

velera

PAYMENTS INDEX

July 2025

Consumer spending remained slow in June, with debit card activity declining from its peak in January as the downward trend continues. Inflation has started to impact consumer prices, as the CPI rose 0.3% in June. **Tariff-sensitive goods**, including furniture, toys and clothing, posted higher prices in June, with consumer goods again having the highest contribution to growth in June 2025 for debit purchases. For credit purchases, the Service sector had the highest contribution, with insurance premiums leading the increase. In our July 2025 edition of the Velera Payments Index, we present our quarterly metrics update that includes credit card balances, delinquencies and mobile wallet activity.

The **Consumer Confidence Index** decreased in June, down 5.4 points to 93.0. Sentiment on both current and future conditions contributed to the broad decline, erasing roughly half of the sharp increase from the prior month. While sentiment on job availability remained in positive territory, it weakened for the sixth consecutive month among all age groups and most income levels. The June 2025 University of Michigan **Index of Consumer Sentiment** increased for the first time in six months, finishing at 60.7, well below both December 2024 (74.0) and June 2024 (68.2).

Performance Snapshot: June 2025

Market/Economic Variables

93.0
Consumer Confidence Index
 ↓ Change 5.4 points

60.7
U of M Index of Consumer Sentiment
 ↑ Change 8.5 points

2.7%
Consumer Price Index
 ↑ Change 0.3%

2.9%
Core CPI (e.g., Food/Energy)
 ↑ Change 0.2%

147,000
BLS/Job Growth
 ↑ Change 37,000

4.1%
Unemployment Rate
 ↓ Change 0.10

4.25-4.5%
Federal Reserve Interest Rate
 — No change

Payments Index Growth

Purchases

2025 v 2024

Credit
 ↑ **0.9%**

Debit
 ↑ **3.6%**

2024 v 2023

Credit
 ↓ **1.5%**

Debit
 ↑ **4.3%**

Transactions

2025 v 2024

Credit
 ↑ **1.1%**

Debit
 ↑ **2.2%**

2024 v 2023

Credit
 ↑ **1.1%**

Debit
 ↑ **3.3%**

In the Labor Department’s July 15 update, the [Consumer Price Index \(CPI\)](#) increased 0.3% in June, bringing the cumulative 12-month rate of inflation up to 2.7%. Shelter, which continues to account for a significant portion of the monthly increases, was up 0.2% in June. The energy index increased 0.9% in June, while the food index increased 0.3%. Core CPI, which excludes the Food and Energy sectors, increased by 0.2% in June following a 0.1% decrease in May, bringing the 12-month Core CPI to 2.9%.

Jobs grew by 147,000 in June, with increases in state government and healthcare, contrasted by a decline in jobs with the Federal Government. [ADP reports](#) that in June, 33,000 private sector jobs were lost — despite an anticipated increase of 100,000 new positions — marking the first decline in private sector jobs since March 2023. Reductions noted by ADP were in the professional and business services areas, as well as the education and health services areas. New job figures were upwardly revised for April and May, adding an additional 16,000 new positions for the two-month period. The U.S. Bureau of Labor Statistics (BLS) [reported](#) that the overall unemployment rate for June decreased by 0.1% to 4.2%, or 7.0 million people.

The labor force participation rate dropped to 62.3% — its lowest since 2022 — which may be influenced by the immigration crackdown.

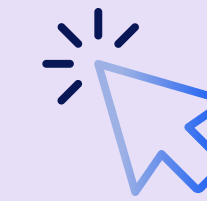
On July 4, 2025, President Trump signed into law the “One Big Beautiful Bill” Act, a [cornerstone piece of legislation](#). While there are [numerous provisions](#) in the new law, a few components that will impact consumers include making the expiring tax cuts from Trump’s first term permanent, along with new campaign-promised tax cuts that include no tax on tips or overtime



wages with a maximum \$12,500 deduction, as well as a \$6,000 tax deduction for most seniors that will deliver no taxes on Social Security benefits. The benefits of these changes will materialize over time, mainly with the filing of 2025 income taxes. The new law also includes the elimination of electric vehicle and rooftop solar panel tax credits by the end of 2025. Medicare, Supplemental Nutrition Assistance Program (SNAP) and the Affordable Care Act also have adjustments to various provisions that could cause a ripple effect on consumer spending activity. We will monitor these implications over time.

Tariffs continue to be a part of the news cycle, with [ever-shifting dates and percentages](#). Through the publishing of this edition, many of the key trade deals now have an effective date of Aug. 1, 2025. Consumer spending implications resulting from proposed trade tariffs will be better understood once more concrete dates, percentages and products are finalized.

While many economists expect interest rates to remain unchanged after the Federal Open Market Committee (FOMC) meeting that concludes on July 30, the odds of a rate cut following the Sept. 17 meeting are increasing.



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.





"As economic headwinds and tariff-related price pressures ripple through the economy, we're starting to see a shift in how households manage day-to-day spending – notably in the continued decline of debit activity since its peak in January. For credit unions, this presents both a challenge and an opportunity: to support members facing tighter budgets while adapting to evolving financial behaviors. Now is a pivotal time to reassess member engagement strategies and ensure that products and services are aligned with changing spending patterns and liquidity needs."

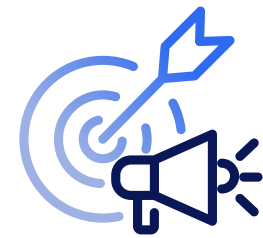
Denise Stevens

Executive Vice President, Chief Product Officer, Velera

Key Takeaways for June 2025

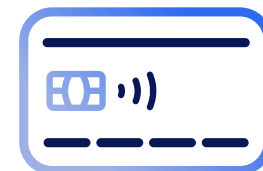
- Growth remained slow for credit and debit in June, with debit trending downward. Debit purchases were up 3.6%, with the Goods and Money sectors contributing to 80% of the growth. Credit purchases were up 1.3% with the Services sector comprising the entire increase, fueled by insurance premiums. For June, debit transactions were up 2.2% and credit transactions were up 1.1%.
- The 12-month CPI through June increased by 2.7%, up 0.3% from May. The Shelter index continues to contribute significantly to the monthly increase, up 0.2% in June, while the Energy index increased by 0.9%. Core inflation, which excludes food and energy, is up 0.2% at 2.9% for June.
- Overall credit card balances were down for the first time in Payments Index reporting. While the rate of growth has been in decline since its peak in September 2022, year-over-year growth in overall balances was down 0.6% for June 2025. Average credit card balances have been very flat for each month of 2025, with June finishing at \$2,949.

Opportunities to Act On: What Credit Unions Should Do Now



Highlight your credit and debit card features, encouraging usage through awareness campaigns

Velera's Portfolio Marketing & Communications is offering the following email awareness campaigns to choose from for an Oct. 15 launch: Recurring Payments, Digital Wallet, Everyday Purchases, Fraud Protection, eStatements and Refer-a-Friend. The enrollment deadline is Aug. 1.



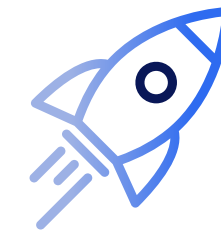
Ensure your credit card is the card of choice during the holiday spending season by keeping credit lines competitive

Consider enrolling in Velera's Portfolio Marketing & Communications credit line increase campaign for industry best practices on managing the line increase strategy, driving growth and mitigating risk. Enroll by Aug. 15 for a Nov. 15 launch.



Focus on card acquisition strategies

With overall card activity for debit and credit softening, account growth is paramount for continued portfolio growth. Employ a holistic approach, leveraging in-person cross-selling opportunities, in-branch signage, social media and digital cross-selling through in-app and online banking display ads and messaging, as well as targeted email and direct mail offers.



New ways to pay, like Amazon One, make it even more critical for credit unions to maintain top-of-wallet status for digital payments and purchases

Ensure that your credit union is meeting your members where they are with digital solutions like Amazon One, contactless and digital issuance to provide a connected member experience that boosts card usage.

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

Looking Ahead: Amazon Prime Day

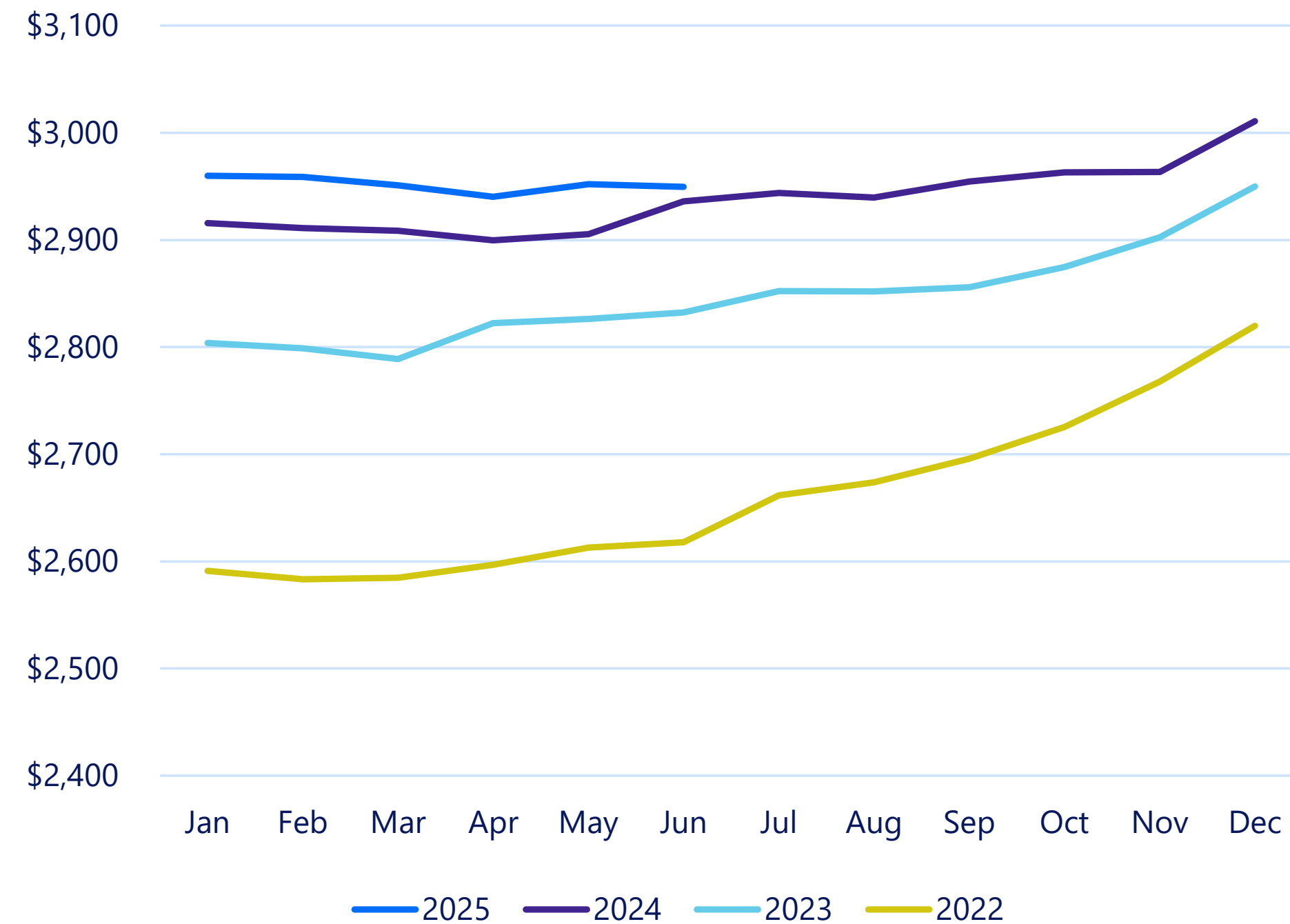
In our August edition, we will check in on the results from the July 2025 Amazon Prime Day and related big-box retailer sales. This year's Amazon sale **spanned four days**, twice as long as previous sale periods.

Credit Card Balances

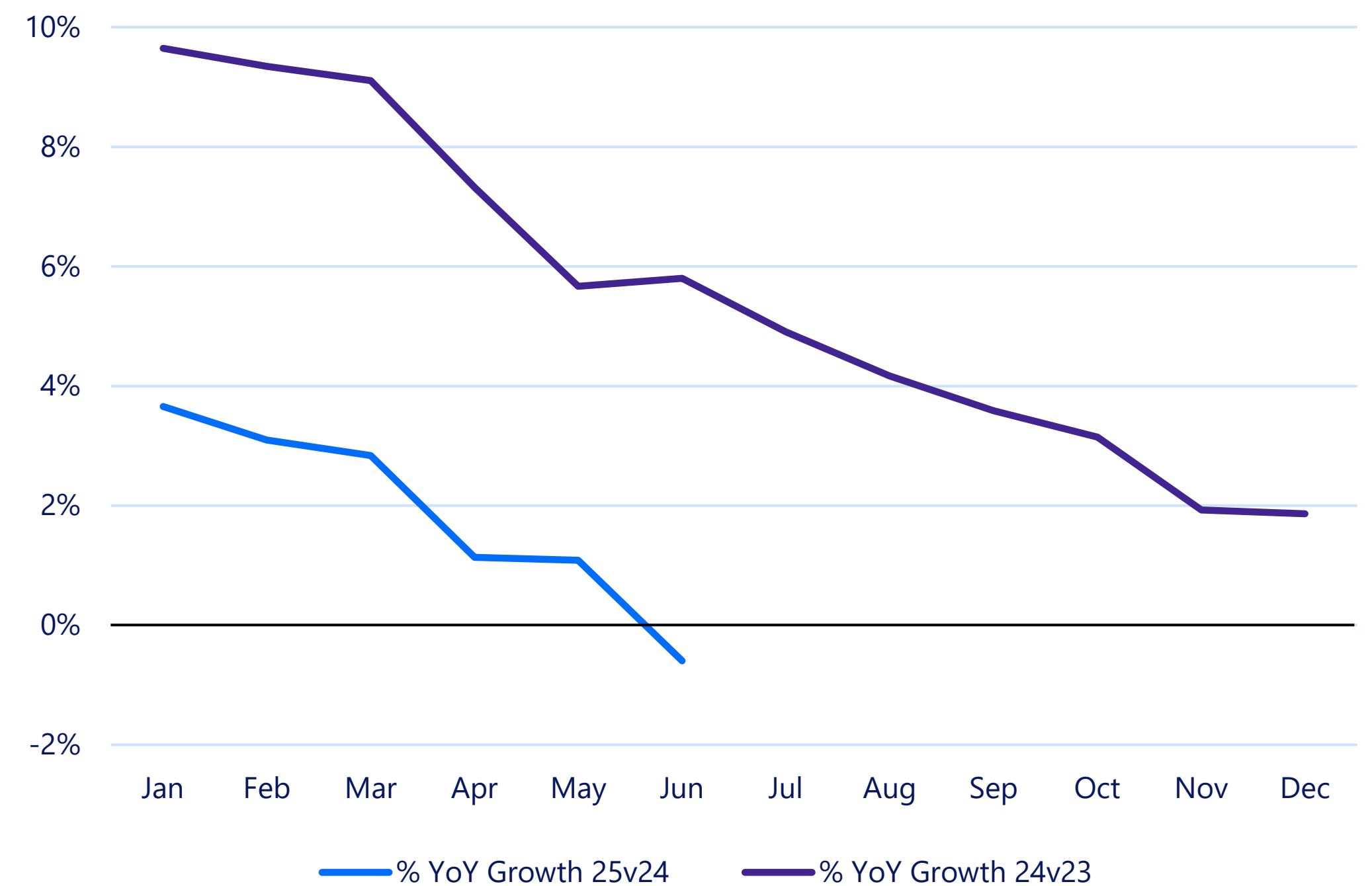
The average credit card balance for June measured \$2,949, down just \$3 from the previous month's average. For all of 2025, the average has finished monthly in a narrow band of \$2,940 to \$2,960. Compared to a year ago, the average balance increased 0.46%, or \$14.

In June 2025, growth in total credit card balances declined for the first time in Payments Index reporting, down 0.6% compared to June 2024. The erosion of year-over-year growth in total credit card balances was evident over the past 30 months. The peak growth month was in September 2022, at 14.3%.

Average Credit Card Balances per Gross Active Account



Percentage Change in Total Credit Card Balances

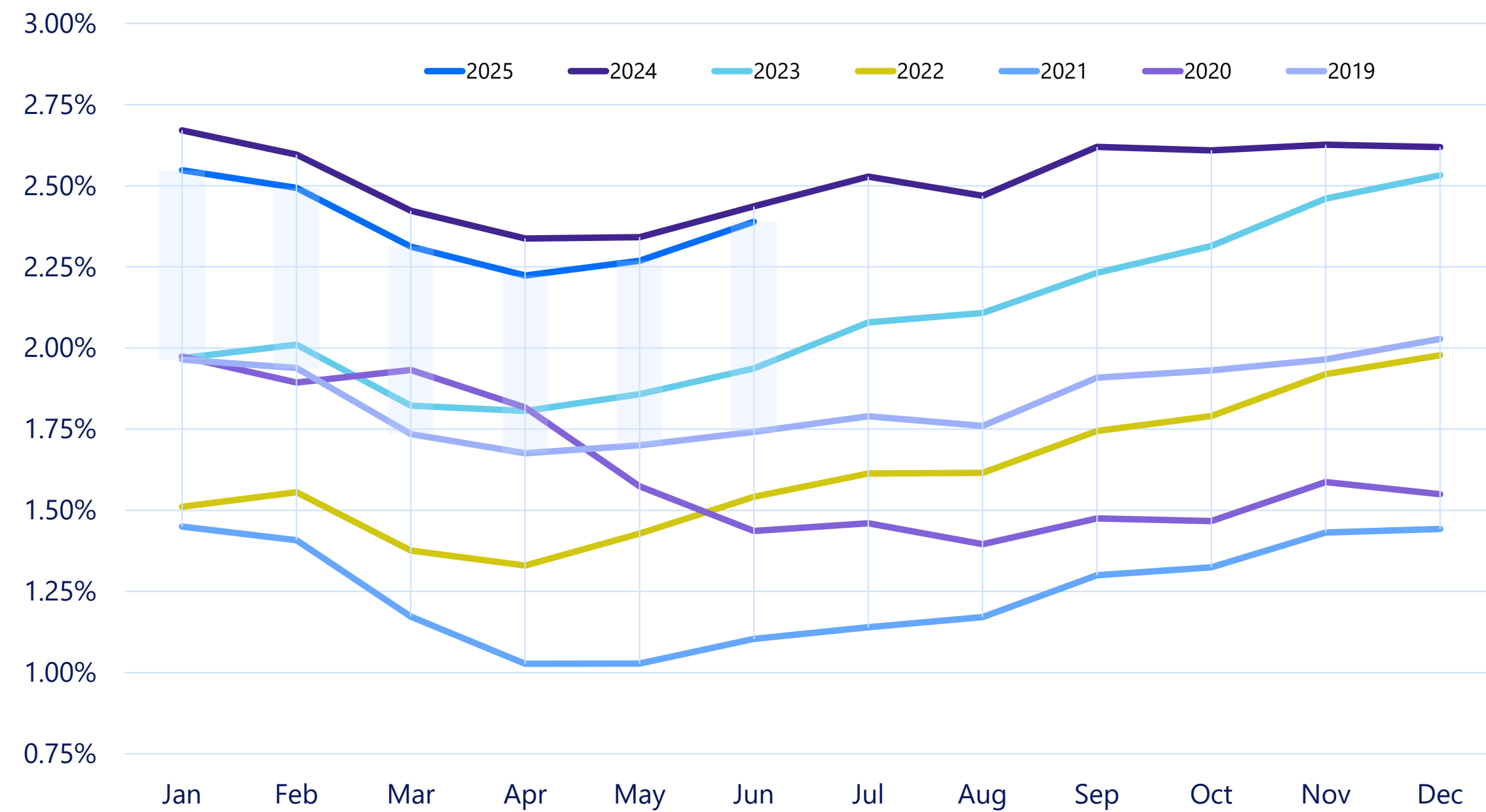


Credit Card Delinquencies

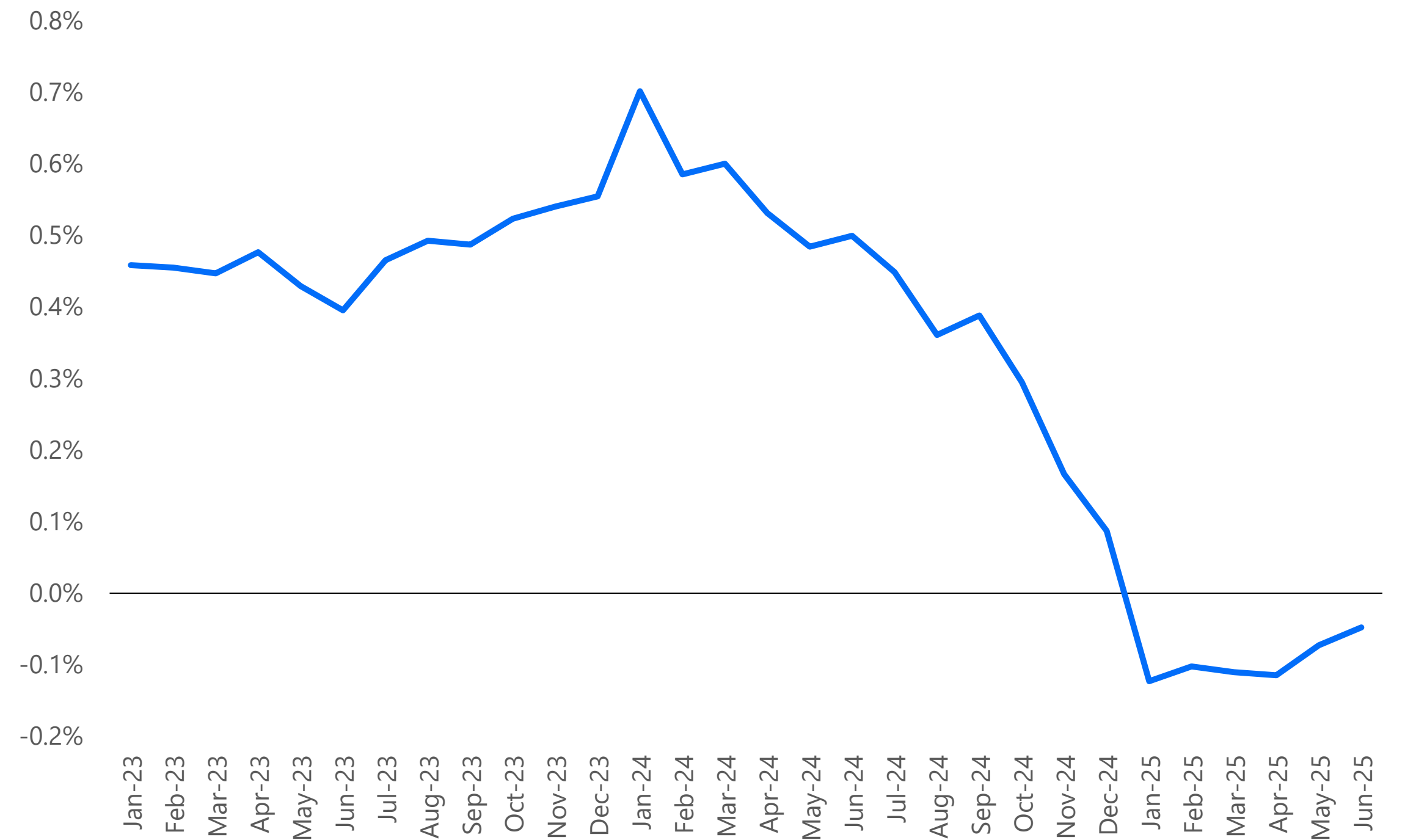
June 2025 finished with a delinquency rate of 2.39%, five basis points lower year over year, or down 1.9%. In comparison to pre-pandemic June 2019, the delinquency rate was 95 basis points higher.

While the rate of 2.39% is below the 2024 monthly results, the 2025 monthly delinquency rate is following its typical seasonal pattern, with the gap closing on the year-over-year differences.

Overall Credit Card Delinquency Rate: June 2025



Year over Year Change in Delinquencies Beginning Jan 2023



Credit and Debit Cards

For June 2025, growth rates for credit and debit continued a downward trajectory, indicating consumers are still spending but at a more measured rate. Year-over-year debit transaction and purchase growth of 2.2% and 3.6%, respectively, continued to lag last year's measures, while credit purchase growth of 0.9% remained soft. Debit's June growth rates were the lowest thus far in 2025.

Credit purchase growth was largely driven by the Services sector (+0.9%) and the Goods sector (+0.4%), while Gasoline, Travel and Entertainment had negative impacts on growth. The Goods sector remained the top contributor of debit purchase growth for the fourth month in a row, providing 1.7% growth, followed by Money Services at 1.2%, with Gasoline, Food & Grocery and Travel negatively affecting growth. The top contributors toward transaction growth for both credit and debit included the Goods and Restaurant sectors.

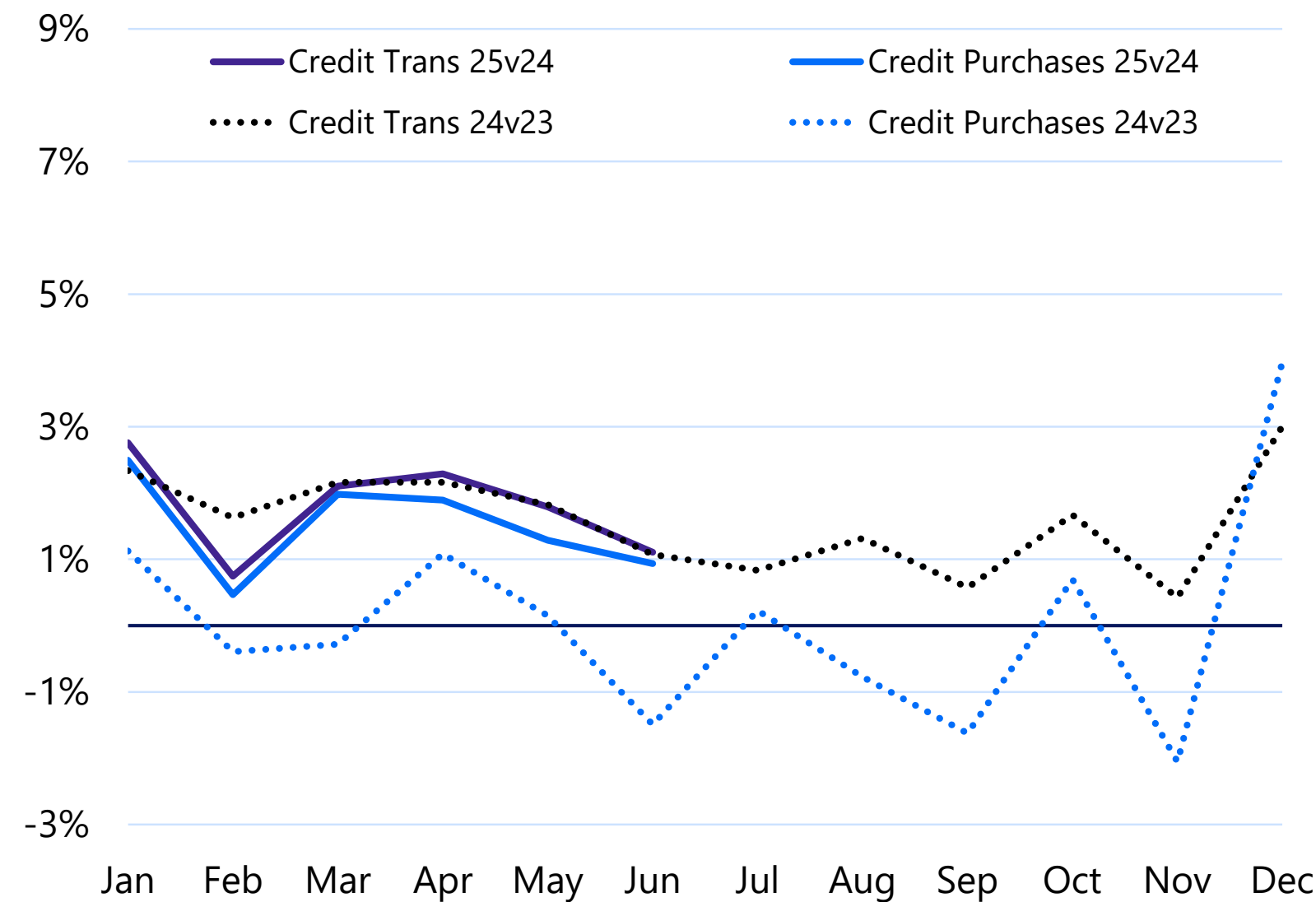
According to the Conference Board's [June Consumer Conference Survey](#), more consumers were undecided about plans

to buy big-ticket items overall, while consumers' intentions to purchase more services in the months ahead weakened compared to May. Dining out remained one of the key categories where households still intend to spend. Although vacation intentions were unchanged overall, more consumers planned to travel abroad, whereas domestic travel declined.

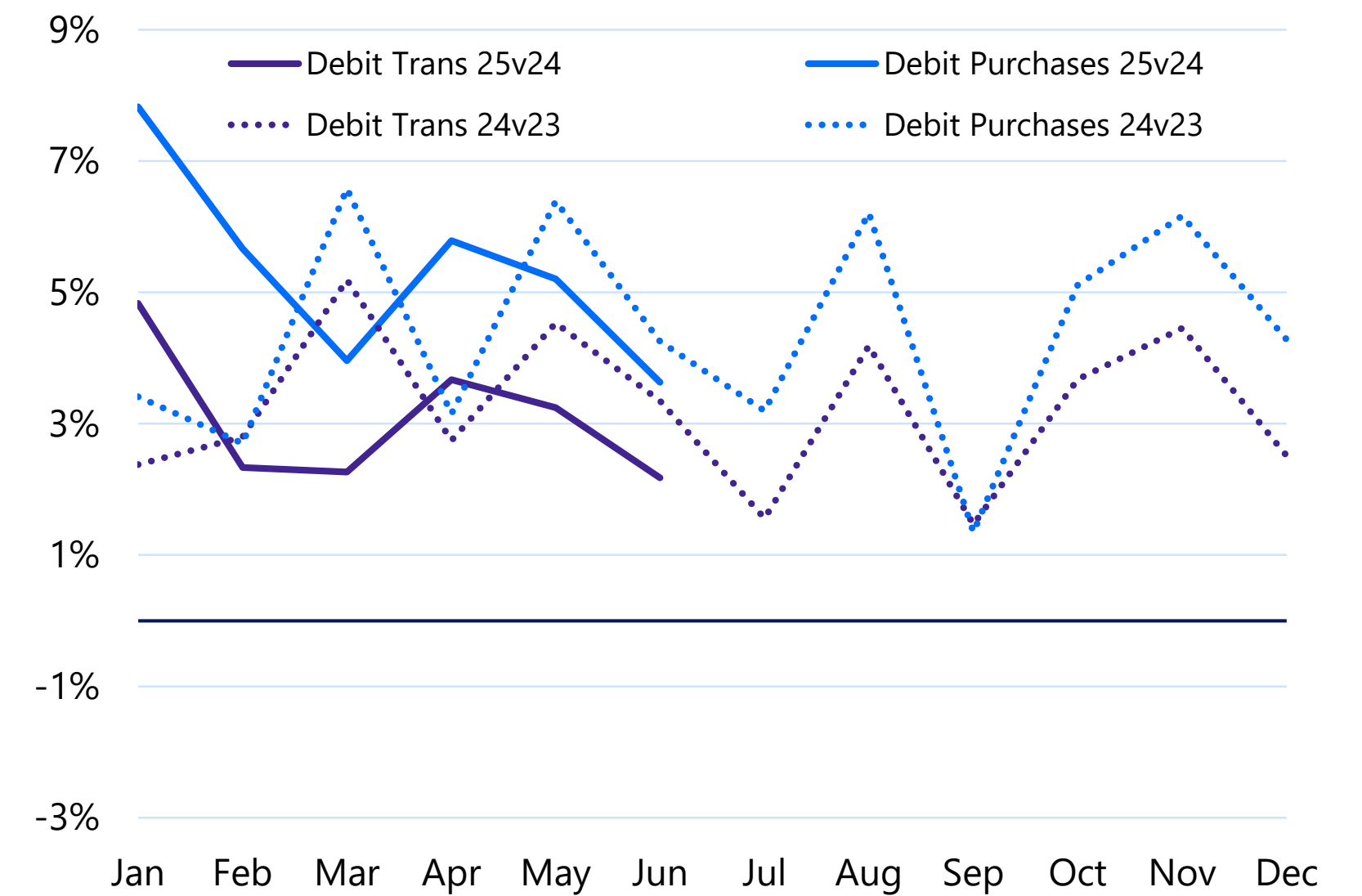
Month of June

	Credit		Debit	
	Transactions	Purchases	Transactions	Purchases
2025 v 2024	↑ 1.1%	↑ 0.9%	↑ 2.2%	↑ 3.6%
2024 v 2023	↑ 1.1%	↓ 1.5%	↑ 3.3%	↑ 4.3%

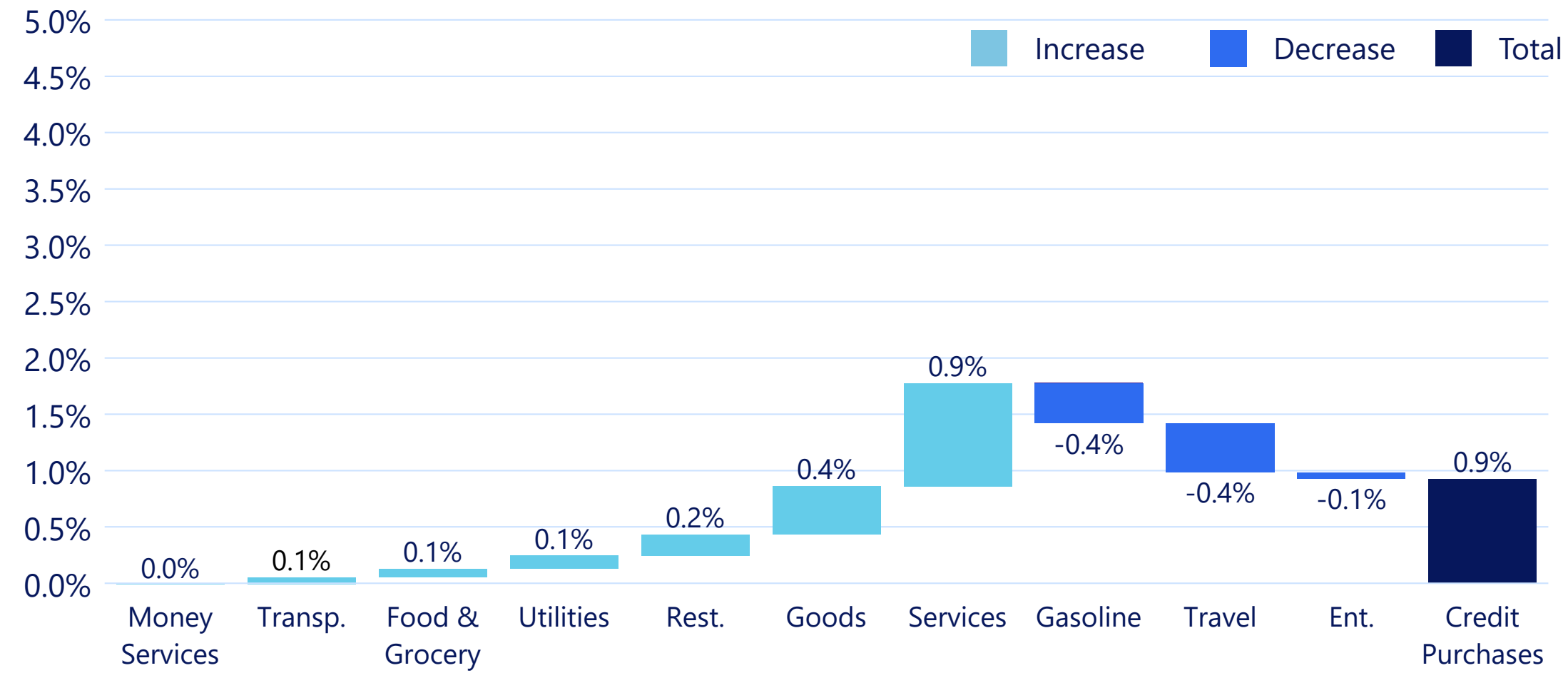
Credit



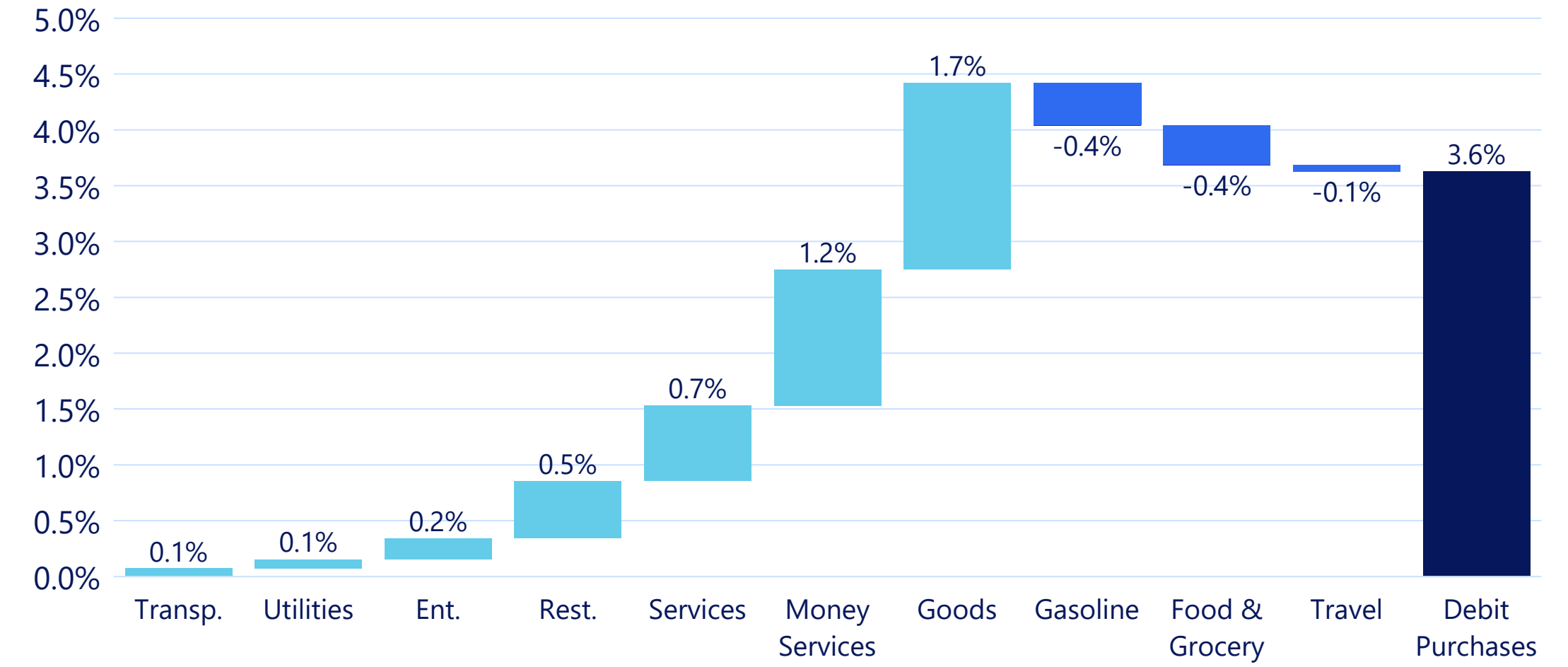
Debit



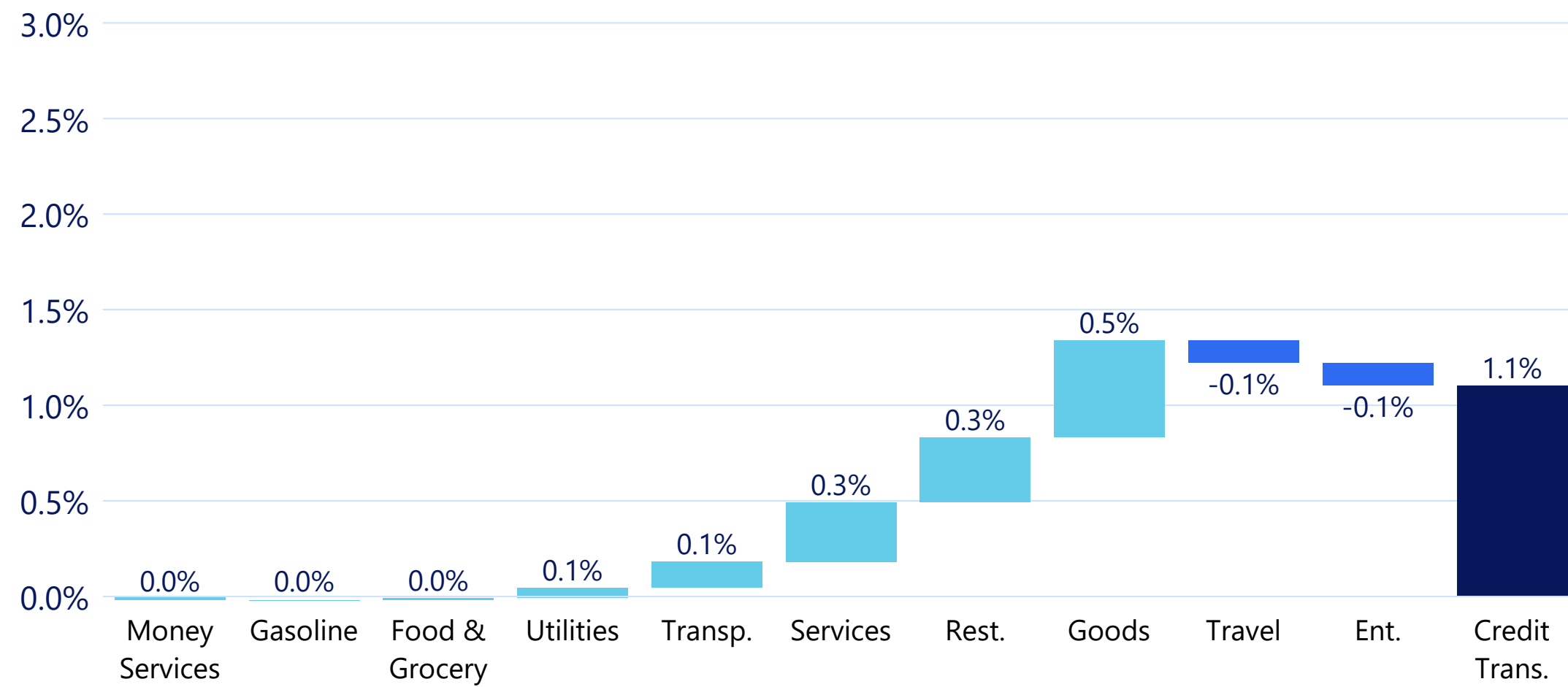
Sector Contributions to Growth in Credit Purchases: June



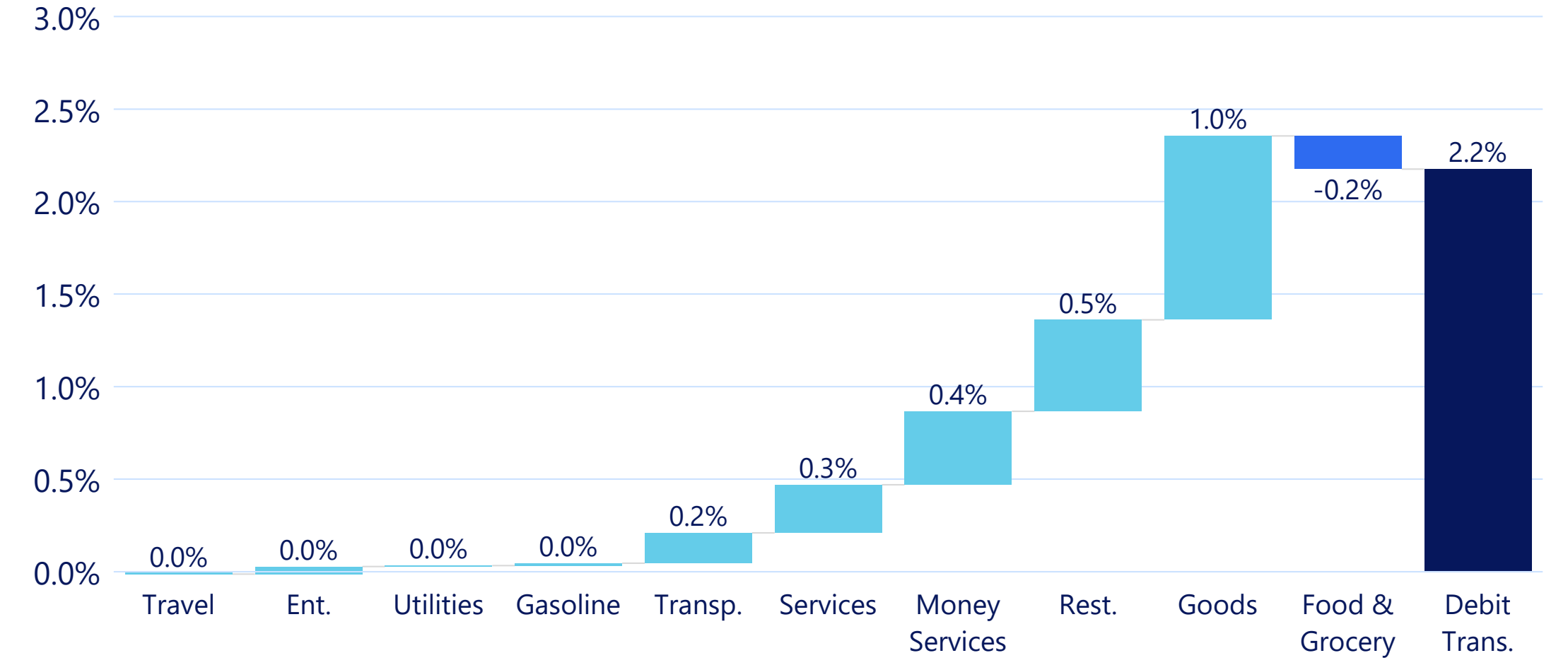
Sector Contributions to Growth in Debit Purchases: June



Sector Contributions to Growth in Credit Transactions: June



Sector Contributions to Growth in Debit Transactions: June



Discretionary and Non-Discretionary: June 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.

While the credit discretionary purchase growth rate remained in negative territory as it has been throughout 2025 — currently down 2.1% — the growth rate for credit discretionary transactions declined for the first time in 2025, down 1.4% year over year. For June 2024, rates were down 3.1% for purchases and down 0.5% for transactions. In comparing the first half of 2025 to the same time period in 2024,

credit discretionary purchase growth decreased 1.5% versus -1.2%, while transactions grew 0.9% versus 0.3%. As a percentage of overall credit transactions and purchases, discretionary activity remained unchanged year over year at 8% and 19%, respectively.

Debit non-discretionary purchase growth exceeded discretionary purchase growth for the first time in 2025, up 3.7% year over year versus 2.8%, and while discretionary transaction growth continued to outperform non-discretionary transaction growth, it fell to a low of 3.6%. Among growth rates for discretionary and non-discretionary purchases and transactions for the first half of 2025 compared to the first half of 2024, only non-discretionary transaction growth has experienced slower growth. As a percentage of overall debit transactions and purchases, discretionary activity remained unchanged year over year at 6% and 9%, respectively.

Year-Over-Year Growth in Credit

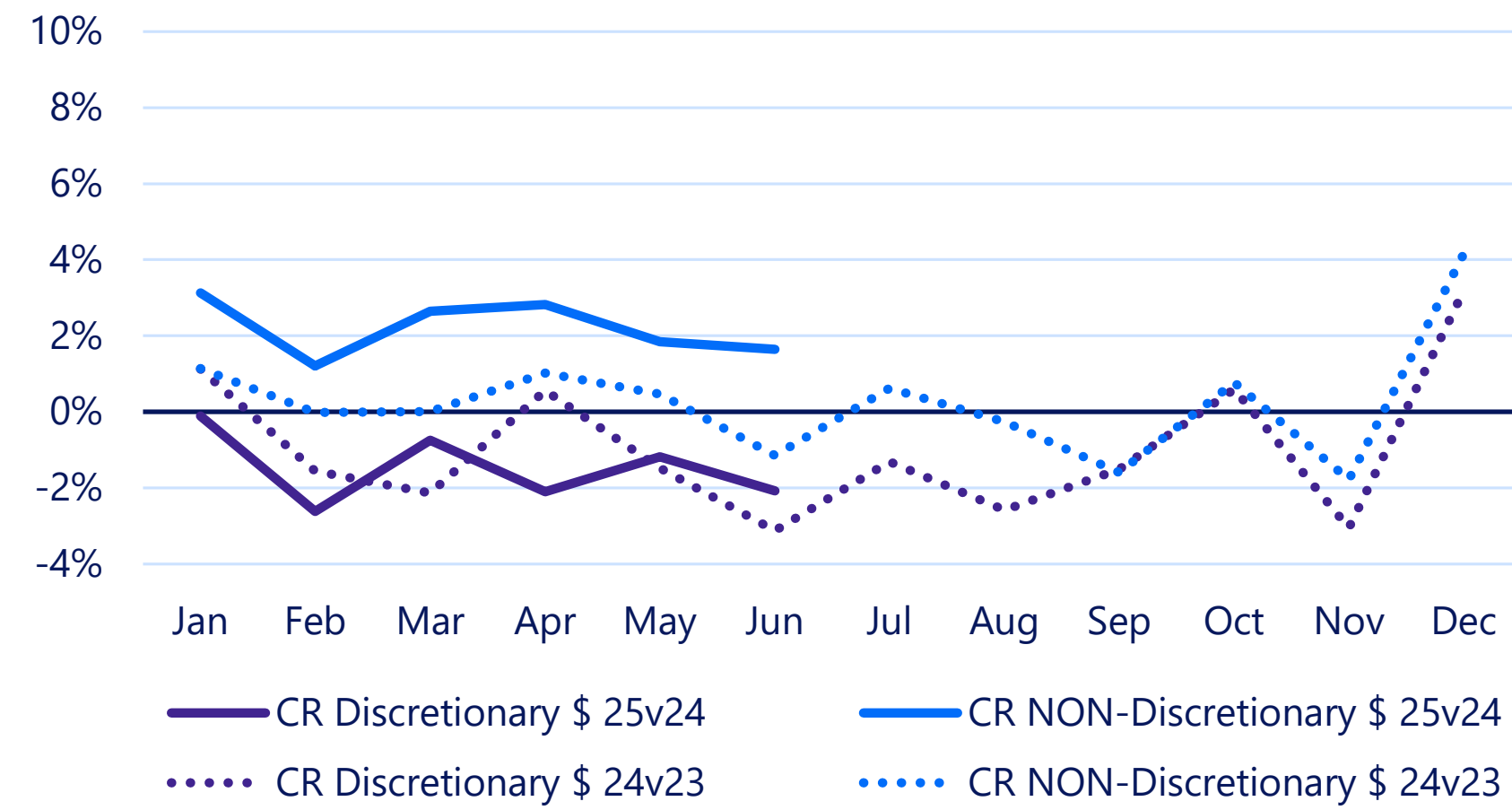
	% of Overall Purchases	Transactions	Purchases	Average Purchase
Discretionary	19%	↓ 1.4%	↓ 2.1%	\$152
Non-Discretionary	81%	↑ 1.3%	↑ 1.6%	\$62

Year-Over-Year Growth in Debit

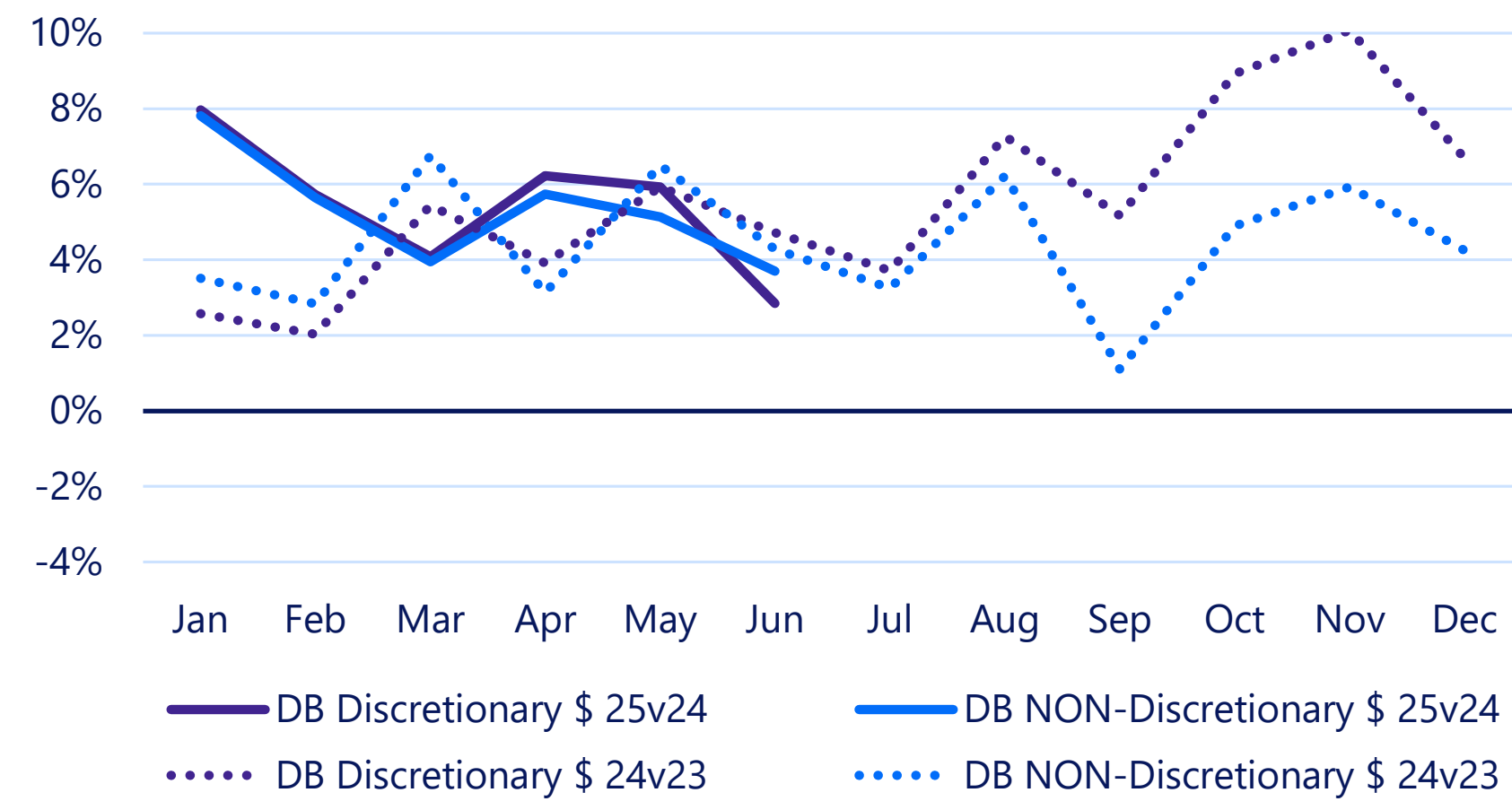
	% of Overall Purchases	Transactions	Purchases	Average Purchase
Discretionary	9%	↑ 3.6%	↑ 2.8%	\$71
Non-Discretionary	91%	↑ 2.1%	↑ 3.7%	\$44

Growth in Discretionary/Non-Discretionary Overall Purchases

Credit

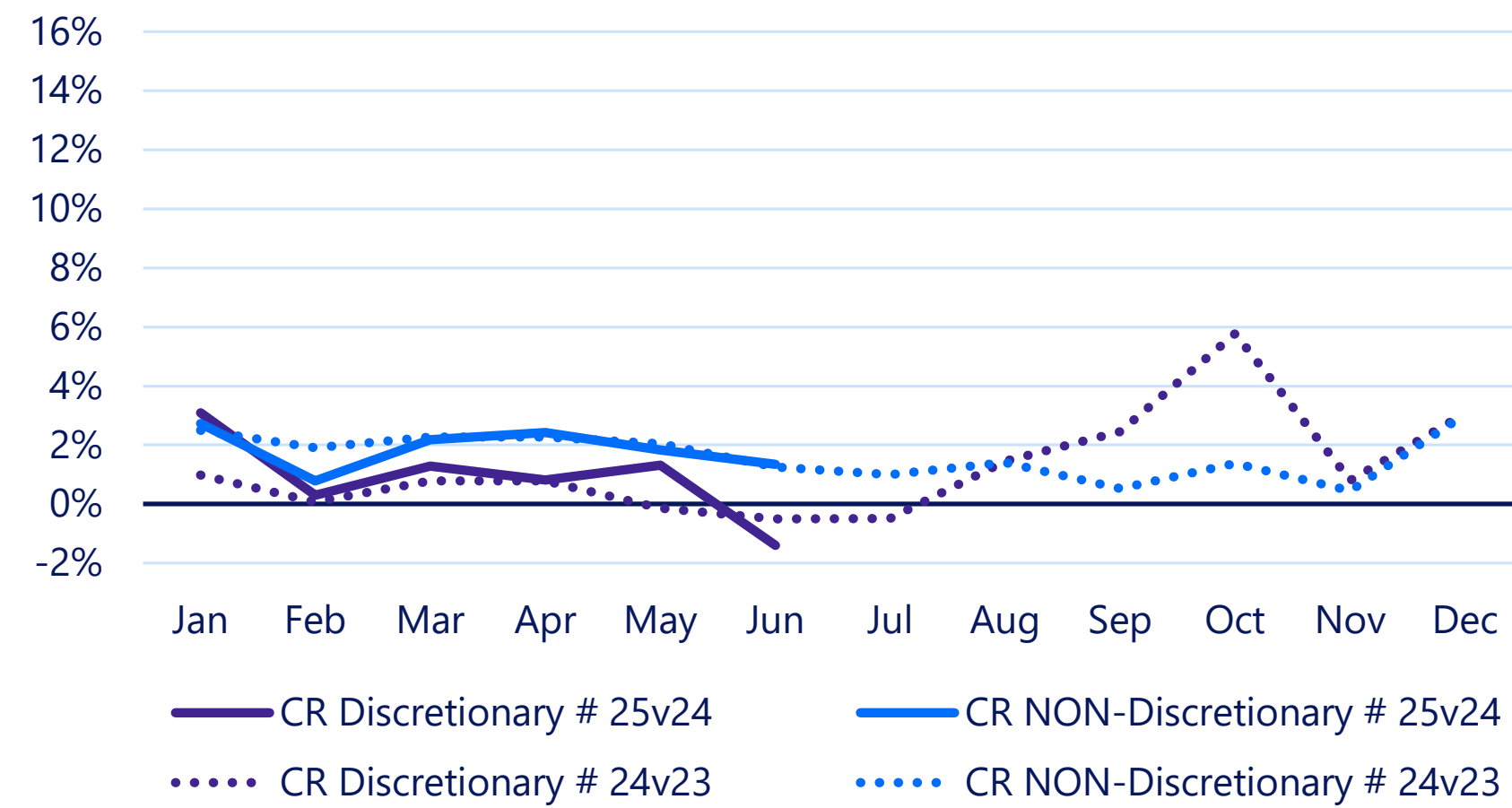


Debit

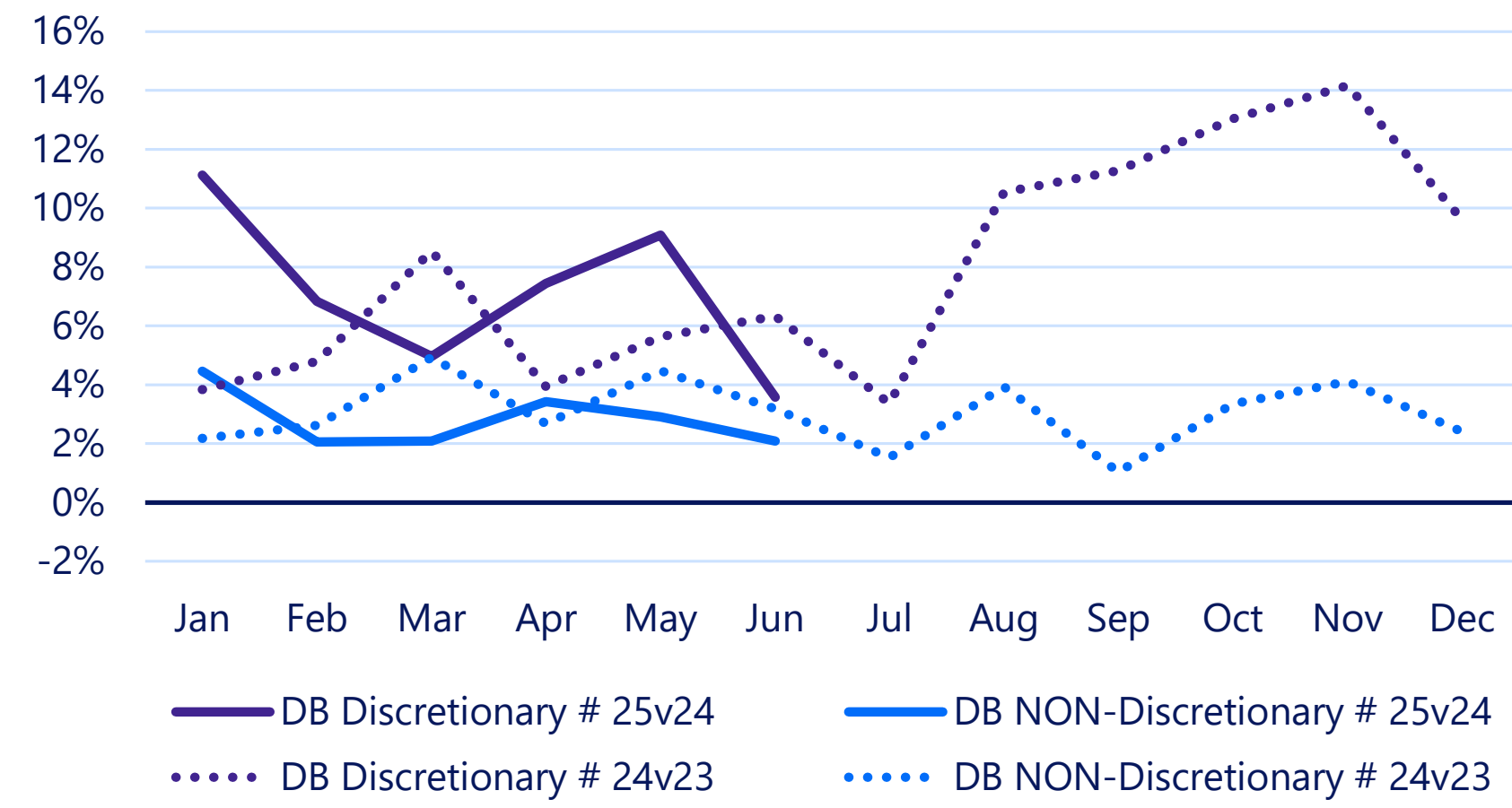


Growth in Discretionary/Non-Discretionary Overall Transactions

Credit



Debit



Sectors/Merchant Categories

While the Transportation sector continued to experience the greatest year-over-year growth, up 8% and 14%, respectively, for credit and debit purchases, this sector only accounted for 1% of all purchases for both credit and debit. The majority of credit purchases consisted of the Goods (35%) and Services (23%) sectors while the Goods (26%), Food & Grocery (16%) and Services (15%) sectors made up the majority of debit purchases.

Reflecting the decline in discretionary activity for both credit and debit, growth rates for Travel and Entertainment decreased for credit, with Travel and Food & Grocery growth down for debit.

U.S. consumers are experiencing considerably lower gas prices at the pump this summer. Credit and debit purchase growth rates decreased 7% and 5% year over year, respectively, with transaction growth unchanged. The national average price per gallon of gasoline finished at \$3.13 for the week ending July 14, down 10.5% or \$0.37 year over year.

June 2025 v 2024

Credit			Debit	
YoY Purchases	YoY Transactions		YoY Purchases	YoY Transactions
↓ 1.0%	↓ 3.0%	Entertainment	↑ 4.0%	↑ 1.0%
↑ 1.0%	— 0.0%	Food & Grocery	↓ 2.0%	↓ 1.0%
↓ 7.0%	— 0.0%	Gasoline	↓ 5.0%	— 0.0%
↑ 1.0%	↑ 2.0%	Goods	↑ 7.0%	↑ 4.0%
↓ 1.0%	↓ 9.0%	Money Services	↑ 10.0%	↑ 8.0%
↑ 2.0%	↑ 2.0%	Restaurants	↑ 4.0%	↑ 2.0%
↑ 4.0%	↑ 3.0%	Services	↑ 5.0%	↑ 4.0%
↑ 8.0%	↑ 6.0%	Transportation	↑ 14.0%	↑ 12.0%
↓ 5.0%	↓ 6.0%	Travel	↓ 3.0%	↓ 3.0%
↑ 5.0%	↑ 4.0%	Utilities	↑ 2.0%	— 0.0%

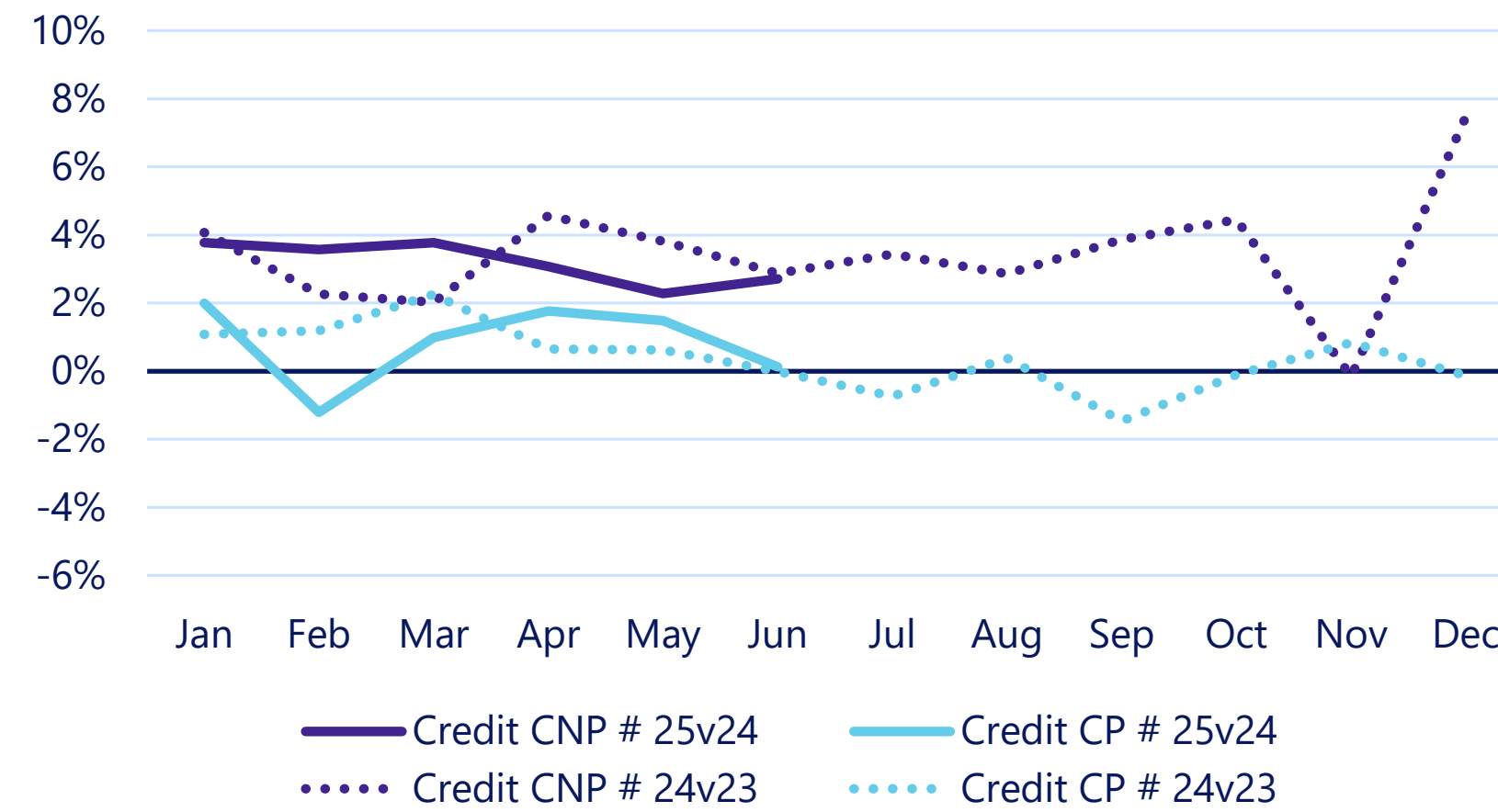
Card Not Present and Card Present Activity

Card Not Present (CNP) activity steered overall credit growth in June, as CNP growth experienced an uptick over the previous month while Card Present (CP) activity dipped. Credit CNP purchase growth measured 2.5% versus -0.6% for CP purchases. On the transaction side, credit CNP grew 2.7% compared to 0.1% for CP.

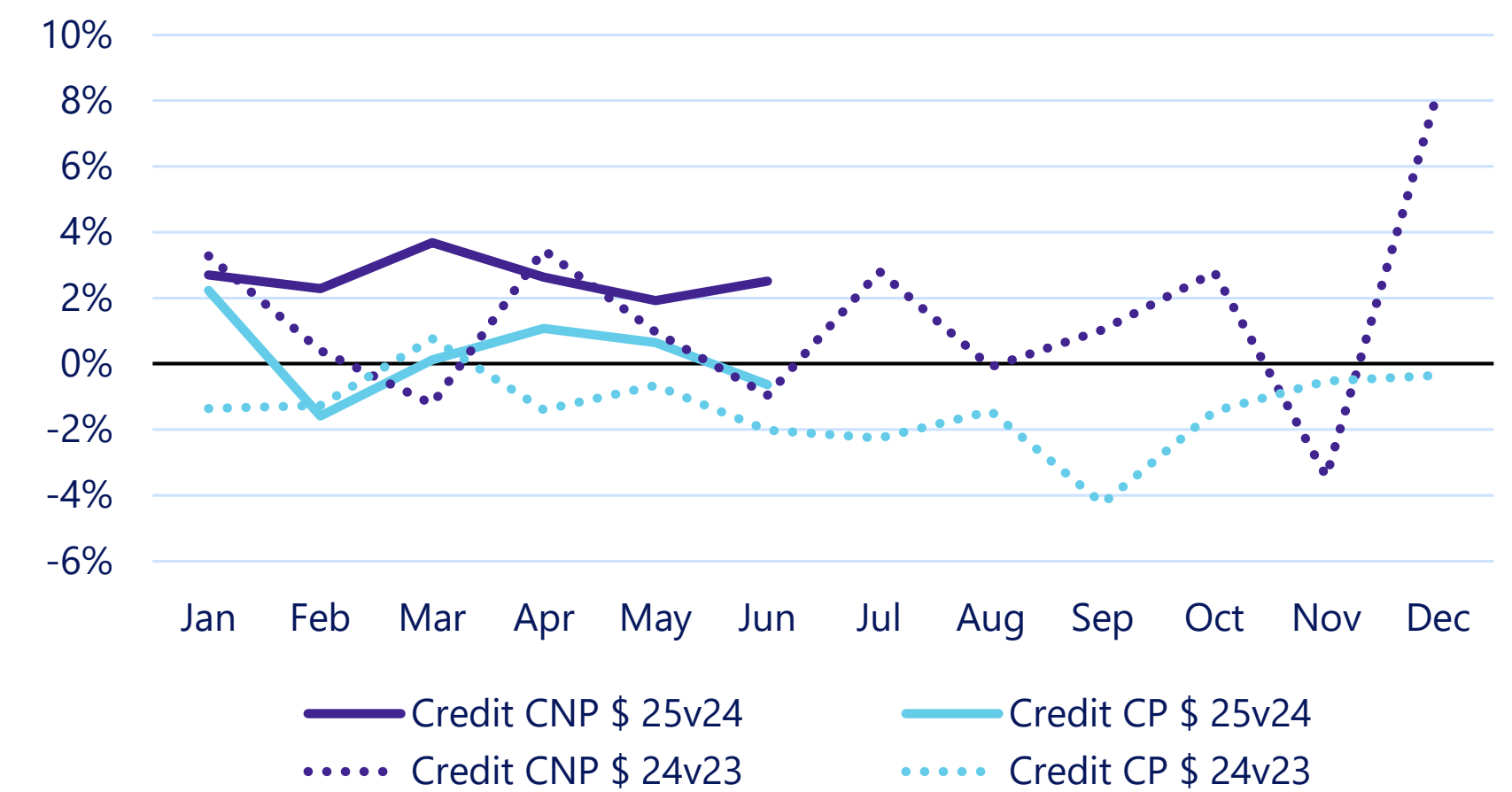
For debit, CP activity directed overall growth, as CP purchase and transaction growth continued to outpace CNP. Debit CP purchases grew 5.7% year over year, while CNP purchases were up 1.3%. Debit CP transaction growth increased 3.7% while CNP transactions fell to a low of -0.8%.

The majority of credit purchases consisted of CNP at 51%, while the majority of transactions were CP at 61%. As a percentage of all debit purchases and transactions, CP accounted for 54% and 67%, respectively.

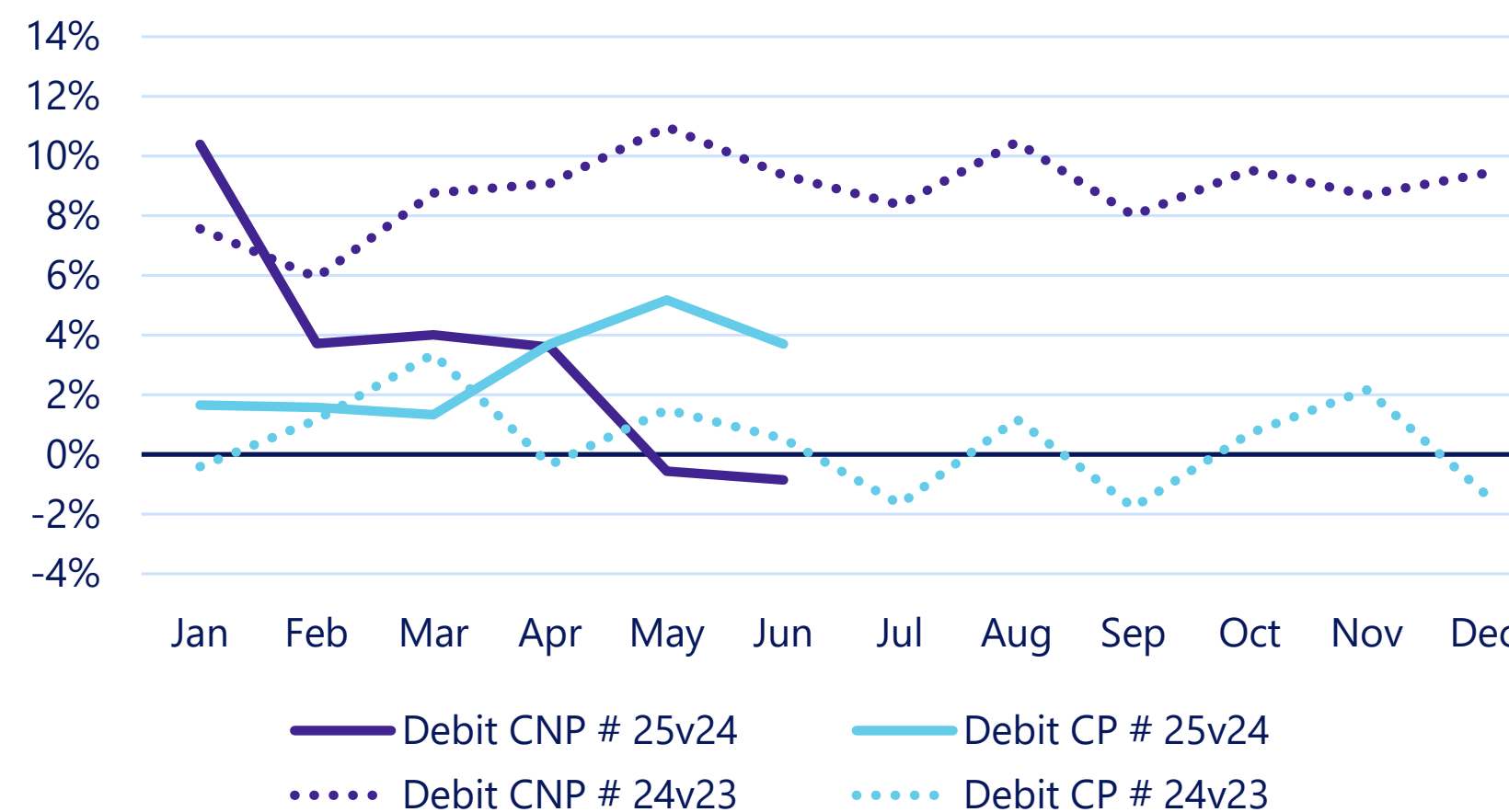
YoY % Growth in Credit Transactions



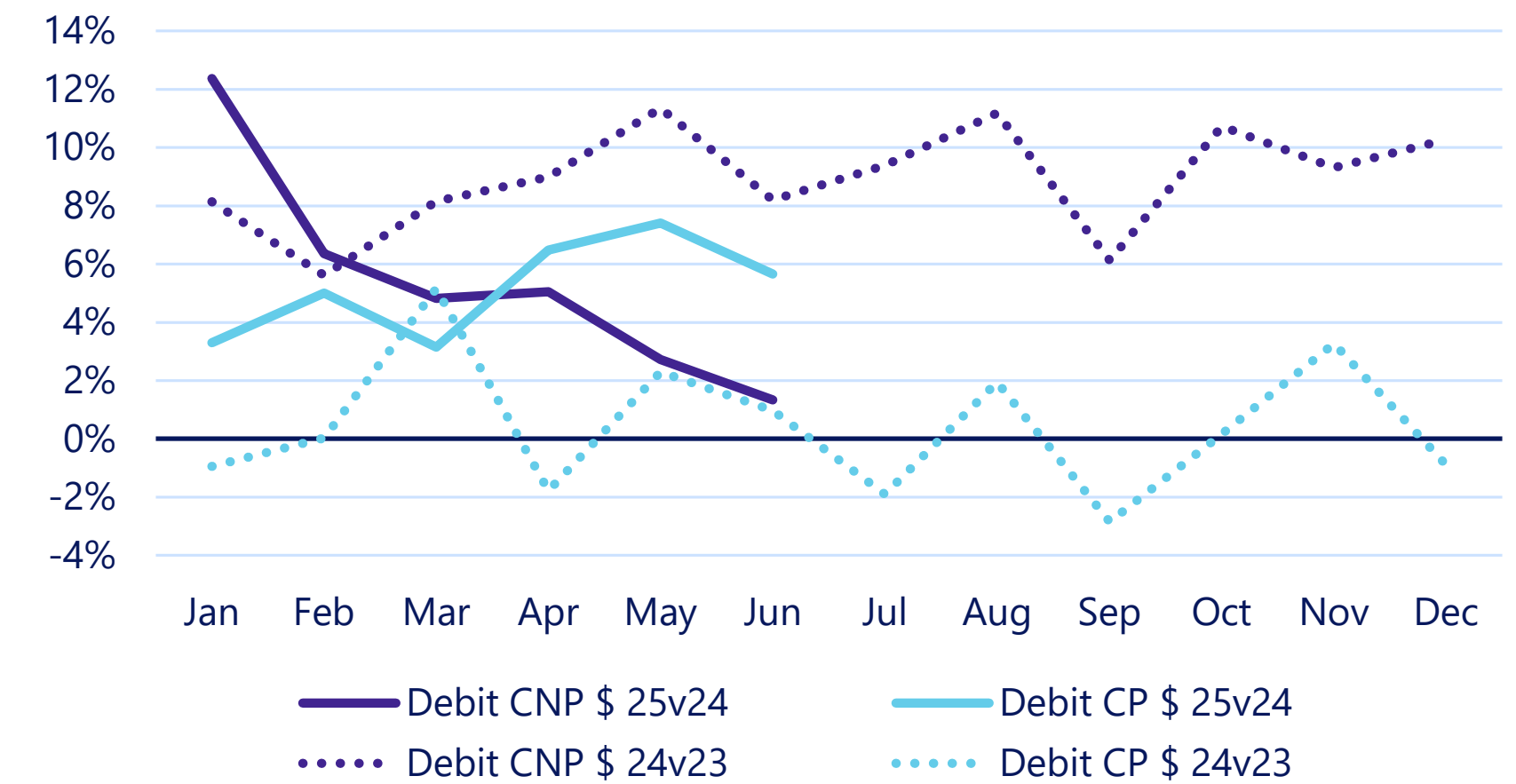
YoY % Growth in Credit Purchases



YoY % Growth in Debit Transactions



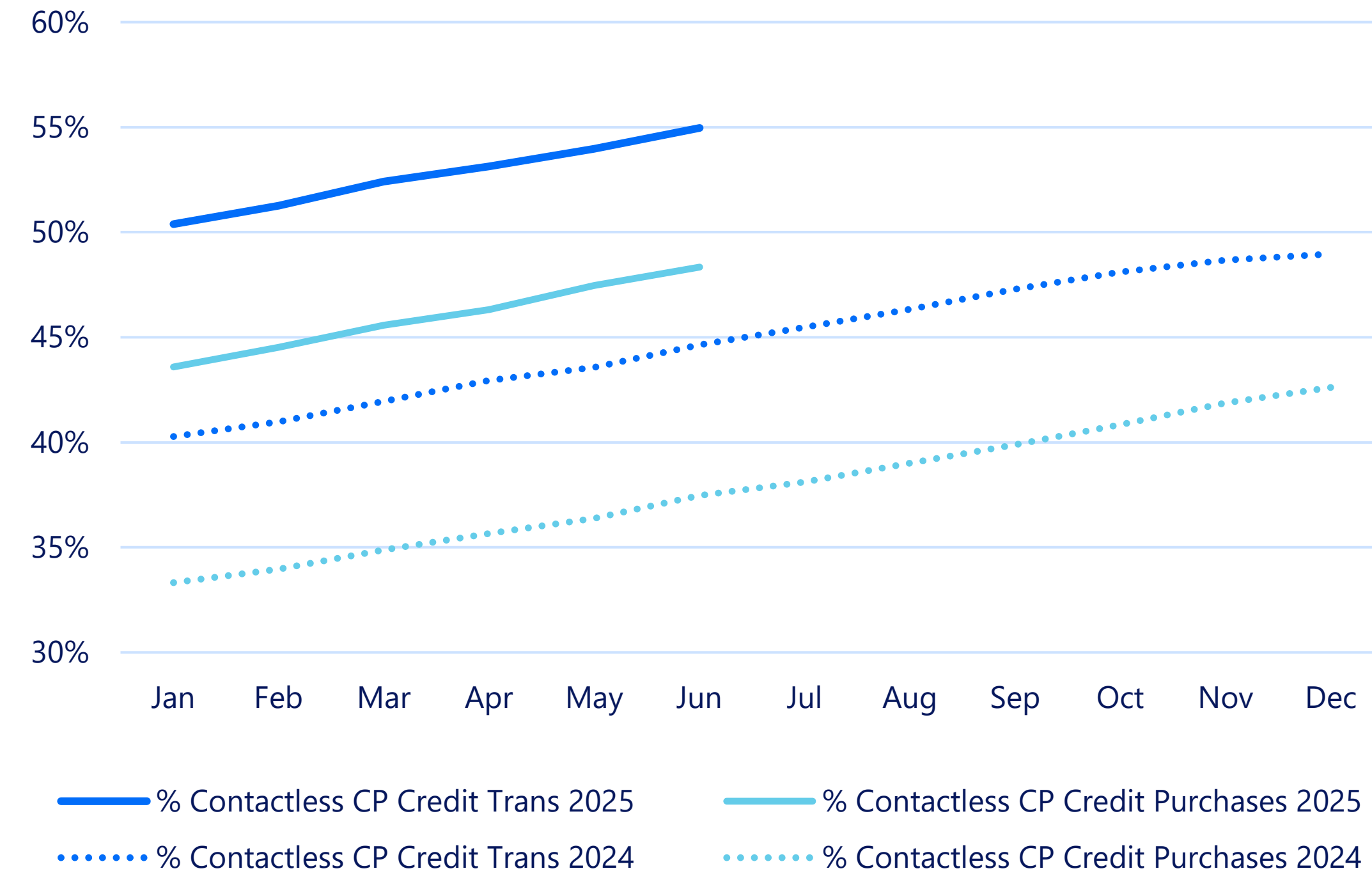
YoY % Growth in Debit Purchases



Contactless Transactions

Contactless activity continued to trend upward for both credit and debit, capturing 55% of credit and 56% of debit Card Present (CP) transactions as of June 2025. While tap-to-pay becomes increasingly ubiquitous, the average purchase amount remains well below the credit and debit overall purchase amounts. The average contactless credit purchase amount measured \$50.56 for June, which was 27% lower than the average credit purchase of \$69.28. The average contactless debit purchase amount of \$30.82 was 33% lower than the average debit purchase amount of \$45.66. However, the average contactless purchase amount has been increasing at a greater rate than the average overall credit and debit purchase amounts.

% Contactless Credit Activity on Contactless Cards



% Contactless Debit Activity on Contactless Cards

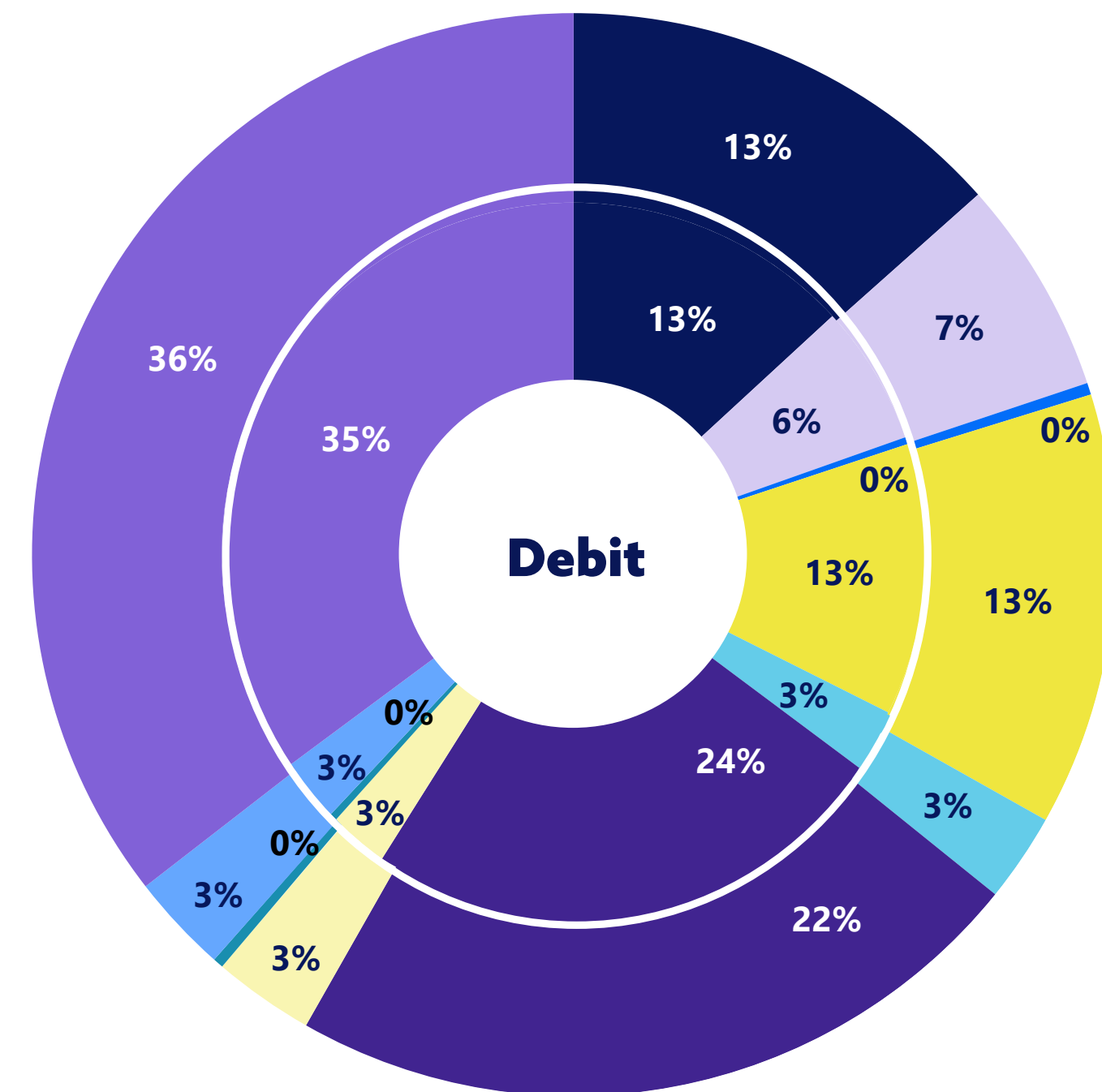
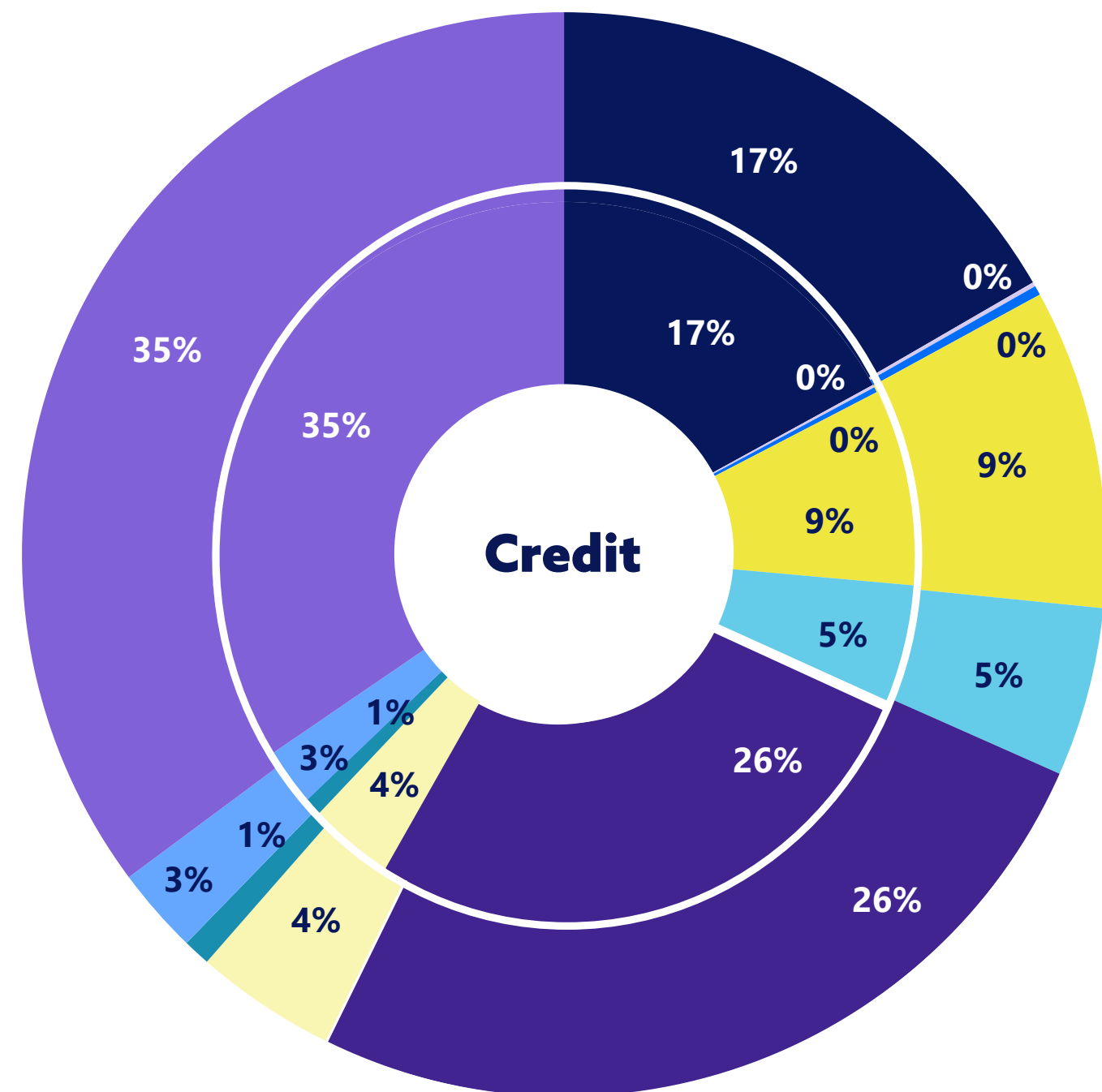


Digital Wallets

For June, digital wallet credit and debit transactions each increased 39% year over year, while digital wallet credit and debit purchases grew 46% and 47%, respectively. As a percentage of total transactions, digital wallet transactions captured 6% of credit and 10.2% of debit. The sector percentage of digital wallet transactions remained unchanged for credit, while the Goods sector contracted year over year for debit, as Money Services and Restaurants expanded.

Sector Percentage of Digital Wallet Transactions

- Food & Grocery
- Money Services
- Utilities
- Gasoline
- Transportation
- Goods
- Services
- Travel
- Entertainment
- Restaurants



ATM

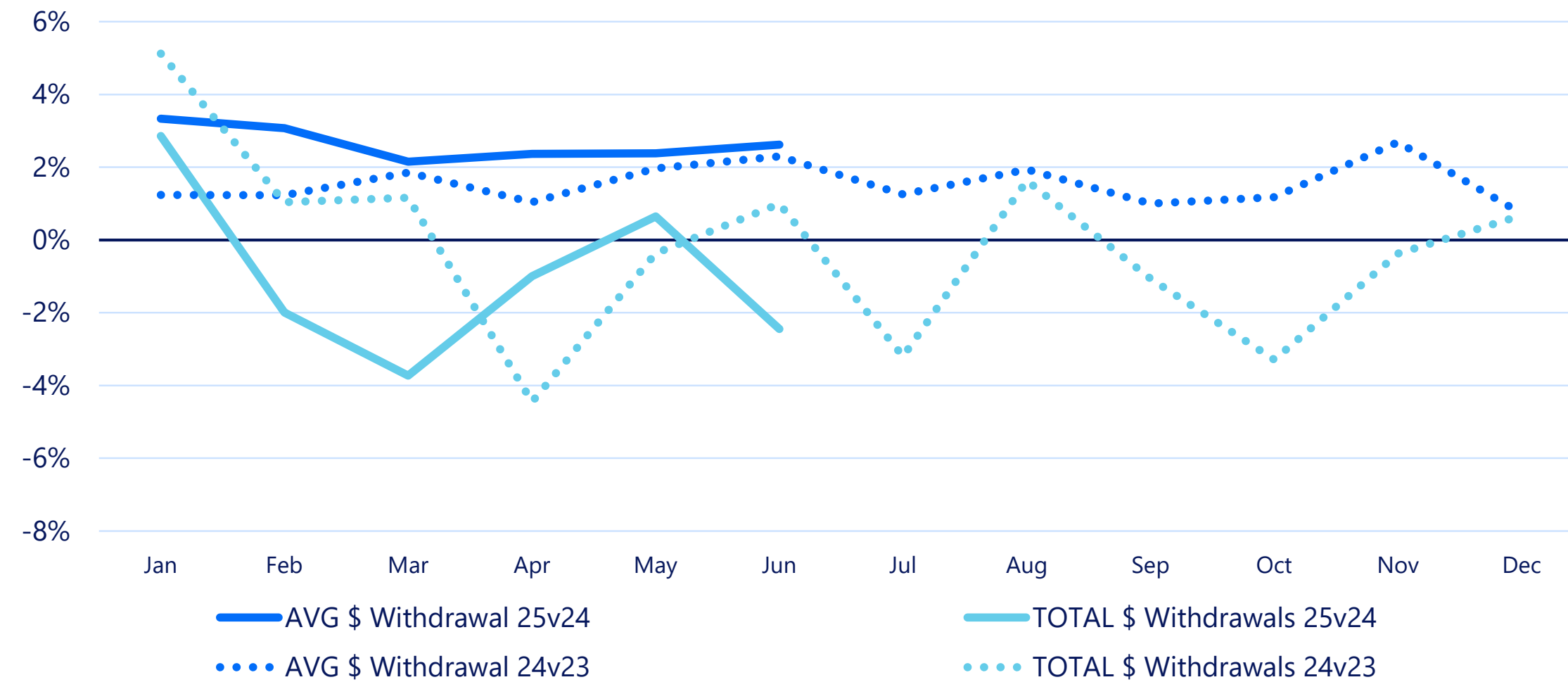
ATM withdrawal and deposit activity for June was mixed, as ATM withdrawal transaction volume decreased 4.9% year over year while ATM deposit volume increased 0.5%. Additionally, the average ATM withdrawal amount increased 2.6% year over year, or \$3.88, to \$152, while the

average ATM deposit amount of \$467 was down 1%, or \$4.68. Both total ATM withdrawal and deposit amounts decreased year over year, declining 2.4% and 0.5%, respectively. ATM withdrawals accounted for 65% of all ATM transactions, while ATM deposits represented 9%.

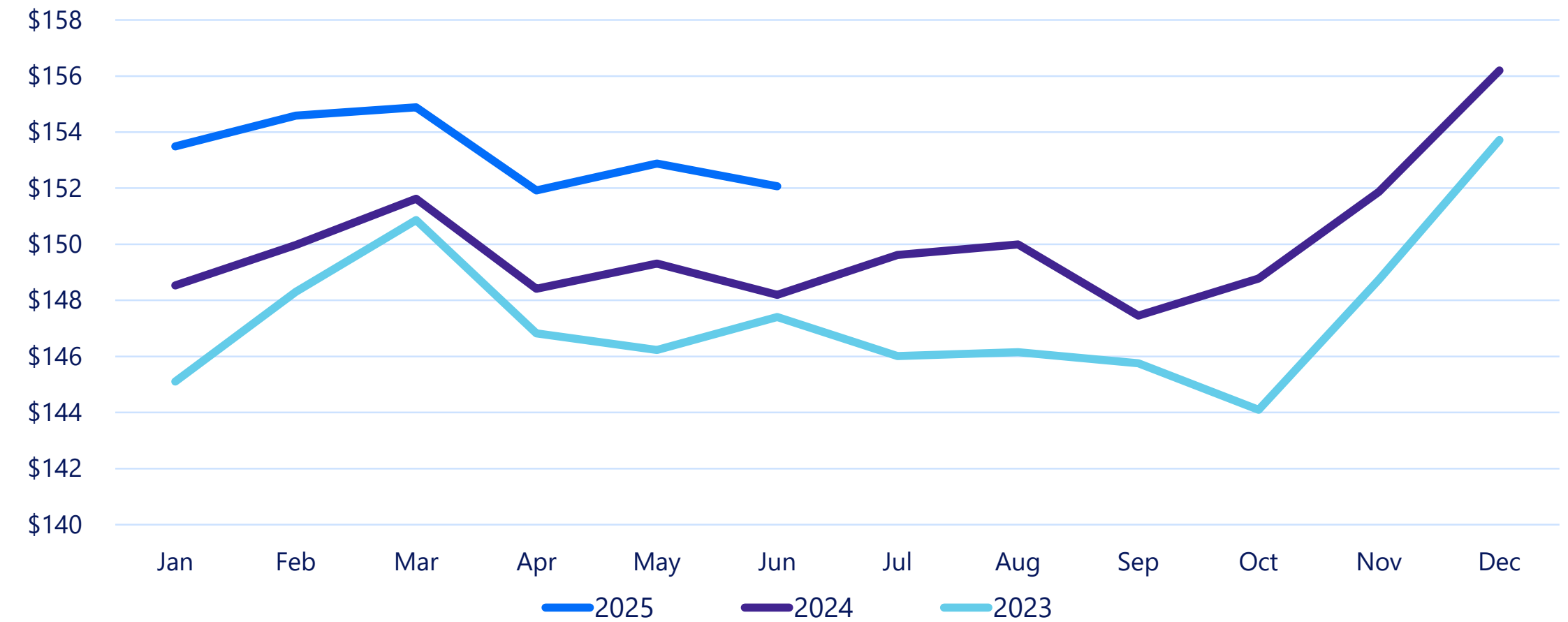
Debit cash back activity at the point of sale mirrored that of ATM withdrawals, with the total amount decreasing and the average amount increasing. The total cash back amount was down 8.2% year over year, while the average cash back amount increased 1.3%, or \$0.55, to \$42.41. As a

percentage of CP debit card transactions, 1.09% received cash back, which was down 12.7% year over year. The vast majority of cash back transactions occurred at Grocery Stores (74%), followed by Goods sector merchants (13%), and Gasoline merchants (7%).

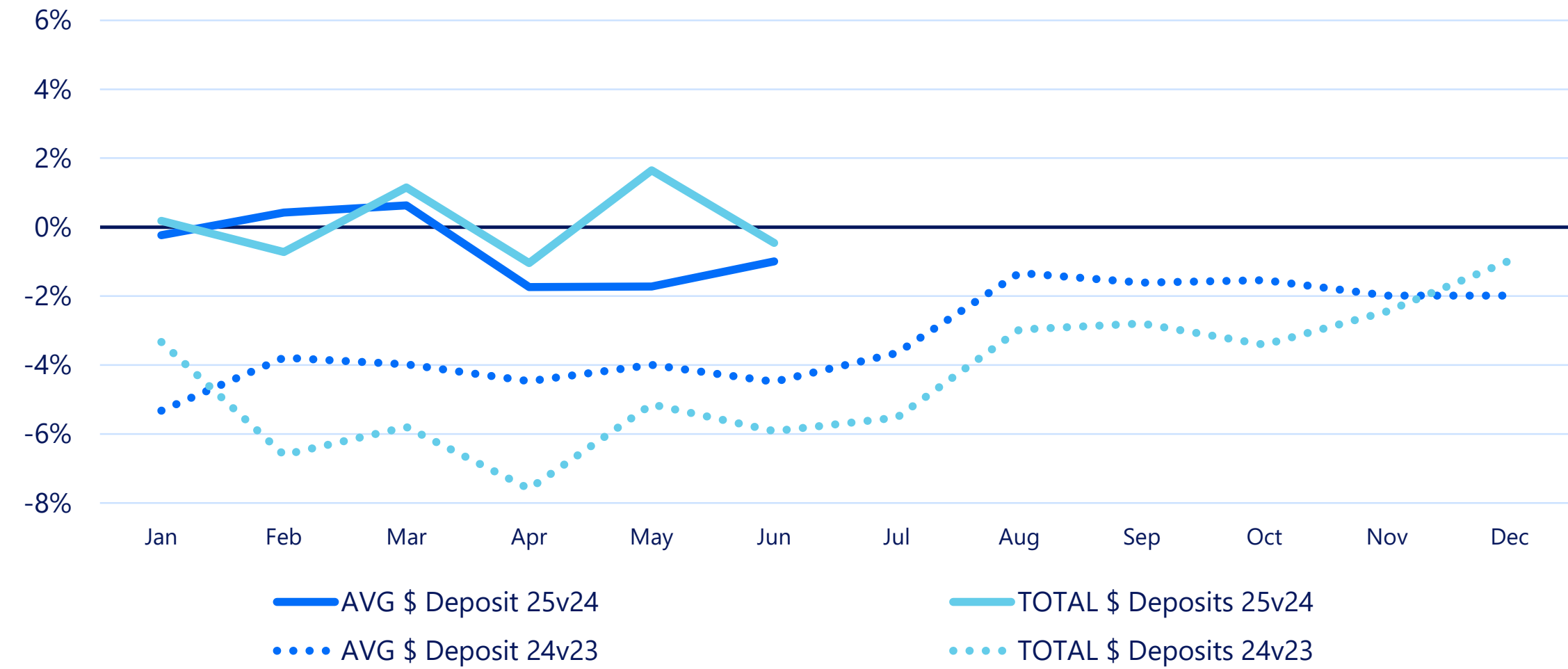
YoY Growth in ATM Withdrawals



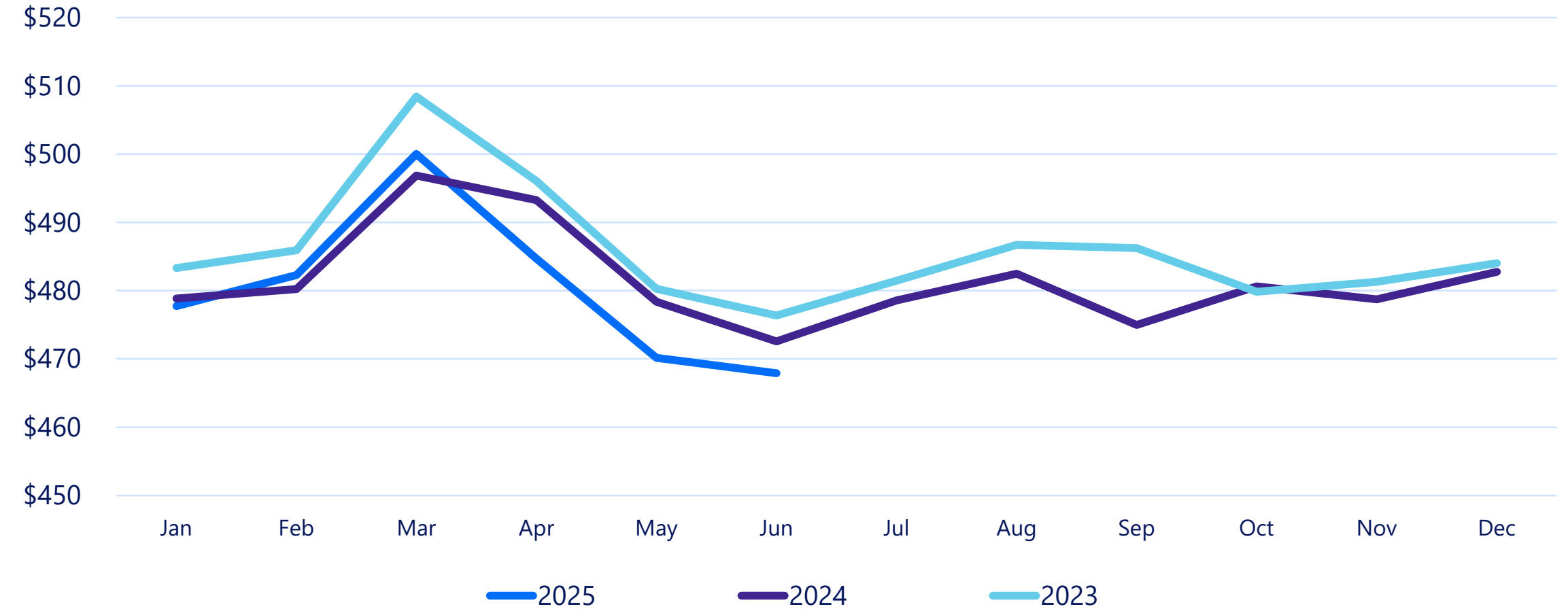
Average ATM Withdrawal



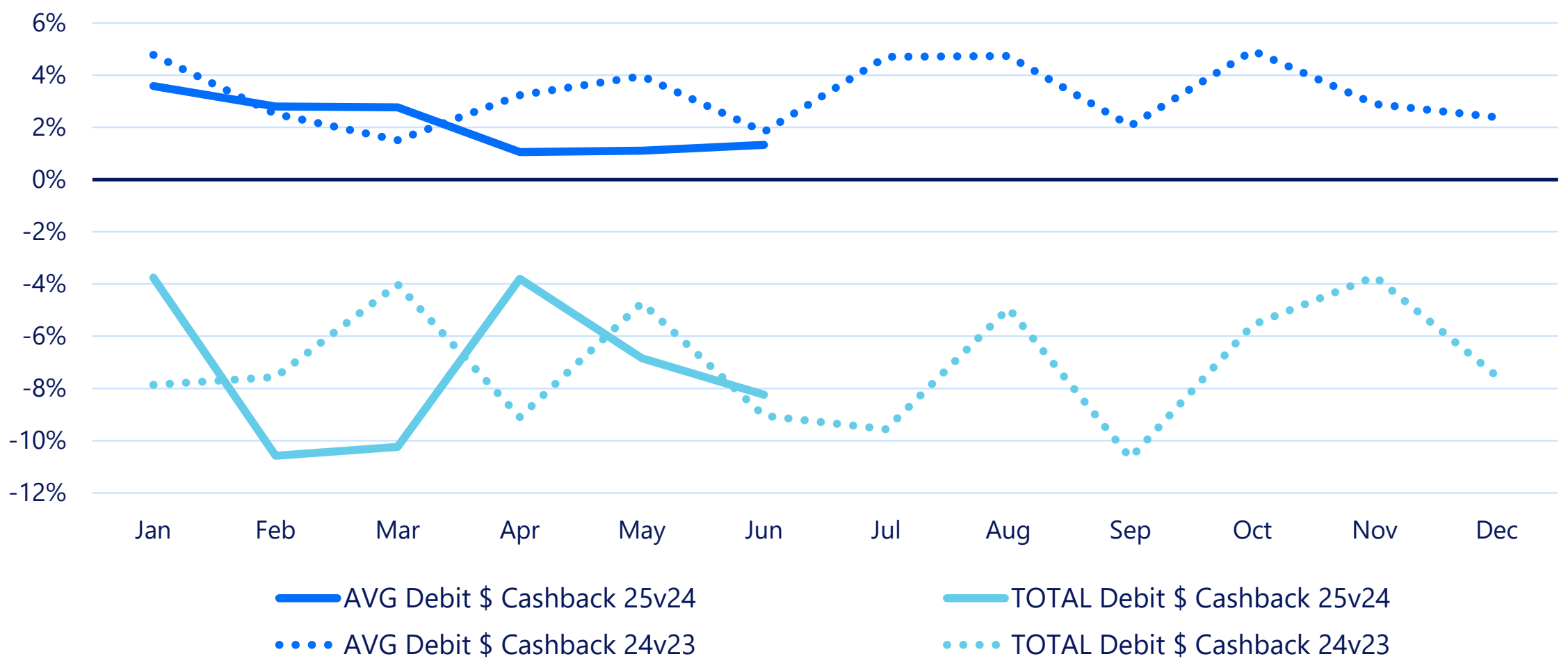
YoY Growth in ATM Deposits



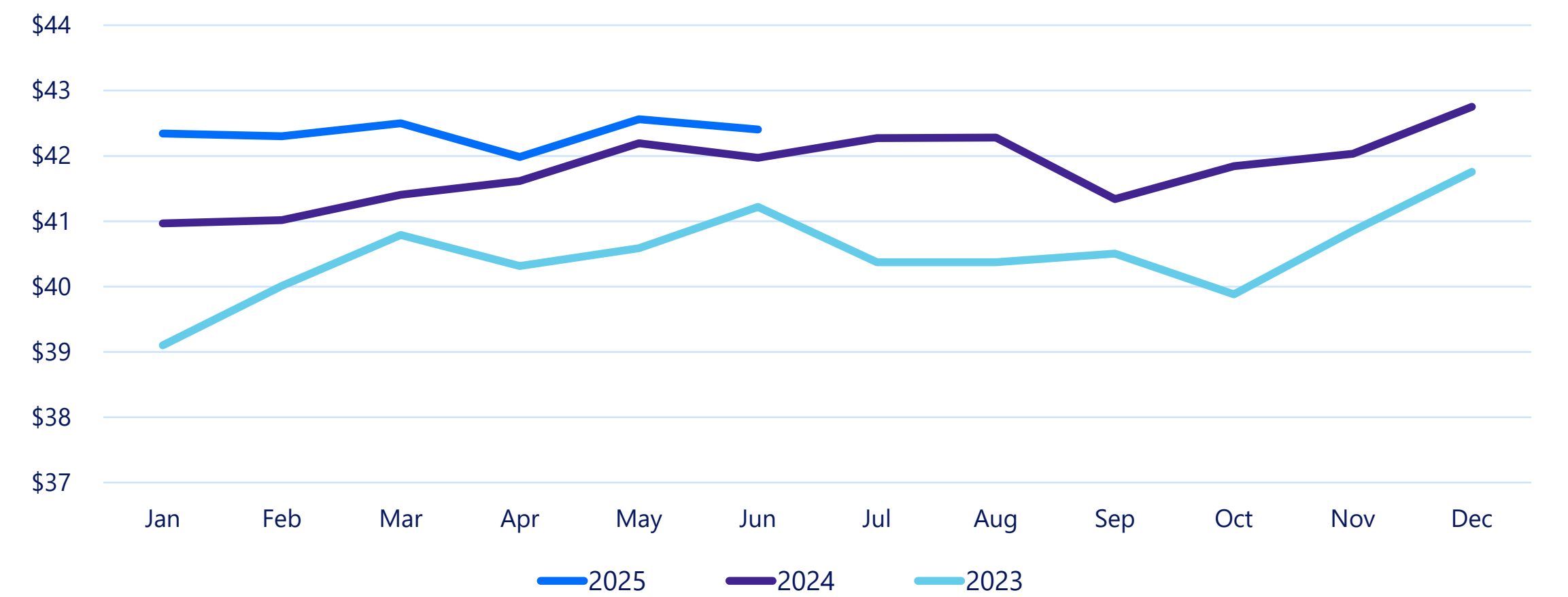
Average ATM Deposits



YoY Growth in Debit Cashback Activity



Average Debit Cashback Amount





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 July 2025 edition of the Velera Payments Index represents a total of 3.5 billion transactions valued at \$176 billion of credit and debit card activity from July 2024 through June 2025.

About Velera

Velera 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, the Shared Branch network and 24/7/365 member support via its contact centers. For more information, visit velera.com.



Subscribe to Receive Monthly Insights

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](#).