velera

PAYMENTS INDEX

April 2025

Welcome to the five-year anniversary edition of the Velera Payments Index – our ongoing commitment to delivering timely insights into relevant consumer payment behaviors.

What began in 2020 as a weekly consumer transaction insights report in the early days of the pandemic has transitioned into four years of the monthly Payments Index. As consumer spending patterns continue to shift, we remain dedicated to providing relevant and actionable updates. Beginning with this April edition, the Payments Index will retain its monthly cadence, but will introduce a new quarterly format: a "base" edition followed by two months of Deep Dive reports. Just as in the early days of the pandemic, today's climate – marked by economic uncertainty and declining consumer confidence – has reignited the need for timely insights. We look forward to the continued evolution of the Payments Index as a vital resource for our credit unions and our industry. Thank you to all our subscribers and readers!

Performance Snapshot: March 2025

Market / Economic Variables

92.9
Consumer Confidence Index
↓ Change 7.2 points

57.0
UofM Index of Consumer Sentiment
↓ Change 12.0%

2.4%
Consumer Price Index
↓ Change 0.1%

2.8%
Core CPI (ex Food/Energy)
↑ Change 0.1%

228,000
BLS / Job Growth
↑ Change 98,000

4.2%
Unemployment Rate
↑ Change 0.1%

4.25-4.5%
Federal Reserve Interest Rate
— No change

Payments Index Growth

Purchases

2025 v 2024

Credit	Debit
↑ 2.0%	↑ 4.0%

2024 v 2023

Credit	Debit
↓ 0.3%	↑ 6.6%

Transactions

2025 v 2024

Credit	Debit
↑ 2.1%	↑ 2.3%

2024 v 2023

Credit	Debit
↑ 2.2%	↑ 5.2%

On April 2, President Trump announced sweeping tariffs on imports from all nations that trade with the United States, with a 10% baseline tariff that took effect on April 9. Though a 90-day pause has been placed on most tariffs, those targeting China remain in place, fueling increased uncertainty and anticipated price increases. Consumer sentiment continues to erode, while both economists and Fortune 50 CEOs warn of the ripple effects – rising inflation, higher unemployment and the possibility of a recession if trade flows are significantly disrupted. While the impact of tariffs is not yet reflected in our March data, it is certainly weighing on consumers' minds and beginning to influence spending behavior. Early signs suggest that American consumers may be stockpiling essential imported goods in anticipation of price increases. As this situation unfolds, we will be closely tracking how these developments shape spending behaviors in the coming months.

The Consumer Confidence Index declined for the fourth consecutive month in March to 92.9, with less optimism in the area of future business conditions and future income. The 7.2-point drop was primarily driven by consumers 55 and older and followed by those aged 35 to 55. The decline was across most income levels with one exception: those earning more than $125,000 per year. The University of Michigan Index of Consumer Sentiment dropped 11% from March to 50.8 in April – its second-lowest level in history – and has lost more than 34% year over year. Consumers across all ages, income and political demographics expressed pessimism and concern over anticipated upcoming price surges.

In the Labor Department's April 10 update, the Consumer Price Index (CPI) decreased 0.1% in March, bringing the cumulative 12-month rate of inflation up to 2.4%. The Energy index dropped 2.4%, which was led by a 6.3% decline in the Gasoline index. Food increased by 0.4%, with the indexes for food at home up 0.5% and food away from home increasing 0.4% over the month. Core CPI, which excludes the Food and Energy sectors, increased by 0.1% in March following a 0.2% decrease in February, bringing the 12-month Core CPI to 2.8% – the smallest 12-month increase since March 2021.

In March, jobs grew by 228,000, with increases in healthcare, social assistance and transportation and warehousing. Federal government workers declined by 4,000 in March, following a decline of 11,000 in February. The overall jobs increase was larger than expected, as economists anticipated growth of roughly 130,000. February's job growth numbers were downwardly revised by 34,000 to 117,000. The U.S. Bureau of Labor Statistics (BLS) reported the overall unemployment rate increased slightly for March to 4.2%, or 7.1 million people, and has hovered between 4.0% and 4.2% since May 2024. On a positive note, the labor force participation rate has maintained at 62.5% since December 2023.

On April 4, Federal Reserve Chair Jerome Powell indicated that interest rate changes have a "highly uncertain outlook" as higher-than-expected tariffs are likely to raise inflation and lower economic growth, the extent of which is uncertain. While the next Federal Open Market Committee (FOMC) meetings end on May 7, there have been signals that the earliest a rate change could occur would be with the June meeting that concludes on June 18.

Subscribe to the Velera Payments Index to Receive Monthly Insights

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, click here. We welcome questions and feedback on the Payments Index by way of this link or scan the QR code.

"Velera is excited to launch the next evolution of our Payments Index, one of the credit union industry's best resources for timely data and insights on payment transactions. The evolution of this monthly report has been extraordinary; since its origin as a weekly transaction tracker throughout the first year of the pandemic, the Payments Index has emerged as one of Velera's key pieces of thought leadership, offering actionable data, insightful trend analysis and prescriptive content for credit unions.

I would also like to recognize Velera's outstanding Marketing & Communications and Advisors Plus teams for their ongoing collaborative efforts in bringing these insights to life for our credit unions and our industry. We look forward to the continued evolution of the Payments Index and helping credit unions make strategic, data-informed decisions to fuel growth."

Chuck Fagan
President & CEO
Velera

Key Takeaways for March 2025

- The consequence of tariffs on consumer spending could have a profound impact on 2025 payment results, with mixed thoughts on timing. Price increases could begin to materialize in the coming weeks, while others could take a few months depending on supply chain constraints. We will monitor changes in consumer discretionary spending, as tariffs could impact non-discretionary spending in basic categories like supermarkets, drug stores and discount stores. While year-over-year growth remains positive in debit discretionary activity, results have softened from the start of the year, which could be a preemptive measure by Payments Index consumers in advance of high inflationary prices.
- Growth rates softened for debit in March and moderated for credit. Debit purchases were up 4.0% and credit purchases were up 2.0%. Debit transactions were up 2.3% and credit transactions were up 2.1%. The Goods sector was the top contributor to growth in debit purchases, followed by Money Services, with these two sectors accounted for just over 70% of the year-over-year increase. For credit purchases, the Services sector was the largest contributor to growth for March. Within Services, insurance sales/premiums were the top merchant category, up 8.8% compared to March 2024.
- Leaving the swipes and dips behind, contactless "tap-and-go" transactions now make up over half of all Card Present transactions on contactless cards. Digital wallets also continue to grow in popularity, with 9.9% of all debit transactions (CP & CNP) taking place via a digital wallet and 5.6% of all credit transactions (CP & CNP) via a digital wallet for March 2025.
- The 12-month CPI through March decreased by 2.4%, down 0.1% from February. The Energy index declined 2.4%, with most of the reductions coming from gasoline, which was down 6.3%. Core inflation, which excludes food and energy, is now at 2.8%, up 0.1% for March.
- Overall credit card delinquencies for March 2025 were 2.31%, down 0.11% year over year. After peaking in January 2024 at 2.67%, growth in the delinquency rate has softened each month since the peak with an average reduction of 0.11% for each month of 2025.

Opportunities to Act On: What Credit Unions Should Do Now

Provide contactless cards and mobile wallets

It is now essential to provide your members with contactless cards and mobile wallets, as more than half of all Card Present transactions are now “tap-and-go” contactless for members with contactless cards.

Enroll in Advisors Plus Back-to-School Spend & Get card marketing campaign

Cardholders can earn cash-back rewards with qualified back-to-school transactions from Aug. 1 through Sep. 30. The enrollment deadline is May 15.

Enhance delinquency management tactics

While growth in delinquency rates have softened and delinquencies are down from 2024 peaks, they remain elevated compared to pre-2023 monthly rates. Leverage advanced technologies and multi-channel communication options to engage cardholders in their preferred channels. Velera’s TriVerity offers a delinquency management suite of services, payment portal and client support.

Contact your Client Growth Executive for further details or to explore how Velera can support your credit union with these opportunities. For more information on these solutions and services, visit the Advisors Plus page.

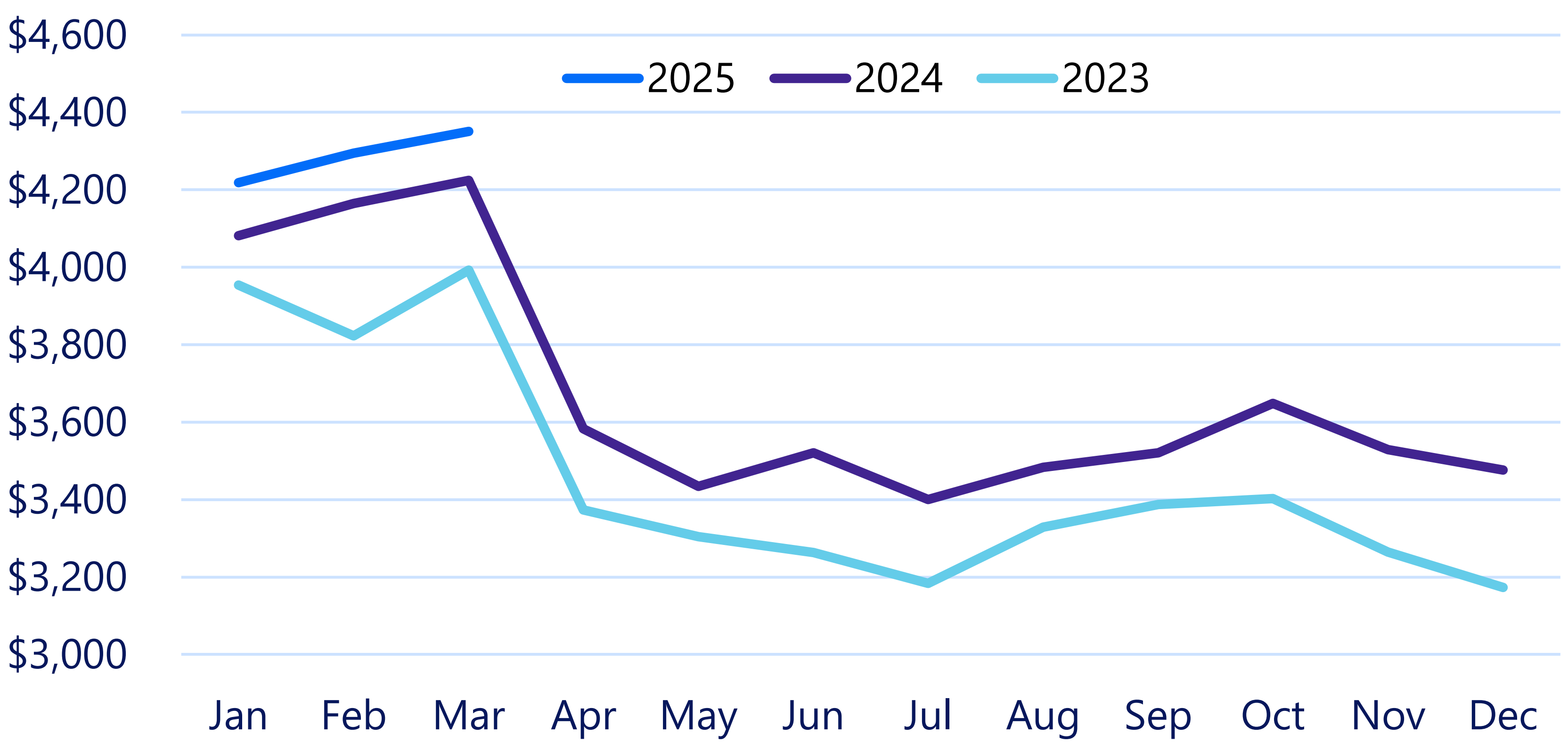
Checking In: Balance Transfers

The month of March continues to be the peak month for balance transfer usage each year. After a notable reduction in completed balance transfers in 2024 (compared to each month of 2023), results for each of month of 2025 closely mirror the results of 2024. To illustrate this point, we indexed the monthly volume of balance transfer dollars to January 2023 (which equals 100). The 2023 March peak was 120, the 2024 March peak was 75 and for 2025, March came in at 77.

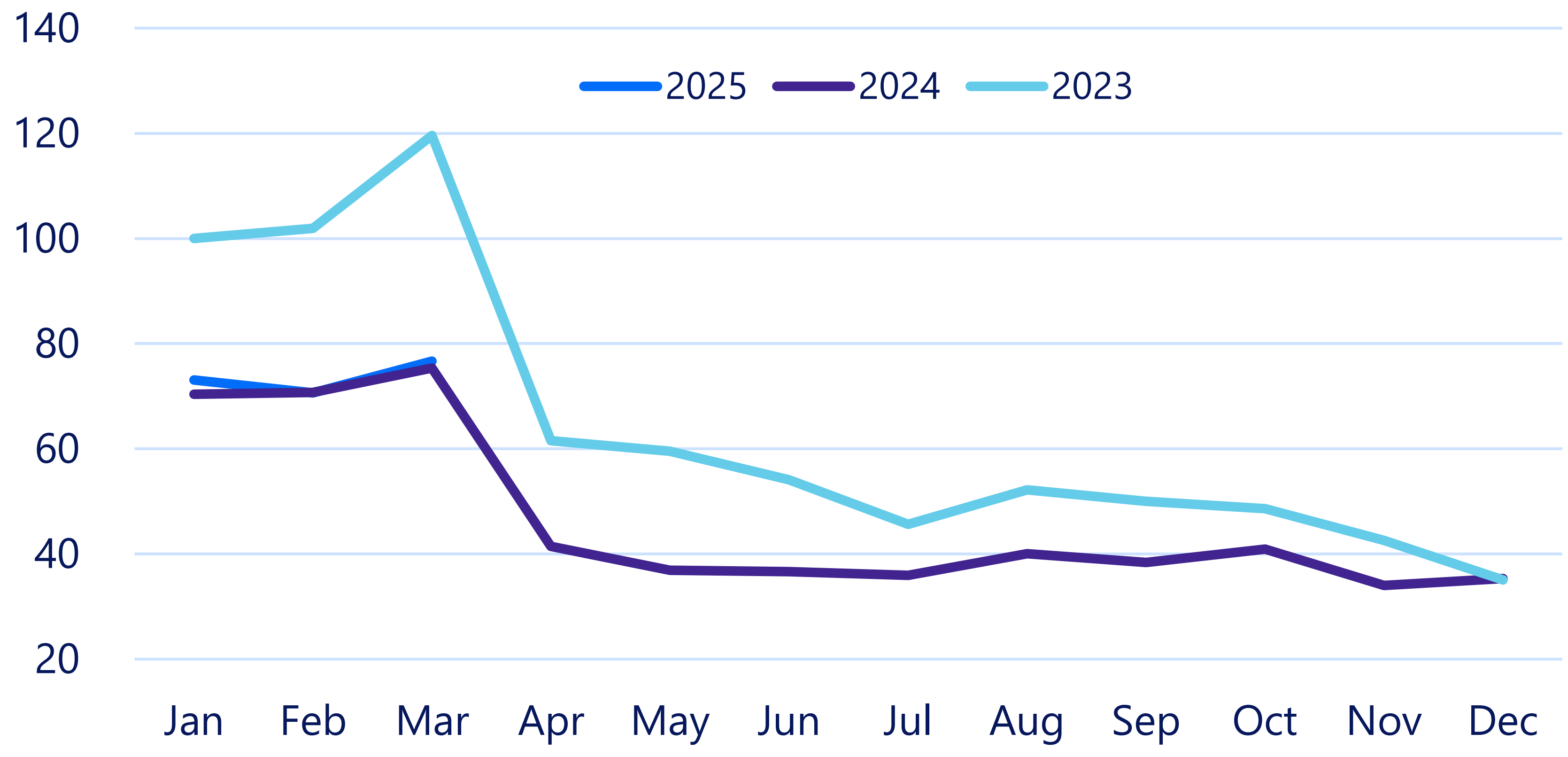
Impacted by market forces, Velera's Advisors Plus is seeing the 2025 supply from credit unions in sending balance transfer offers to be comparable to 2024, while credit union members are using fewer offers (demand side) – potentially fueled by higher interest rates. Additionally, members may be reluctant to incur more debt, which could exacerbate already-high credit card utilization rates and negatively impact credit scores.

Year over year, the number of balance consolidation transactions were down 1% when compared to March 2024. For those that used balance transfers in March 2025, the average amount of balance transfers was $4,351, up 3% or $126, from 2024.

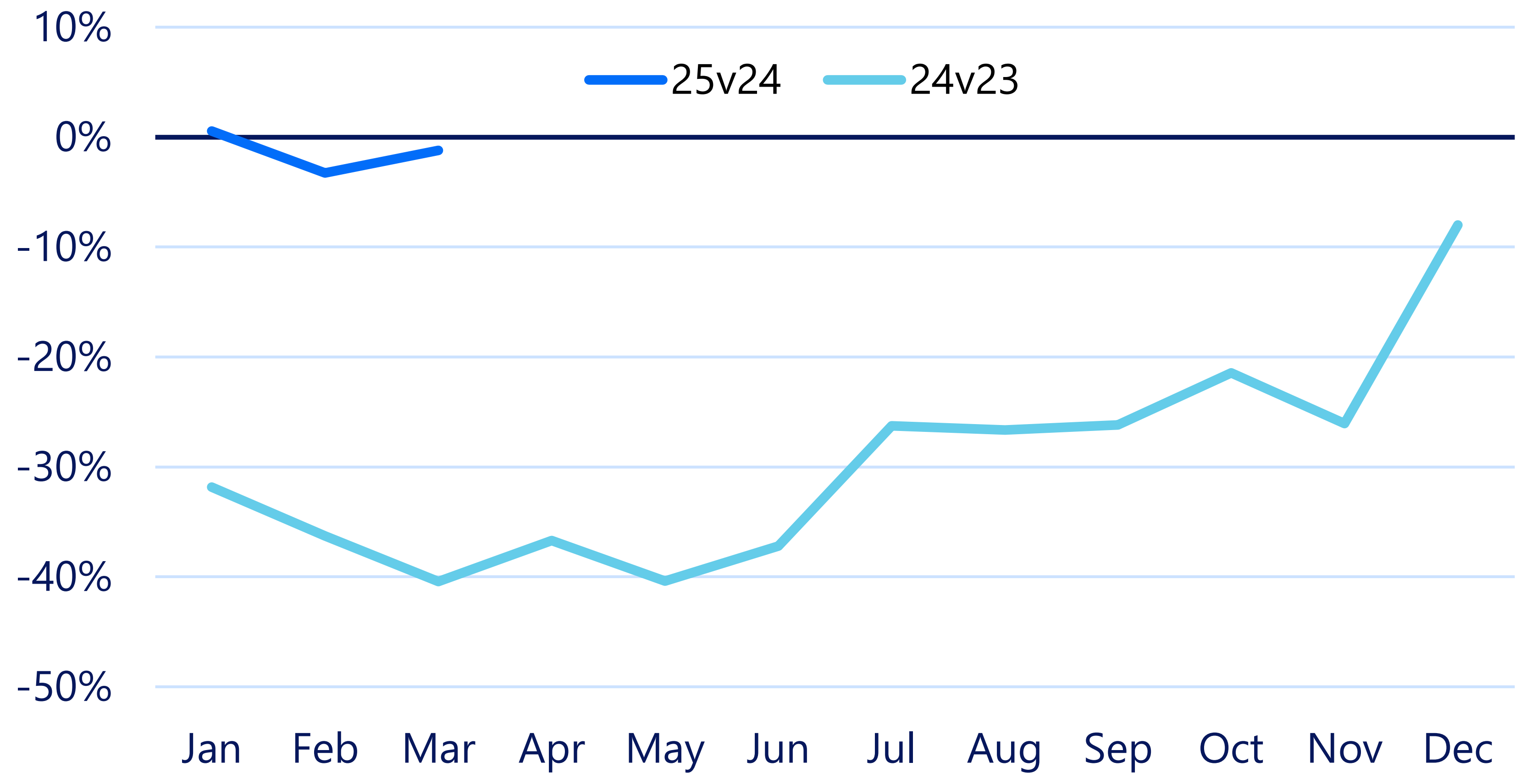
Average Credit Card Balance Transfer



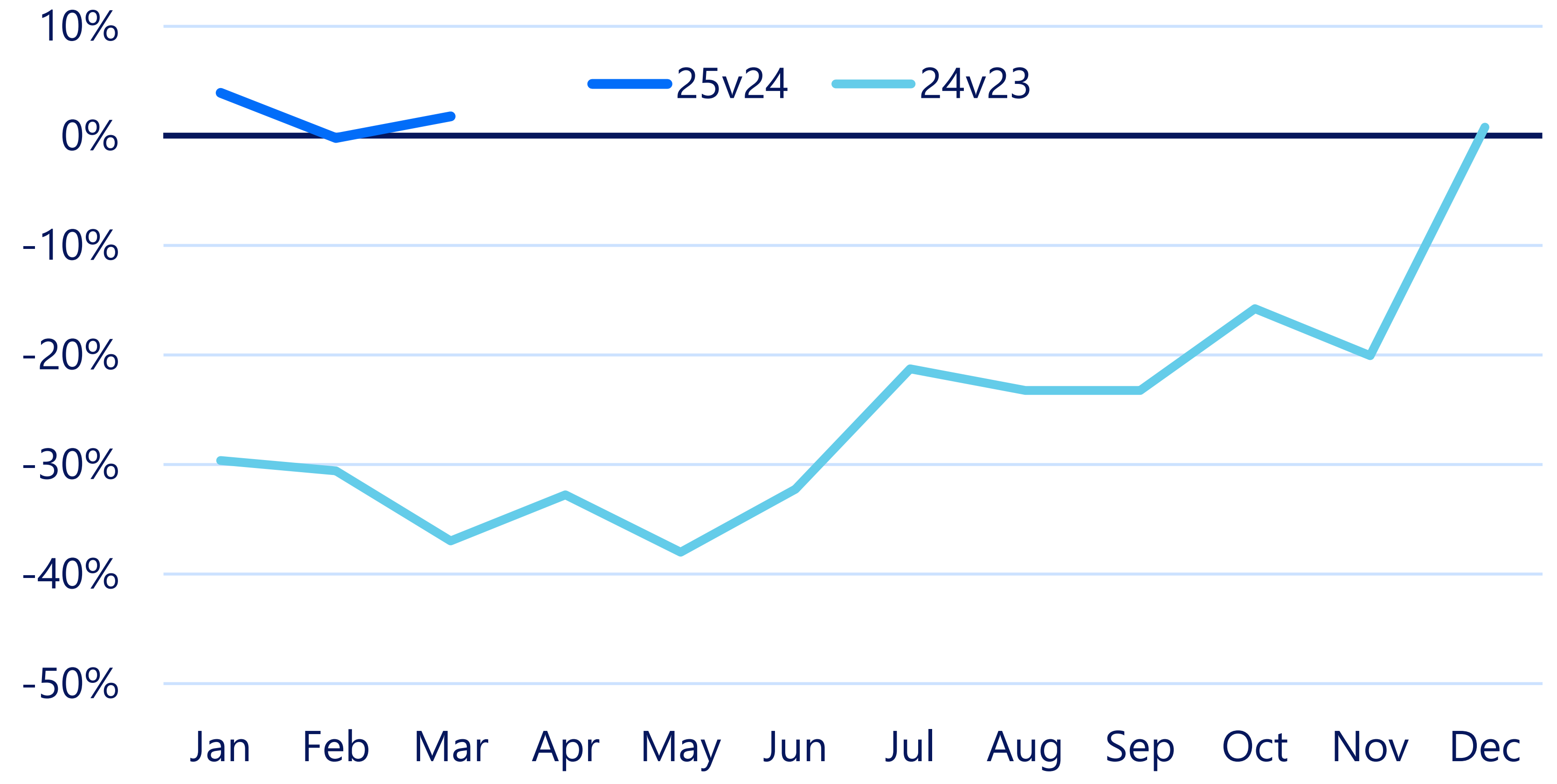
Total Monthly Balance Transfer Dollars Indexed to Jan 2023*



Year-over-Year Growth in Credit Card Balance Transfers



Year-over-Year Growth in Credit Card Balance Transfer Dollars



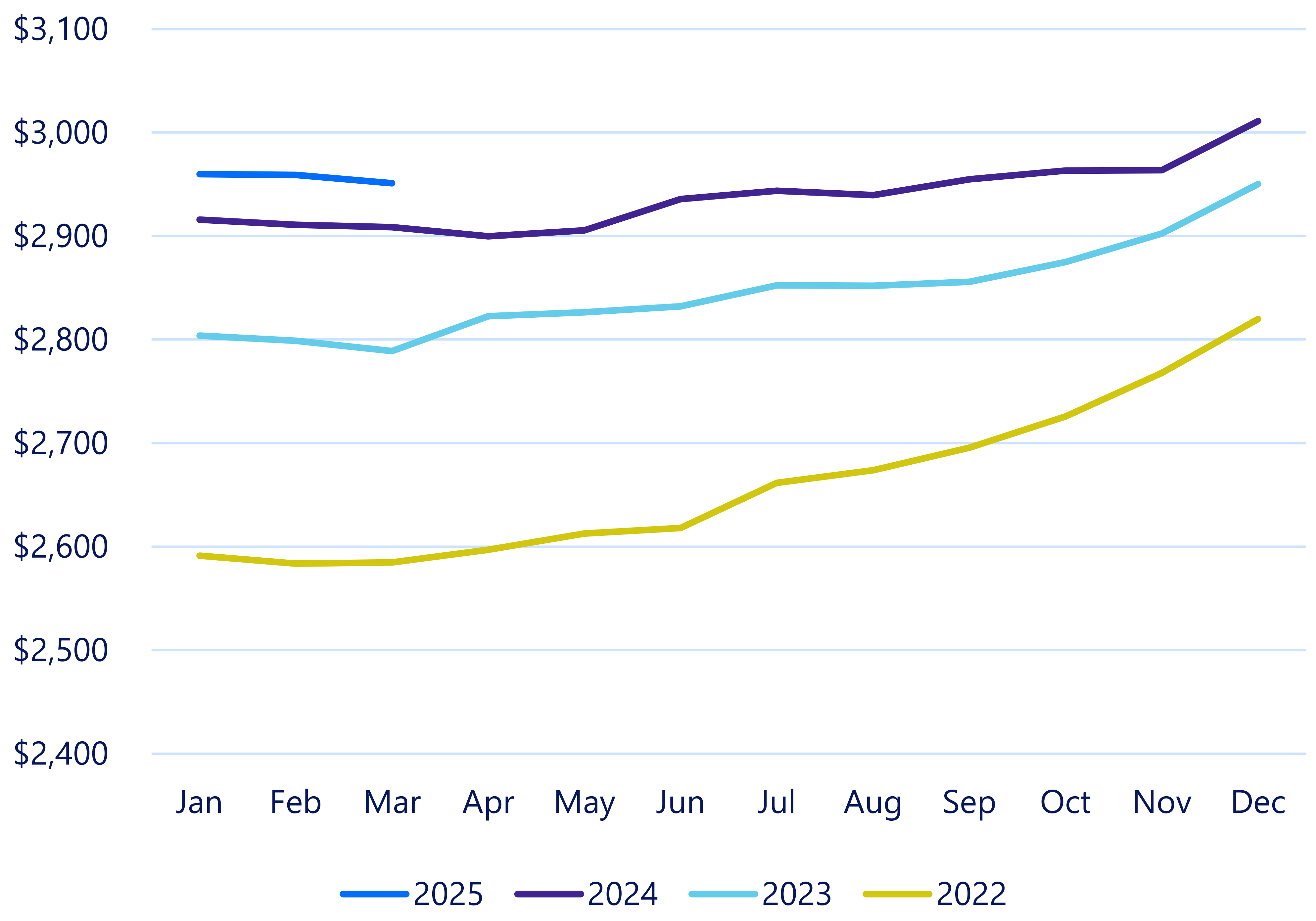
*Indexed scores represent a measure of change relative to the baseline – in this case, the total balance transfer dollars for January 2023, which is set to equal 100. Here we show the monthly change relative to the January 2023 baseline. The March 2025 indexed value was 77, which was a 23% drop from the January 2023 baseline and a 43-point drop from the peak in March 2023 (120).

Credit Card Balances

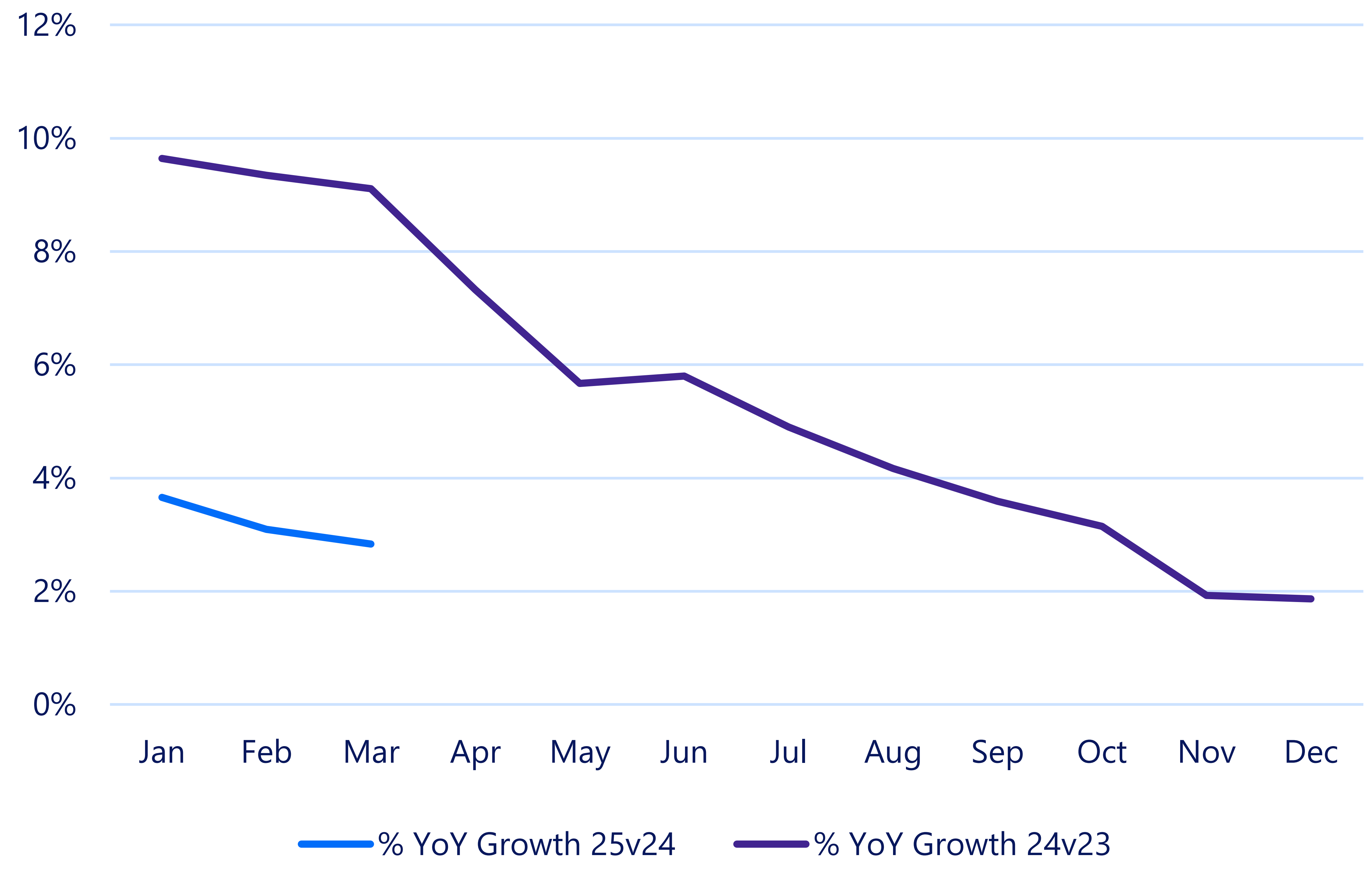
The average credit card balance for March measured $2,951, down $8 from the previous month's average. Compared to a year ago, the average balance increased 1.45%, or $42.

During the first quarter of 2025, total credit card balances declined at a faster rate than in Q1 2024. From January to March 2025, total balances were down 1.3%, compared to a 0.5% drop for the same period in 2024. Year over year, total balances in March decreased 2.8%.

Average Credit Card Balances per Gross Active Account



Percentage Change in Total Credit Card Balances

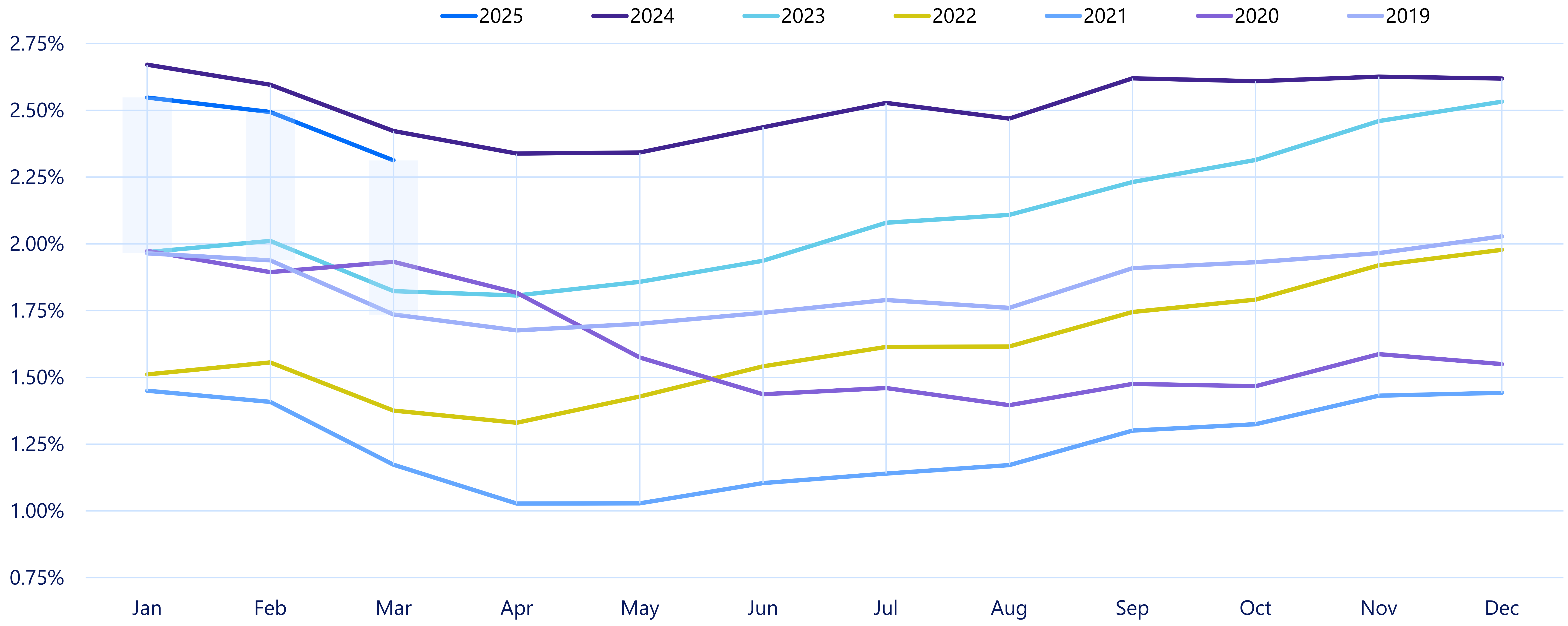


Credit Card Delinquencies

March 2025 finished with a delinquency rate of 2.31%, 11 basis points lower year over year, or down 4.6%. In comparison to pre-pandemic March 2019, the delinquency rate was 38 basis points higher.

Since peaking in January 2024 (up 0.7% compared to Jan. 2023), the year-over-year growth in the delinquency rate has softened, albeit while still growing in each subsequent month of 2024. Beginning in 2025, the year-over-year growth in the delinquency rate has turned negative at roughly 0.11% for each of the first three months of the year. The monthly overall delinquency rate this year appears to be in line with historical first-quarter trends, as slower consumer spending following the holidays and the receipt of tax refunds typically drive decreases in delinquencies.

Overall Credit Card Delinquency Rate



Credit and Debit Cards

Credit and debit card growth rates for March 2025 reflected ongoing consumer activity, with the strength of the labor market supporting spending for now. Credit transaction growth of 2.1% year over year was similar to the previous year's measure. Conversely, the rate of purchase growth was up considerably from one year ago to 2.0%. For debit, transaction and purchase growth of 2.3% and 4.0% lagged 2024 measures, which had experienced a surge, with purchase growth again outperforming transaction growth. However, Easter Sunday fell on March 31 last year, compared to April 20 of this year.

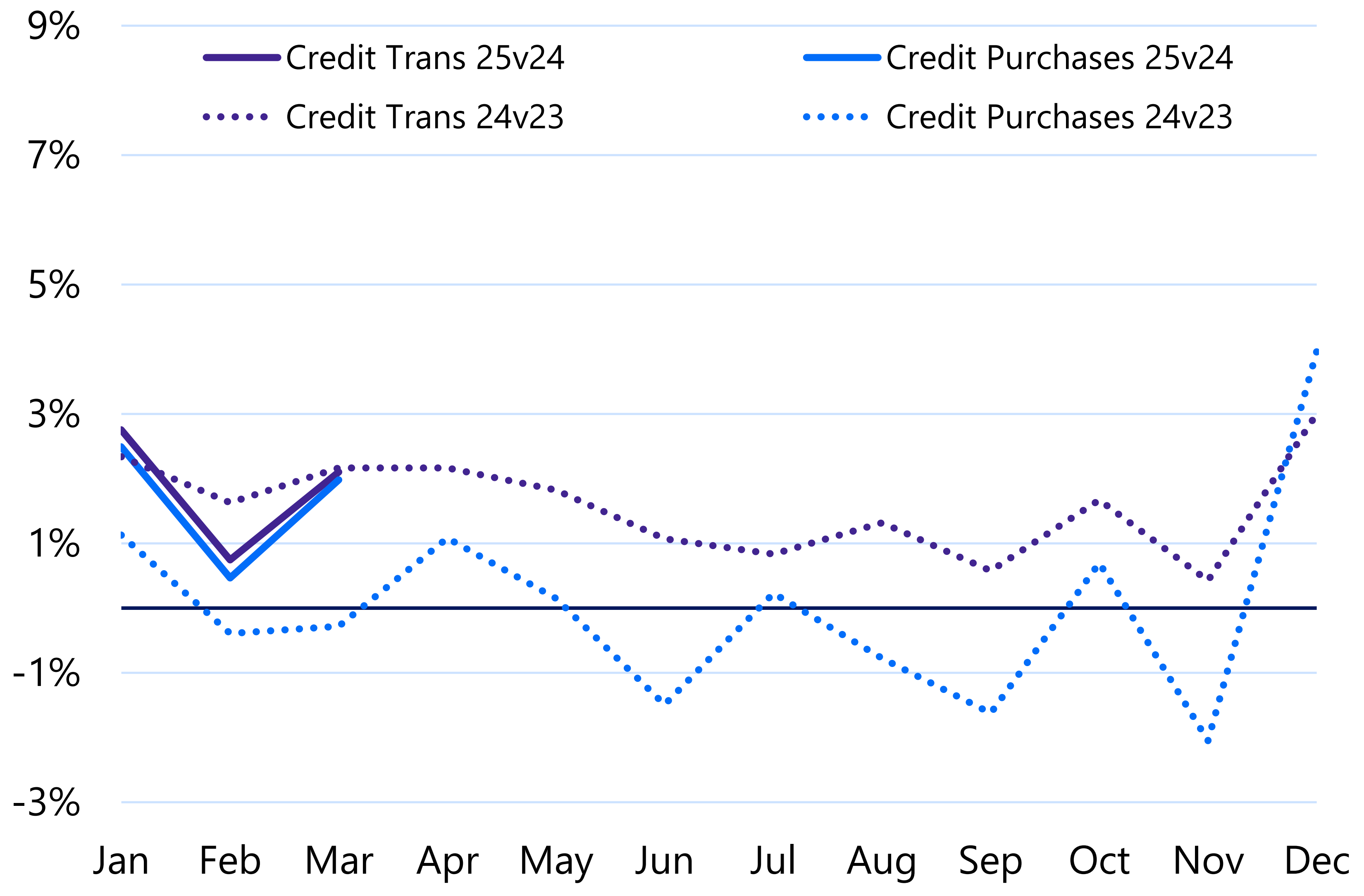
The average purchase amount per credit transaction in March was $70.49, relatively unchanged from a year ago, while the average per debit transaction was $47.46, up 1.8% year over year.

The Goods and Services sectors drove both credit transaction and purchase growth, collectively contributing 1.4% and 2.3% of growth, respectively. The lead sectors driving debit growth included Goods and Restaurants, together contributing 1.6% of the transaction growth, with the Goods and Money Services sectors collectively contributing 1.9% of the purchase growth.

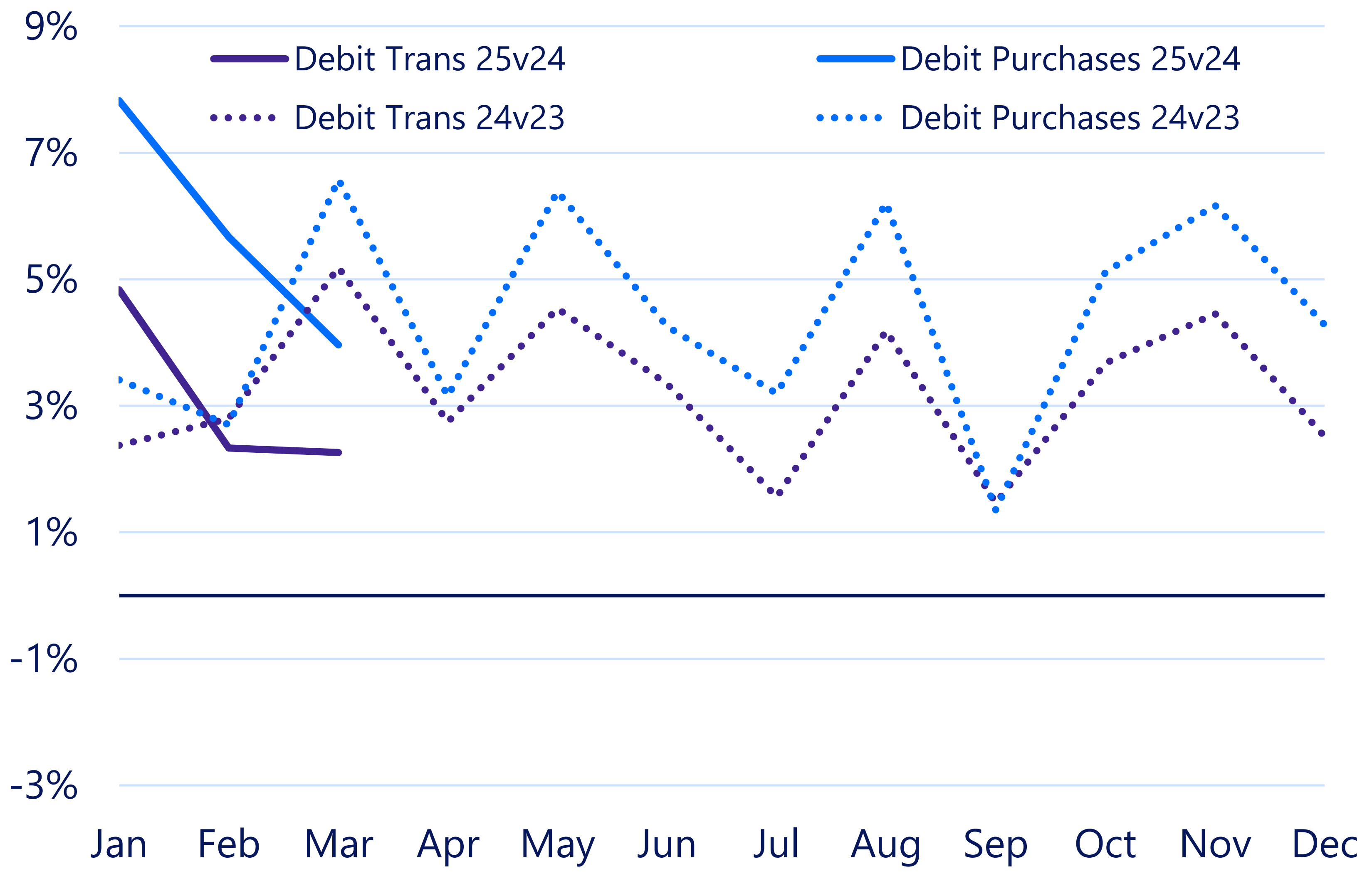
Month of March

	Credit		Debit	
	Transactions	Purchases	Transactions	Purchases
2025 v 2024	↑ 2.1%	↑ 2.0%	↑ 2.3%	↑ 4.0%
2024 v 2023	↑ 2.2%	↓ 0.3%	↑ 5.2%	↑ 6.6%

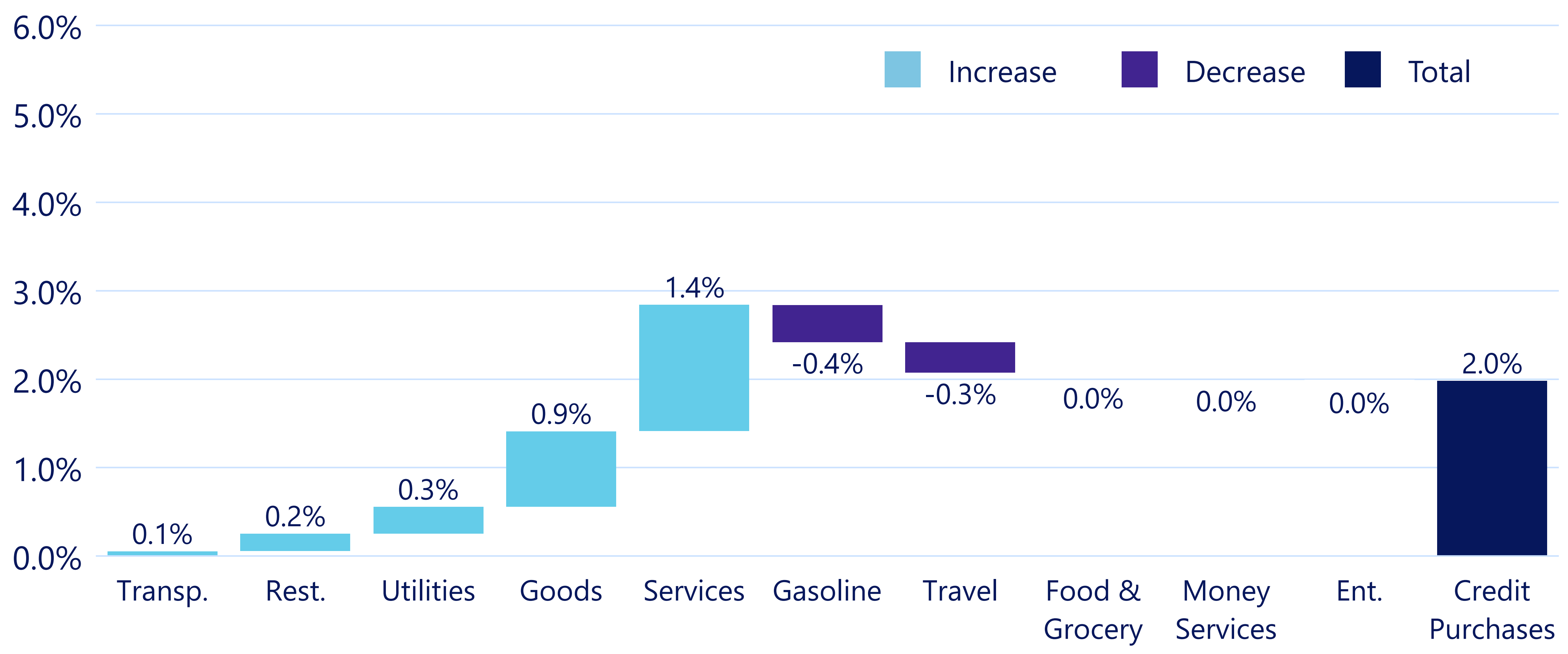
Credit



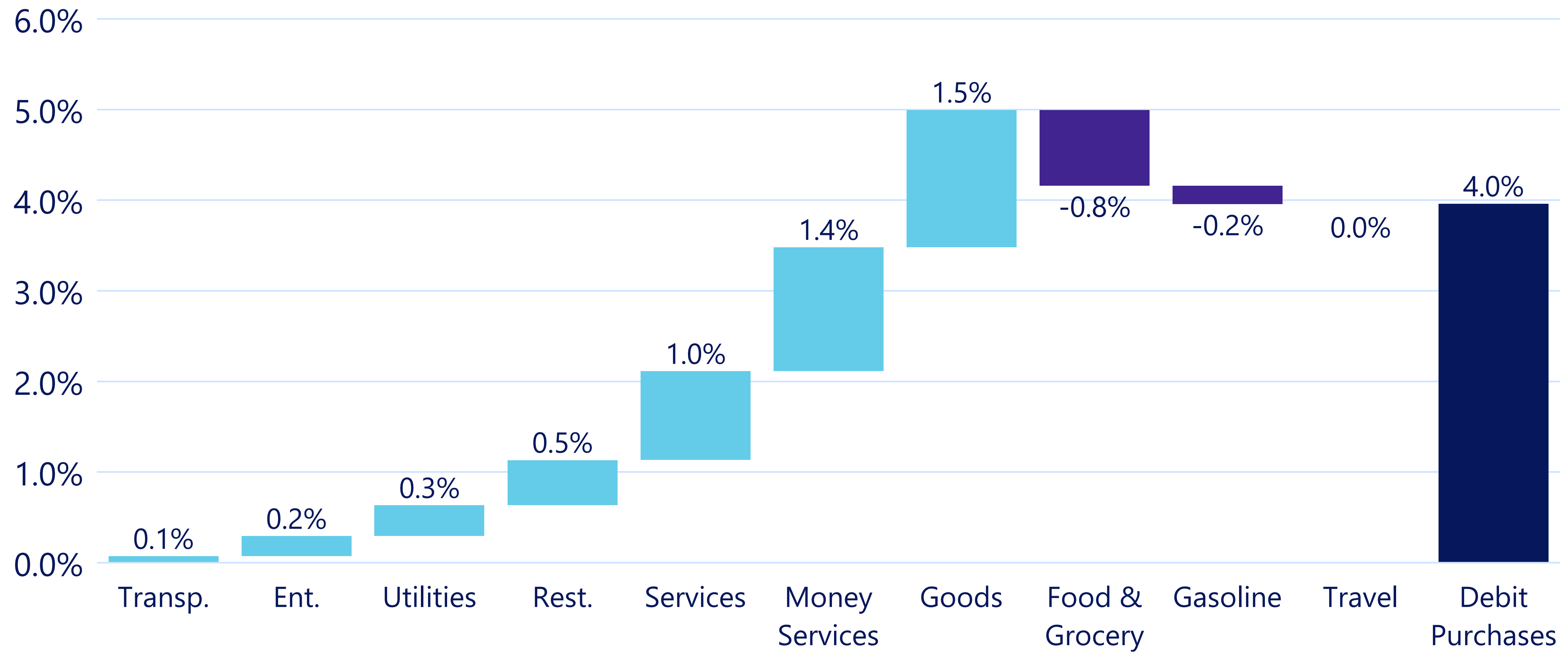
Debit



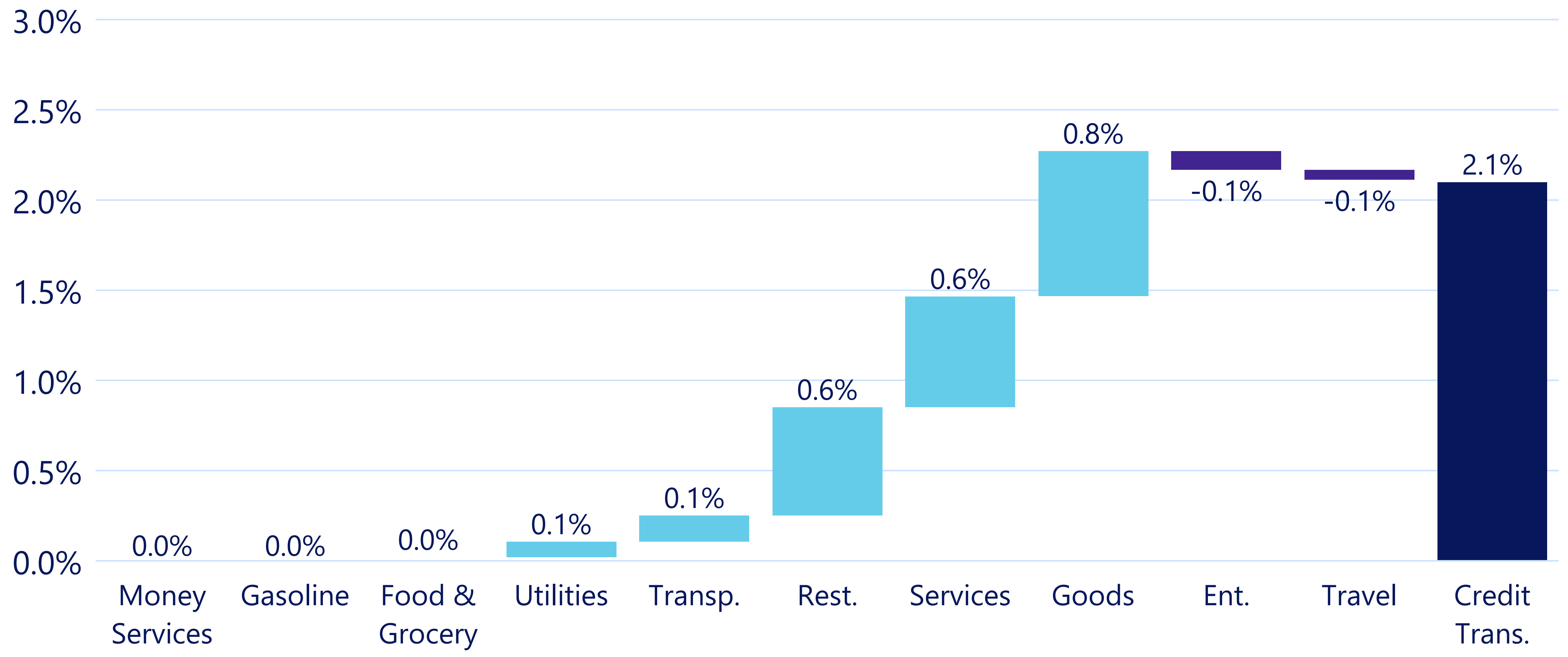
Sector Contributions to Growth in Credit Purchases: March



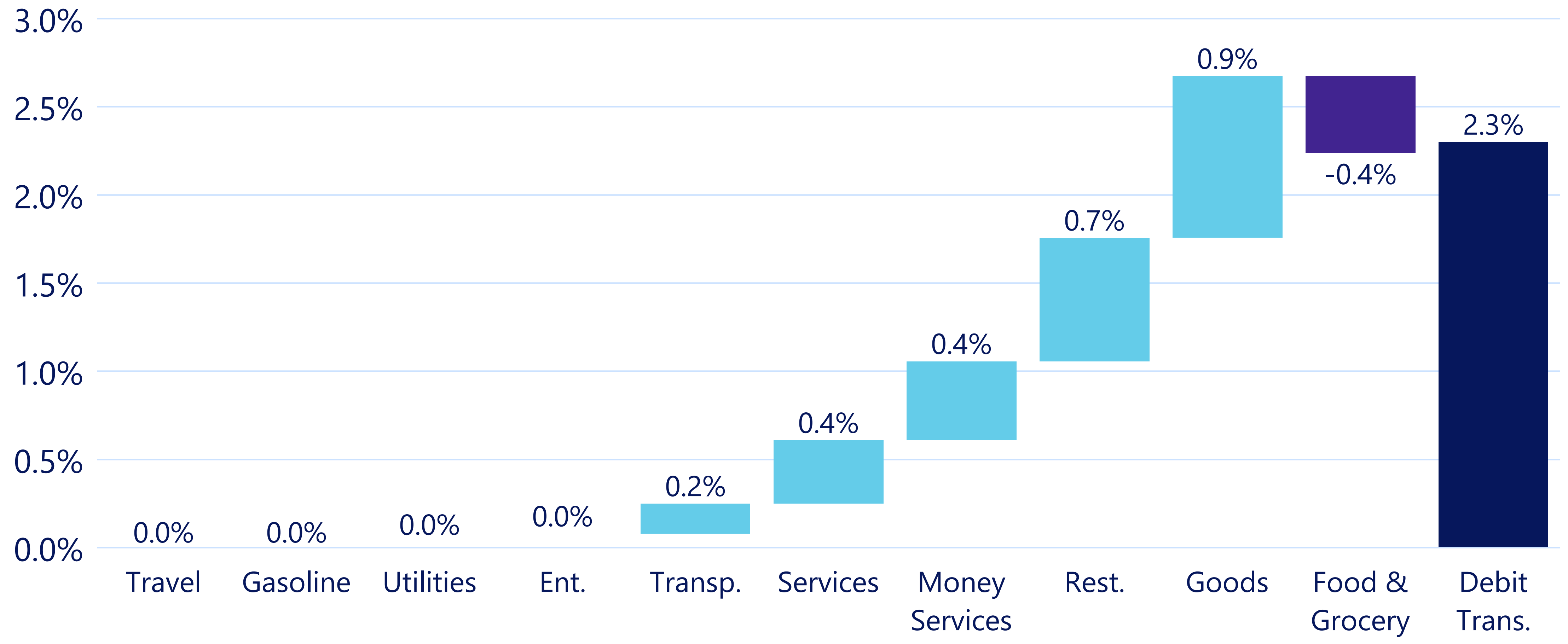
Sector Contributions to Growth in Debit Purchases: March



Sector Contributions to Growth in Credit Transactions: March



Sector Contributions to Growth in Debit Transactions: March



Discretionary and Non-Discretionary: March 2025

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 March, credit discretionary growth was softer than non-discretionary, though still outpaced the previous year's measures. Additionally, the average credit discretionary purchase amount decreased 2% year over year compared to a 0.5% increase in the average non-discretionary purchase amount.

Debit discretionary transaction growth remained greater than non-discretionary transaction growth, while growth rates for discretionary and non-discretionary purchases were very similar. The average debit discretionary purchase amount decreased 0.8% year over year versus a 1.8% increase in the average non-discretionary purchase amount.

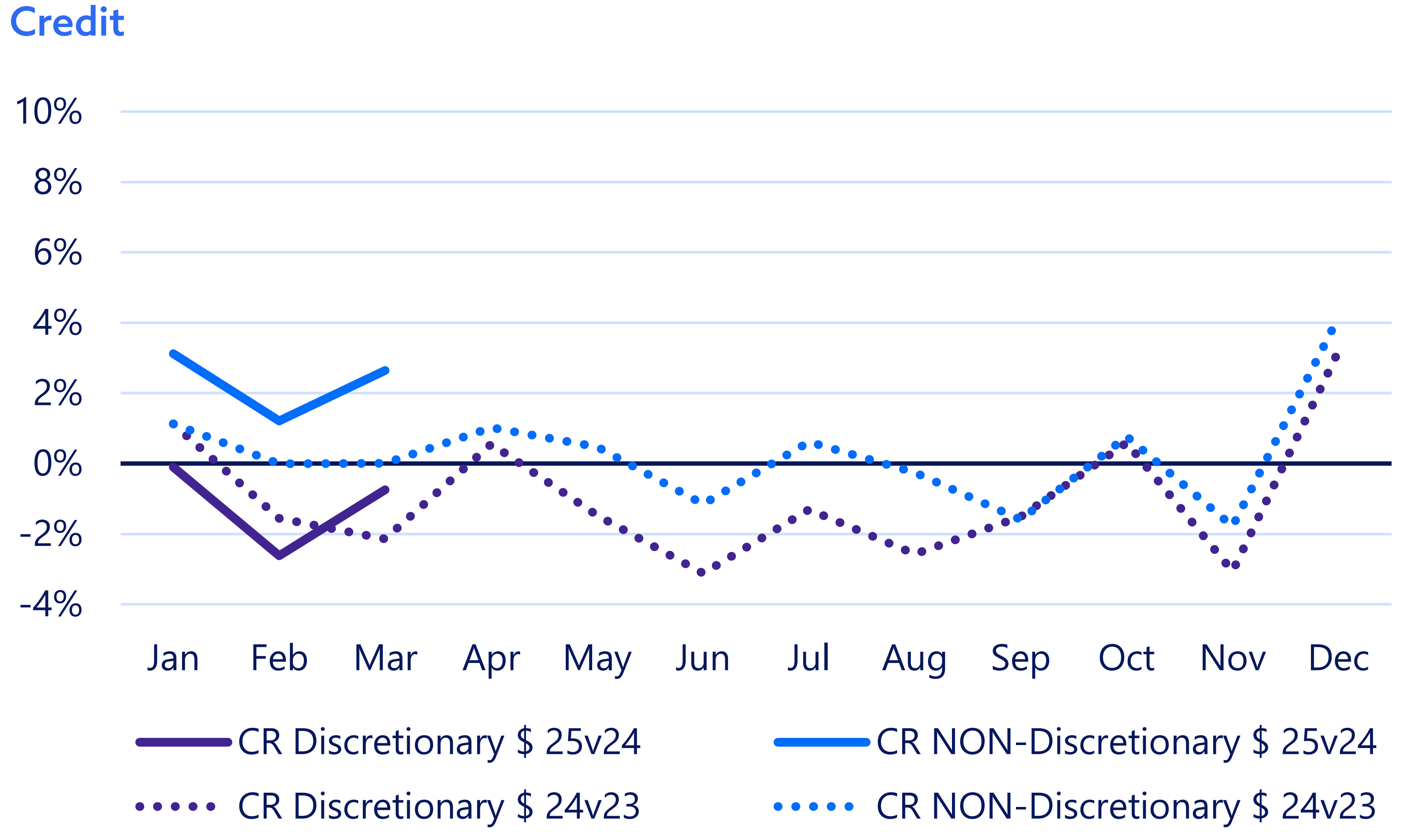
Year-over-Year Growth in Credit

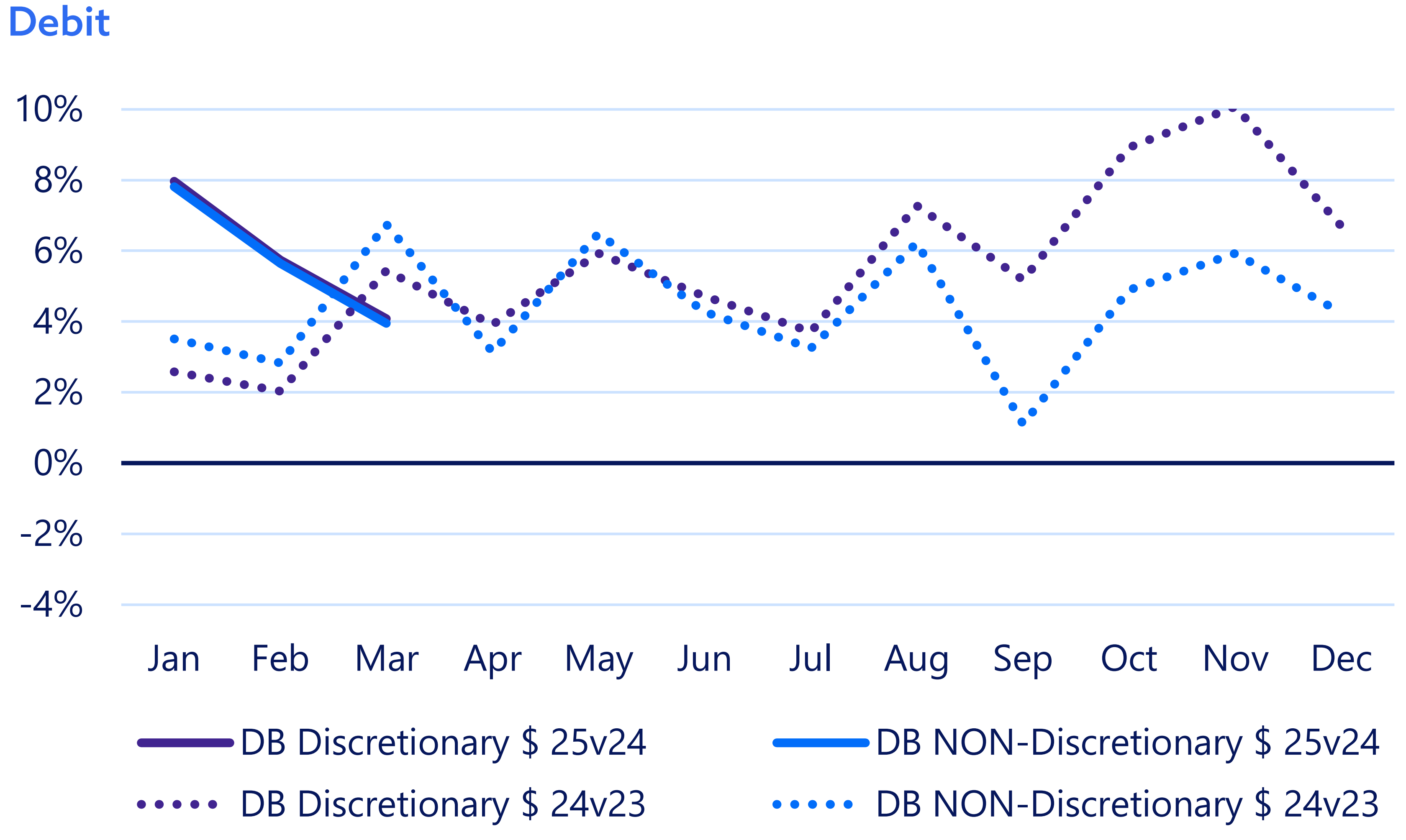
	% of Overall Purchases	Transactions	Purchases	Average Purchase
Discretionary	19%	↑ 1.3%	↓ 0.7%	$155
Non-Discretionary	81%	↑ 2.2%	↑ 2.6%	$62

Year-over-Year Growth in Debit

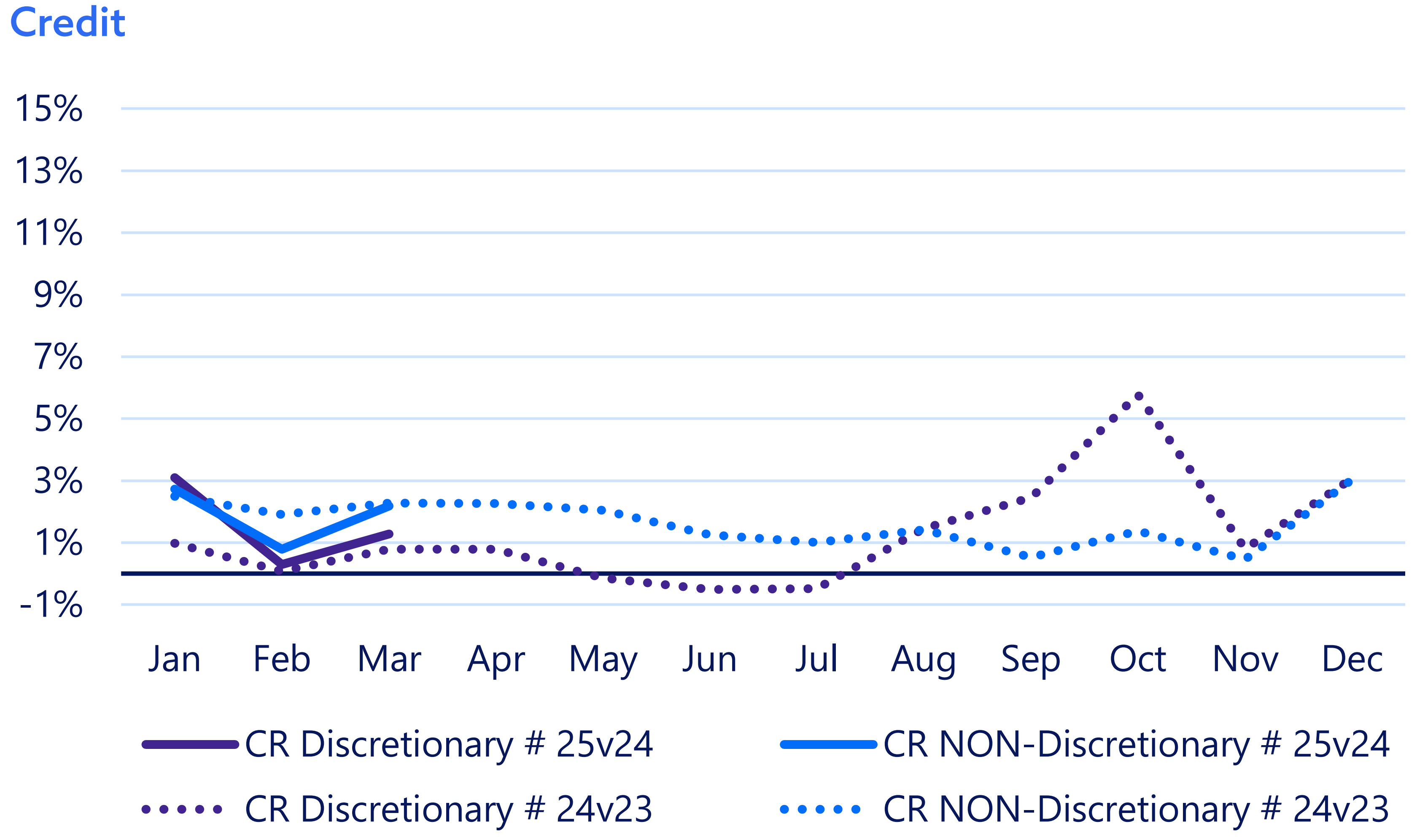
	% of Overall Purchases	Transactions	Purchases	Average Purchase
Discretionary	10%	↑ 5.0%	↑ 4.1%	$74
Non-Discretionary	90%	↑ 2.1%	↑ 3.9%	$46

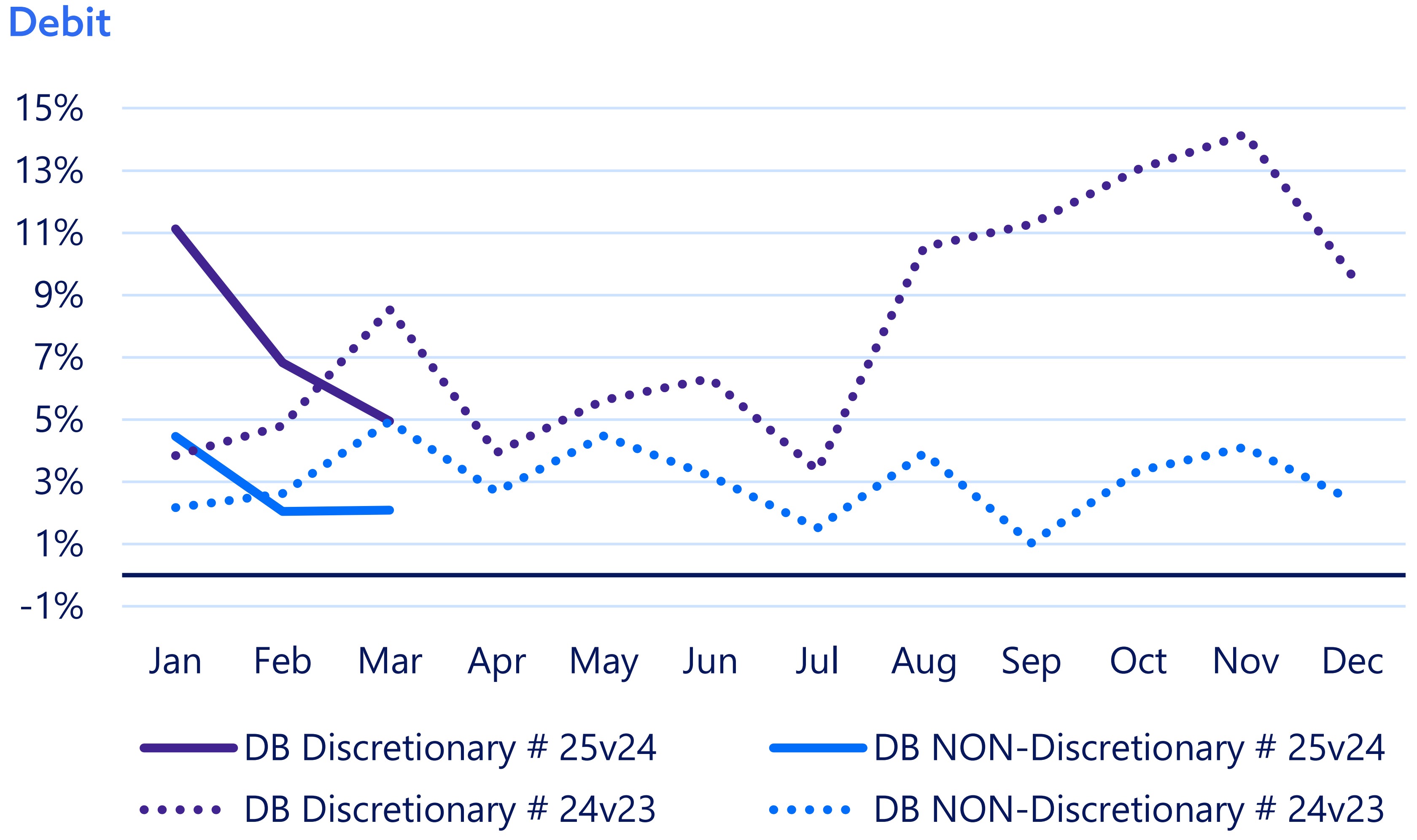
Growth in Discretionary/Non-Discretionary Overall Purchases





Growth in Discretionary/Non-Discretionary Overall Transactions





Sectors/Merchant Categories

As in the two prior months, the same sectors remained the top growth performers: Transportation, Utilities, Services and Money Services. Growth in Food & Grocery was softer, reflecting slowing inflation for food consumed at home, while growth in Restaurants spend improved, driven by Fast Food merchants. Travel growth remained negative, and while the Entertainment sector experienced positive growth in debit purchases, the vast majority was due to gambling.

Gasoline prices have been falling year over year for the past few months, with credit and debit purchase growth rates down 8% and 4%, respectively, in March. The national average price per gallon of gasoline finished at $3.24 for the week ending April 14, down 12.7% or $0.46 year over year.

Top Growth Performers:

- Transportation
- Utilities
- Services
- Money Services

March 2025 v 2024

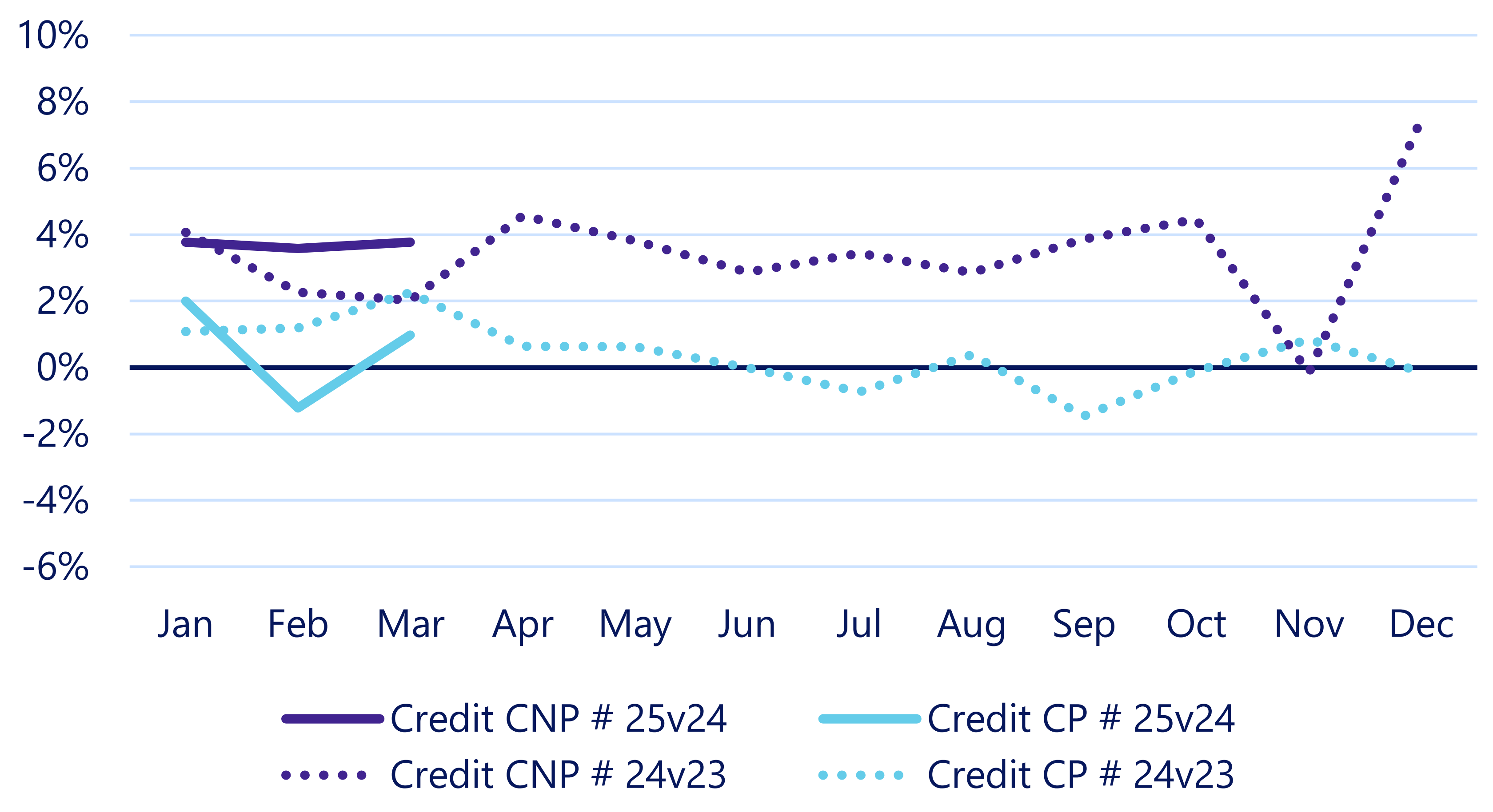
Credit			Debit	
YoY Purchases	YoY Transactions		YoY Purchases	YoY Transactions
↓ 0.5%	↓ 2.0%	**Entertainment**	↑ 5.0%	↑ 1.0%
↓ 0.4%	↑ 0.2%	**Food & Grocery**	↓ 5.0%	↓ 3.0%
↓ 8.0%	— 0.0%	**Gasoline**	↓ 4.0%	— 0.0%
↑ 2.0%	↑ 2.0%	**Goods**	↑ 6.0%	↑ 4.0%
↓ 4.0%	↓ 5.0%	**Money Services**	↑ 11.0%	↑ 8.0%
↑ 2.0%	↑ 3.0%	**Restaurants**	↑ 4.0%	↑ 3.0%
↑ 6.0%	↑ 6.0%	**Services**	↑ 6.0%	↑ 5.0%
↑ 7.0%	↑ 6.0%	**Transportation**	↑ 17.0%	↑ 16.0%
↓ 4.0%	↓ 3.0%	**Travel**	↓ 1.0%	↓ 0.1%
↑ 11.0%	↑ 5.0%	**Utilities**	↑ 7.0%	↑ 2.0%

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

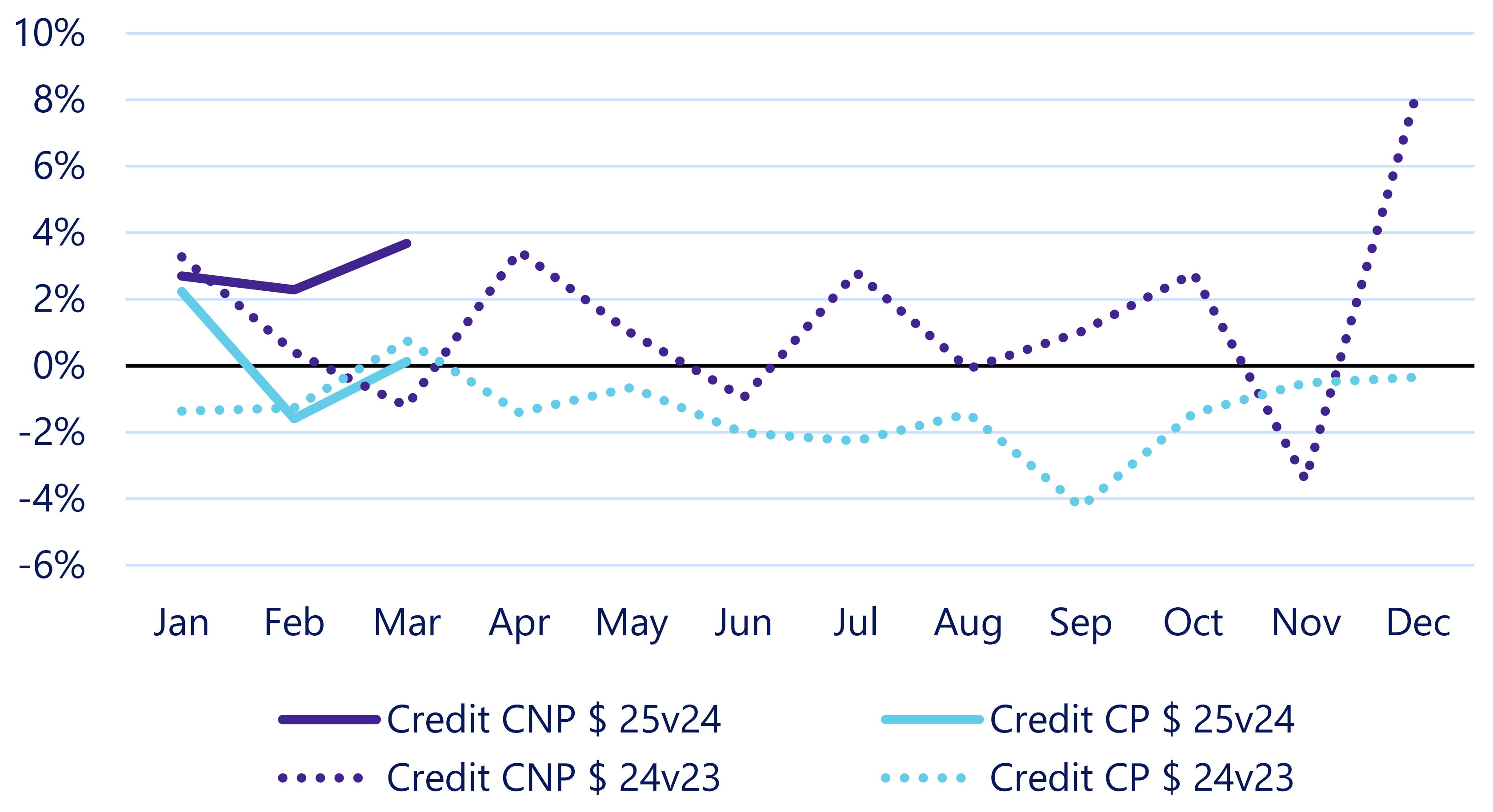
Growth in Card Not Present (CNP) activity continued to outperform Card Present (CP) growth rates for both credit and debit. Additionally, CNP credit transaction and purchase growth surpassed growth rates from one year ago, while CNP debit transaction and purchase growth were lower. All March CP growth rates were lower than one year ago.

CNP purchases comprised 53% of all credit purchases and 49% of all debit purchases. On the transaction side, CP represented the majority of both credit and debit, measuring 59% and 65%, respectively.

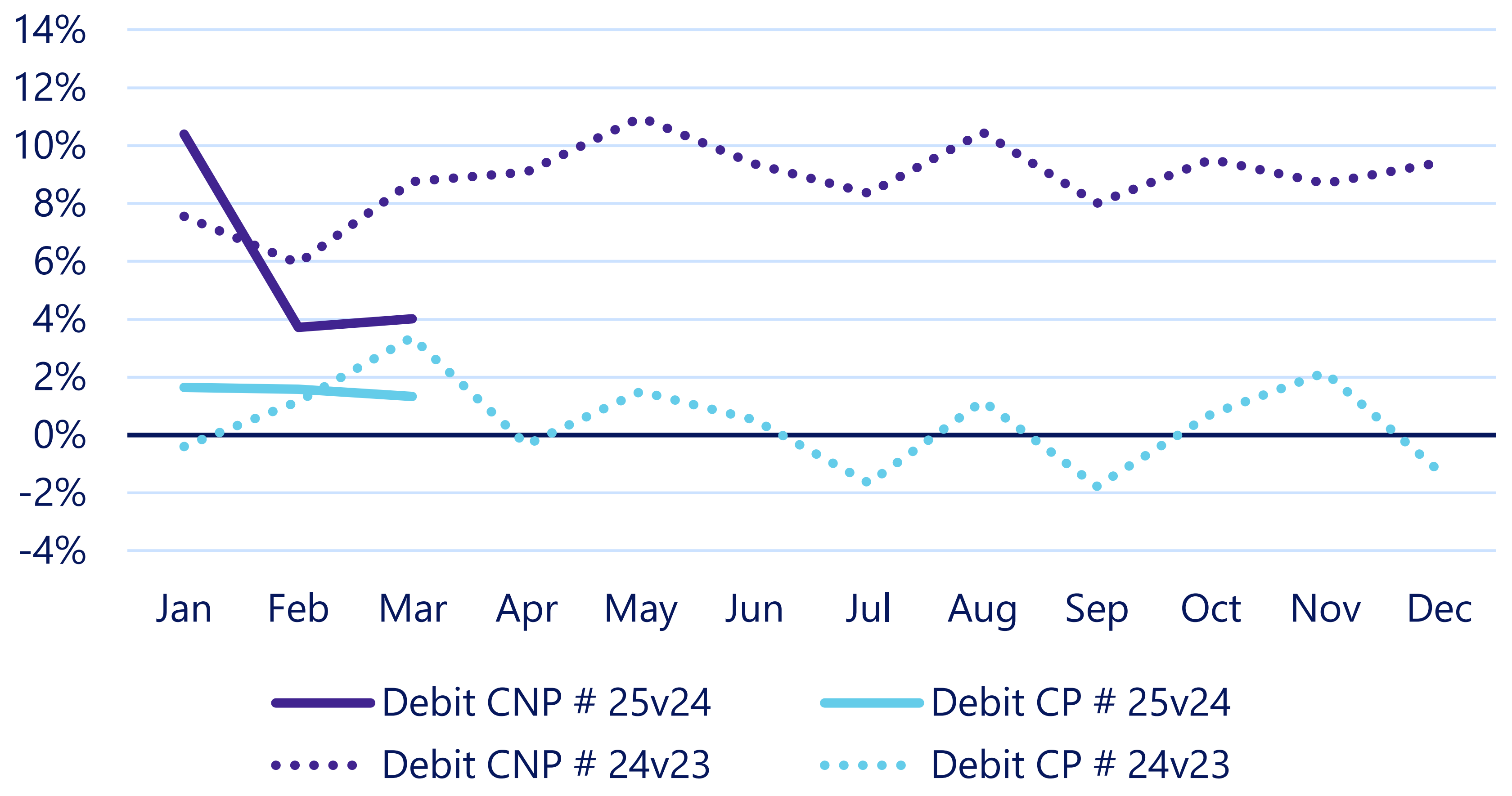
YoY % Growth in Credit Transactions



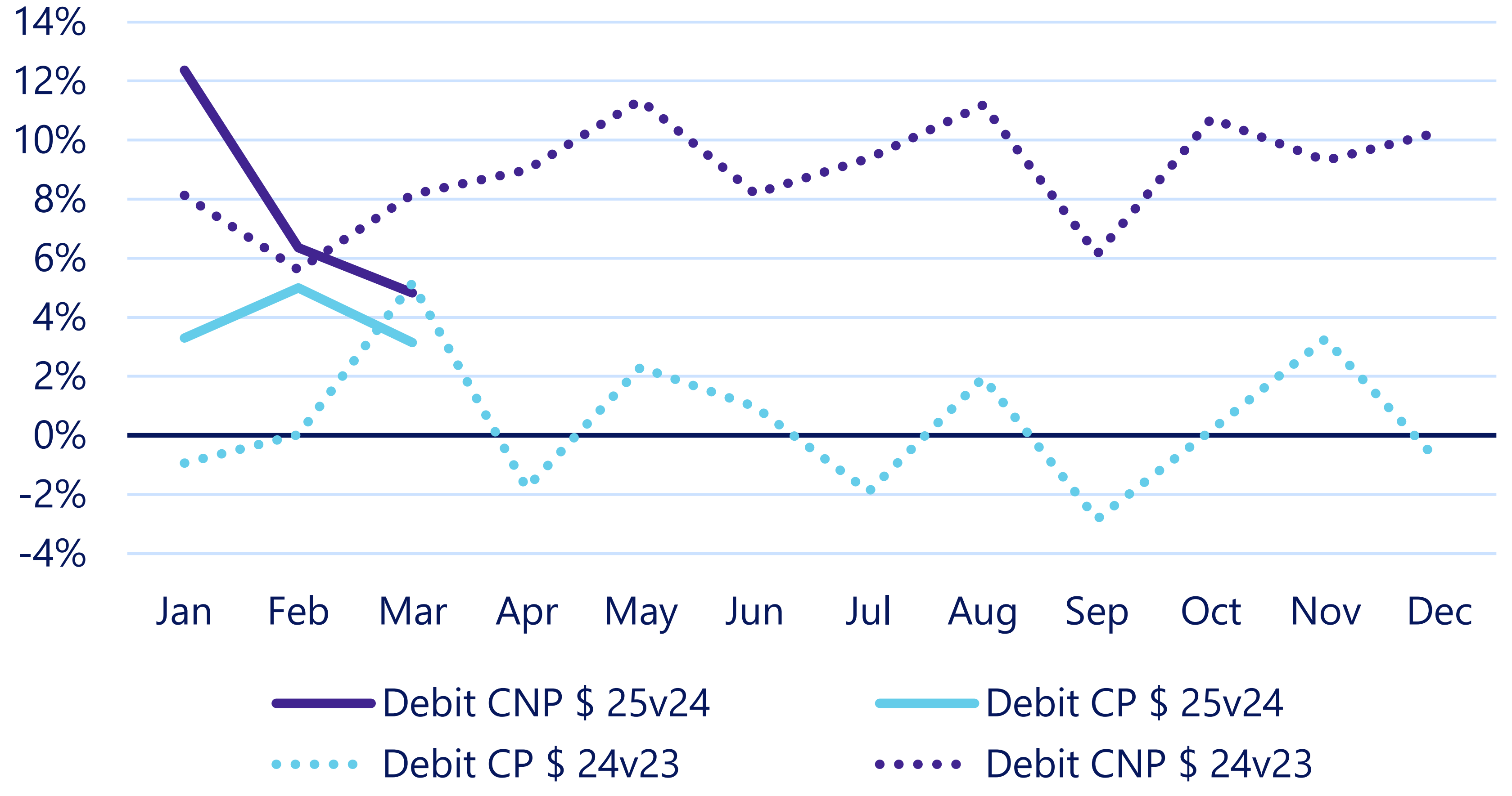
YoY % Growth in Credit Purchases



YoY % Growth in Debit Transactions



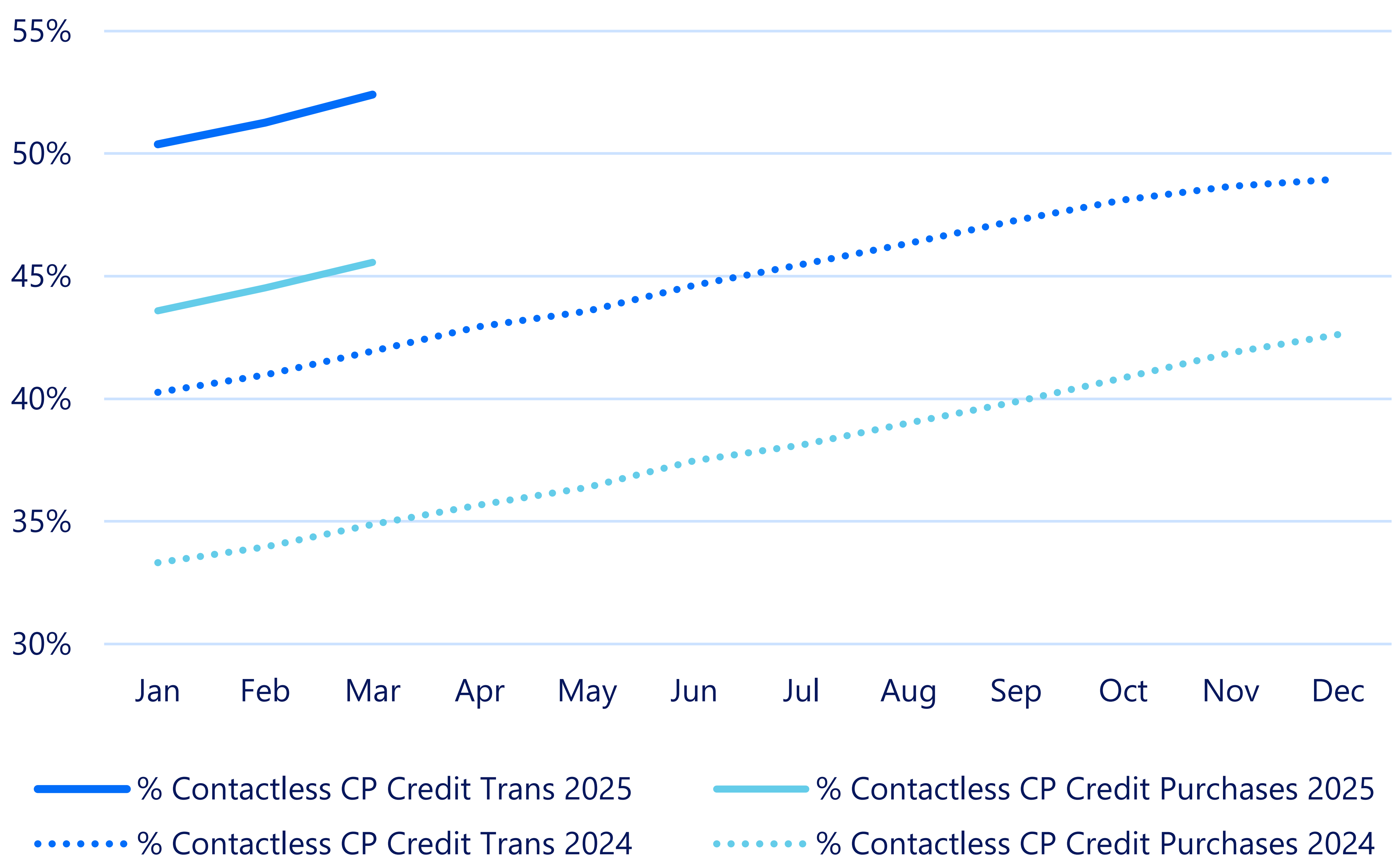
YoY % Growth in Debit Purchases



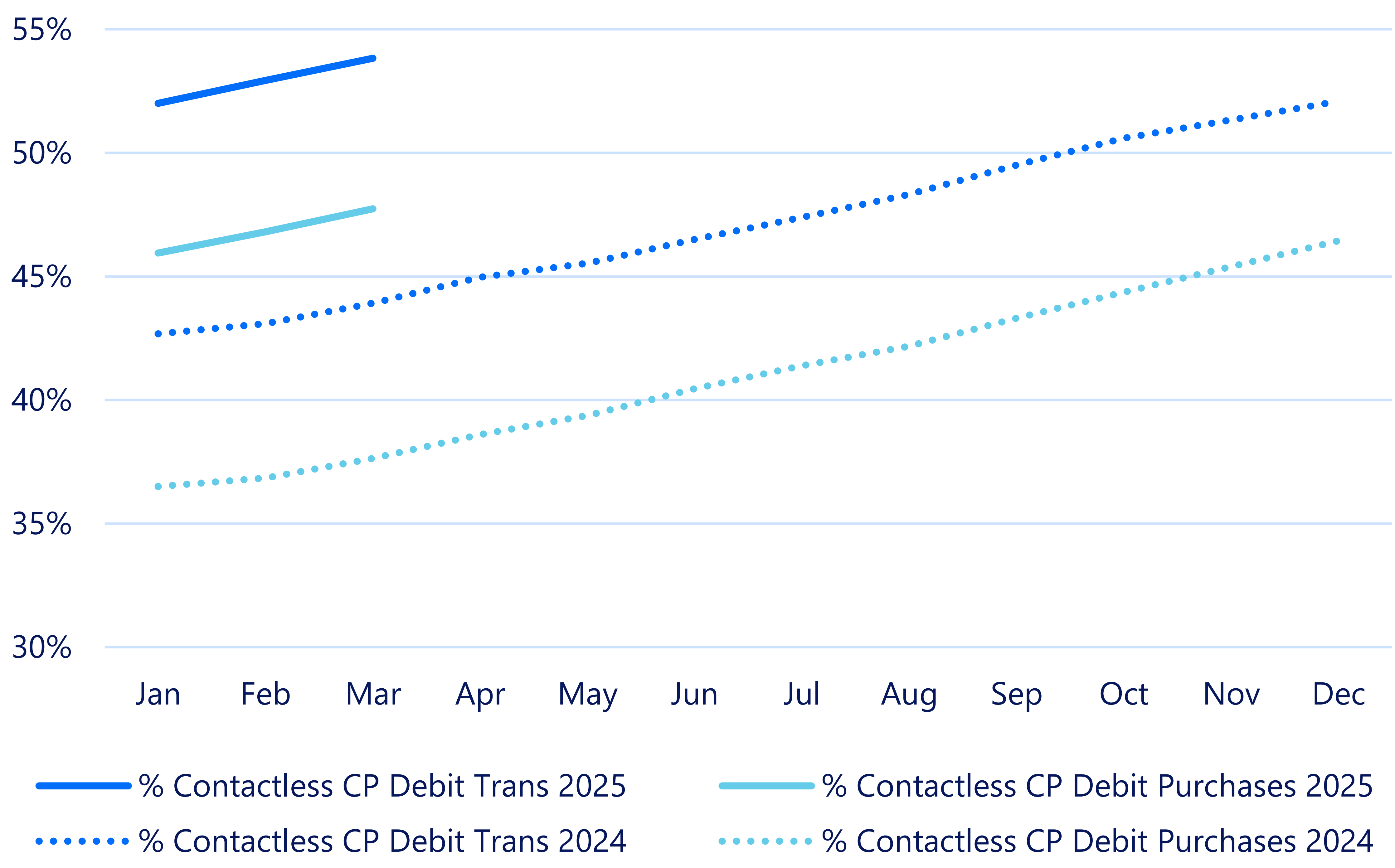
Contactless Transactions

Contactless credit transactions as a percentage of Card Present activity increased from 42% in March 2024 to 52% in March 2025 as consumers continue to embrace the ease, convenience and security of tap-to-pay. For debit, contactless has expanded from 44% to 54% year over year. The average contactless credit purchase amount was up 4.9% year over year to $50.17, while the average contactless debit purchase amount increased 6.6% to $31.08.

% Contactless Credit Activity on Contactless Cards



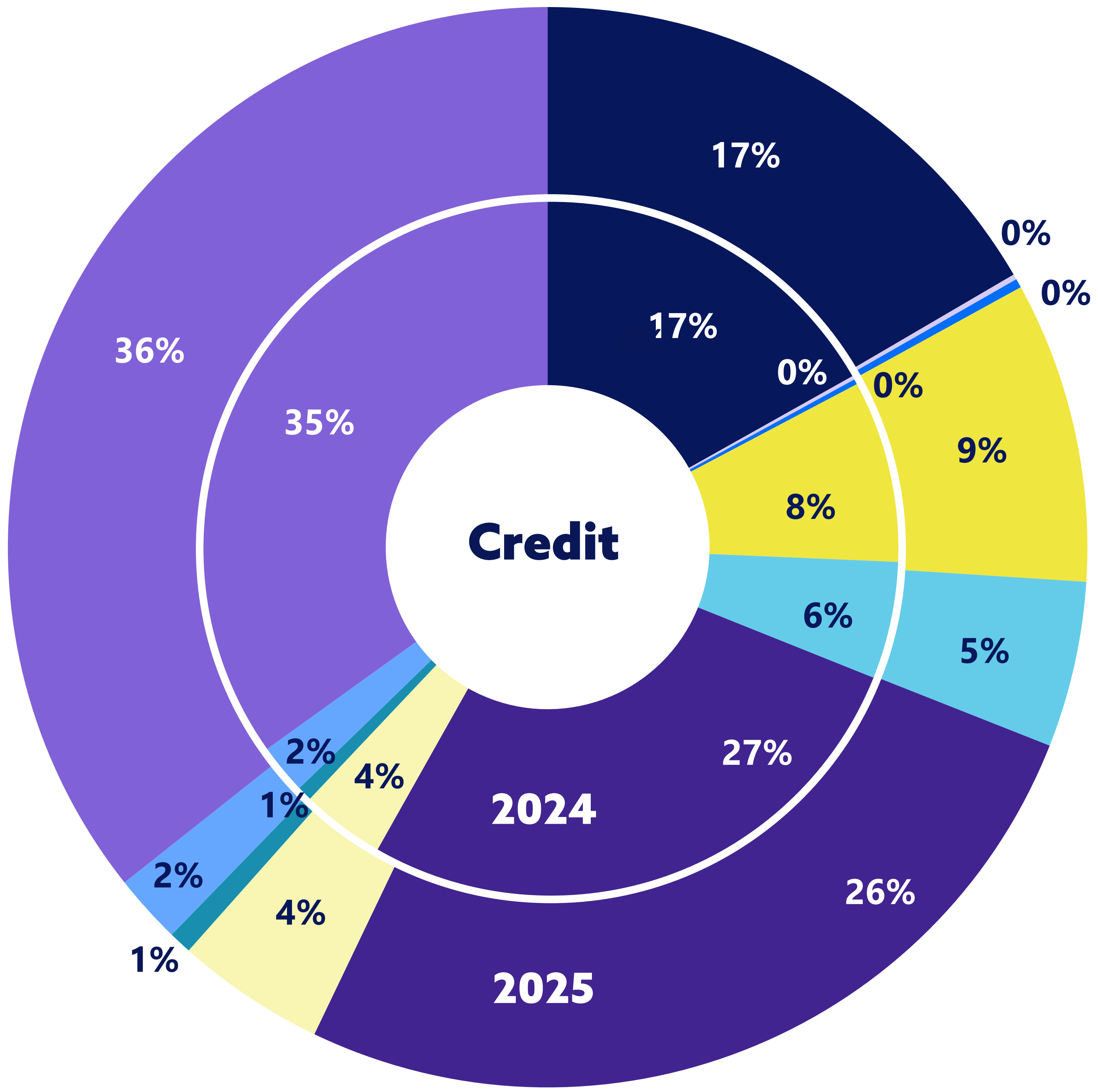
% Contactless Debit Activity on Contactless Cards

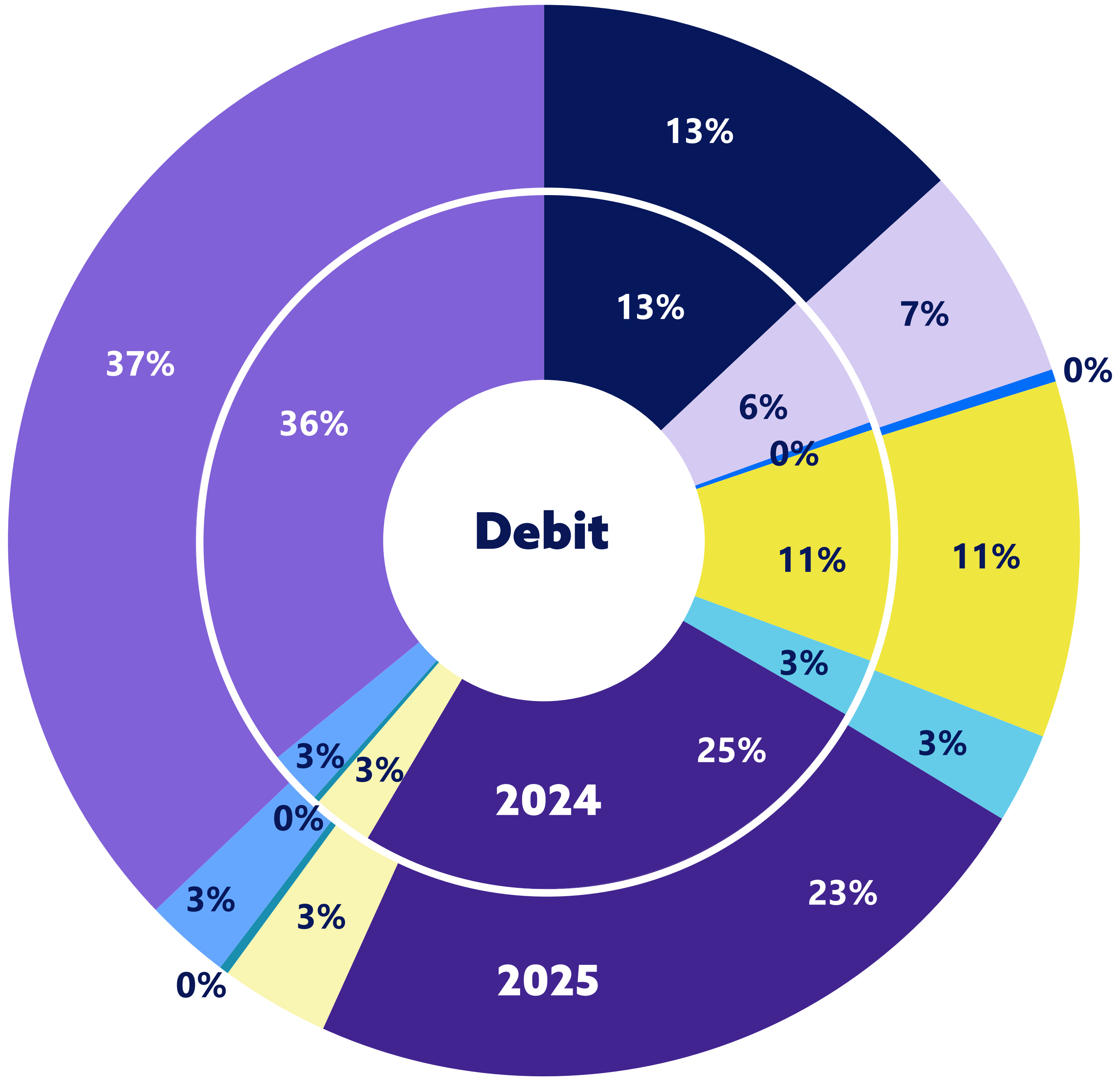


Digital Wallets

Contactless credit transactions as a percentage of Card Present activity increased from 42% in March 2024 to 52% in March 2025 as consumers continue to embrace the ease, convenience and security of tap-to-pay. For debit, contactless has expanded from 44% to 54% year over year. The average contactless credit purchase amount was up 4.9% year over year to $50.17, while the average contactless debit purchase amount increased 6.6% to $31.08.

Sector Percentage of Digital Wallet Transactions





ATM

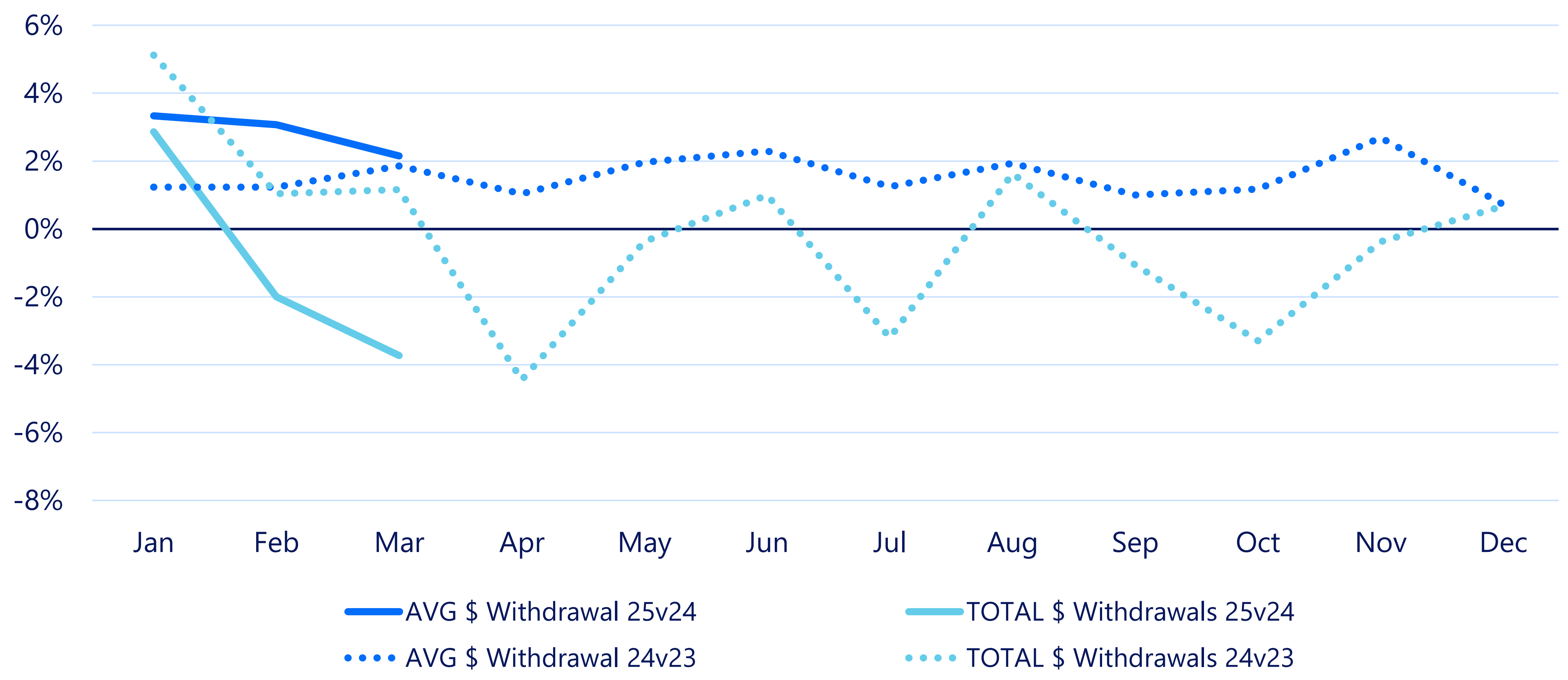
Reporting on ATM activity returns to the Payments Index for periodic updates. We continue to see a drop in total cash withdrawn, coupled with an increase in the average cash withdrawal, in line with earlier trends. For March 2025, growth in total ATM cash withdrawals fell 3.7% year over year, while the average amount withdrawn per transaction increased 2.1% to $155, up $3 compared to March 2024. ATM withdrawal transactions represented 65.3% of all ATM transactions for March 2025.

The same paradigm of less overall cash withdrawn, along with a higher average cash withdrawal, was observed for cash-back activity on debit cards at the point of sale (POS). For March 2025, 1.22% of Card Present debit card transactions received cash back at point of sale. This was down 10.2% year over year, while the average amount withdrawn per debit transaction increased 2.8% to $42.50, up $1.14 compared to March 2024. Of these debit cash-back POS transactions, 78% occurred at grocery stores, 14% at Goods sector merchants (discount stores), 7% at gasoline merchants and 1% at USPS locations.

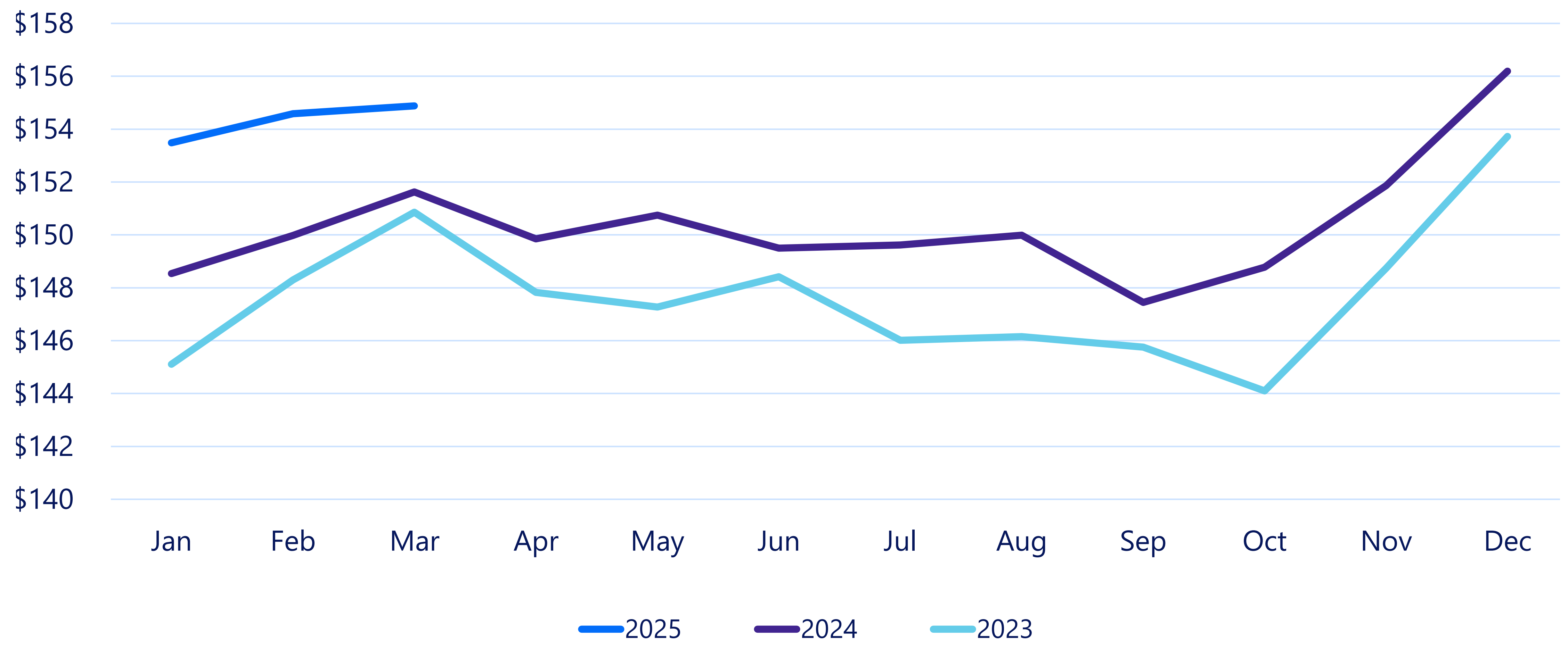
ATM deposits, which represented 9.5% of all ATM transaction in March 2025, saw the average year-over-year amount rise marginally – 0.6% for March 2025 – while the total ATM dollars deposited grew 1.2%. This was an improvement in 2025 after every month of 2024 posted negative growth in both metrics.

$155
Average ATM Withdrawal
↓ Change 2.1%

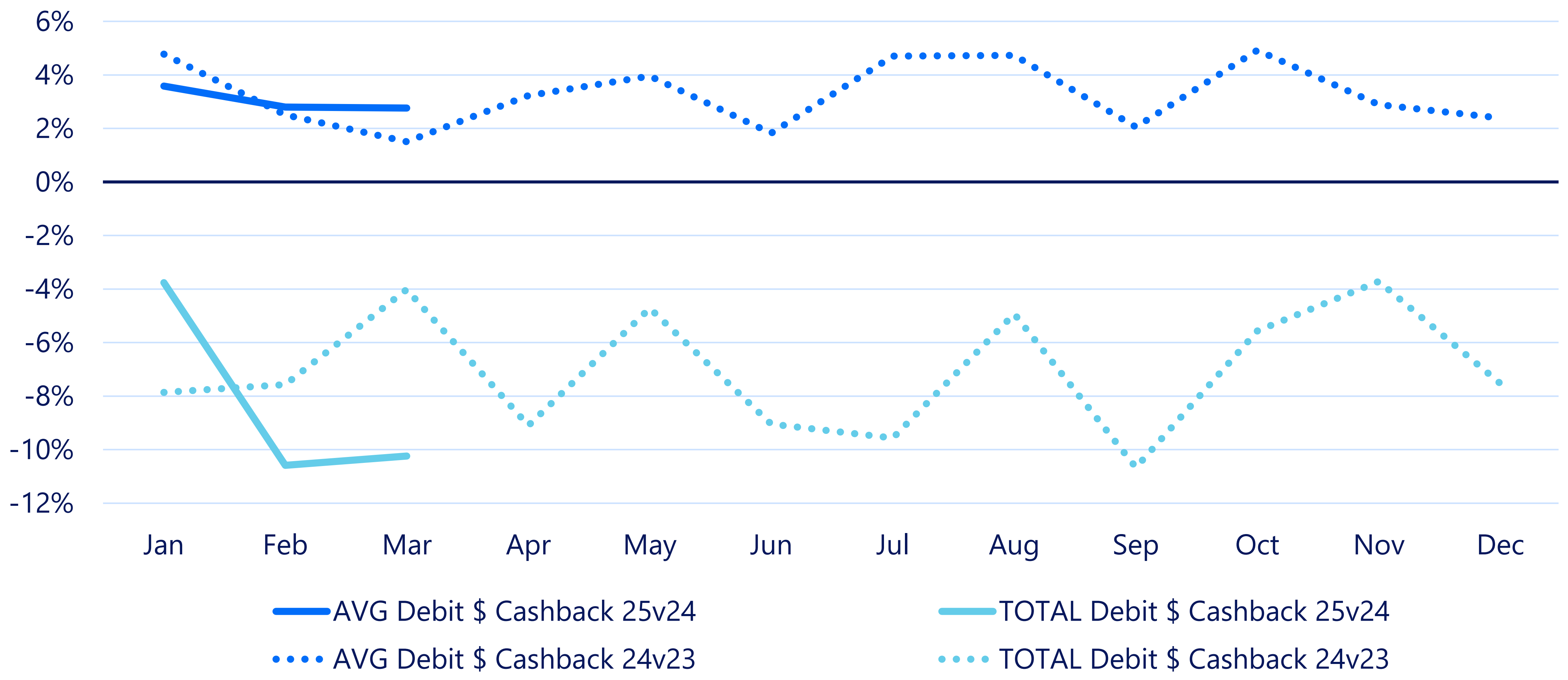
YoY Growth in ATM Withdrawals



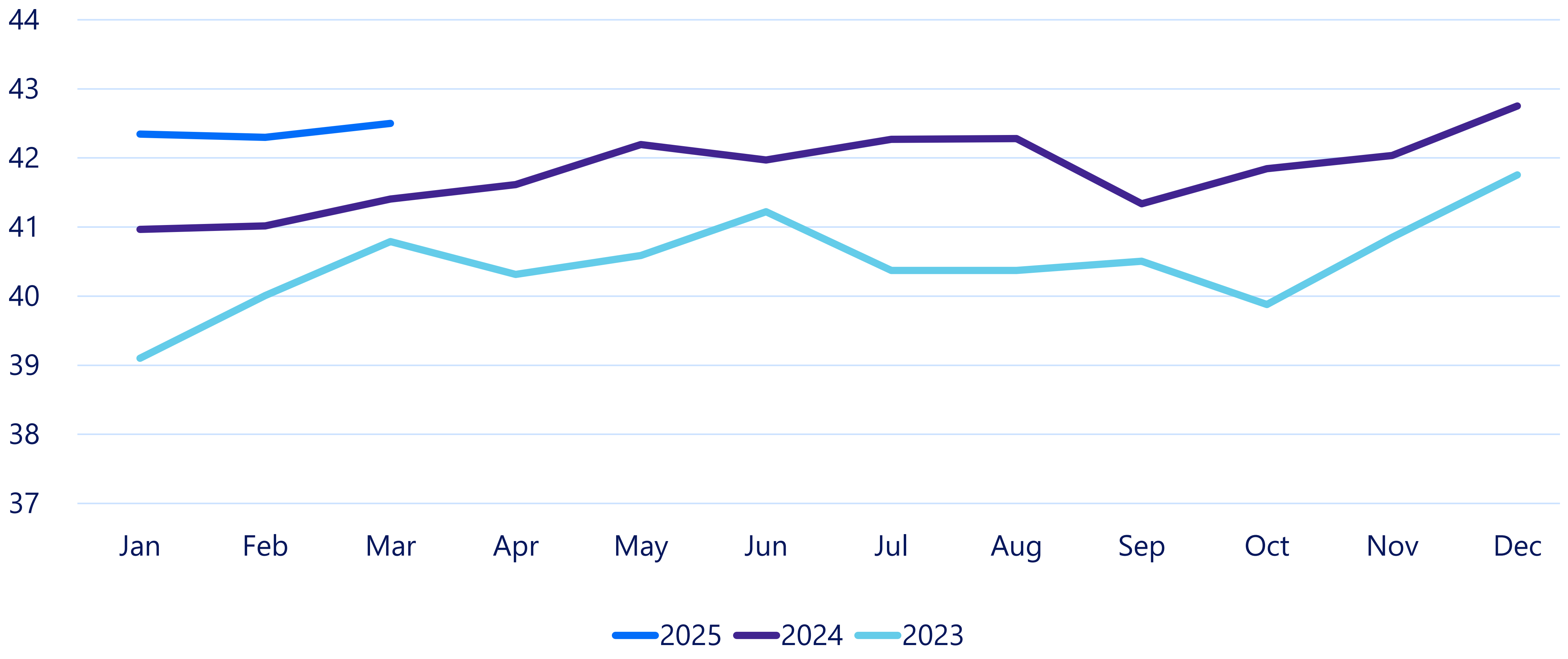
Average ATM Withdrawal



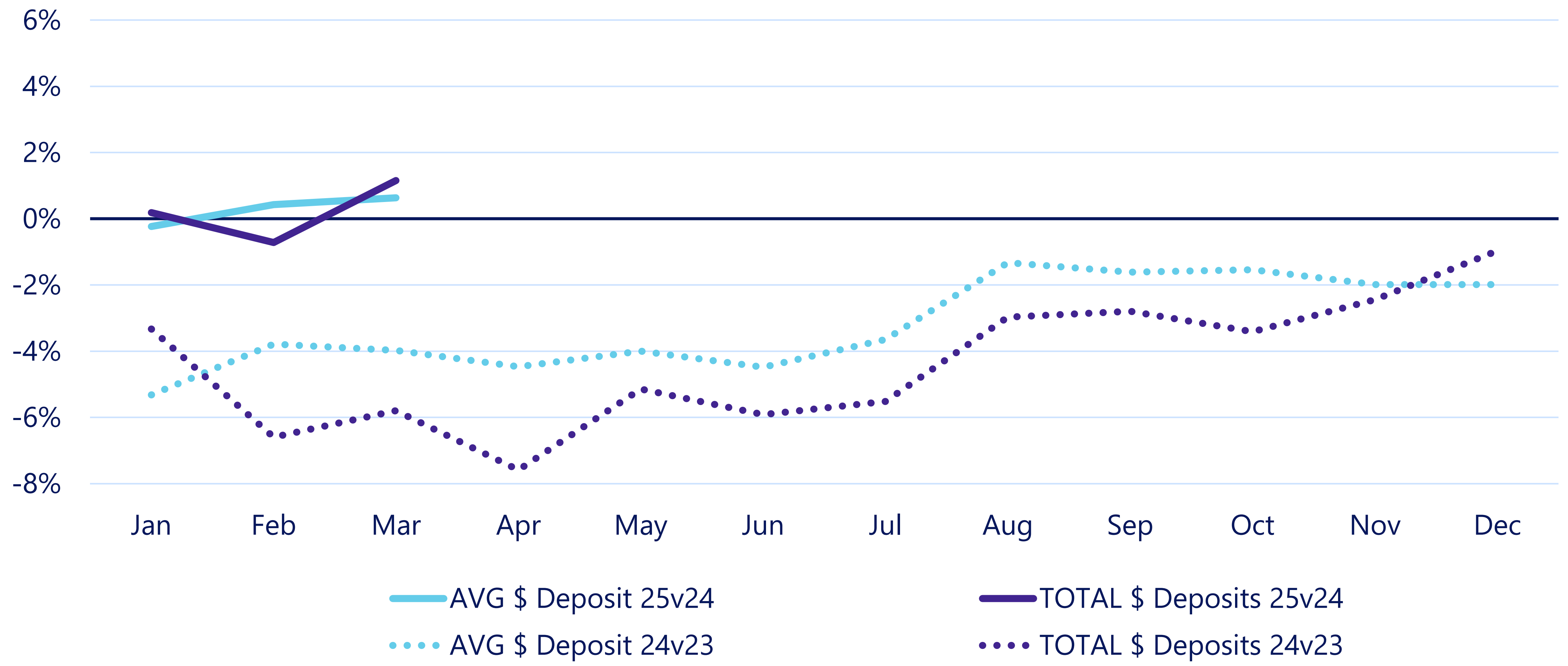
YoY Growth in Debit Cashback Activity



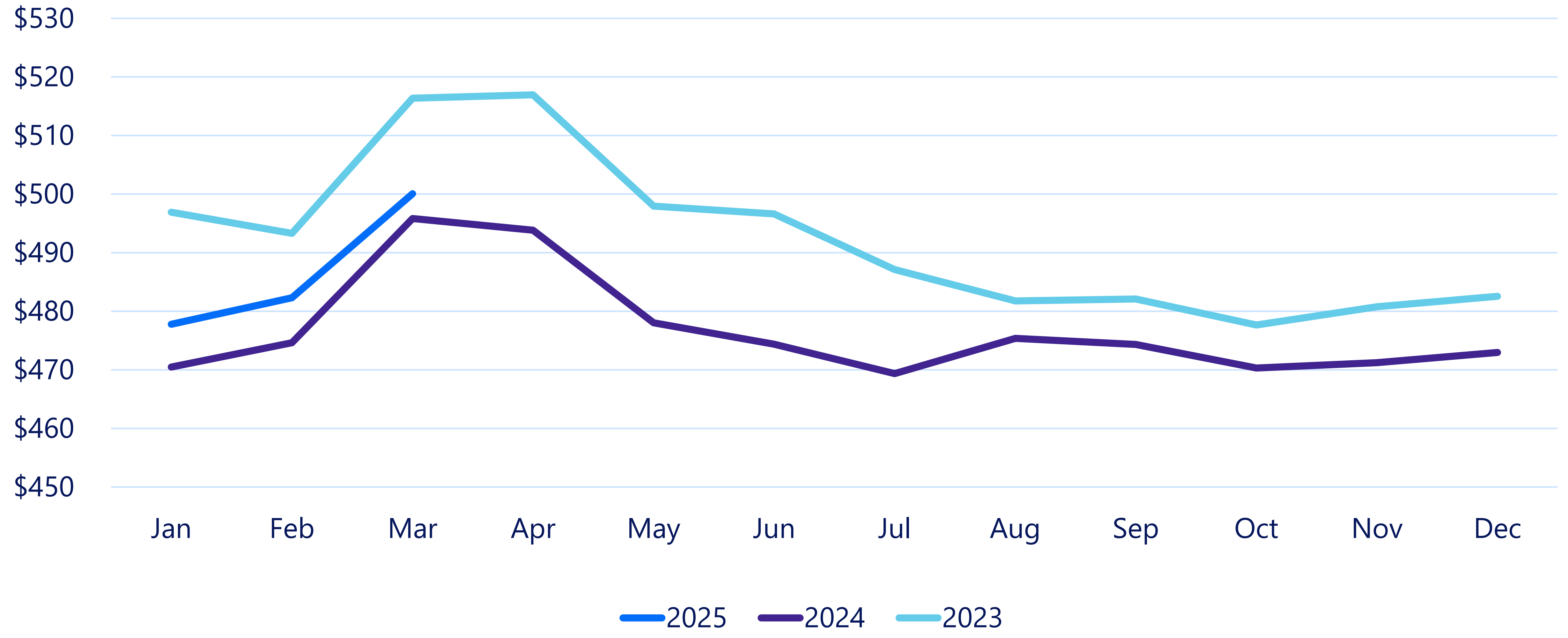
Average Debit Cashback Amount



YoY Growth in ATM Deposits



Average ATM Deposits



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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 2023 through the most current complete month of 2025, enabling an accurate and relevant year-over-year same-store comparison (2025 vs. 2024, 2024 vs. 2023) 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 April 2025 edition of the Velera Payments Index represents a total of 3.5 billion transactions valued at $174 billion of credit and debit card activity from April 2024 through March 2025.

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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.