

The Velera Payments Index: November 2024

Since our last Payments Index update, the U.S. presidential election concluded Nov. 5 with a decisive winner, the Federal Reserve cut interest rates by a quarter-percent on Nov. 7 and the 2024 holiday shopping season officially kicked off with the start-of-season sales in early October. Growth in consumer card spending improved in October, with increases for both debit and credit, while lower gasoline prices continued to negatively impact purchase growth as growth in gas transactions remained flat.

The [Consumer Confidence Index](#) increased in October to 108.7 from 99.2 in September, recording the strongest monthly gain since March 2021. The boost was seen across all age demographics and most income levels, as well as across the five components of the index – all posted in advance of the outcome of the presidential election results on Nov. 6. The University of Michigan [Index of Consumer Sentiment](#) increased for the fourth consecutive month in November, rising 3.5 index points (month over month) to 73.0 and marking an 11.7-point increase compared to November 2023 – the highest monthly score over the past six months. However, it's important to note that the survey process for the Index of Consumer Sentiment changed earlier this year; in April, the survey began to include online respondents with a mix of phone calls. By July 2024, the survey was fully online. [In one estimate](#), the change to exclusively online responses and the associated consumer demographics yielded a drop of nine index points.

In the Labor Department's Nov. 13 update, the [Consumer Price Index](#) (CPI) increased 0.2% in October, bringing the cumulative 12-month rate of inflation up to 2.6%. Half of the increase in October came from shelter, which rose 0.4 percent, while food increased by 0.2 percent. The indices that dropped in October include apparel, communication and household furnishings. Core CPI, which excludes the Food and Energy sectors, remained the same at 3.3% for the 12-month Core CPI rate through October.

In October, jobs were essentially unchanged, with a slim increase of 12,000 buoyed by an upward trend in healthcare and government. Employment declined in manufacturing, mainly due to the impact of strike activity with Boeing. The U.S. Bureau of Labor Statistics (BLS) [reported](#) the overall unemployment rate also remained the same for October, at 4.1%, or 6.8 million people.

Looking ahead, the next and final 2024 Federal Open Market Committee (FOMC) meeting concludes on Dec. 18. While Fed Chair Jerome Powell said “in the near term, the [presidential] election will have no effects on our [interest rate] decisions,” the [FOMC cited focus on supporting job growth](#) while returning to their target inflation rate of 2%.

As the holidays rapidly approach, there are a variety of growth estimates for this year's holiday shopping period. Adobe is [forecasting](#) consumer spending will be up 8.4% this holiday season, totaling \$241 billion. In a more conservative estimate, the [National Retail Federation](#) (NRF) is forecasting 2024 annual sales will grow between 2.5% to 3.5%. In our November 2024 edition of the Velera Payments Index, we present the first of our three-part installment on holiday spending.

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 October 2024

Purchases 2024 VS. 2023



2023 VS. 2022



Transactions 2024 VS. 2023



2023 VS. 2022



- For October, year-over-year growth rates improved. Debit purchases were up 5.1%, while credit purchases were up 0.7%. Debit transactions were up 3.7% and credit transactions were up 1.7%. The Service and Goods sectors contributed to this positive growth, while lower gasoline prices contributed to small declines in purchases. Money Services continued to be the largest contributor to the growth in debit purchases, accounting for 1.8% of the 5.1% year-over-year increase.
- Multiple survey measurements reported marked improvements in consumer confidence, though job growth remains depressed. The 12-month CPI through October increased by 2.6%, up 0.2% from September. While economic and sentiment indicators are favorable, an anticipated December interest rate cut remains on the horizon as borrowing costs remain high.
- The 2024 holiday shopping season officially kicked off in October, with major retailers holding start-of-season sales events. Amazon, Target and Walmart all posted positive growth in debit card activity, while only Target posted positive growth in credit cards. For the month of October, the overall Goods sector posted strong year-over-year growth, up 5.5% in credit purchases and 5.7% in debit purchases.



“At Community First Credit Union, we implement an annual holiday spend campaign, which runs from Thanksgiving through Giving Tuesday. Evolving over the past decade to align with members’ changing shopping habits, we have also expanded our Great Rewards credit card bonus, which offers 3x points to boost cardholder spending and has resulted in a strong ROI increase. In recent years, we have emphasized Small Business Saturday and Giving Tuesday to align with our members’ values and support our local community. This year’s ‘Season of Smiles’ theme encourages spreading joy while earning rewards, with 3x points on Great Rewards and 3% cashback on our new Cash Back Visa Signature. Our aim is to support meaningful purchases and strengthen member engagement.”

Angela Skrobotanas, Vice President, Product Marketing, Community First Credit Union (Appleton, Wis.)

Deep Dive: Holiday Spend Part I

Start of the Holiday Season: October Sales Events at Large Retailers

Retailers again kicked off the beginning of the holiday shopping season with sales events in early October. Amazon held their two-day Prime Big Deal Days sale on Oct. 8-9, Target held their seven-day Circle Week sale Oct. 6-12 and Walmart held their six-day Walmart Holiday Deals event on Oct. 8-13 – all three within the same week this year. For these comparisons, we used similar year-over-year timeframes and called out notable differences in sales events. As a reminder, results are exclusively based on the Payments Index card populations and related credit and debit activity with these select merchants. Reported growth at these merchants could be impacted by actions at each retailer to promote alternative payment solutions, like co-branded or private label cards, ACH, etc.

For the Amazon Prime Big Deal Days event, credit purchases were down 1.6% and debit purchases were up 3.3% when comparing the similar year-over-year days. Transaction growth was better than the growth in purchases for this timeframe.

Credit transactions were down 0.1% and debit transactions were up 4.5% year over year.

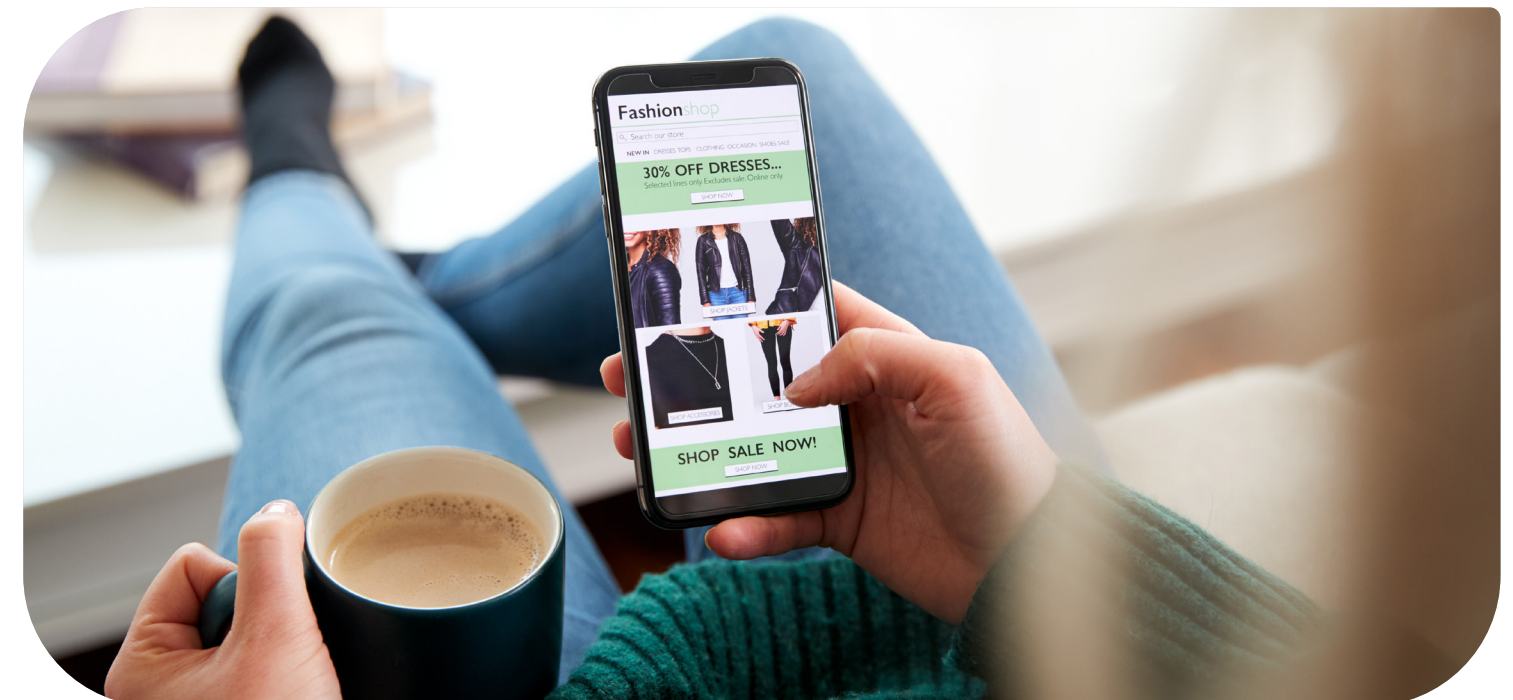
For the Target Circle Week event, year-over-year growth results were up, with credit purchases up 3.0% and debit purchases up 2.8%, while credit transactions were up 4.8% and debit transactions were up 4.4%. Credit purchases were up 3.0% and debit purchases were up 2.8%, while credit transactions were up 4.8% and debit transactions were up 4.4%.

Walmart had the weakest year-over-year growth of the three retailers for the October sale events. Credit purchases were down 0.4% and debit purchases were up 1.8% year over year, while credit transaction growth was down 0.4% and debit was up 1.3%.

Year-over-Year Growth: Credit & Debit Results for October 2024 Sale Events

	Credit Growth		Debit Growth	
	Transactions	Purchases	Transactions	Purchases
Amazon Prime Big Deal Days	-0.1%	-1.6%	4.5%	3.3%
Target Circle Week	4.8%	3.0%	4.4%	2.8%
Walmart Holiday Deals*	-0.4%	-0.4%	1.3%	1.8%

*Excludes Gasoline



Overall Holiday Spending

In our first installment of our annual three-part Deep Dive series on holiday spending, October growth results in the Goods sector were positive and stronger than at this point in 2023 amidst improving consumer sentiment and slowing inflation. Year-over-year growth in Goods sector purchases was up 5.7% for debit cards and up 0.4% for credit cards in October. Debit transactions were up 5.5% and credit transactions were up 2.4%.

Within the Goods sector (and similar to last year), trends emerged in October results that align with our review of some of the larger retailer results. The merchant category with the largest portion of debit and credit purchases (31% and 26%, respectively) was Digital Merchants, with growth in debit purchases up 9.4% and growth in credit purchases up 3.2%. This category includes Amazon. Discount stores, which include Target, Walmart and other merchants, had debit purchase growth of 8.3% and credit purchase growth of 0.6%. Discount stores represented 10% of the overall Goods sector debit purchases and 5% of the overall Goods sector credit purchases. Merchant categories within the Goods sector that were again off to a slow start included Apparel & Accessories, Home Supply & Hardware and

Home Furnishings. These combined merchant categories represented 20% of all Goods sector debit purchases and 26% of all Goods sector credit purchases. Year-over-year growth for these three merchant categories was up 1.3% for debit purchases and down 2.3% for credit purchases.

In our weekly view of consumer activity in the Goods sector, growth in transactions and purchases for both credit and debit were higher this holiday season compared to the same timeframe in 2023, a sign that this year's holiday shopping season is off to a good start. This is similar for Target. For Amazon, the weekly cumulative holiday season growth for debit purchases is outpacing this point in 2023, while lagging behind in credit purchase growth. For Walmart, growth for both debit and credit purchases are lagging to the cumulative weekly growth figures compared to this same point in 2023. We will continue to watch these trends throughout our holiday spending editions.

For our three featured large retailers – Amazon, Target and Walmart – growth through the first four weeks of the holiday season had mixed results. For this first installment, Amazon posted the strongest year-over-year

growth, with credit purchases up 1.7% and debit purchases up 5.3%. Walmart was next, with credit purchases down 0.8% and debit purchases up 1.3%. Purchases at Target were down 3.1% for credit and down 0.3% for debit. In the next edition of our holiday spending Deep Dives, we will report on the peak holiday shopping days of Black Friday through Cyber Monday.



Holiday Spend Part I: Goods Sector and Large Retailers
October 2024 vs 2023

Retailer	Transaction Growth		Purchase Growth	
	Credit	Debit	Credit	Debit
Goods (Overall)	2.4%	5.5%	0.4%	5.7%
Amazon/Whole Foods	3.0%	6.3%	1.7%	5.3%
Target	-2.8%	-0.4%	-3.1%	-0.3%
Walmart*	-1.8%	-0.3%	-0.8%	1.3%

*Less Gasoline

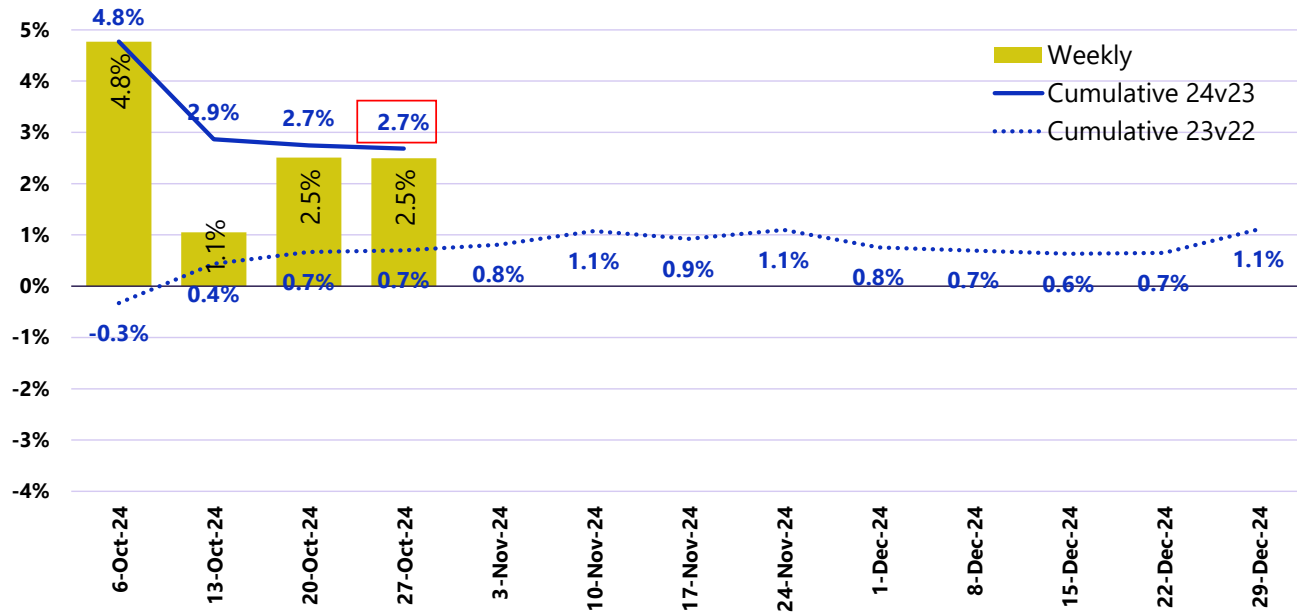
Holiday Spend Part I: Goods Sector Sub-Categories: October 2024

Merchant Category	Credit				Debit			
	Transactions	Purchases	Avg. Purchase	% Goods Purchases	Transactions	Purchases	Avg. Purchase	% Goods Purchases
Digital Merchants	5.6%	3.2%	\$41.29	26%	8.3%	9.4%	\$30.44	31%
Discount Stores	0.8%	0.6%	\$61.92	5%	6.6%	8.3%	\$42.04	10%
Apparel & Accessories	-2.1%	-2.8%	\$102.69	10%	0.8%	0.7%	\$68.51	10%
Home Supply & Hardware	0.3%	-0.2%	\$117.55	10%	2.3%	2.7%	\$70.36	8%
Vehicles - Automobiles	-0.5%	-0.6%	\$260.13	10%	3.9%	7.5%	\$130.16	8%
Wholesale Clubs	6.5%	7.2%	\$126.59	7%	7.6%	8.8%	\$97.31	6%
Miscellaneous Stores	-0.6%	-1.7%	\$80.76	5%	-1.9%	-0.5%	\$39.85	4%
Drug & Pharmacy	0.4%	10.5%	\$39.57	3%	2.1%	7.3%	\$28.16	4%
Hobby Stores	-10.6%	-3.7%	\$47.27	2%	4.7%	5.4%	\$31.03	3%
Retail Stores	12.0%	4.2%	\$71.10	3%	7.5%	4.8%	\$55.73	3%
Home Furnishings	-4.0%	-4.7%	\$358.62	6%	-2.0%	-0.7%	\$163.30	3%
Wholesale Distributors and Manufacturers	3.2%	-0.6%	\$201.49	4%	9.8%	6.6%	\$93.92	2%
Sporting	-10.6%	-12.6%	\$155.73	3%	-6.2%	-5.8%	\$94.18	2%
Pet Services	-4.4%	-4.3%	\$77.01	2%	-2.0%	-1.3%	\$57.94	2%
Digital Goods	14.4%	18.8%	\$29.75	1%	13.5%	11.8%	\$21.91	2%
Direct Marketing	-8.8%	-10.4%	\$56.06	1%	-7.4%	-7.9%	\$32.06	1%
Pawn/Consignment	-2.4%	-3.5%	\$47.47	1%	-2.6%	-0.7%	\$35.87	1%
Vehicles - Other	-10.7%	-4.8%	\$433.39	1%	-6.1%	2.9%	\$227.75	0%
Grand Total	2.4%	0.4%	\$72.60	100%	5.5%	5.7%	\$44.26	100%

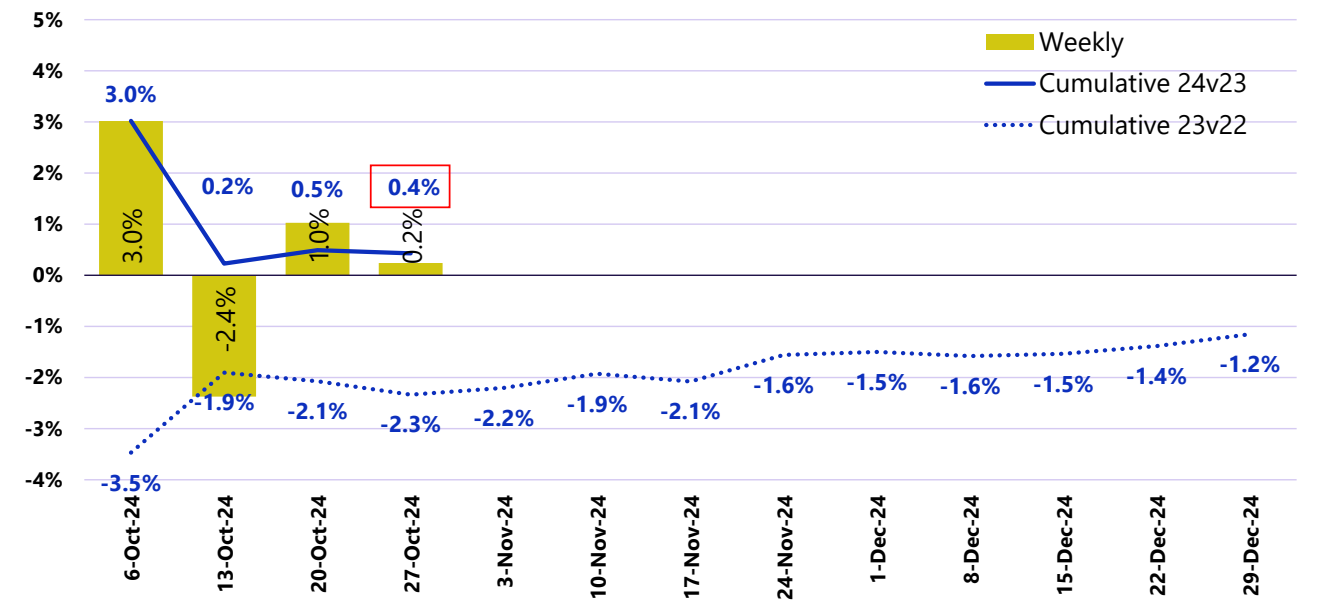
Holiday Season Purchases: Goods Sector 2024 Weekly Results Compared to 2023

Cumulative

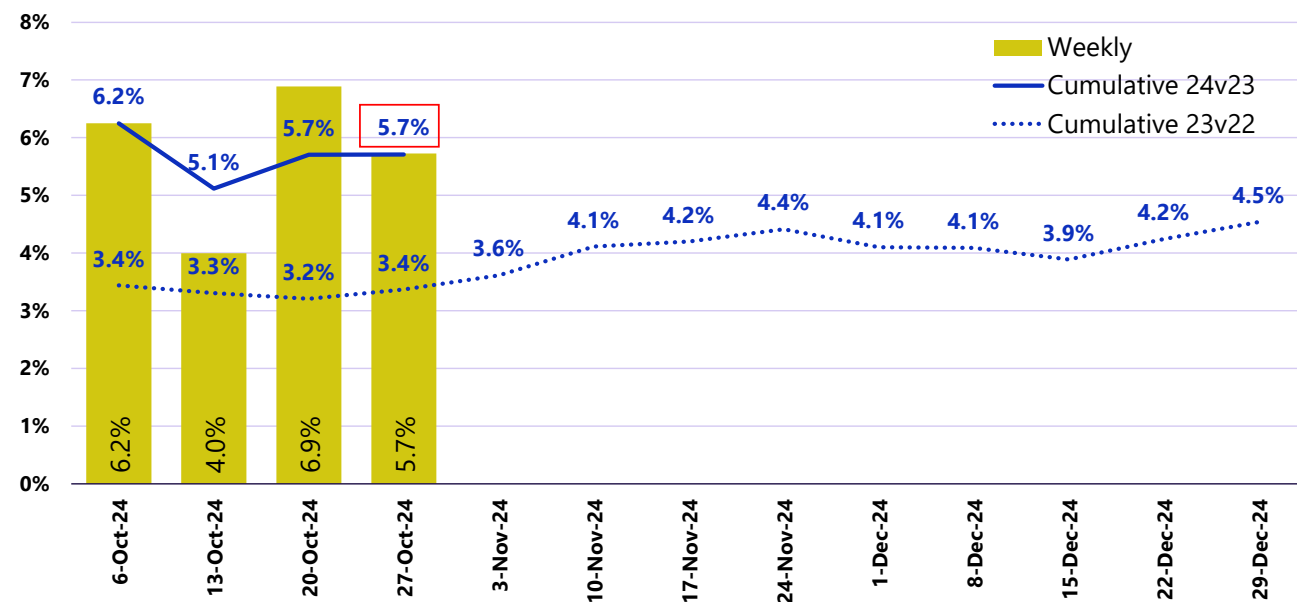
Goods Sector Credit Transactions



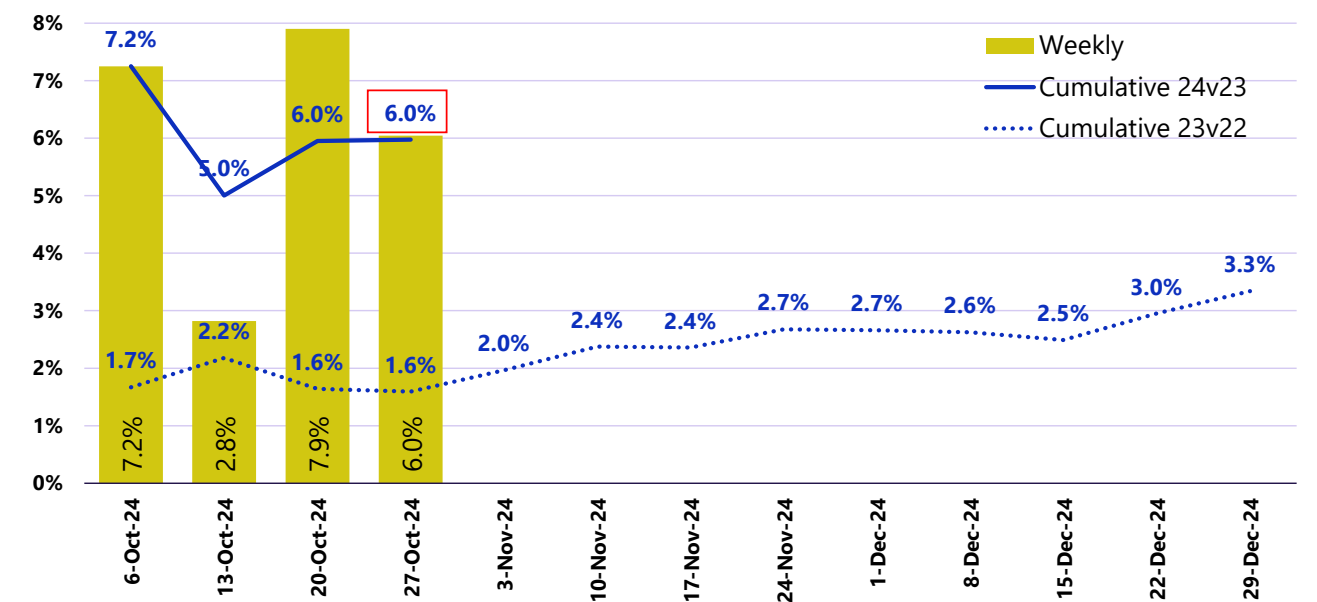
Goods Sector Credit Purchases



Goods Sector Debit Transactions



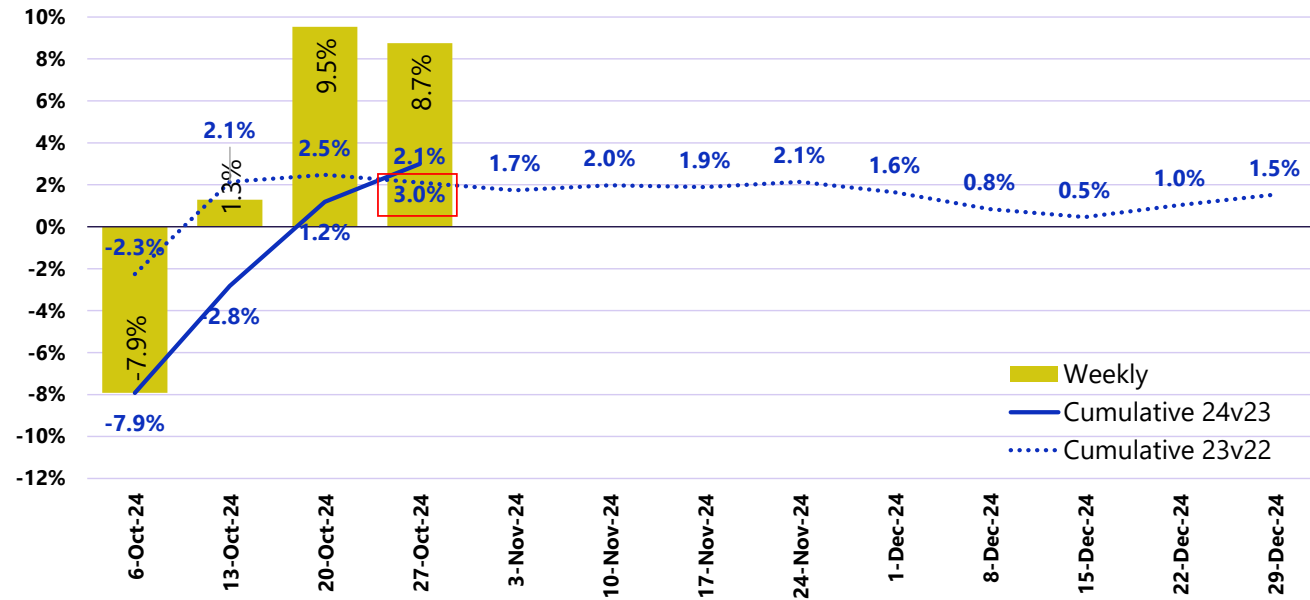
Goods Sector Debit Purchases



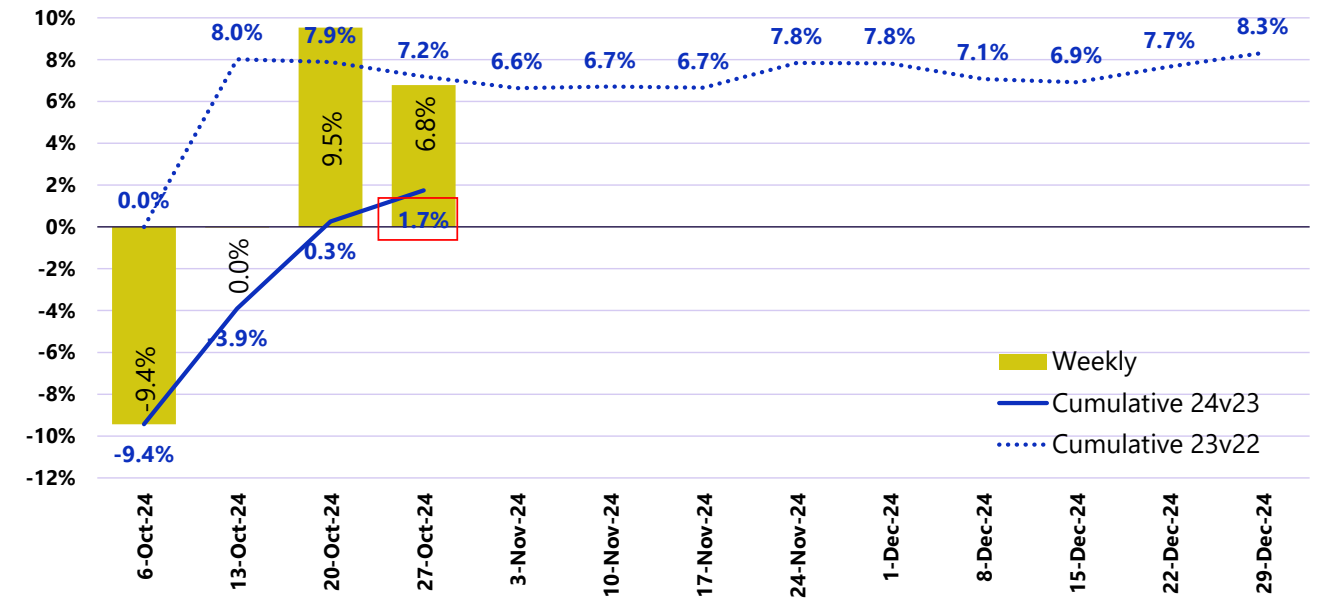
Holiday Season Purchases: Amazon/Whole Foods 2024 Weekly Results Compared to 2023

Cumulative

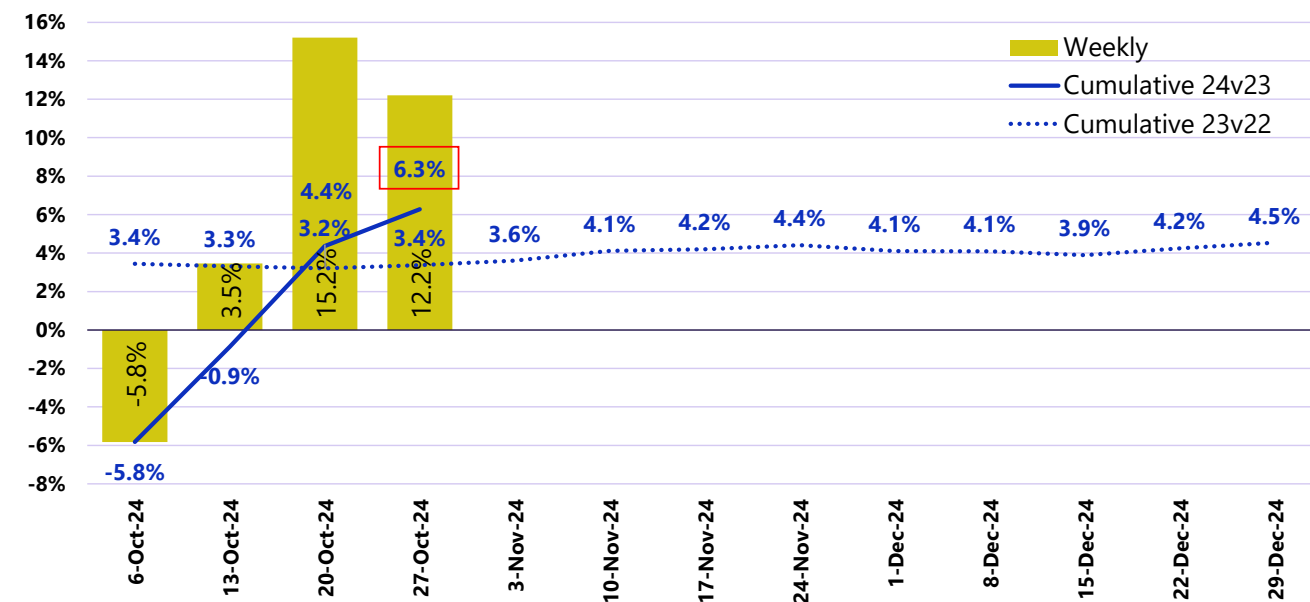
Amazon/Whole Foods Credit Transactions



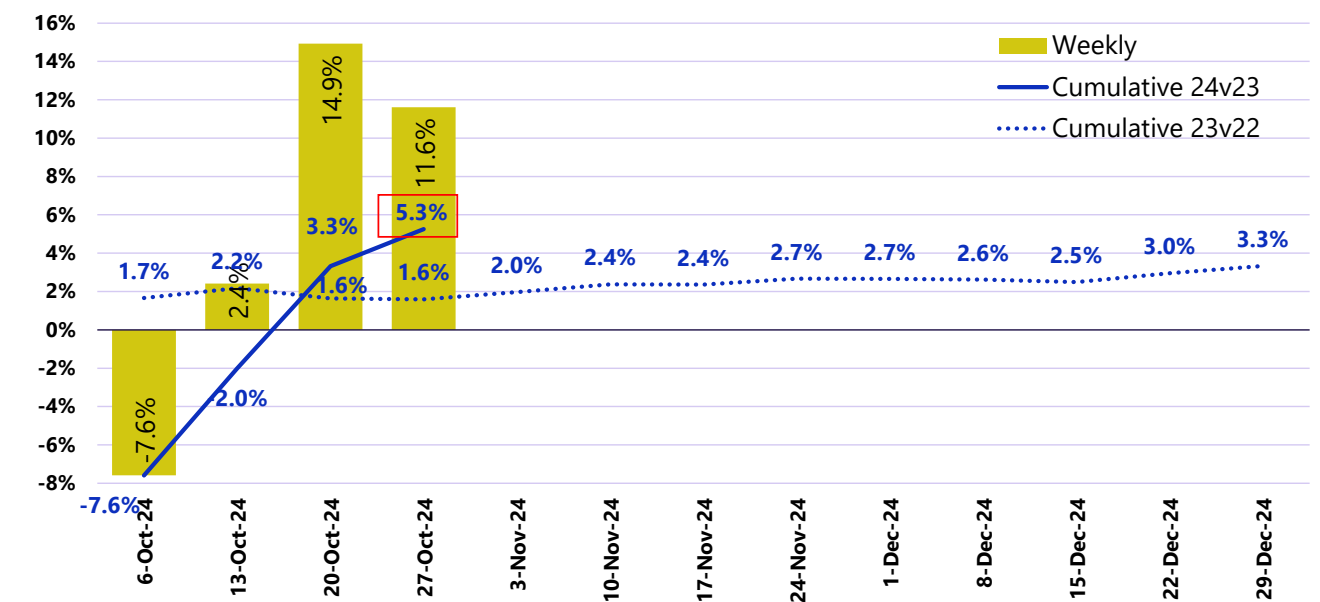
Amazon/Whole Foods Credit Purchases



Amazon/Whole Foods Debit Transactions



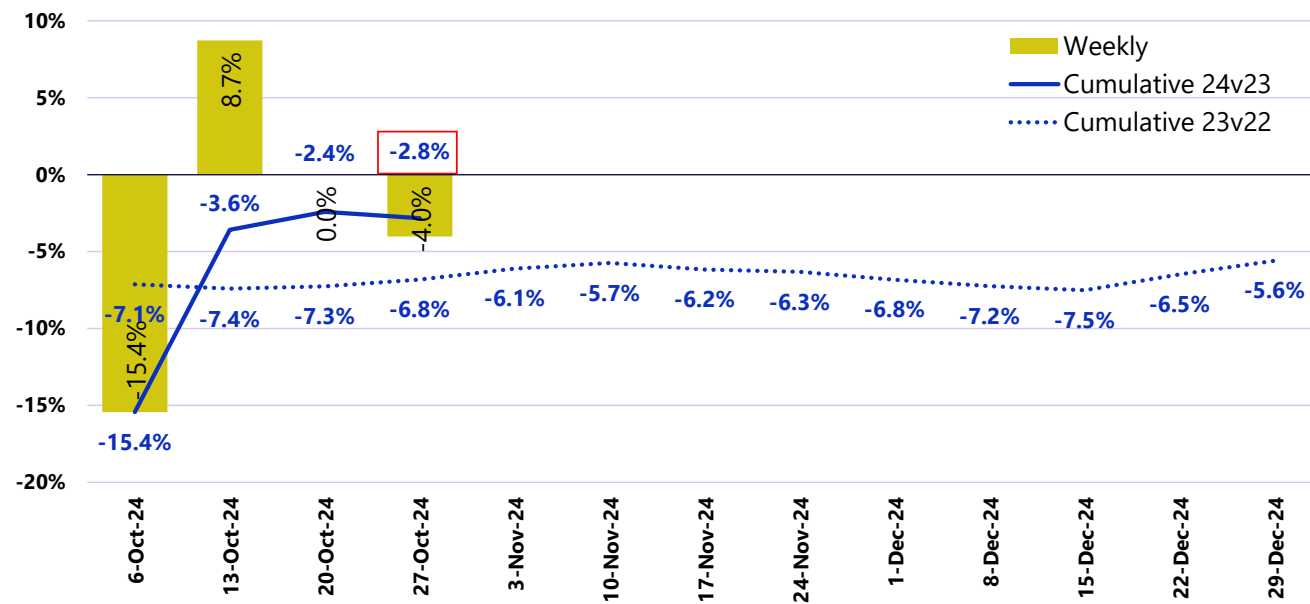
Amazon/Whole Foods Debit Purchases



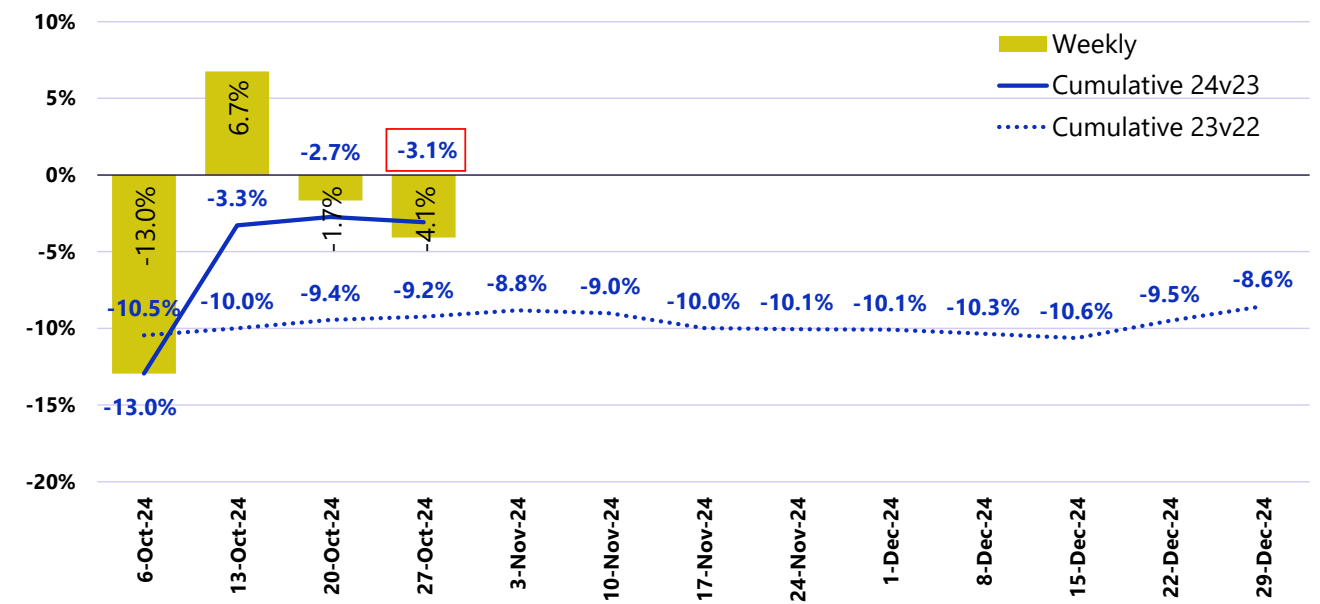
Holiday Season Purchases: Target 2024 Weekly Results Compared to 2023

Cumulative

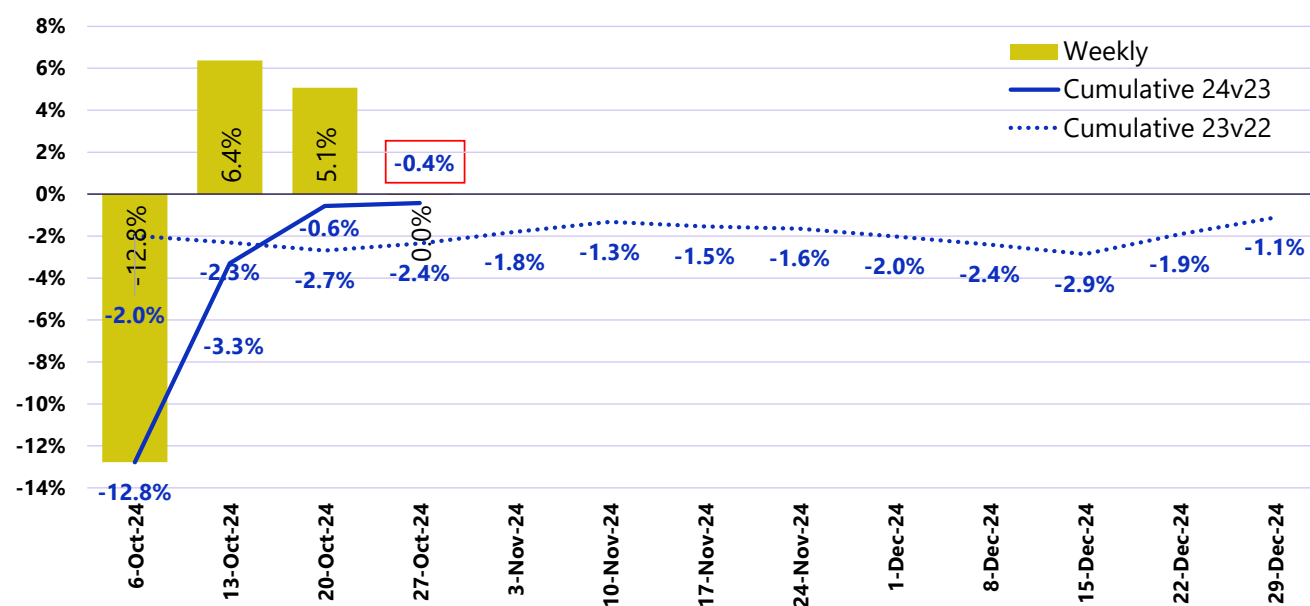
Target Credit Transactions



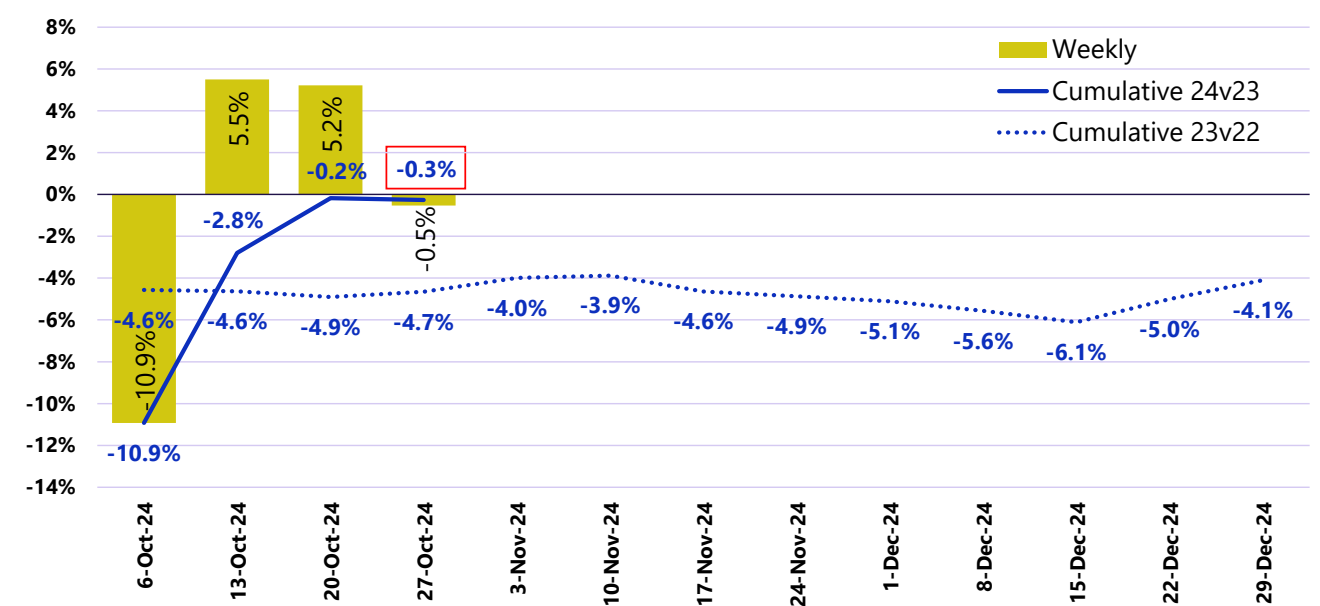
Target Credit Purchases



Target Debit Transactions



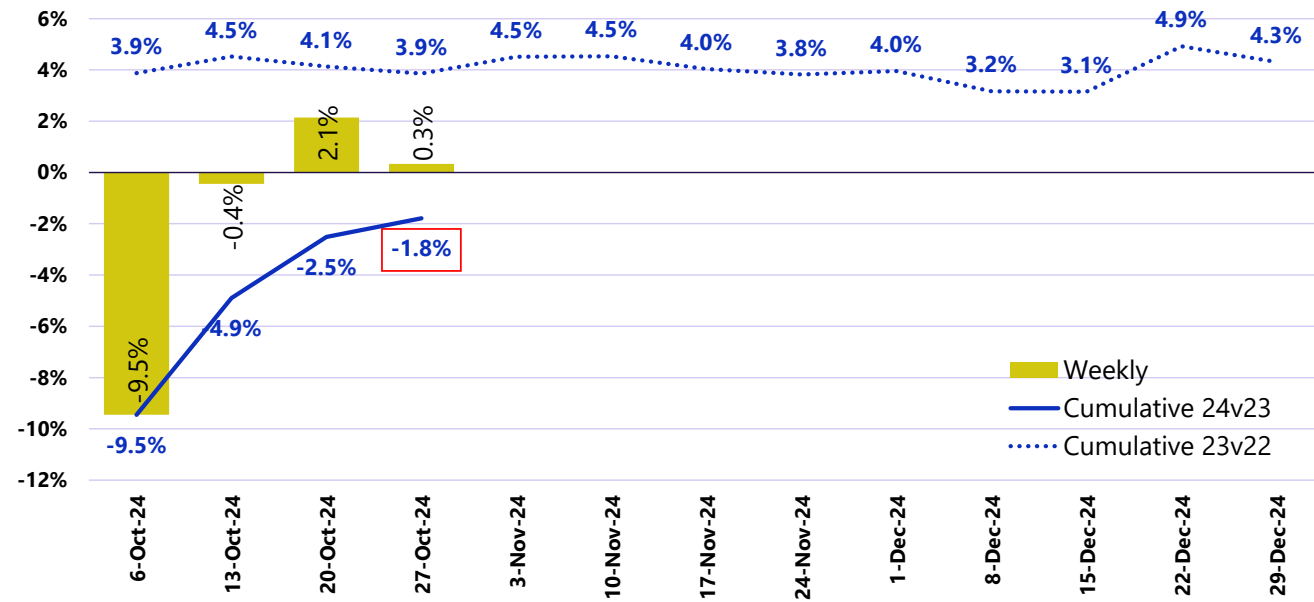
Target Debit Purchases



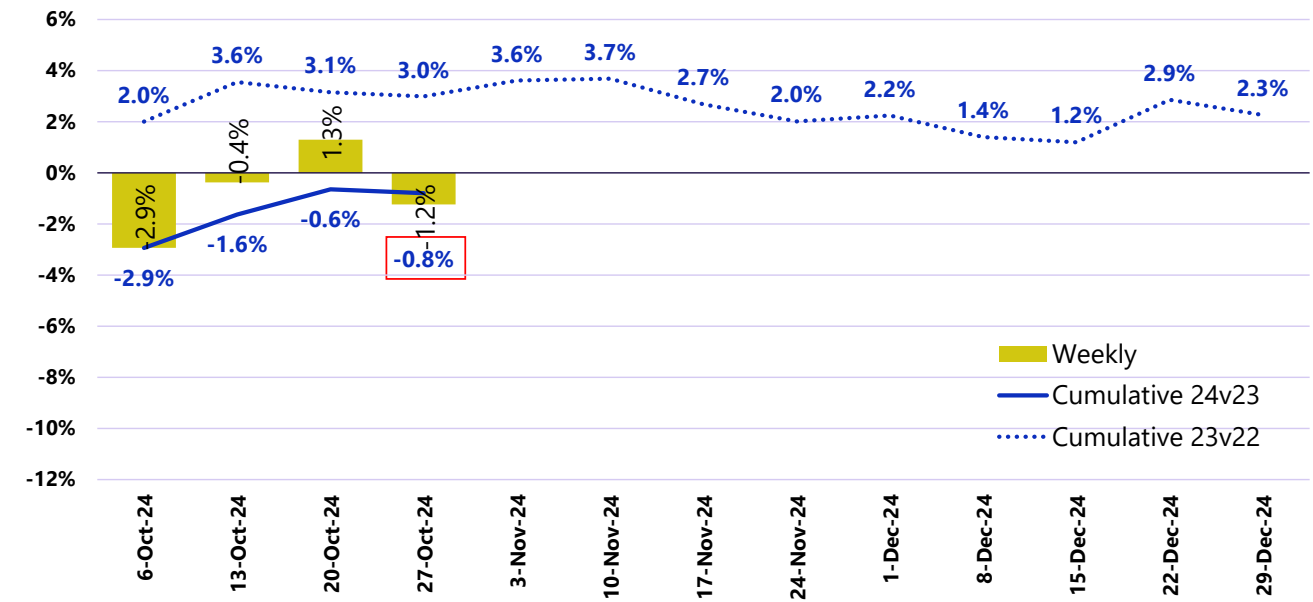
Holiday Season Purchases: Walmart (less Gas) 2024 Weekly Results Compared to 2023

Cumulative

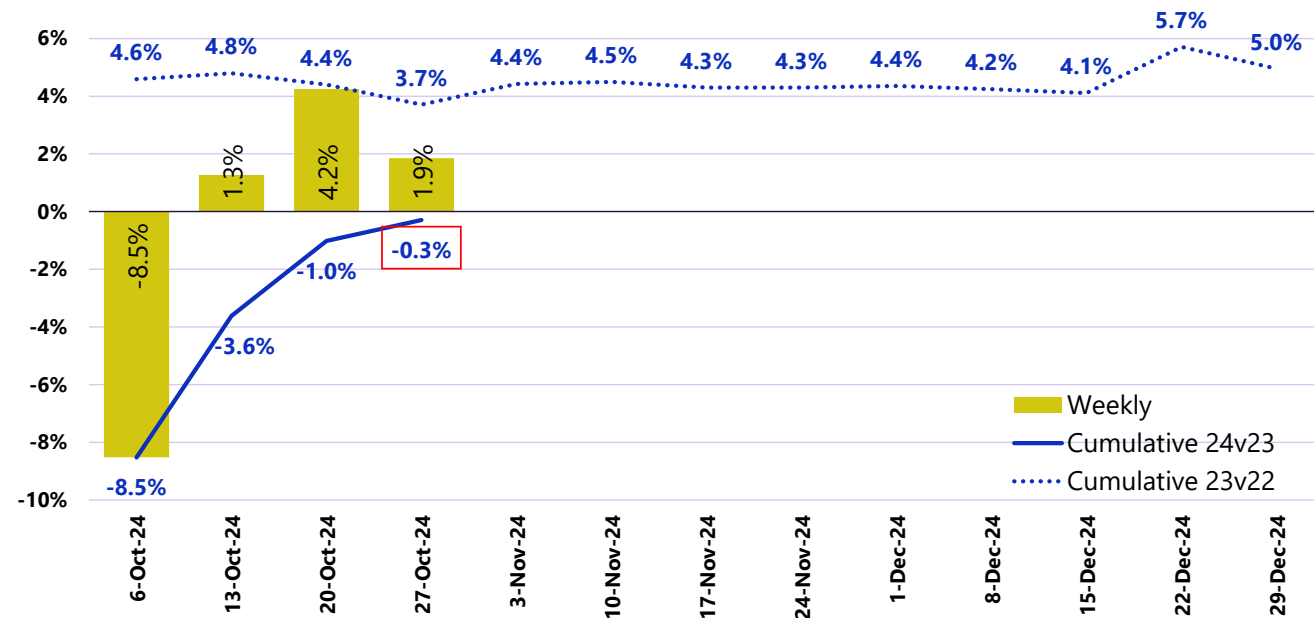
Walmart (less Gas) Credit Transactions



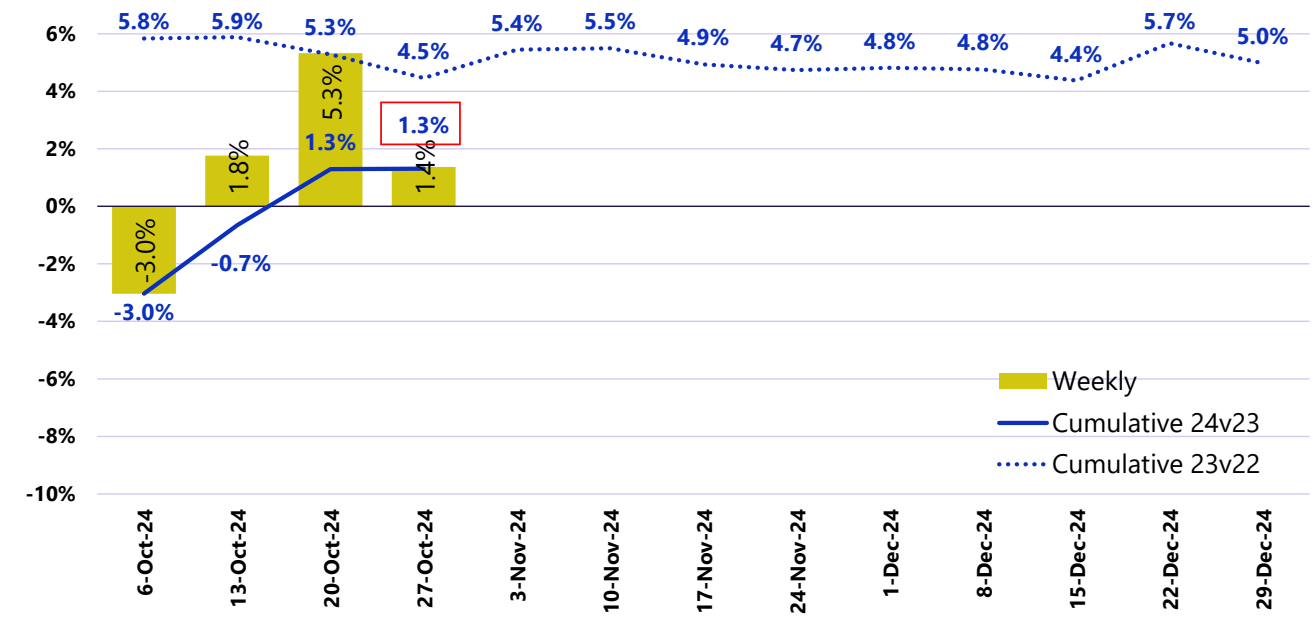
Walmart (less Gas) Credit Purchases



Walmart (less Gas) Debit Transactions



Walmart (less Gas) Debit Purchases



What Should Credit Unions Do Now?

- 1** New accounts play a key role in credit and debit portfolio performance – and the new year is the ideal time to focus on acquisition strategies. For debit, targeting new checking accounts via a checking acquisition program is a valuable growth strategy. Additionally, credit unions can explore a variety of custom and turnkey credit card account acquisition marketing campaigns. January campaign enrollment deadlines are approaching for spring campaign launches – contact your Velera Client Growth Executive (CGE) for details.
- 2** In conjunction with credit and debit account acquisition initiatives, new account onboarding journey campaigns are essential to increase member engagement and build loyalty. Early and ongoing messages can help drive card activation and first use – critical checkpoints to establish and maintain top-of-wallet status. Click [here](#) for details on Advisors Plus onboarding journeys and contact your Velera CGE to enroll.
- 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.
- 4** A balance transfer campaign is an essential credit card marketing strategy. As an example, Velera Consulting transfer campaigns showed an average responder amount of more than \$6,500. Now is the time to begin planning a spring marketing campaign, as peak usage for balance transfer checks typically occurs in March. Deadline for enrollment is Dec. 15.

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



Wrapping Up: Political Organizations

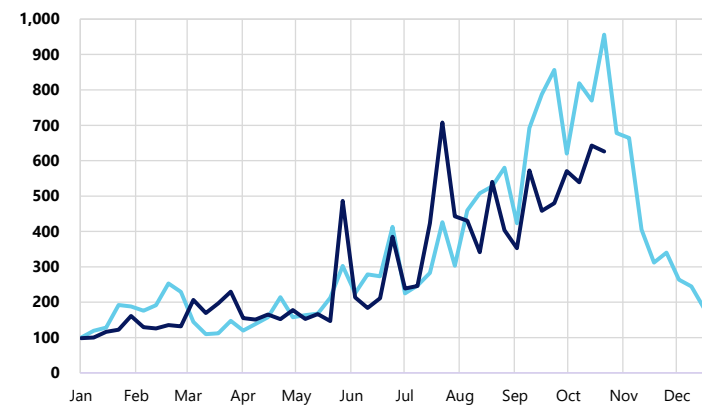
With the 2024 U.S. election complete, campaign advertising has also concluded. AdImpact estimated total political advertising spending during the 2024 election cycle was nearly [\\$11 billion](#) across all races, an increase of 13% over the 2020 election cycle. Advertising solely for the U.S. presidential race was estimated at \$3.1 billion. While fundraising donations come from a wide variety of sources, our reporting has been for the single merchant category of Political Organizations and these small-dollar consumer donations.

In our comparisons of the contributions during the 2024 U.S. presidential race, total weekly purchases have been indexed to the first week of January 2020 (week 1 2020 = 100). For credit purchases, the indexed value for the last week of October 2024 was 626, or 6.26 times the

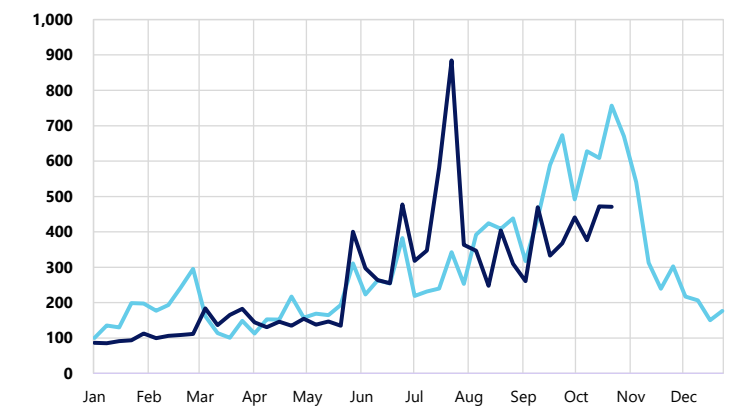
contributions made during the first week of January 2020. For debit purchases, the indexed value for the week ending Oct. 27 was 471.

Similar to the 2020 election cycle, the volume of transactions and purchases continued to increase until the week of the election, although the 2024 indexed values were not as sharp of an increase as compared to 2020.

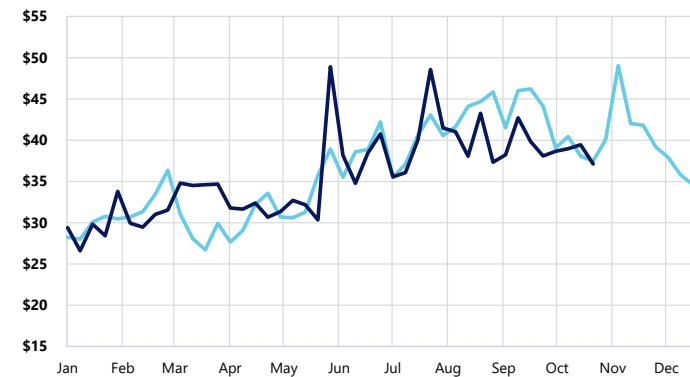
2020 & 2024 Weekly Political Contributions
Credit Purchases Indexed to Start of January 2020



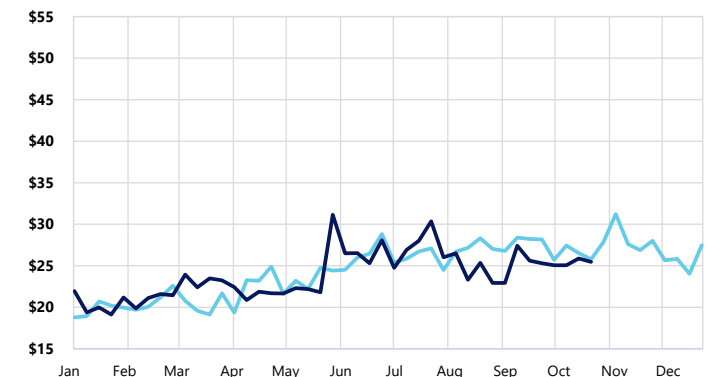
2020 & 2024 Weekly Political Contributions
Debit Purchases Indexed to Start of January 2020



2020 & 2024 Weekly Political Contributions
Average Credit Purchases Amount



2020 & 2024 Weekly Political Contributions
Average Debit Purchases Amount



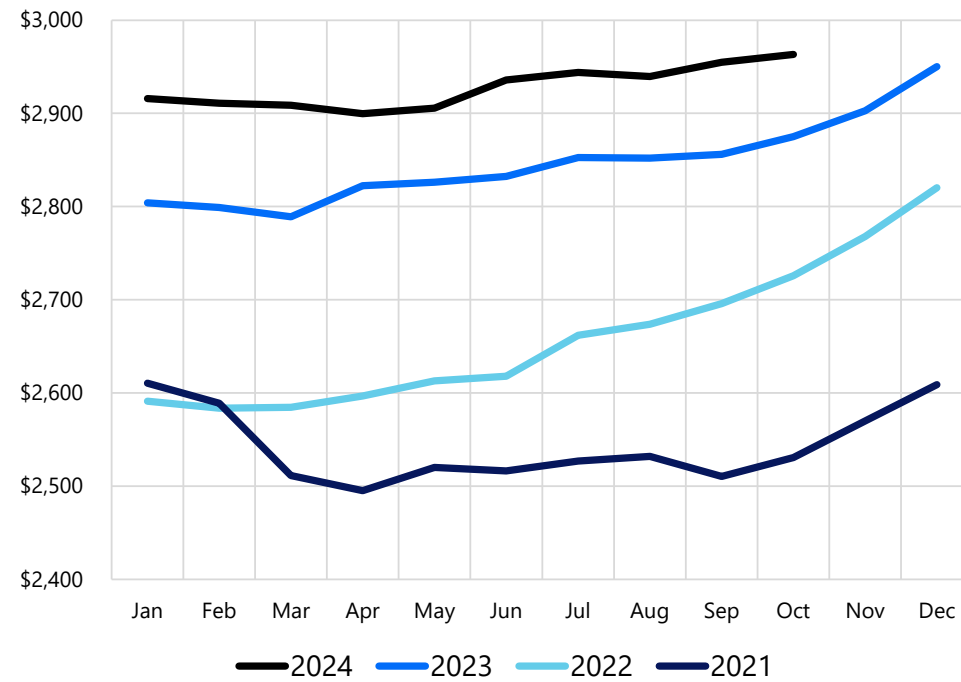
Indexed Scores

Indexed scores represent a measure of change relative to the baseline - in this case, the total purchase dollars for the first week of January 2020, which is set to equal 100. Here we show the weekly change relative to the January 2020 baseline. The last week of October 2024 credit purchases indexed value was 626, which was a 526% increase from the first week of January 2020 baseline.

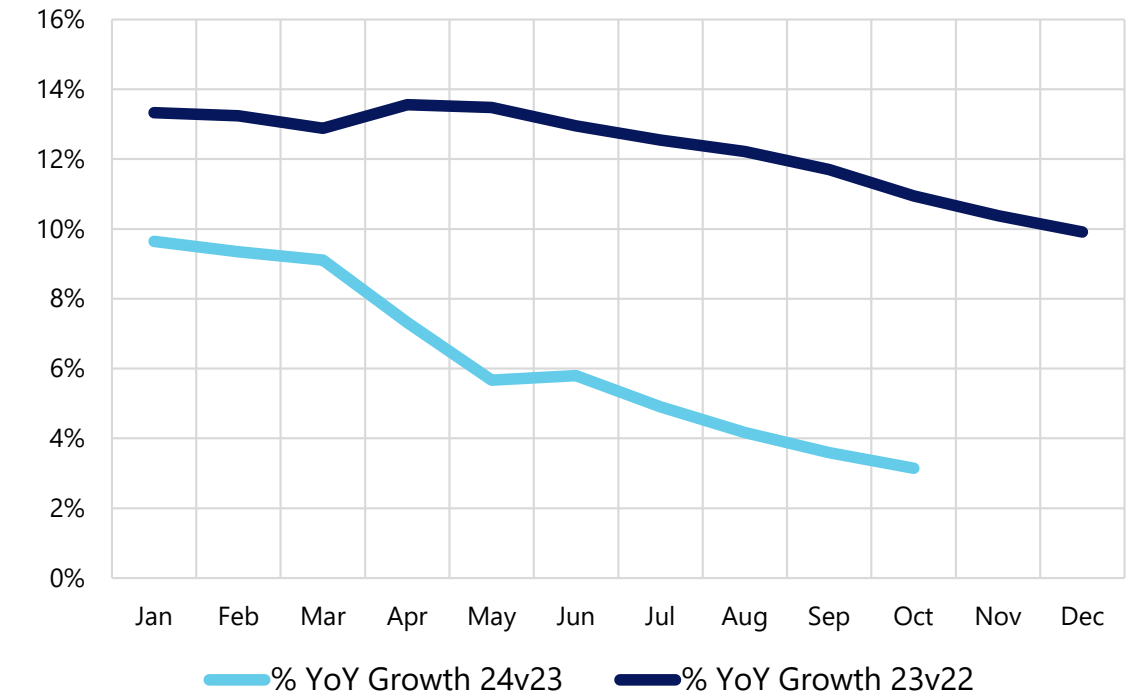
Credit Card Balances

For October 2024, the average credit card account balance among gross active accounts averaged \$2,963. Compared to one year ago, the average balance increased 3.1%, or \$88. Total credit card balances grew 3.1% year over year.

Average Credit Card Balances per Gross Active Account



Percentage Change in Total Credit Card Balances

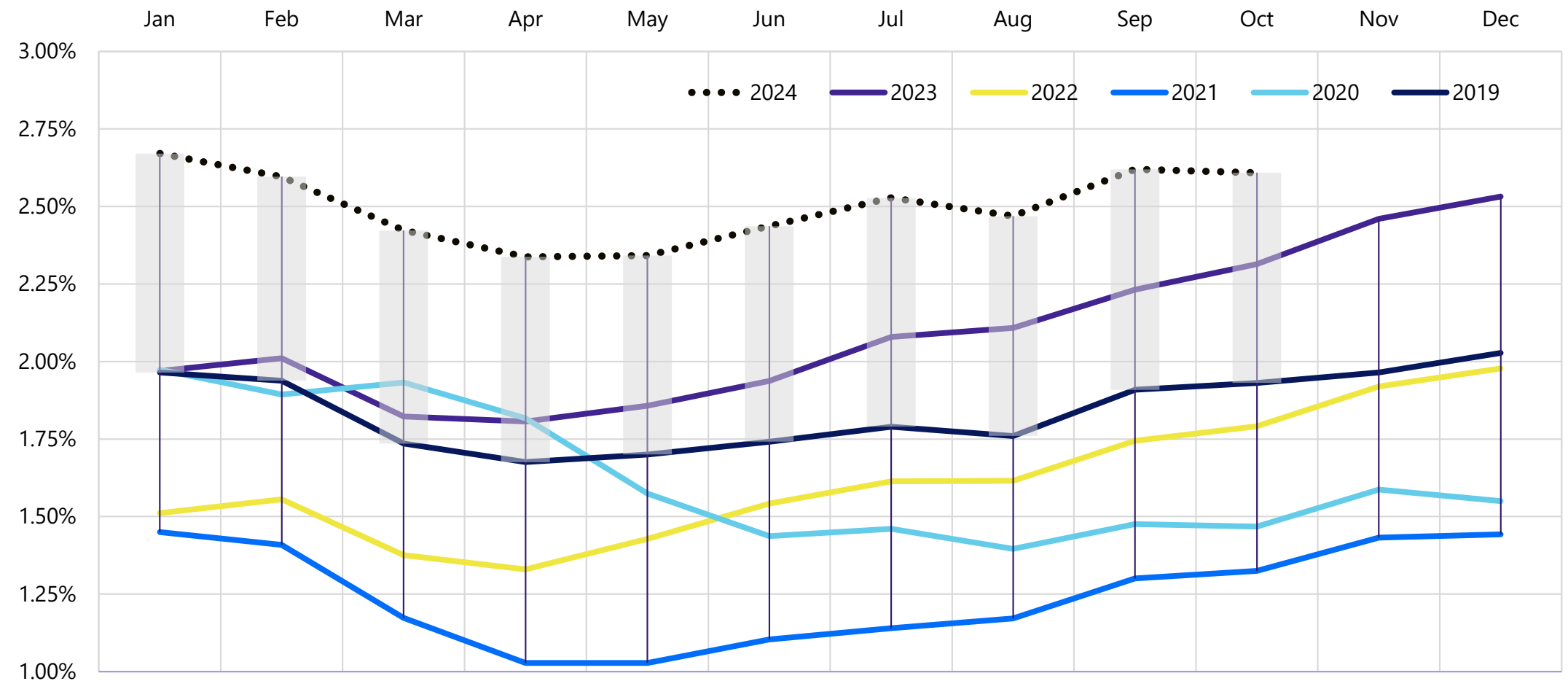


Credit Card Delinquencies

The credit card delinquency rate for October measured 2.61%, relatively unchanged from the prior month. Compared to October 2023, the percentage of balances delinquent increased 29 basis points.



Overall Credit Card Delinquency Rate October 2024



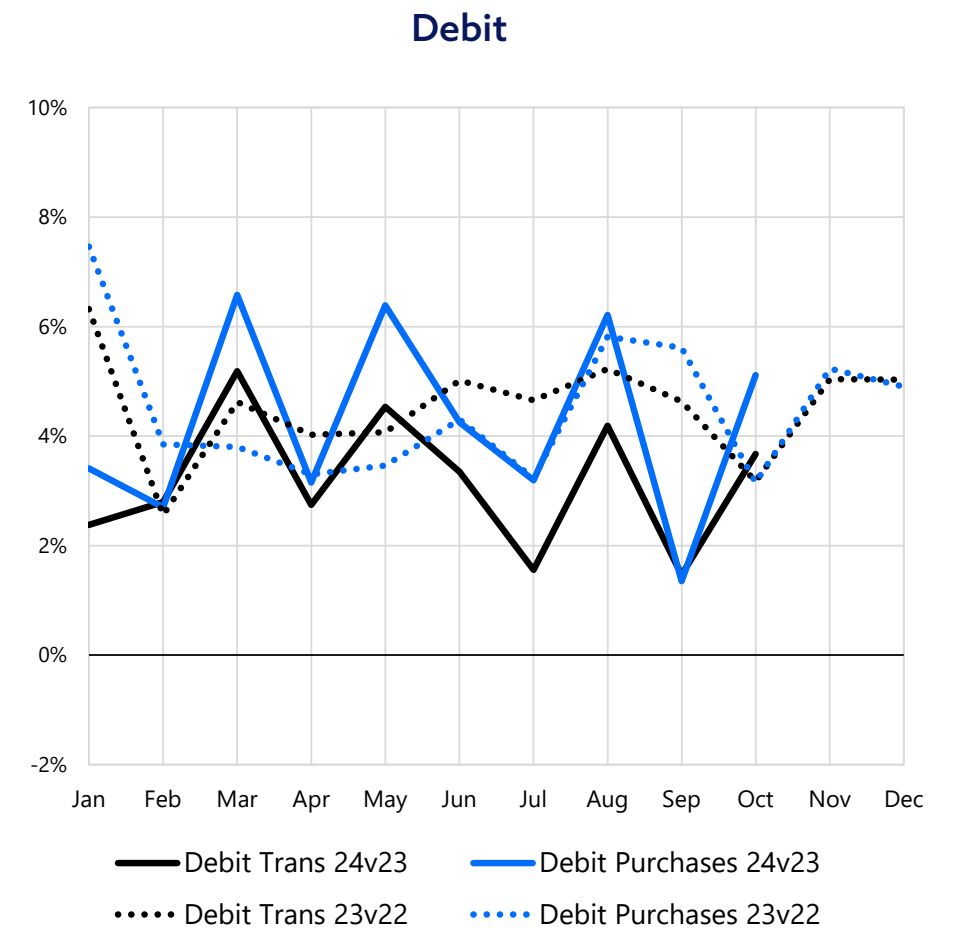
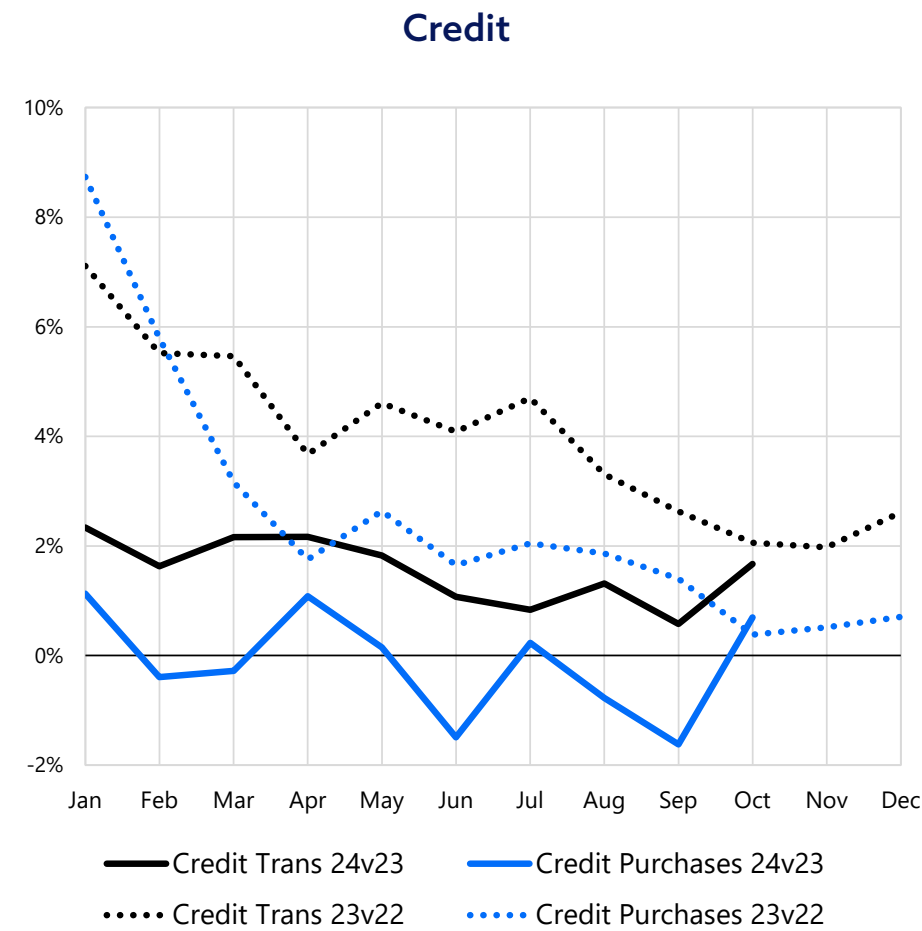
Credit and Debit Cards

Credit and debit card growth rates for October recovered from their September lows. For debit, purchases grew 5.1% year over year, more than 1.5 X the rate one year ago. While lagging purchase growth, debit transaction growth was up 3.7% year over year. Credit purchases increased 0.7% year over year, nearly double the previous year's measure, but trailed transaction growth of 1.7%.

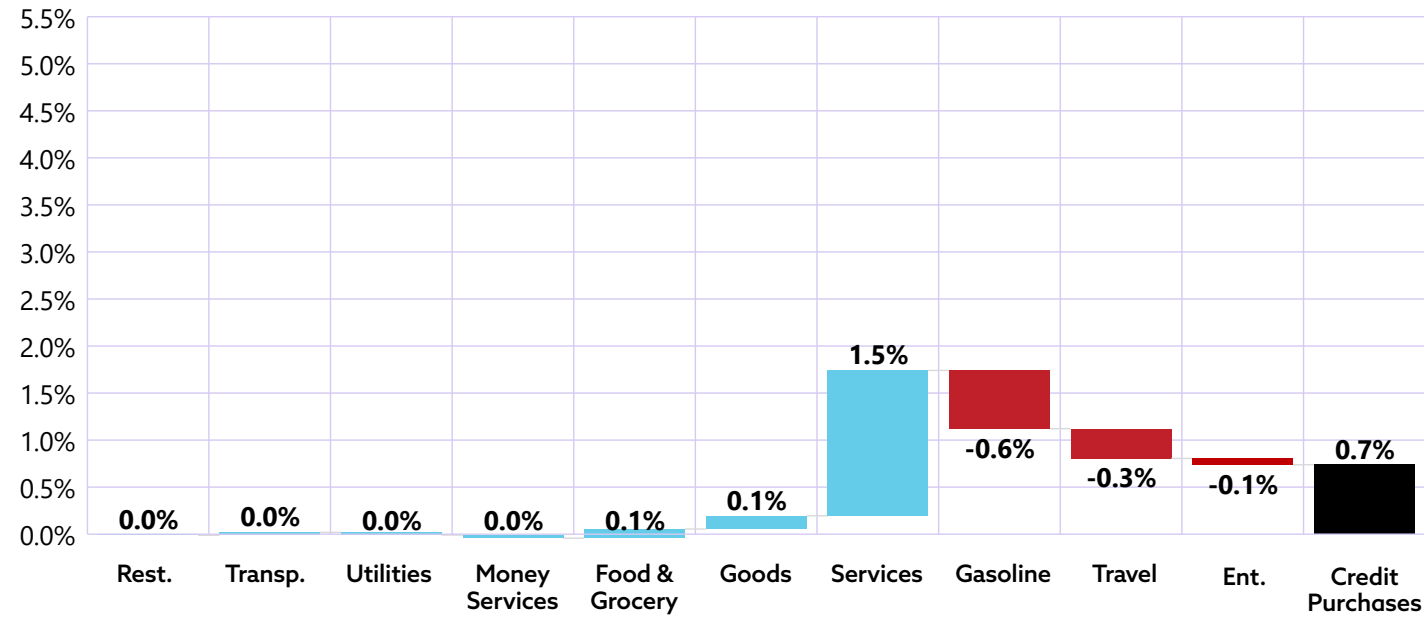
While Money Services continued to be the lead contributor in debit purchase growth (1.8%), the Service and Goods sectors together contributed more than half of the 5.1% growth (2.9%). For credit purchases, the Services sector was the primary growth contributor at 1.5%, but somewhat negated by Gasoline, Travel, and Entertainment (-1%) collectively. Following the recent hurricanes in the Southeast, the Charitable Organization merchant category under the Services sector realized substantial year-over-year purchase growth for both credit (+23%) and debit (+22%) in October.

With the increase in the [Expectations Index](#) in October, the outlook for spending growth is more optimistic. When asked about plans to buy more durable goods or services over the next six months, consumers expressed a slightly greater preference for purchasing goods.

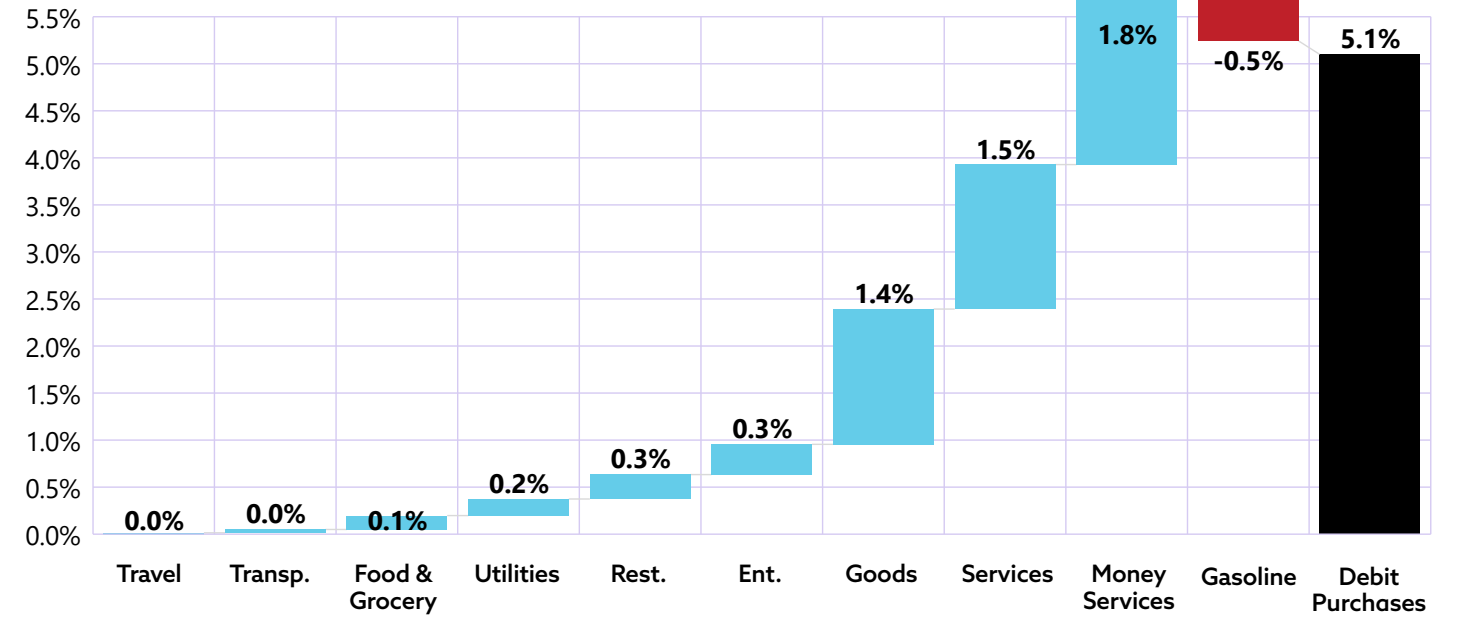
	Credit		Debit	
	Transactions	Purchases	Transactions	Purchases
2024 v 2023	1.7%	0.7%	3.7%	5.1%
2023 v 2022	2.1%	0.4%	3.2%	3.2%



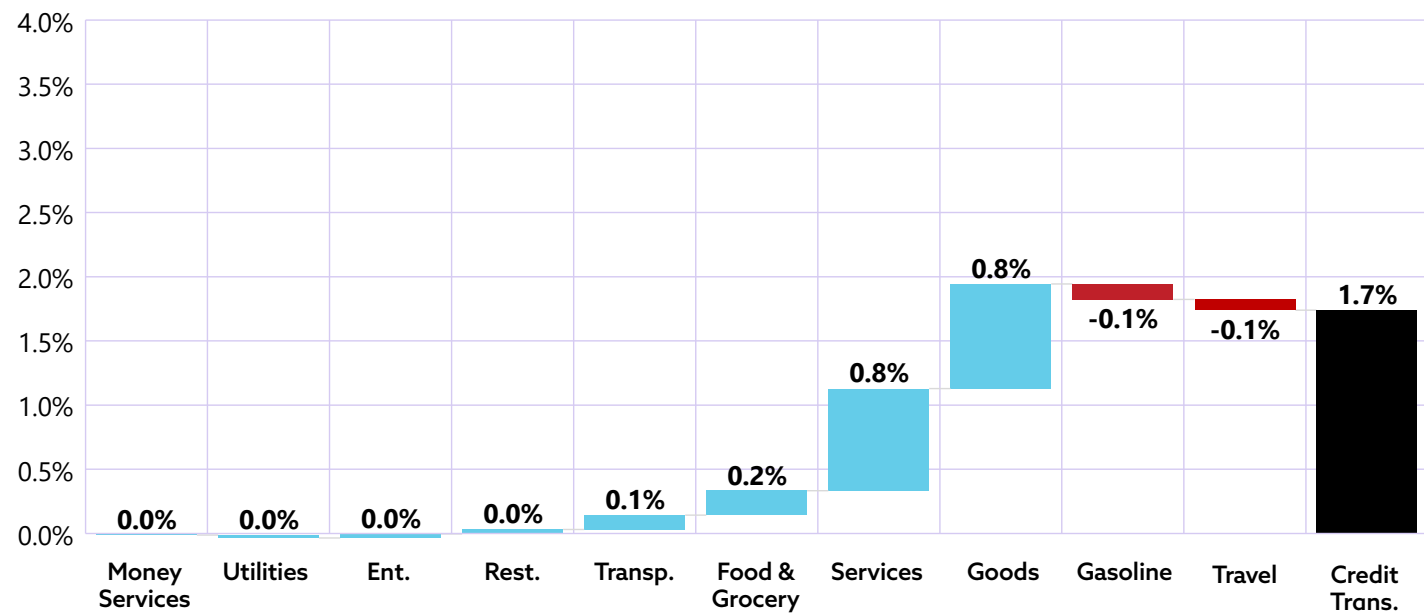
Sector Contributions to Growth in Credit Purchases: October



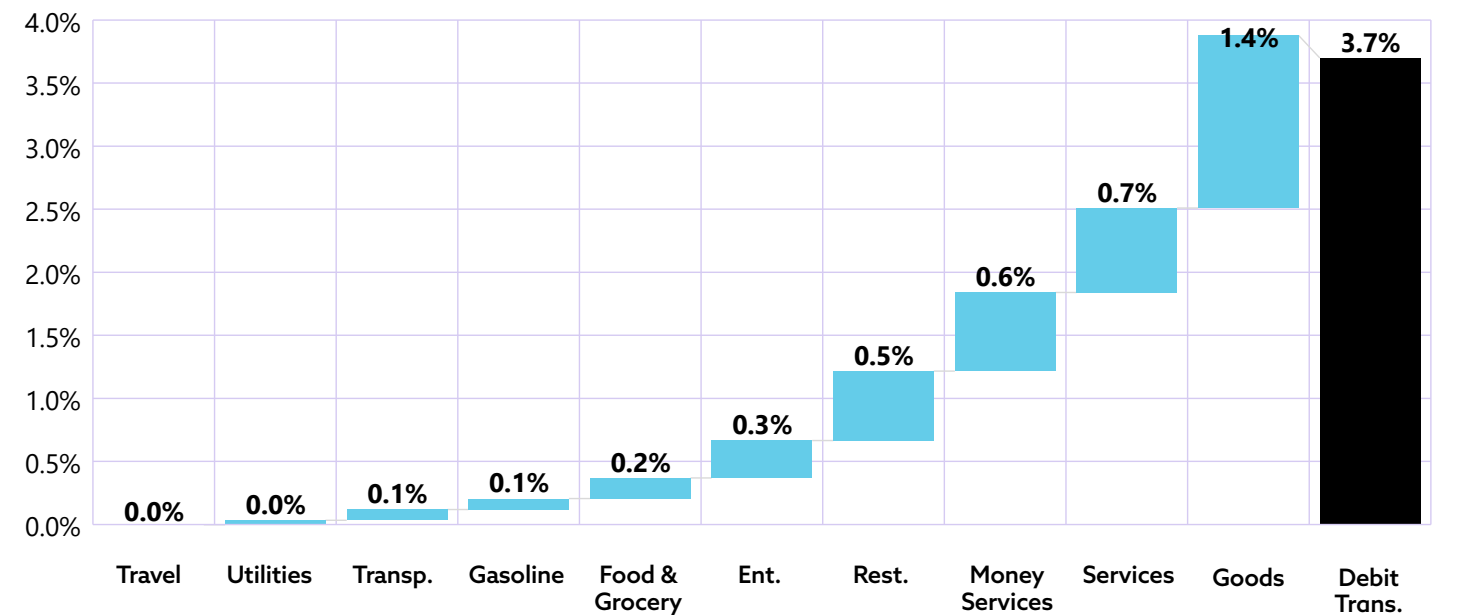
Sector Contributions to Growth in Debit Purchases: October



Sector Contributions to Growth in Credit Transactions: October



Sector Contributions to Growth in Debit Transactions: October




■ Increase ■ Decrease ■ Total

Sectors/Merchant Categories

The sectors with the greatest year-over-year growth for credit purchases continued to be Services (+7%) and Transportation (+4%). However, when comparing year-over-year sector growth rates, Services softened by two percentage points and Transportation by seven percentage points. Additionally, the majority of the sectors were down considerably. Most notably, Travel softened by ten percentage points, Entertainment by eight, and Restaurants by seven.


On the debit side, Money Services (+17%), Services (+11%) and Entertainment (+8%) were the sectors with the highest growth rates in October. Comparing the January-October 2024 period to the same period in 2023, Money Services grew two percentage points and Services one point, while Entertainment softened by one point. The most significant decreases among all the sectors included Travel and Transportation, which were down nine and six points, respectively.

The average purchase amount per transaction for the Gasoline sector in October decreased 10.1%, or \$3.48, year over year for credit and 6.8%, or \$1.67, for debit. The national average price per gallon of gasoline finished at [\\$3.05](#) for the week ending Nov. 11, down 8.9% or \$0.30 year over year.




ENTERTAINMENT
October 2024 V 2023

	Credit	Debit
YoY Purchases	-1%	8%
YoY Transactions	1%	7%



FOOD & GROCERY
October 2024 V 2023

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




GASOLINE
October 2024 V 2023

	Credit	Debit
YoY Purchases	-11%	-6%
YoY Transactions	-1%	1%




GOODS
October 2024 V 2023

	Credit	Debit
YoY Purchases	0%	6%
YoY Transactions	2%	5%




MONEY SERVICES
October 2024 V 2023

	Credit	Debit
YoY Purchases	-5%	17%
YoY Transactions	-6%	13%




RESTAURANTS
October 2024 V 2023

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




SERVICES
October 2024 V 2023

	Credit	Debit
YoY Purchases	7%	11%
YoY Transactions	8%	10%




TRANSPORTATION
October 2024 V 2023

	Credit	Debit
YoY Purchases	4%	7%
YoY Transactions	5%	7%



TRAVEL
October 2024 V 2023

	Credit	Debit
YoY Purchases	-4%	1%
YoY Transactions	-5%	0%



UTILITIES
October 2024 V 2023

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



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 November 2024 edition of the Velera Payments Index represents a total of 3.3 billion transactions valued at \$165 billion of credit and debit card activity from November 2023 through October 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.