence for consumers under 35. The increases come from positive consumer assessments and greater optimism on future job availability. The November results are at the top end of the range of scores from the past two years. The University of Michigan [Index of Consumer Sentiment](#) increased for the fifth consecutive month in early December, rising 2.2 index points (month over month) to 74.0 and marking a 4.3-point increase compared to December 2023. A surge in buying conditions for durable goods, up over 20%, is fueled by concerns of future price increases. The Federal Reserve Bank of New York released its [Survey of Consumer Expectations](#), showing that household financial situations improved considerably in November 2024, inflation expectations increased for the short and longer terms and the unemployment rate is expected to be higher a year from now.

In the Labor Department's Dec. 11 update, the [Consumer Price Index \(CPI\)](#) increased 0.3% in November, bringing the cumulative 12-month rate of inflation up to 2.7%. The largest contributor to inflation continues to be shelter, accounting for 40% of the monthly increase. Food increased by 0.4% and energy, which was unchanged in October, increased by 0.2%. The index for communication was one of the few that dropped in November. Core CPI, which excludes the Food and Energy sectors, again remained the same at 3.3% for the 12-month Core CPI rate through November.

In November, jobs grew by 227,000 with increases in healthcare, leisure and hospitality, government and social assistance. Employment declined in retail trade. The U.S. Bureau of Labor Statistics (BLS) [reported](#) the overall unemployment rate increased slightly for November to 4.2%, or 7.1 million people. Despite the growth in jobs, the labor force participation rate has remained somewhat consistent (62.5% for November) and may support an interest rate cut later this month.

The final 2024 Federal Open Market Committee (FOMC) meeting concludes on Dec. 18 and it is [widely expected that there will be a quarter-point rate reduction](#). Looking ahead to 2025, Fed Chair Jerome Powell is expected to be a bit more cautious given the strength of the U.S. economy. The [slight uptick in inflation may be a thorny issue](#) for President-elect Trump with across-the-board tariffs on the horizon.

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 November 2024

Purchases 2024 VS. 2023



2023 VS. 2022



Transactions 2024 VS. 2023



2023 VS. 2022



- As consumers spent record amounts online from Thanksgiving Day through Cyber Monday (Nov. 28 through Dec. 2), overall debit purchases were up 22.3% and Goods sector debit purchases were up 11.1% within the Payments Index data for this intensive five-day spending period. Overall credit purchases were up 9.0% and Goods sector credit purchases were up 2.6%.
- For the month of November, year-over-year growth rates were mixed, impacted by the 2024 Thanksgiving holiday and subsequent peak shopping days occurring five days later than in 2023. However, any appearance of softening in growth will likely be picked up in December, which includes a record Cyber Monday. Debit purchases were up 6.2%, while credit purchases were down 2.1% in November. Debit transactions were up 4.5% and credit transactions were up 0.4%.
- For credit, the Goods sector had the biggest impact to the year-over-year decline. For debit, Money Services continued to be the largest contributor to the growth in debit purchases, accounting for 2.0% of the 6.2% year-over-year increase.
- The 12-month CPI through November increased by 2.7%, up 0.1% from October. Consumer sentiment indicators remain favorable with a 25-basis point interest rate cut widely anticipated in December.
- With two-thirds of the 2024 holiday shopping season reported, growth in Goods sector debit purchases remained comfortably positive, up 4.8%, while growth in Goods sector credit purchases was down 2.2% for the cumulative shopping season through November. Of our tracked major retailers, all were positive for growth in debit purchases and negative for growth in credit card purchases. Amazon had the strongest growth for debit purchases, up 4.2%, and Walmart had the strongest growth in credit purchases, down 0.7% for November.



“The U.S. economy has been surprisingly strong the last few years despite high inflation and corresponding rate increases. It’s no surprise that 2024 holiday spending is on pace to break records as inflation has cooled and consumer sentiment improves. However, community financial institutions need to proactively respond to the shift in consumer payment behavior. It’s crucial to gain market share in digital wallets while the channel is rapidly growing. Additionally, the continued adoption of buy now, pay later (BNPL) services at the expense of traditional credit cards is a significant threat. We must combat consumer temptation at checkout by ensuring they understand the opportunity cost of not using valuable reward cards and leveraging easy-to-use BNPL services offered by their primary financial institution to better manage spending.”

**Ryan Myers, Senior Vice President,
Advisors Plus**

Deep Dive: Holiday Spend Part II

In the second installment of our Deep Dive on 2024 holiday spending, we see an interesting nuance in our reporting this year. While consumers spent in record amounts during the five-day period of Thanksgiving through Cyber Monday (including a record \$10.8 billion online on Black Friday and \$13.3 billion online on Cyber Monday, according to [Adobe Analytics](#)), the last two days of the five-day period (including Cyber Monday) occurred in December. Therefore, while November data may appear softer than expected, growth will likely be picked up in December, which includes these two days. In this month's Deep Dive, we explore both the five-day peak shopping period and the isolated month of November.

During the peak five-day period from Thanksgiving Day through Cyber Monday (Nov. 28 through Dec. 2), consumers were very active – especially as they were faced with fewer shopping days before Christmas compared to the same period last year. For this five-day period, overall debit purchases were up 22.3% and Goods sector debit purchases were up 11.1%. Overall credit purchases were up 9.0% and Goods sector credit purchases were up 2.6%. Consumer

preferences also continued to shift, with Adobe reporting that 57% of online sales came through a mobile device and buy now, pay later (BNPL) usage hit an all-time high.

For the month of November, year-over-year growth in consumer purchases and transactions in the Goods sector softened, which was mainly attributable to the late timing of the Thanksgiving holiday. This holiday season, growth in debit card activity is outpacing growth in credit card activity. For November, we saw that credit purchases in the Goods sector were down 4.5% compared to November 2023, a reduction from the October result of +0.4%. Year-over-year growth in debit purchases was up 4.0%, a reduction from the October result of +5.7%.

For the cumulative holiday shopping season (October and November) thus far, year-over-year credit purchases in the overall Goods sector were down 3.5% (compared to -1.6% at this point last year), while debit purchases in the Goods sector were up 2.5% (compared to +2.7% last year). In looking at the merchant categories within the Goods sector, Digital Merchants – which is primarily Amazon – represented the largest percentage

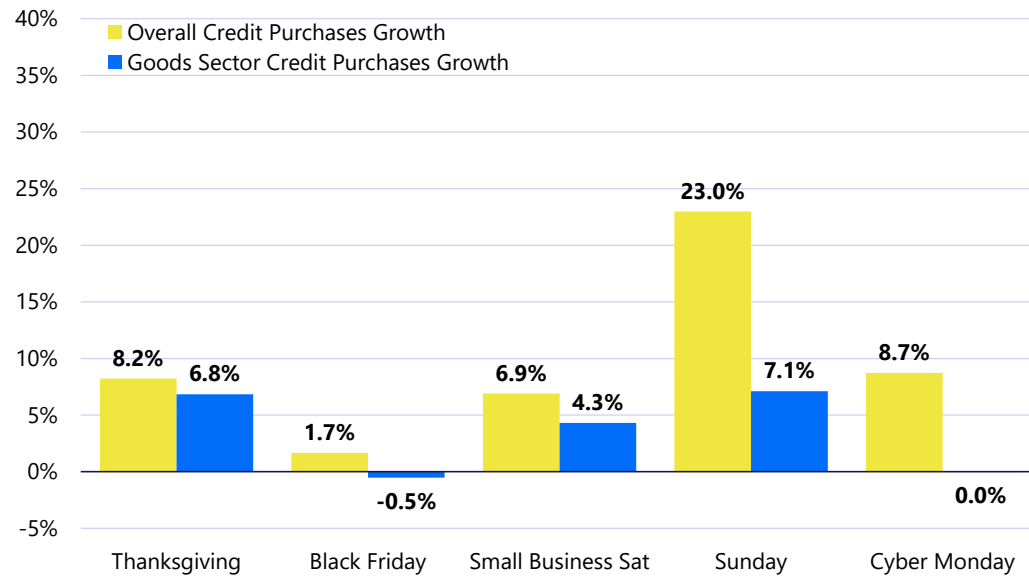
of credit and debit purchases at 26% and 30%, respectively. For purchase growth in this category, credit was down 3.3% and debit was up 5.9%. For most of the merchant categories under the Goods sector, year-over-year growth in credit purchases was down for the month of November. One exception was Wholesale clubs, which were up 2.9% for credit purchases. Conversely, year-over-year growth in debit purchases was up for the month of November. Wholesale clubs had the strongest year-over-year growth in debit purchases within the Goods sector, up 12.7% for November.

As seen in previous years, performance varied between our three featured large retailers: Amazon, Target and Walmart. Looking at November's results and the cumulative two-month holiday season, growth in purchases was closer and closely aligned with the results of the overall Goods sector, with positive growth in debit purchases and negative growth in credit purchases. Through November, Amazon (which includes results at Whole Foods) posted growth in debit purchases up 4.2% – the strongest of the three retailers – while credit purchases were down 1.2%.

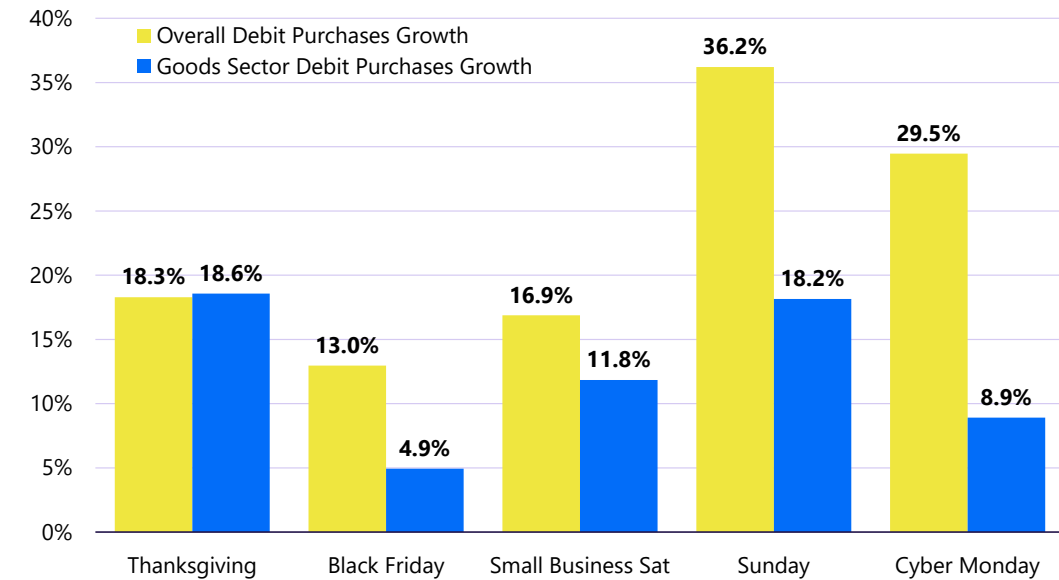
At Walmart, debit purchases were up 3.3% and credit purchases were down 0.7% compared to November 2023. (For Walmart, gasoline sales were excluded to make the comparison to the Goods sector and other larger retailers more consistent). While Target posted a decline in year-over-year growth activity for October, November's growth saw an improvement in both transactions and purchases for credit and debit. Shortly after the first installment of our 2024 holiday spend edition published, [Target announced they were expecting a weak holiday season](#) on their quarterly earnings call. Our November report shows a rebound in growth over October, with debit purchases up for the cumulative holiday season by 3.6% and credit purchases down 2.3%, similar to the other two large retailers. These results are exclusively based on the 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.

Thanksgiving Day to Cyber Monday Year-over-Year Growth by Day

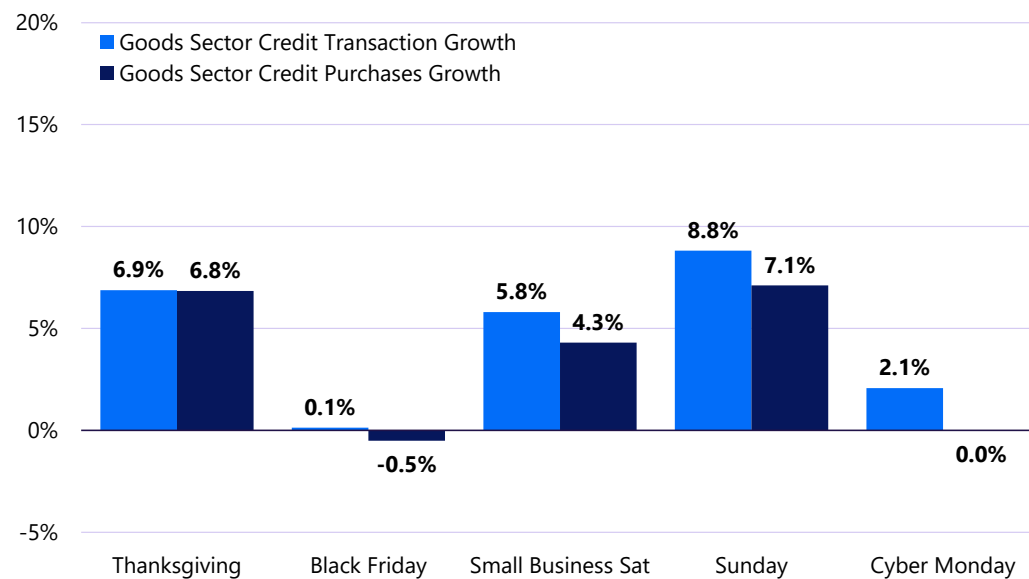
Credit Purchases - Overall & Goods Sector



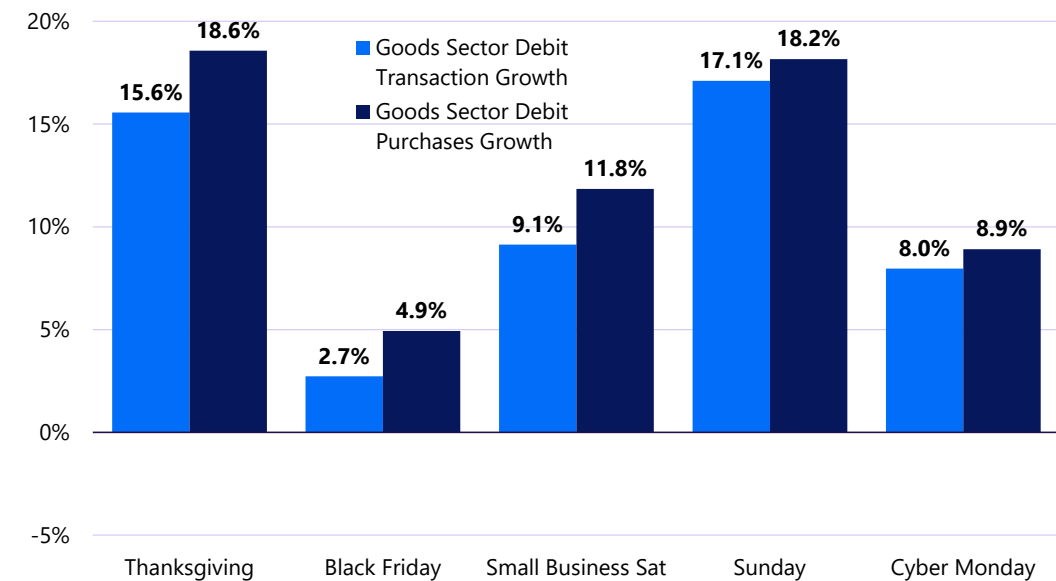
Debit Purchases - Overall & Goods Sector



Credit Transactions & Purchases - Goods Sector



Debit Transactions & Purchases - Goods Sector



Holiday Spend Part II: Goods Sector and Large Retailers: November 2024 vs 2023

Transaction Growth

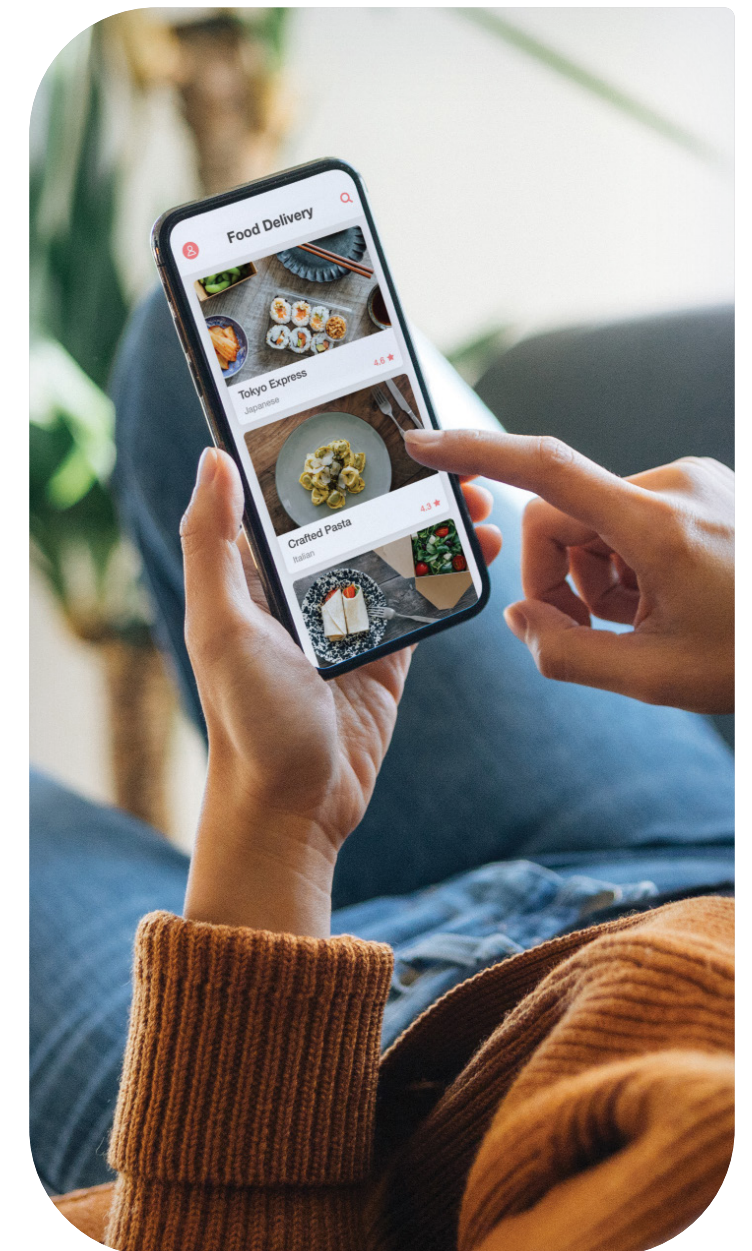
Retailer	Credit			Debit		
	Oct 2024	Nov 2024	Cumulative Holiday Period	Oct 2024	Nov 2024	Cumulative Holiday Period
Goods (Overall)	2.4%	-1.7%	0.2%	5.5%	4.0%	4.7%
Amazon/Whole Foods	3.0%	0.5%	1.7%	6.3%	6.7%	6.5%
Target	-2.8%	-0.5%	-1.5%	-0.4%	6.6%	3.4%
Walmart*	-1.8%	1.5%	0.0%	-0.3%	4.3%	2.1%

* Less Gasoline

Purchase Growth

Retailer	Credit			Debit		
	Oct 2024	Nov 2024	Cumulative Holiday Period	Oct 2024	Nov 2024	Cumulative Holiday Period
Goods (Overall)	0.4%	-4.5%	-2.2%	5.7%	4.0%	4.8%
Amazon/Whole Foods	1.7%	-3.5%	-1.2%	5.3%	3.4%	4.2%
Target	-3.1%	-1.8%	-2.3%	-0.3%	6.8%	3.6%
Walmart*	-0.8%	-0.6%	-0.7%	1.3%	5.0%	3.3%

* Less Gasoline



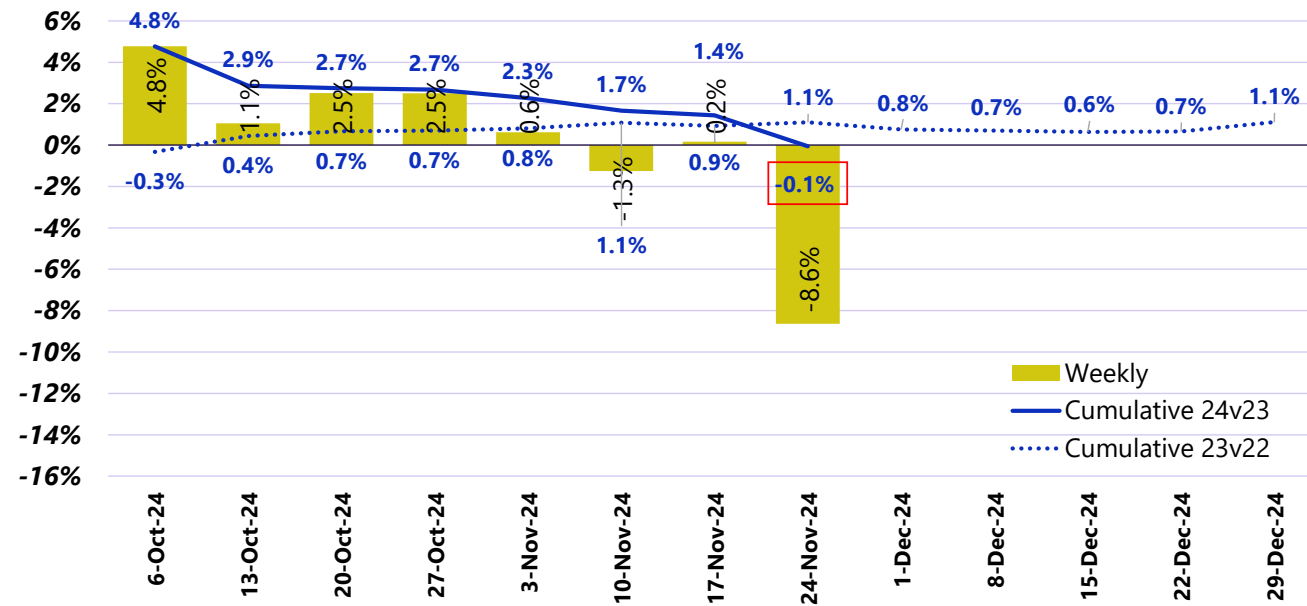
Holiday Spend Part II: Goods Sector Sub-Categories: Nov 2024

Merchant Category	Credit				Debit			
	Transactions	Purchases	Avg. Purchase	% Goods Purchases	Transactions	Purchases	Avg. Purchase	% Goods Purchases
Digital Merchants	1.4%	-3.3%	\$43.91	26%	7.0%	5.9%	\$31.98	30%
Apparel & Accessories	-7.5%	-7.5%	\$104.07	12%	-1.4%	-0.1%	\$71.76	11%
Discount Stores	-1.1%	-3.9%	\$66.44	6%	4.0%	5.9%	\$46.04	11%
Home Supply & Hardware	-0.4%	-2.6%	\$120.99	9%	1.8%	1.7%	\$72.98	8%
Vehicles - Automobiles	-2.9%	-3.3%	\$266.68	8%	3.9%	8.2%	\$132.74	7%
Wholesale Clubs	3.7%	2.9%	\$133.04	7%	11.6%	12.7%	\$99.14	6%
Miscellaneous Stores	-3.9%	-8.1%	\$97.09	6%	-0.3%	-3.0%	\$44.11	4%
Drug & Pharmacy	-6.9%	-1.5%	\$39.47	3%	-0.9%	2.6%	\$28.26	4%
Hobby Stores	-17.4%	-6.4%	\$56.27	2%	-0.2%	4.6%	\$35.90	3%
Retail Stores	4.9%	-2.3%	\$71.21	4%	7.8%	3.9%	\$56.10	3%
Home Furnishings	-7.8%	-4.6%	\$343.38	6%	-2.1%	-0.6%	\$157.26	3%
Sporting	-12.9%	-11.2%	\$161.15	3%	-3.7%	-1.2%	\$99.64	2%
Wholesale Distributors and Manufacturers	-4.6%	-9.1%	\$196.24	4%	6.0%	0.0%	\$90.26	2%
Pet Services	-2.4%	-3.2%	\$76.71	2%	0.8%	1.8%	\$58.37	2%
Digital Goods	7.7%	5.5%	\$29.46	1%	3.6%	2.4%	\$21.67	1%
Direct Marketing	-12.6%	-19.7%	\$57.96	1%	-7.4%	-11.8%	\$32.81	1%
Pawn/Consignment	-0.6%	-4.6%	\$49.68	0%	2.3%	3.0%	\$37.61	1%
Vehicles - Other	-15.5%	-12.0%	\$449.93	0%	-6.3%	5.4%	\$241.26	0%
Grand Total	-1.7%	-4.5%	\$76.65	100%	4.0%	4.0%	\$46.81	100%

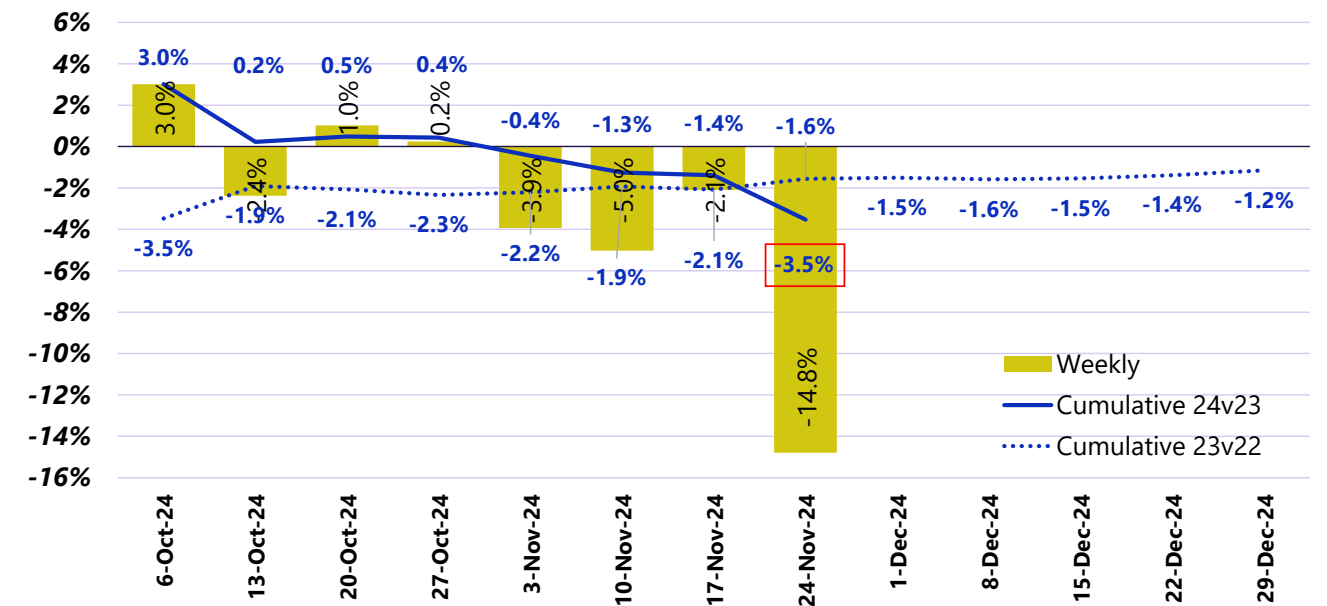
Holiday Season Purchases: Goods Sector 2024 Weekly Results Compared to 2023

Cumulative

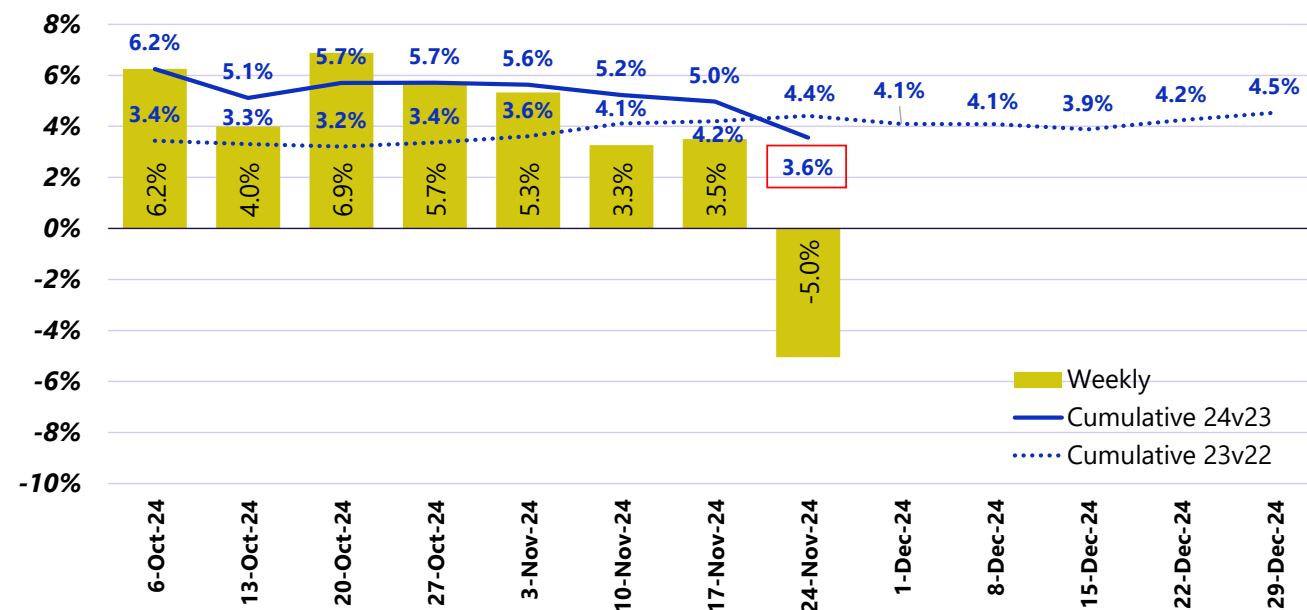
Goods Sector Credit Transactions



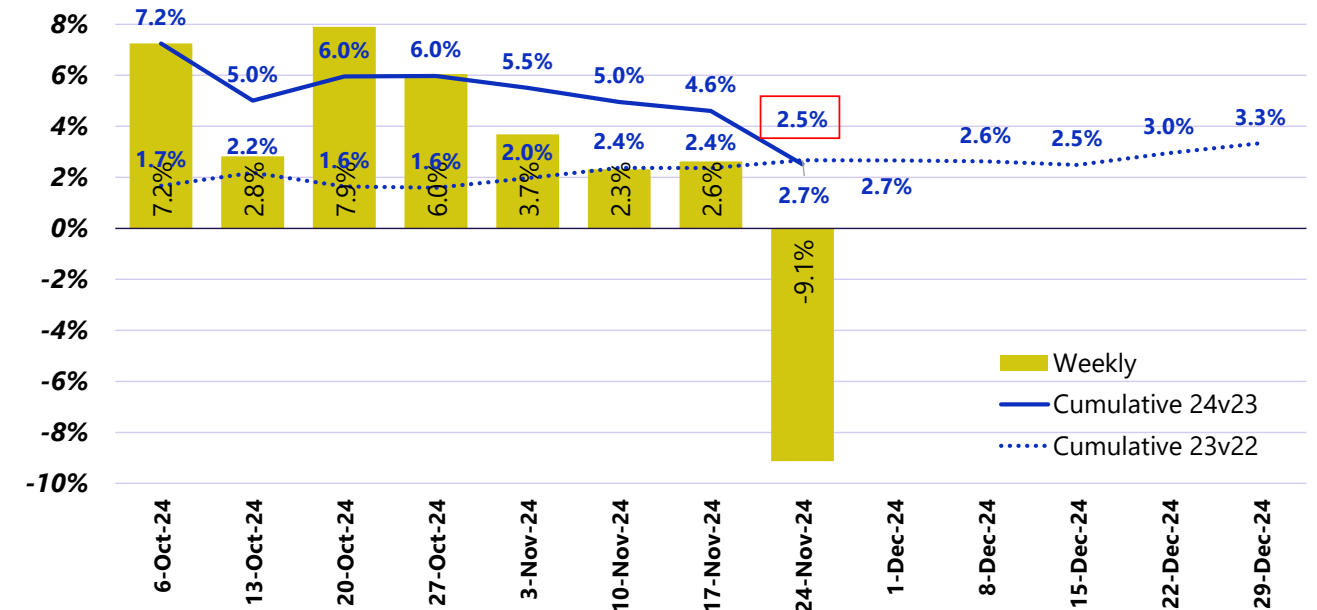
Goods Sector Credit Purchases



Goods Sector Debit Transactions

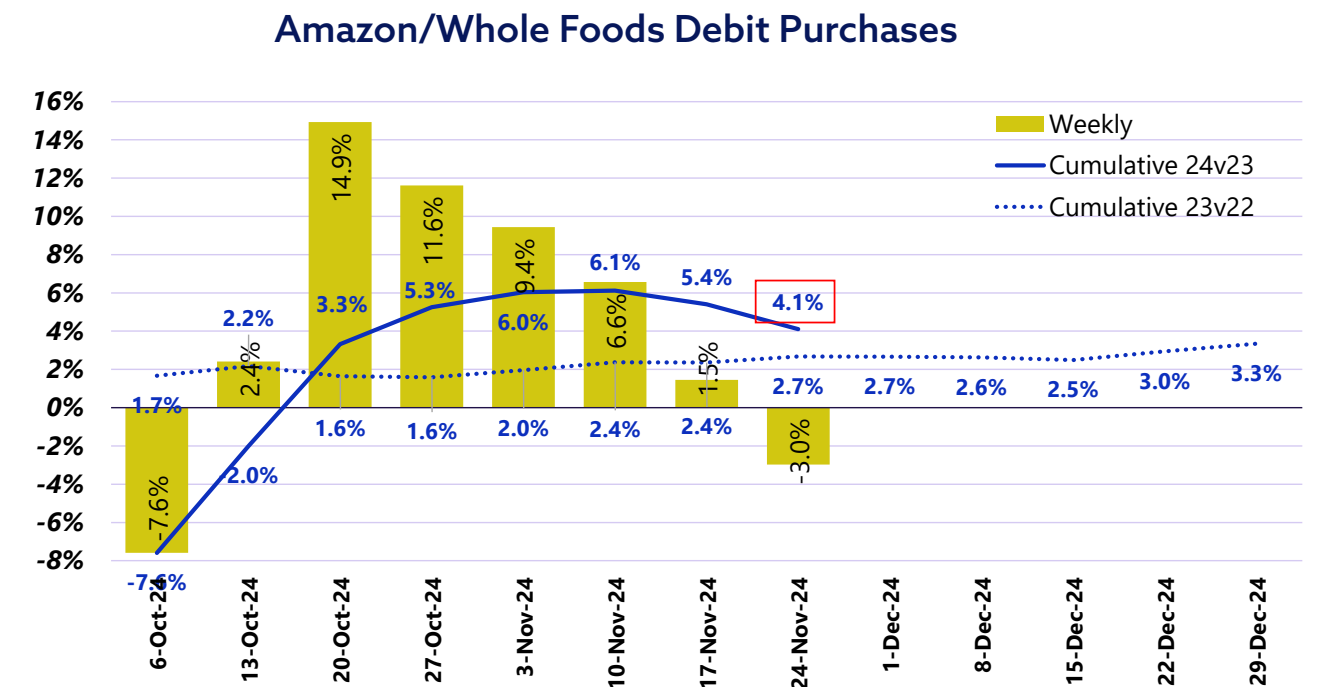
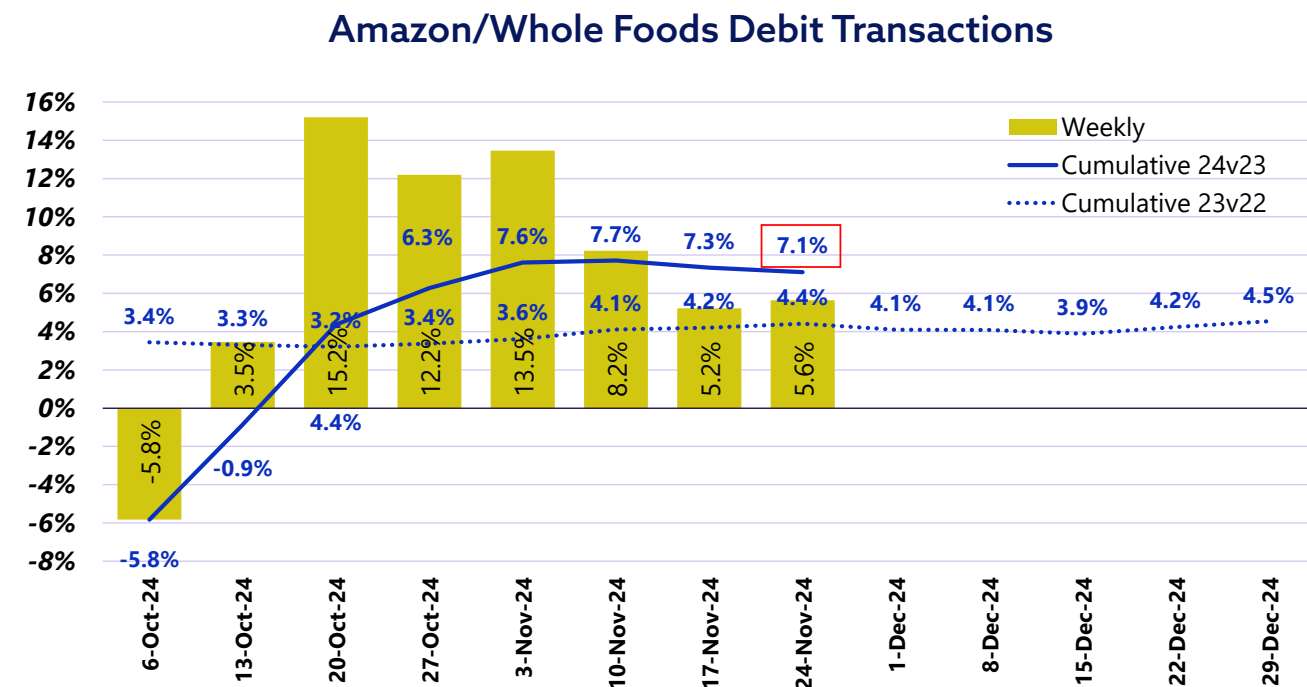
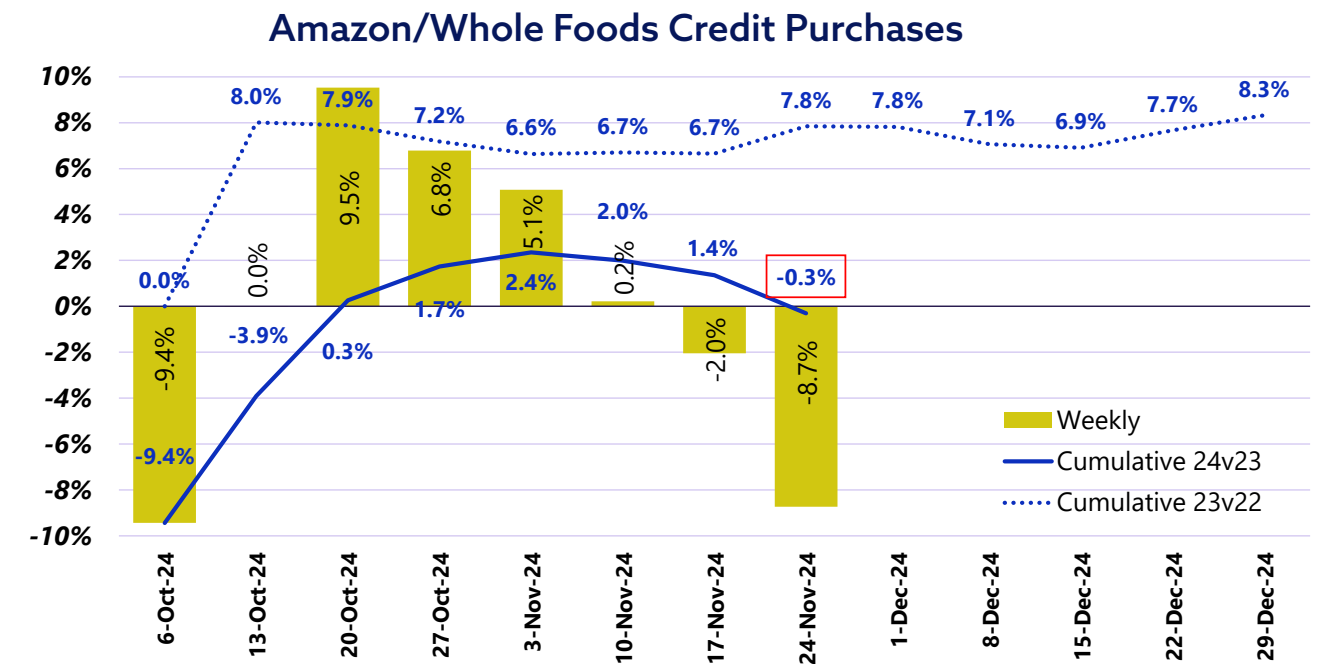
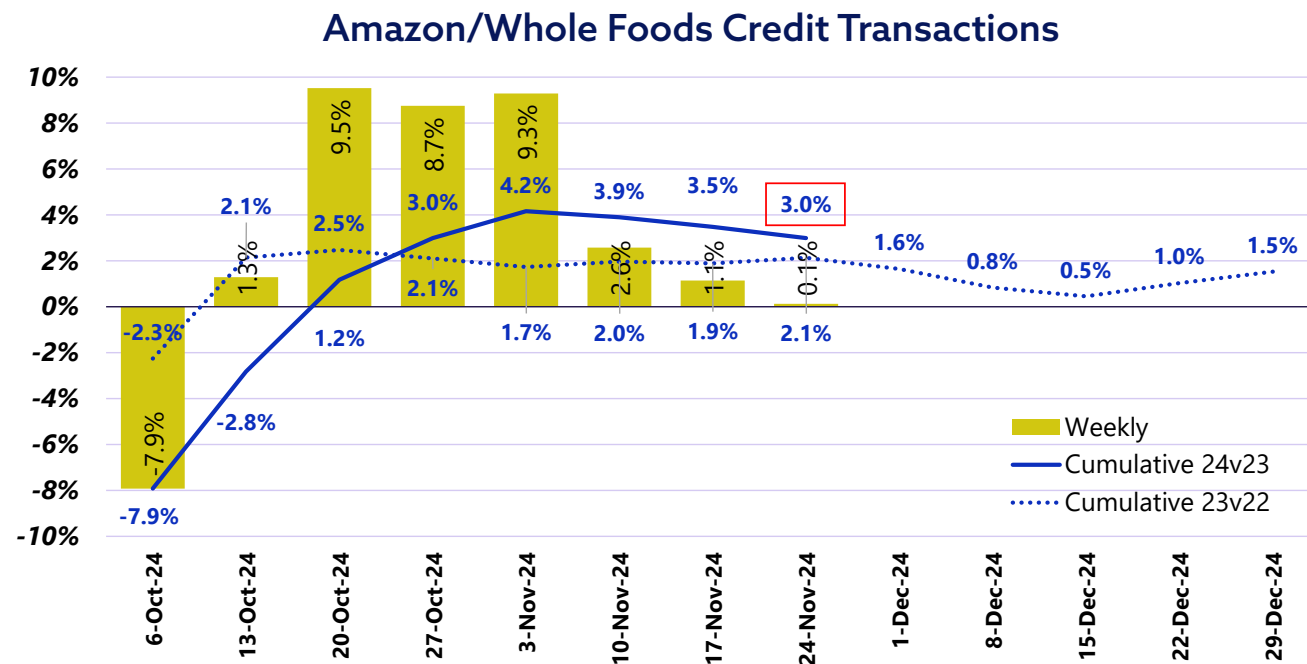


Goods Sector Debit Purchases



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

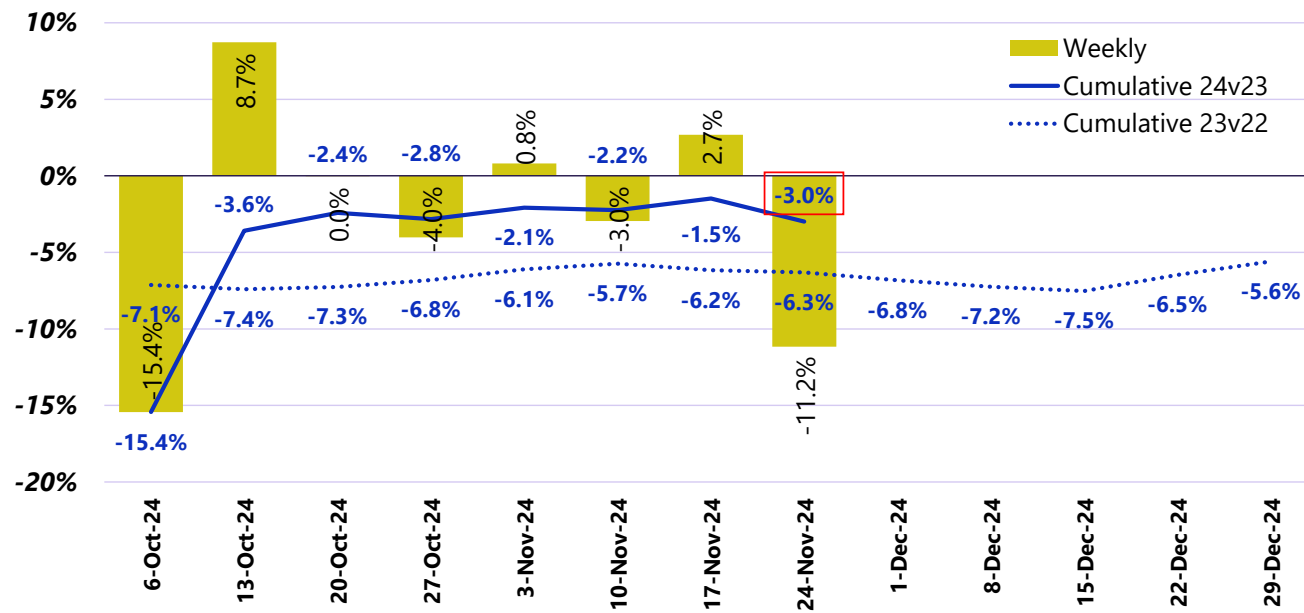
Cumulative



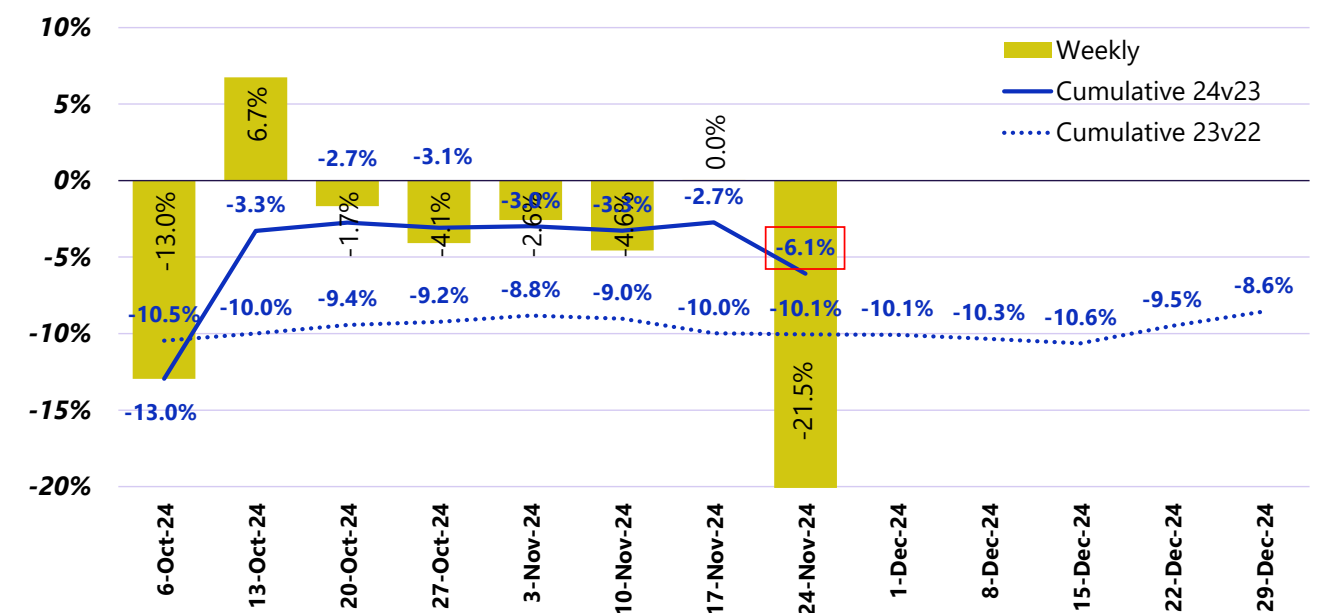
Holiday Season Purchases: Target 2024 Weekly Results Compared to 2023

Cumulative

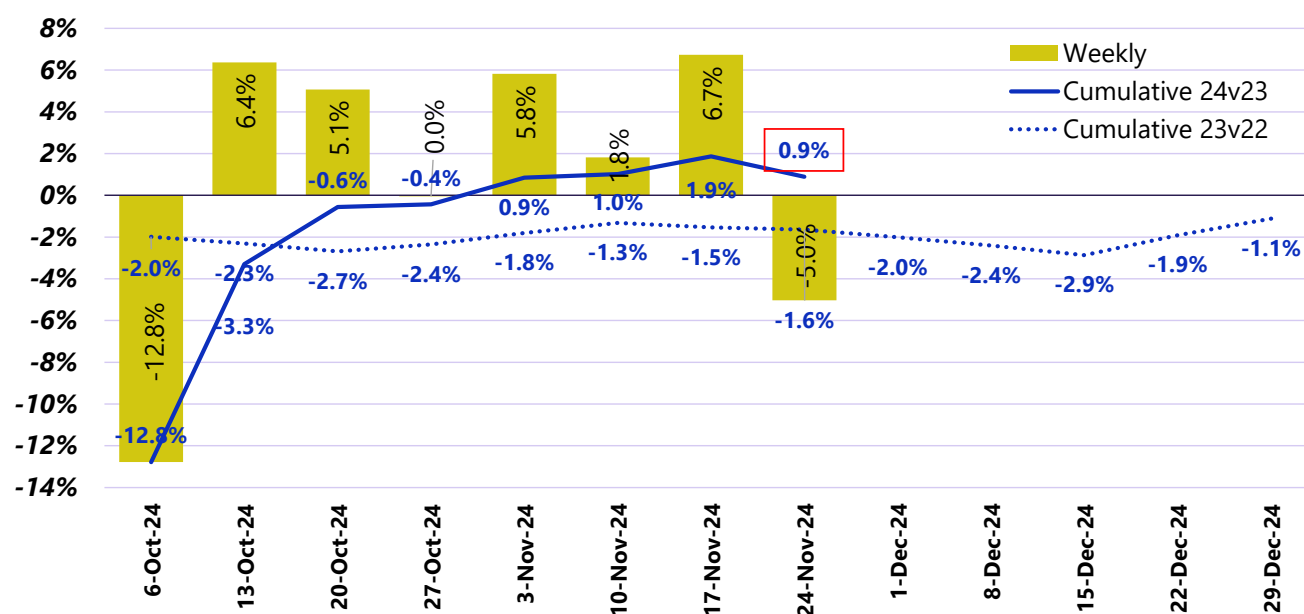
Target Credit Transactions



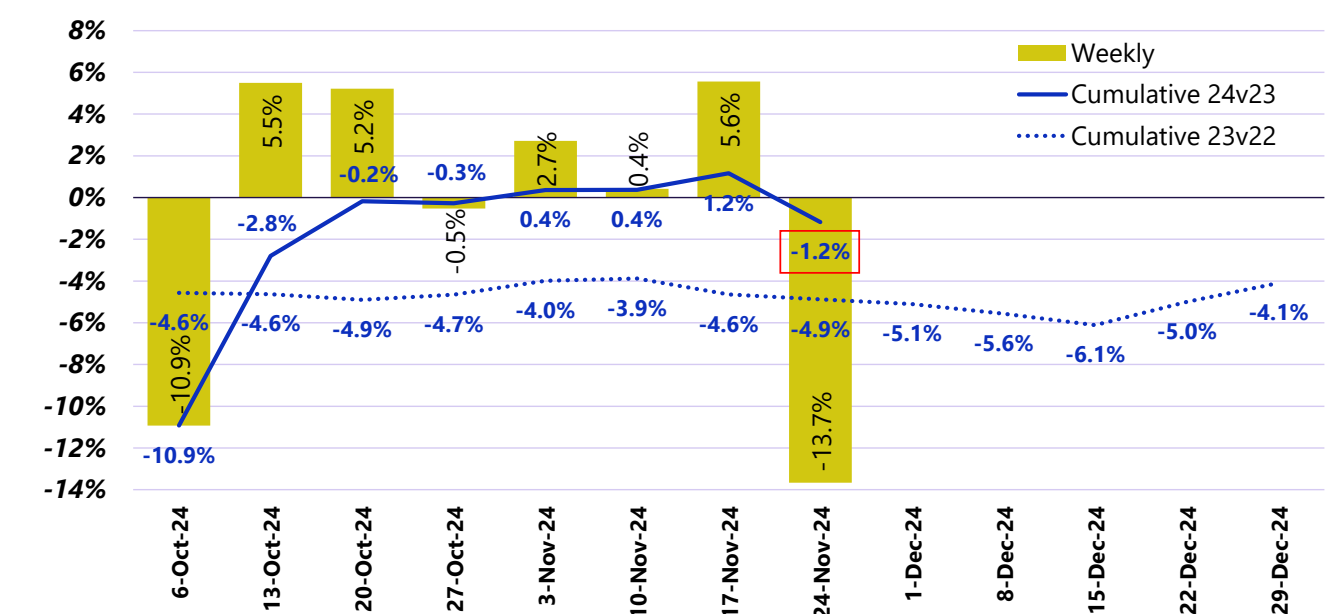
Target Credit Purchases



Target Debit Transactions



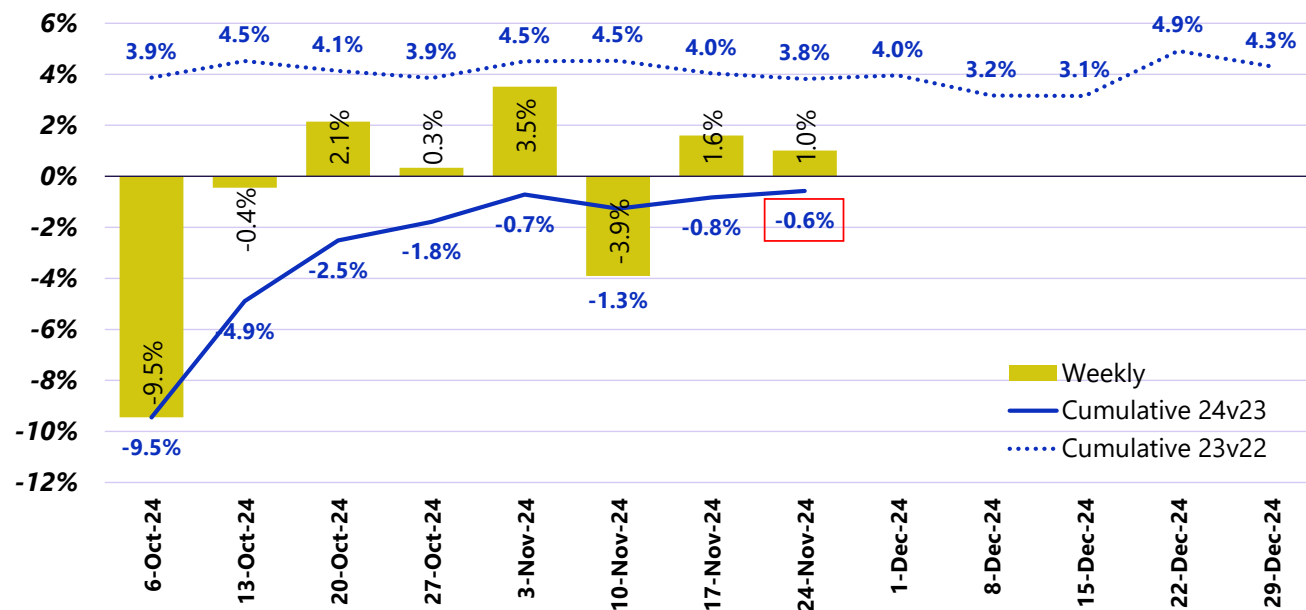
Target Debit Purchases



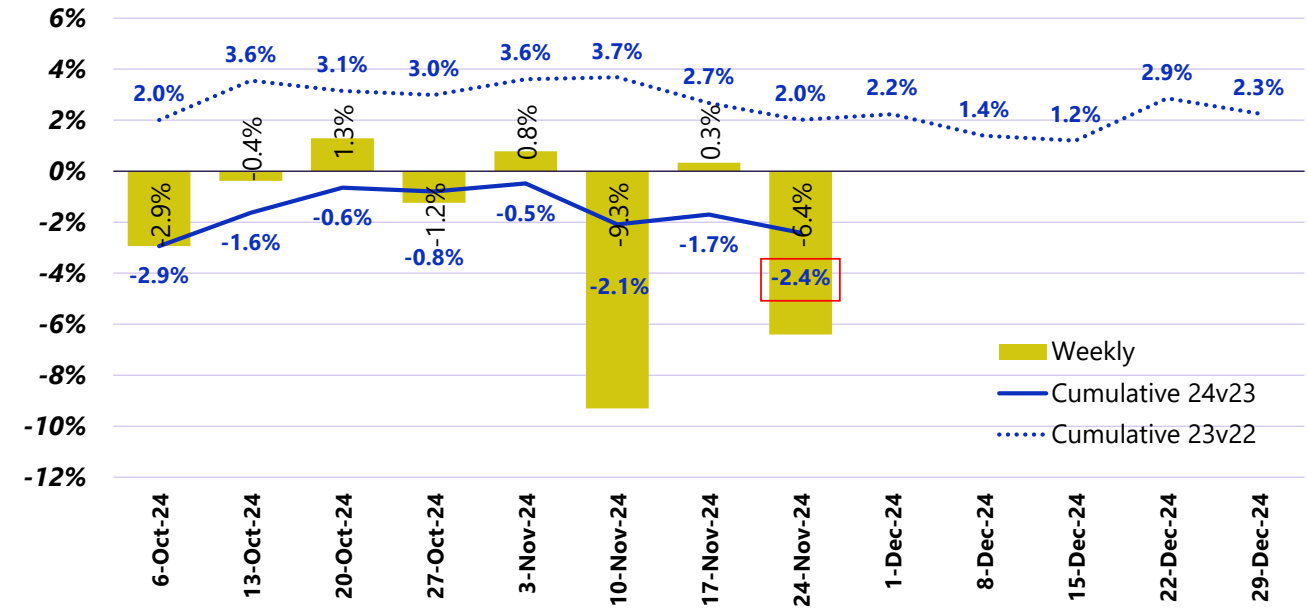
Holiday Season Purchases: Walmart (less Gas) 2024 Weekly Results Compared to 2023

Cumulative

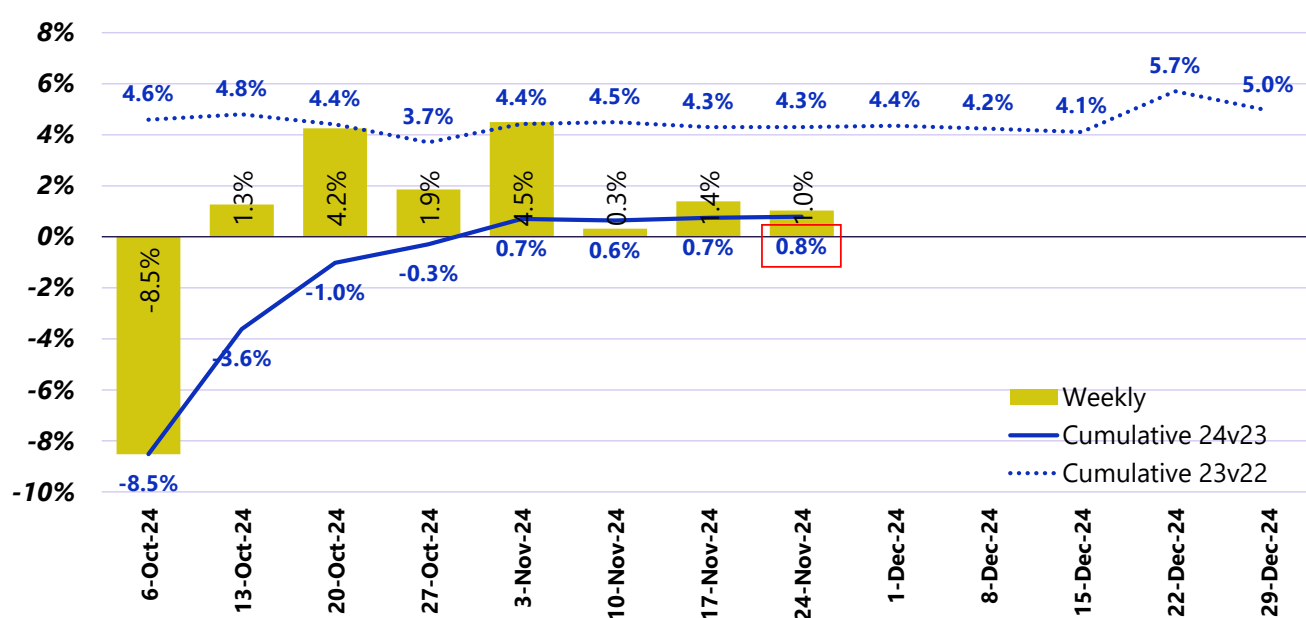
Walmart (less Gas) Credit Transactions



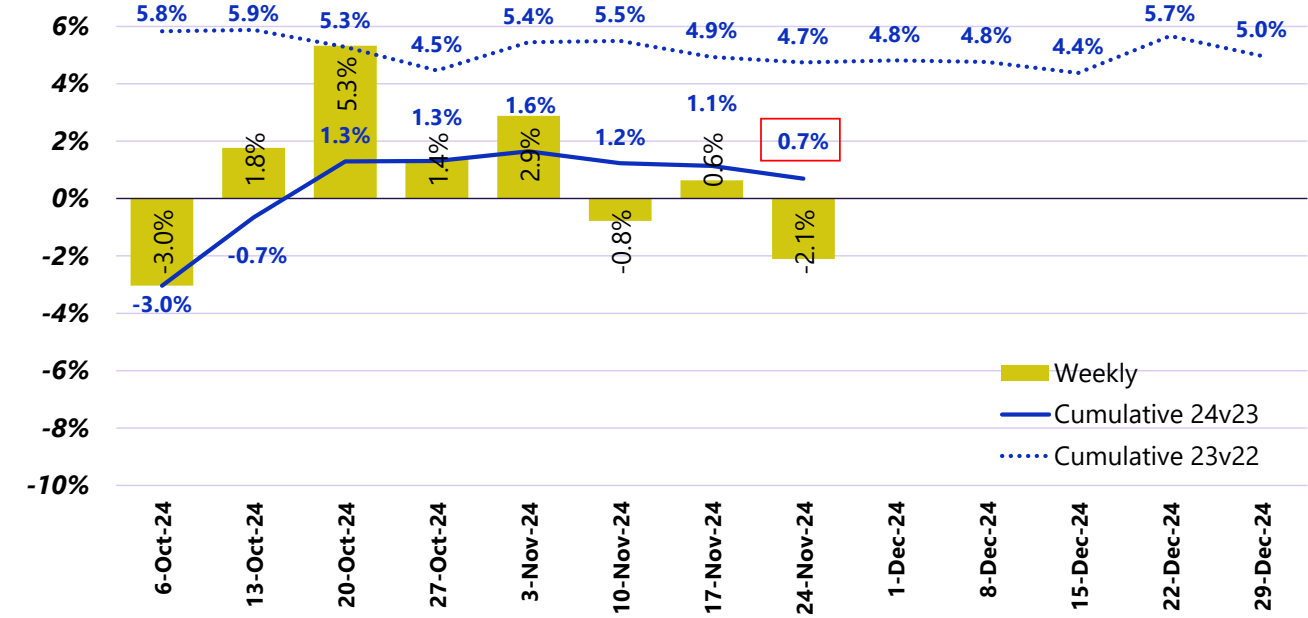
Walmart (less Gas) Credit Purchases



Walmart (less Gas) Debit Transactions



Walmart (less Gas) Debit Purchases



Checking in: Charitable and Social Organizations

Giving Tuesday fell on Dec. 3 this year, with payment activity rising in the Charitable and Social Organizations merchant category. For Giving Tuesday 2024, growth in purchases was up 31.2% for debit and 11.3% for credit compared to 2023. The average debit purchase amount on Giving Tuesday was \$69.78, up 7.8% compared to 2023 and the average credit purchase amount was \$116.81, up 11.0%.

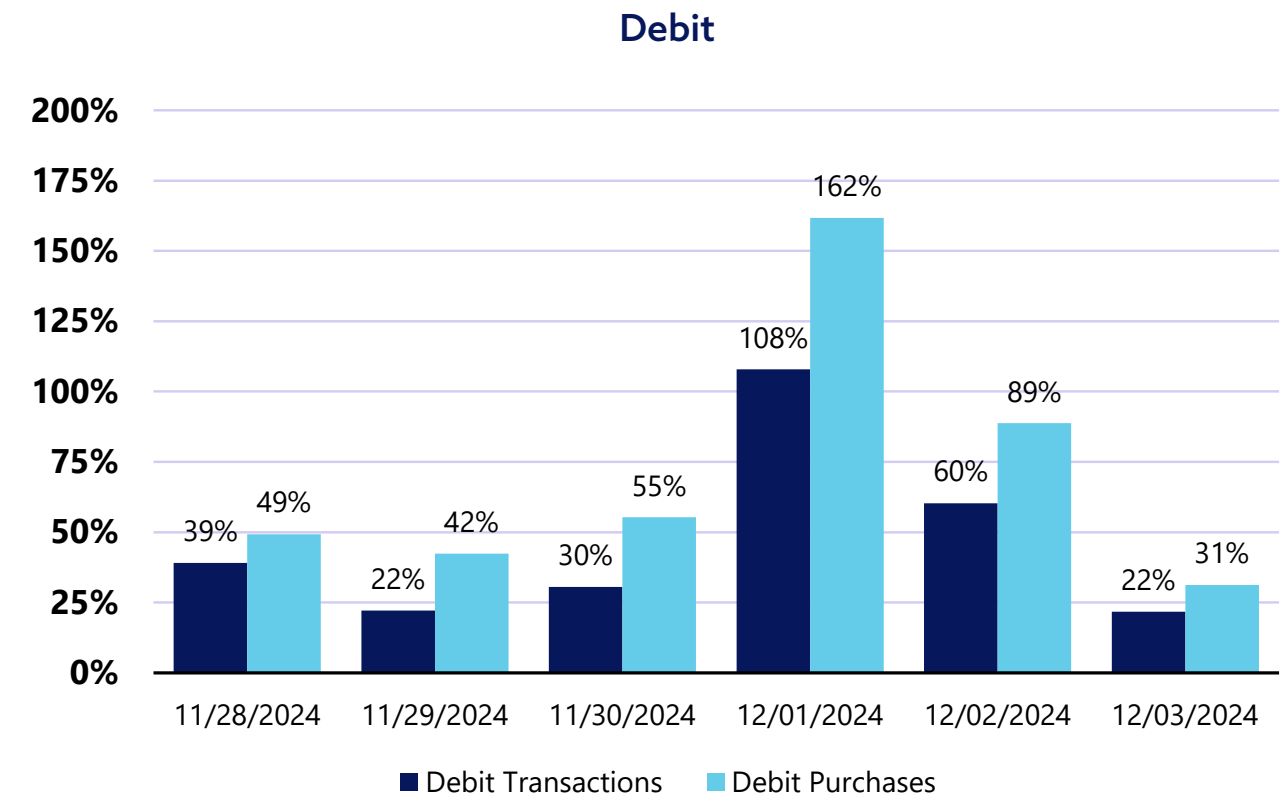
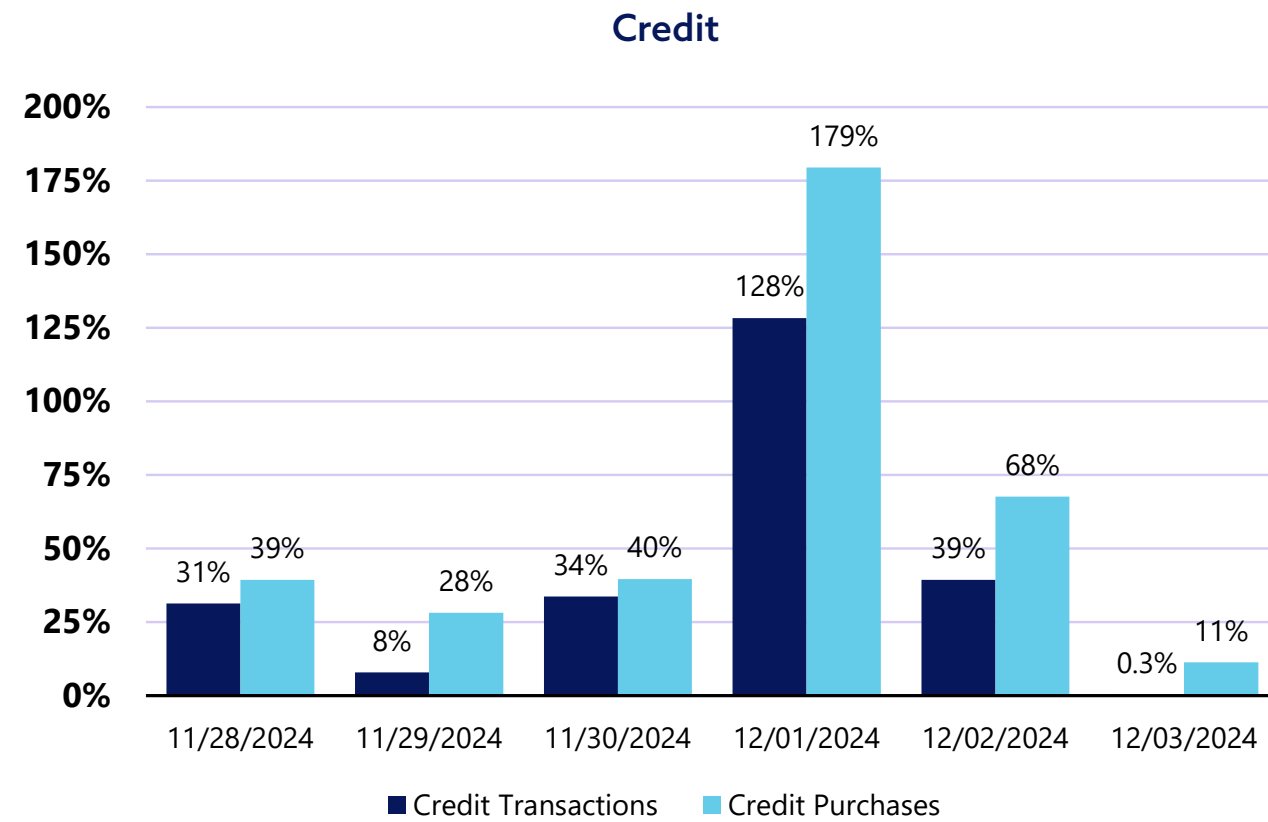
For the month of November, debit purchases were up 18.1% and credit purchases were down 0.2% in the Charitable and Social Organizations merchant category. Year-over-

year growth in purchases for this merchant category for the cumulative year through November was up 8.0% for debit and up 4.4% for credit. The strong year-to-date growth was influenced by notable increases in the months of September and October 2024, which aligned with two major hurricanes, Helene in late September and Milton in early October.

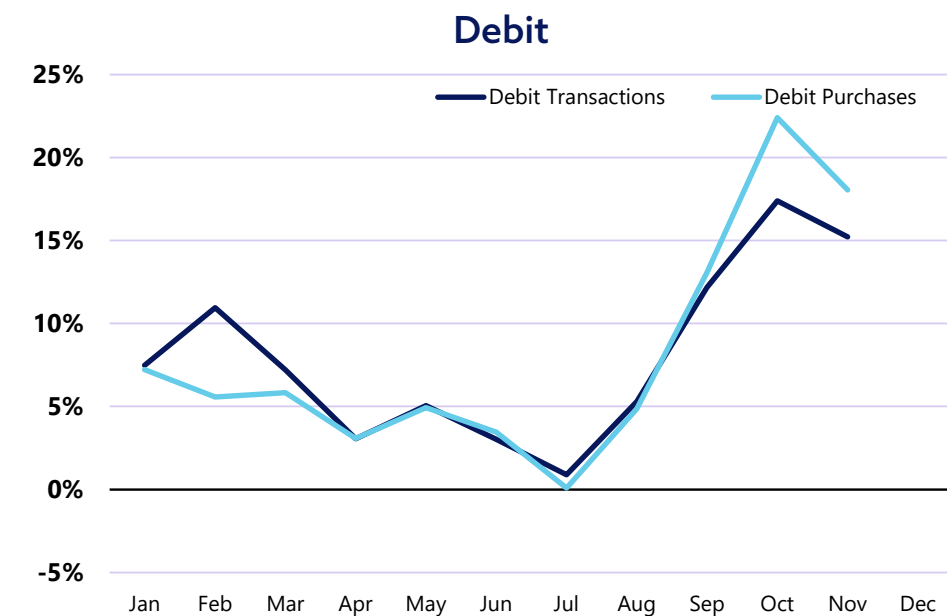
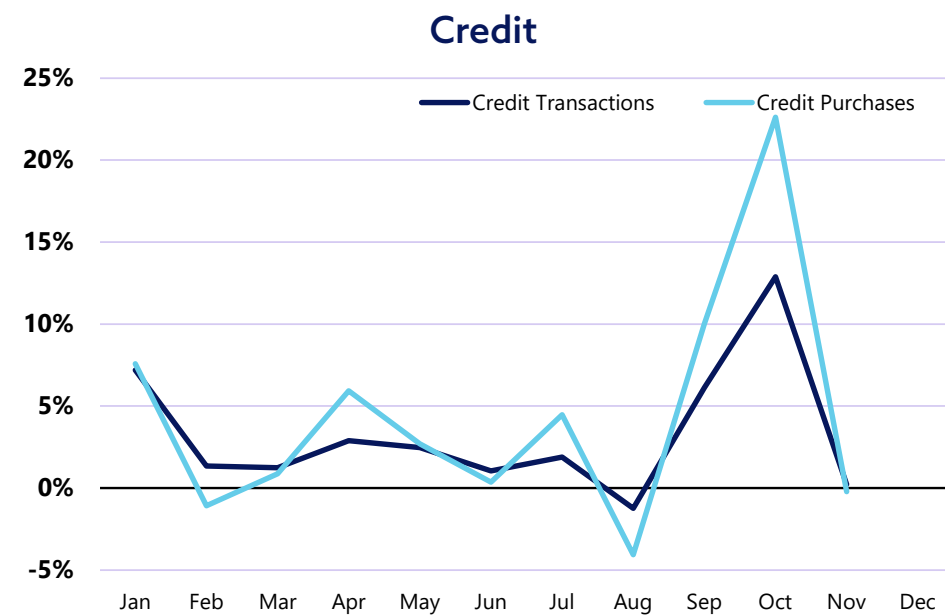
Charitable & Social Organizations Merchant Category Code: Growth And Average Purchases

	Timeframe	Giving Tuesday	Thanksgiving 5 Day Period	November 2024	YTD 2024
Credit	Transactions	0.3%	31.0%	0.2%	3.3%
	Purchases	11.3%	46.7%	-0.2%	4.4%
	Average Purchase Amount	\$116.81	\$98.00	\$84.29	\$82.52
	Average Purchase Growth	11.0%	12.0%	-0.5%	1.1%
Debit	Transactions	21.7%	47.3%	15.2%	8.0%
	Purchases	31.2%	73.0%	18.1%	8.0%
	Average Purchase Amount	\$69.78	\$72.28	\$63.81	\$63.05
	Average Purchase Growth	7.8%	17.4%	2.5%	0.0%

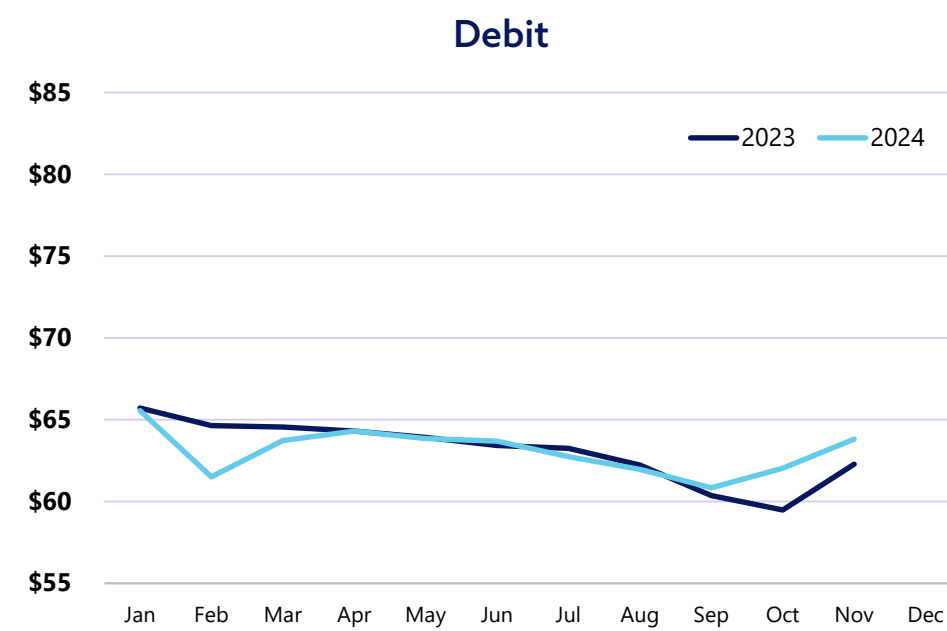
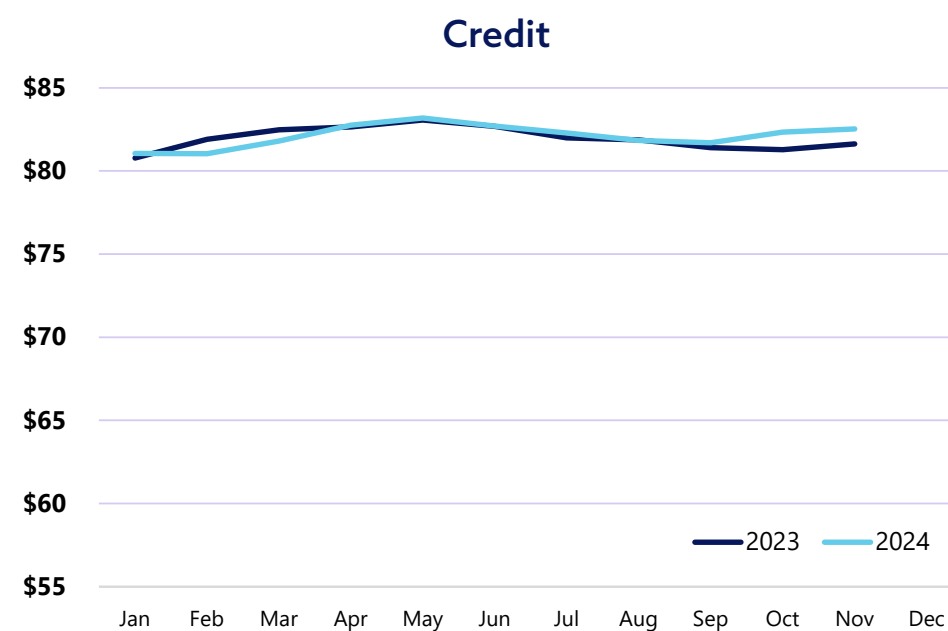
Charitable & Social Organizations Year-over-Year Growth: Thanksgiving Day through Giving Tuesday



Charitable & Social Organizations Year-over-Year Growth - Monthly



Charitable & Social Organizations - Average Purchase Amount



What Should Credit Unions Do Now?

- 1** Following the holidays, some consumers will take time to pay off credit card balances, resulting in higher-than-average utilization levels in the beginning of the year. Assess credit-worthy credit card members for a credit line increase in early 2025, enabling additional purchasing power throughout the year, as well as room for post-holiday balance transfers.
- 2** The period when consumer spending starts to ramp up following the post-holiday lag is the perfect time to focus on credit and debit card retention efforts by encouraging member re-engagement. Don't miss out on the Advisors Plus Spring 2025 Activation & Retention campaign launching April 1. The enrollment deadline is Jan. 15.
- 3** As credit card delinquencies remain elevated and tend to rise during the holiday season, consider resources to assist or supplement your credit union's collection activities. Velera's [TriVerity](#) offers a variety of first- and third-party services. [Reach out](#) for details on options to align with your strategies.

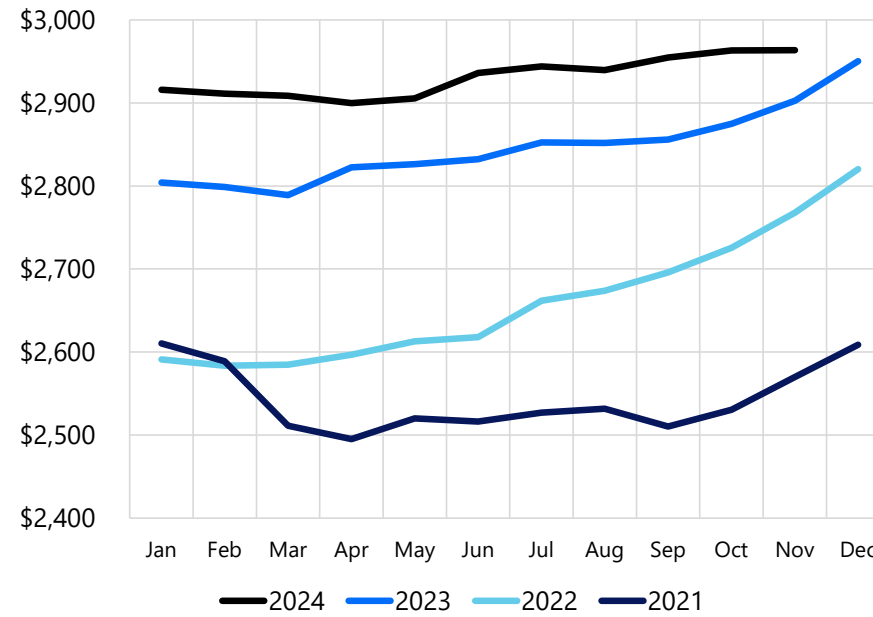
Contact your Client Growth Executive for further details or to explore how Velera can support your credit union with these opportunities.



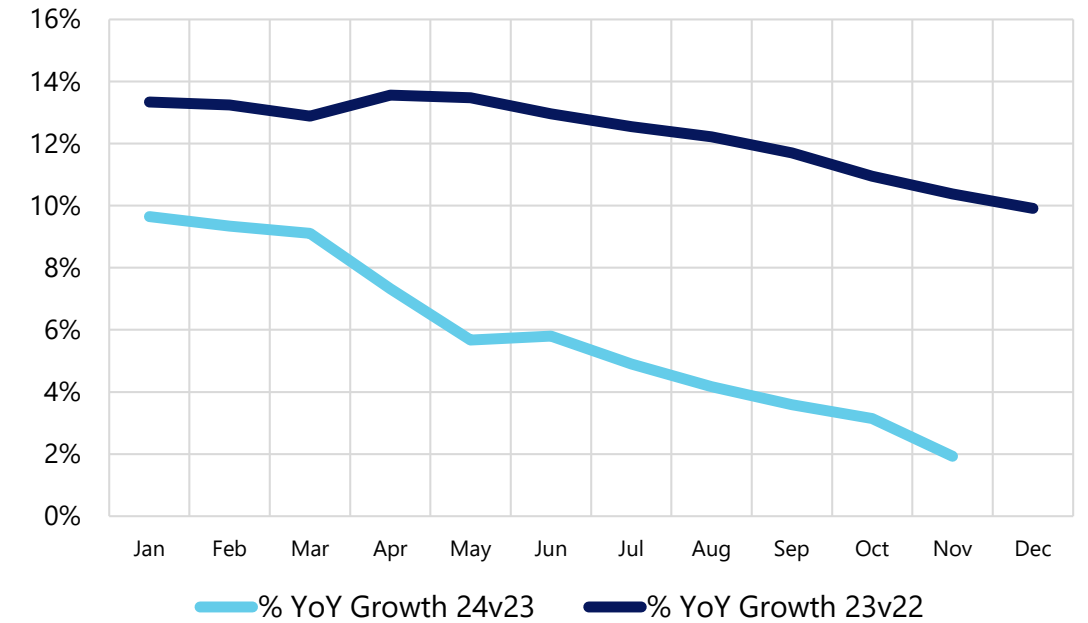
Credit Card Balances

The rate of growth for total credit card balances continued to slow, measuring 1.9% year over year for November 2024. Meanwhile, the average credit card account balance finished November at \$2,964, relatively unchanged from the previous month's measure. Compared to one year ago, the average credit card balance increased 2.1% or \$61.

Average Credit Card Balances per Gross Active Account



Percentage Change in Total Credit Card Balances

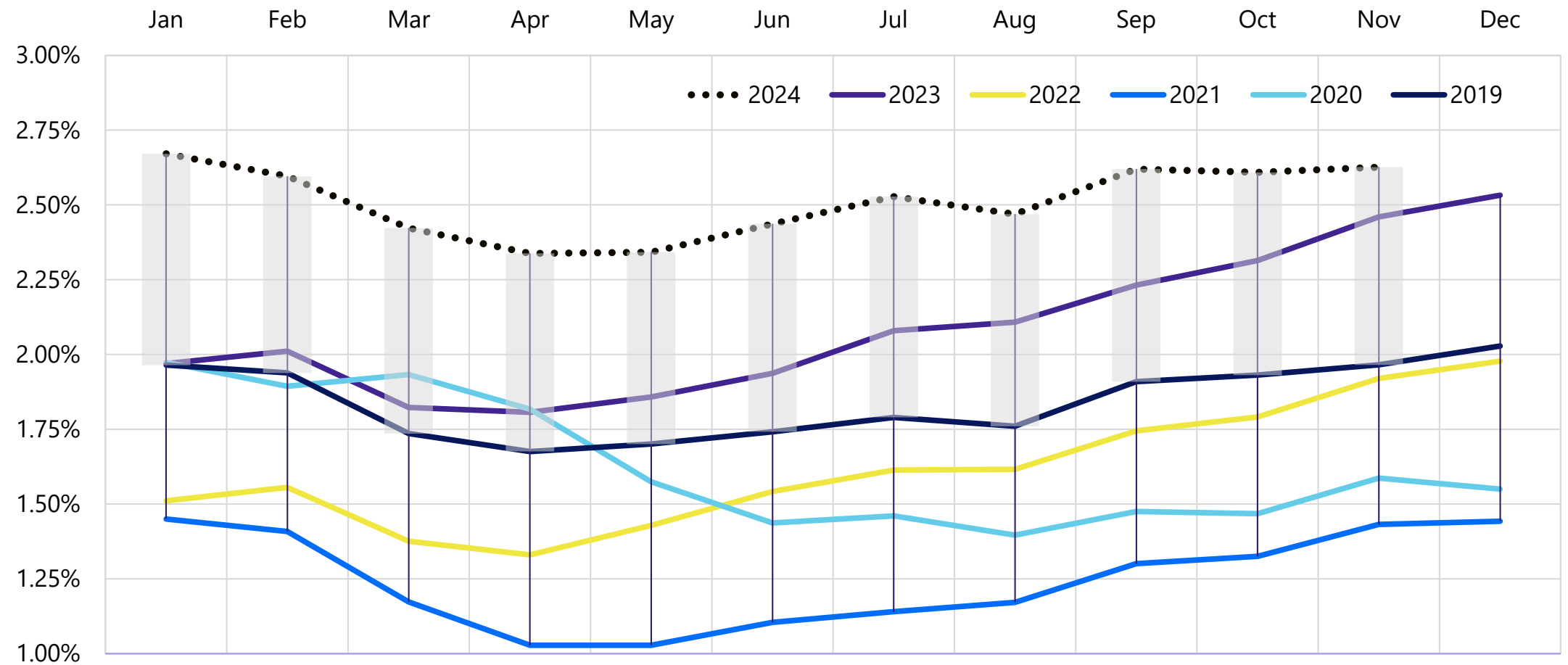


Credit Card Delinquencies

Over the past two months, the delinquency rate has remained fairly stable, increasing just two basis points from the prior month to 2.63% for November. Though the delinquency rate typically peaks in December, the percentage of balances delinquent was 17 basis points higher compared to one year ago and 66 basis points higher than November 2019.

According to recent data from the [Federal Reserve Board](#), the credit card delinquency rate rose in the third quarter to its highest level since 2010, surpassing 4%. The Fed reported increased delinquencies were mainly due to non-prime borrowers.

Overall Credit Card Delinquency Rate November 2024



Credit and Debit Cards

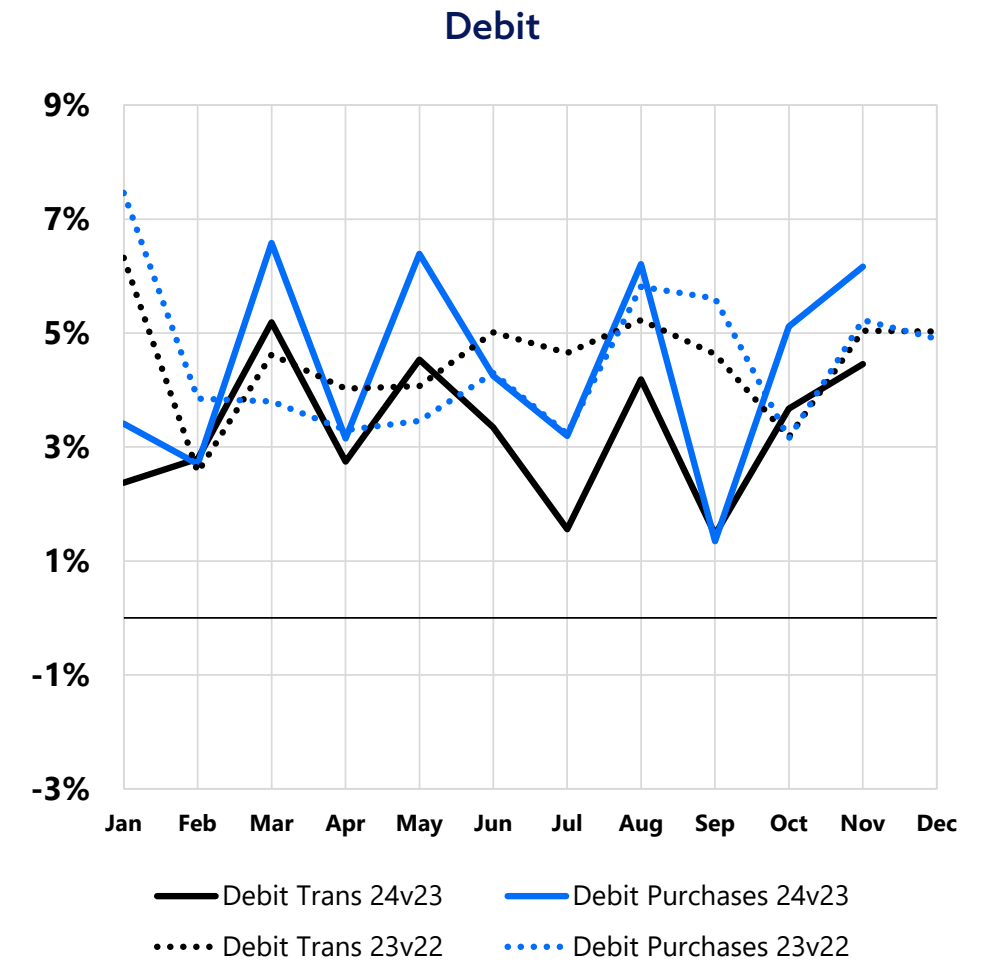
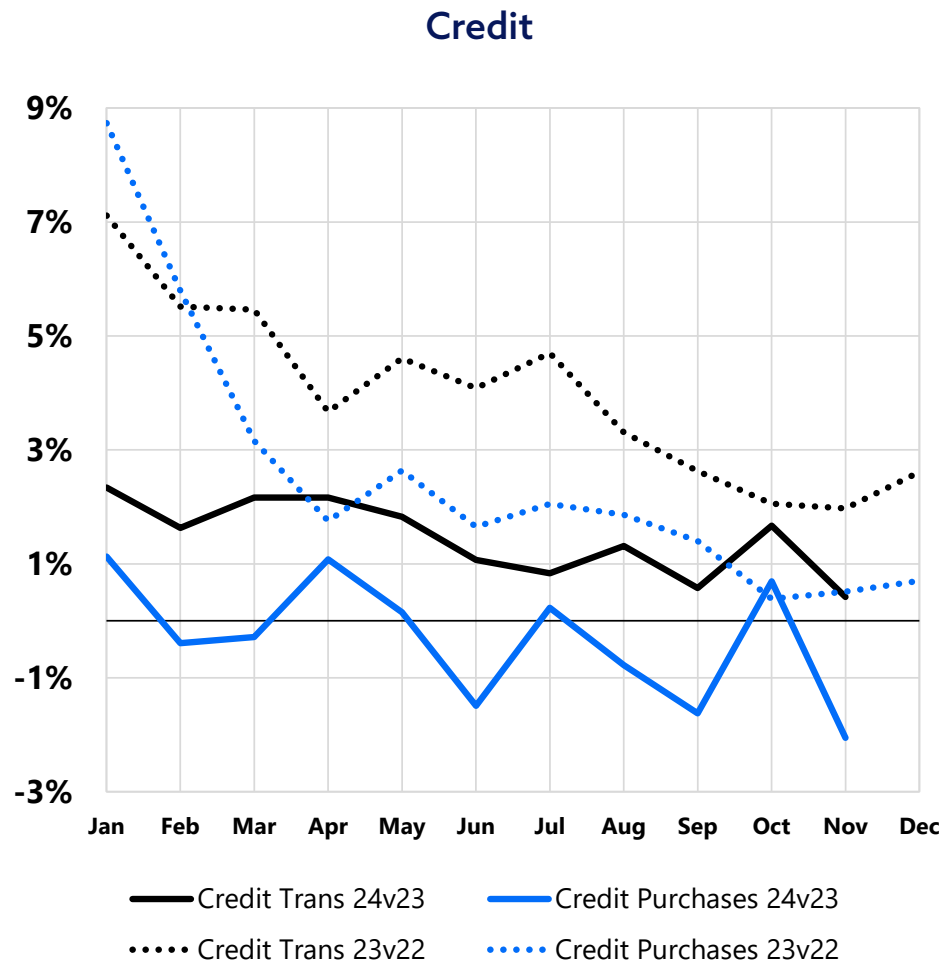
Year-over-year growth rates for debit cards were strong in November, while credit card growth softened, likely impacted by the calendar with Cyber Monday and Giving Tuesday falling in December for 2024 compared to 2023. Payments Index data showed credit card not present (CNP) purchases and transactions were down 3.4% and 0.2% year over year for the month of November, respectively. For debit, heightened card present (CP) activity was observed.

Debit purchases grew 6.2% year over year, one percentage point higher than the previous year's rate of growth. Outside of Money Services, debit purchase growth was driven by the Goods & Services sectors, collectively contributing 2.1% of growth, with another 1.6% from food-based sectors (Food & Groceries and Restaurants).

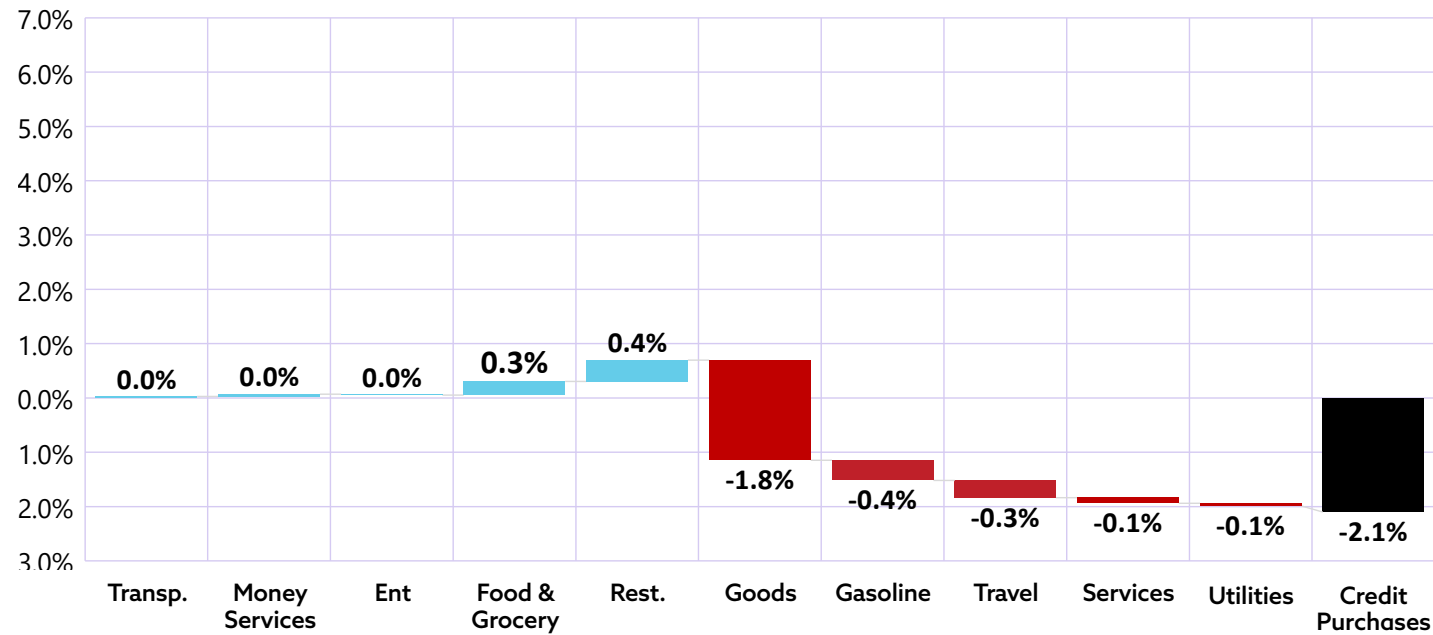
For credit purchases (down 2.1% year over year), the Restaurants and Food & Grocery sectors were positive growth contributors. However, it was the Goods sector that largely negated growth, driving it down 1.8%, along with the Gasoline (-0.4%) and Travel sectors (-0.3%).

November debit and credit transaction growth rates increased 4.5% and 0.4% year over year, respectively, but were lower compared to one year ago. The average purchase amount per transaction for debit increased 1.6% year over year to \$35.54, while credit decreased 2.5% to \$69.55.

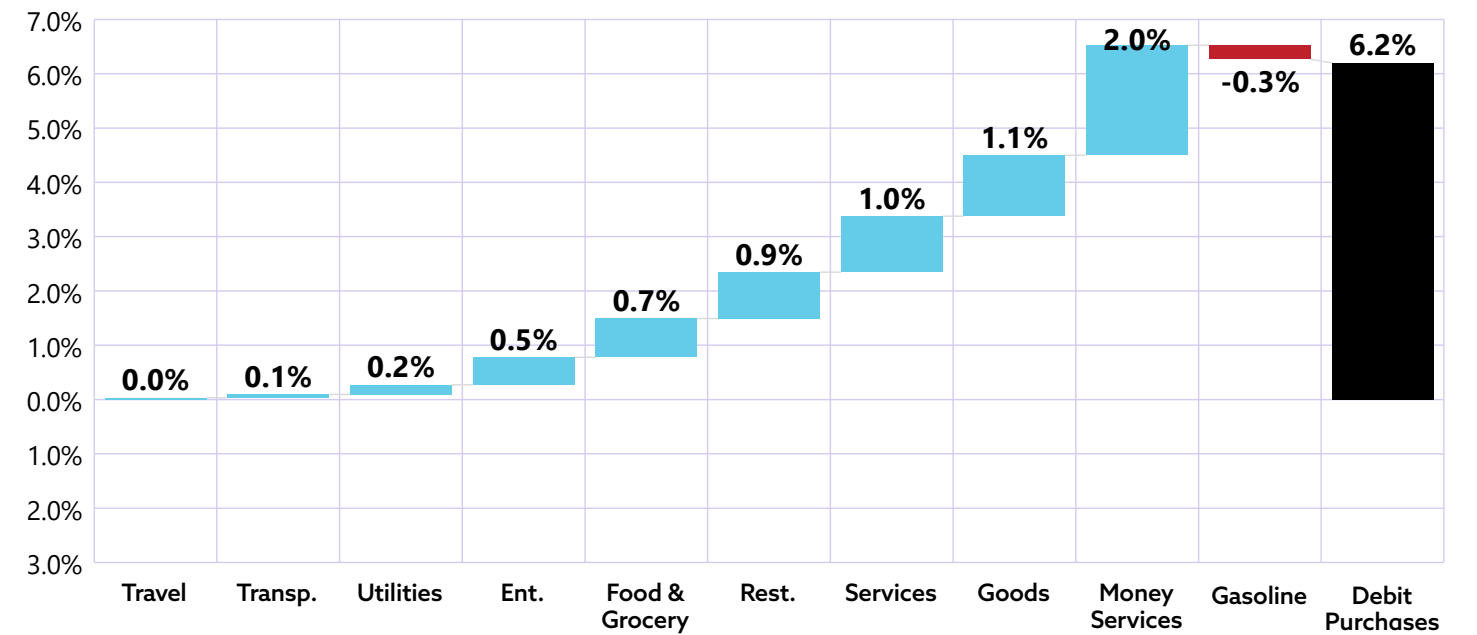
	Credit		Debit	
	Transactions	Purchases	Transactions	Purchases
2024 v 2023	0.4%	-2.1%	4.5%	6.2%
2023 v 2022	2.0%	0.5%	5.0%	5.2%



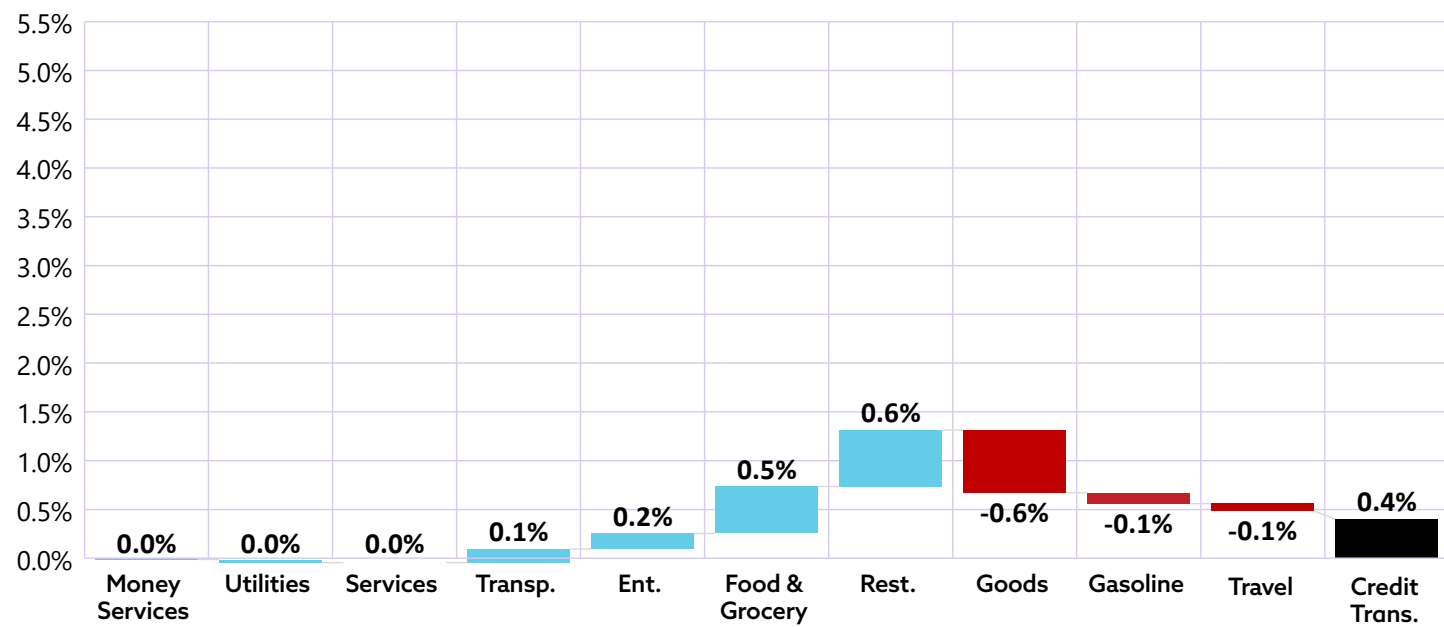
Sector Contributions to Growth in Credit Purchases: November



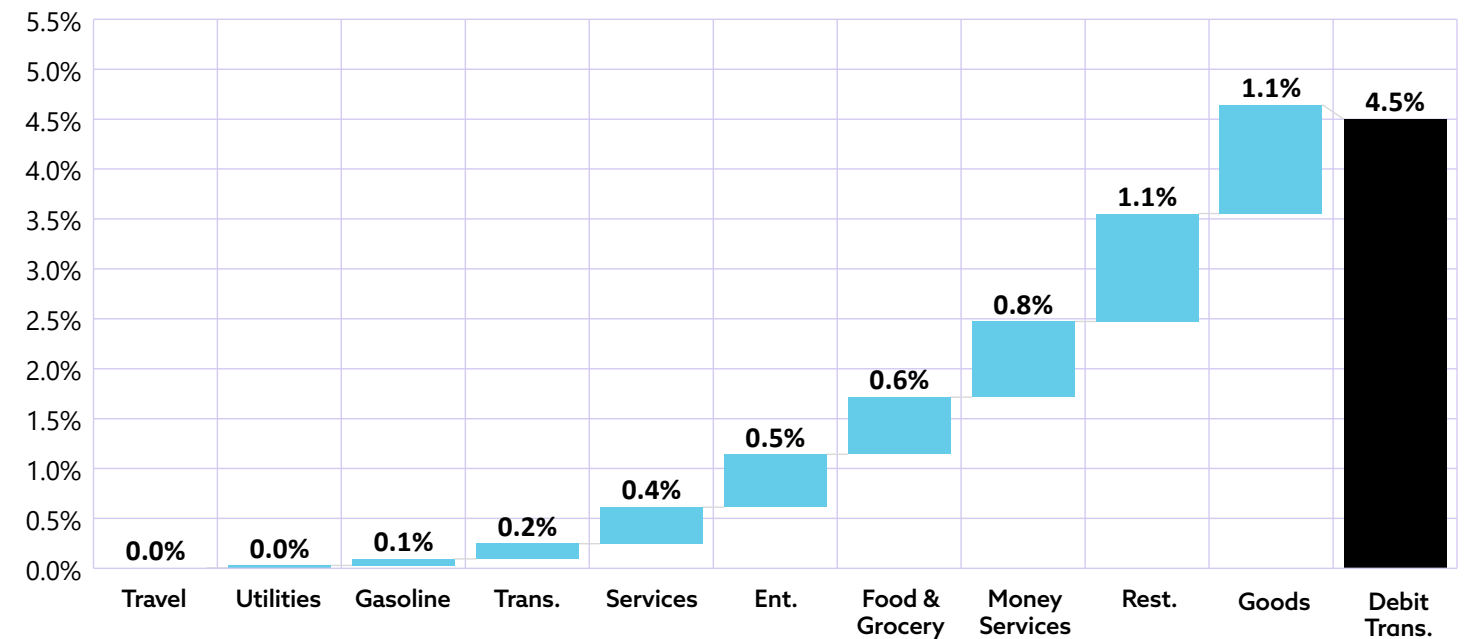
Sector Contributions to Growth in Debit Purchases: November



Sector Contributions to Growth in Credit Transactions: November



Sector Contributions to Growth in Debit Transactions: November




■ Increase ■ Decrease ■ Total

Sectors/Merchant Categories


The Money Services (+6%) and Restaurants (+5%) sectors had the highest year-over-year growth rates for credit purchases in November. In addition, Food & Grocery (+2%) experienced moderate growth, with transactions outpacing purchases. For debit purchases, the sectors with the highest growth rates included Money Services (+19%), Entertainment (+13%) and Transportation (+13%). The Restaurants (+8%) and Food & Grocery (+4%) sectors also saw solid year-over-year growth.

The Gasoline sector continued to experience year-over-year decreases in growth rates for credit and debit purchases, but at lower negative rates than observed in prior months. The national average price per gallon of gasoline finished at [\\$3.02](#) for the week ending Dec. 16, down 1.2% or \$0.04 year over year.




ENTERTAINMENT
November 2024 V 2023

	Credit	Debit
YoY Purchases	0%	13%
YoY Transactions	4%	12%




FOOD & GROCERY
November 2024 V 2023

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




GASOLINE
November 2024 V 2023

	Credit	Debit
YoY Purchases	-8%	-3%
YoY Transactions	-1%	0%




GOODS
November 2024 V 2023

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




MONEY SERVICES
November 2024 V 2023

	Credit	Debit
YoY Purchases	6%	19%
YoY Transactions	-6%	16%




RESTAURANTS
November 2024 V 2023

	Credit	Debit
YoY Purchases	5%	8%
YoY Transactions	3%	5%



SERVICES
November 2024 V 2023

	Credit	Debit
YoY Purchases	-1%	7%
YoY Transactions	0%	6%




TRANSPORTATION
November 2024 V 2023

	Credit	Debit
YoY Purchases	4%	13%
YoY Transactions	7%	12%



TRAVEL
November 2024 V 2023

	Credit	Debit
YoY Purchases	-5%	2%
YoY Transactions	-5%	1%



UTILITIES
November 2024 V 2023

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



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 December 2024 edition of the Velera Payments Index represents a total of 3.4 billion transactions valued at \$170 billion of credit and debit card activity from December 2023 through November 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](#).