

velera

PAYMENTS INDEX

Deep Dive: Tariff Impact on
International Goods Purchases

December 2025



In November, year-over-year consumer spending growth remained consistent and positive. While consumer sentiment surveys have shown mixed results, concerns about high prices remain. Following the end of the six-week government shutdown, reporting on various economic indicators — including job growth, unemployment and inflation — resumed with the posting of the November results. In our December 2025 edition of the Velera Payments Index, we present a deep dive into international transactions in the Goods sector and an update on 2025 holiday spending.

In a much-anticipated move, Federal Reserve Chair Jerome Powell announced a quarter-point interest rate cut earlier this month. While this reduction is the third consecutive cut from recent Federal Open Market Committee (FOMC) meetings, there was an indication that [there could be a pause](#) in subsequent changes, given the number of dissenting votes from the committee in the December meeting. However, with softer job data, the possibility of an additional rate cut could be back on the table. The federal funds rate, currently at 3.50% to 3.75%, is at its lowest level in three years. The next FOMC meeting will conclude on Jan. 28, 2026.

Performance Snapshot: November 2025

Market/Economic Variables

88.7
Consumer Confidence Index
↓ Change 6.9 points

53.3
U of M Index of Consumer Sentiment
↑ Change 2.3 point

2.7%
Consumer Price Index
↑ Change 0.2%

2.6%
Core CPI (excl. Food/Energy)
↑ Change 0.2%

134,544,000
ADP National Employment Report
↓ Change 32,000

64,000
BLS/Job Growth
↑ 19,000 jobs higher than forecast

4.6%
Unemployment Rate
↑ Change 0.1%

3.5-3.75%
Federal Reserve Interest Rate
↓ Change 0.25%

Payments Index Growth

Purchases

2025 v 2024

Credit
↑ **1.9%**

Debit
↑ **4.2%**

2024 v 2023

Credit
↓ **2.1%**

Debit
↑ **6.2%**

Transactions

2025 v 2024

Credit
↑ **2.0%**

Debit
↑ **2.3%**

2024 v 2023

Credit
↑ **0.4%**

Debit
↑ **4.5%**



In November, consumer confidence fell in the [Consumer Confidence Index](#) by 6.9 points to 88.7. Older demographics have less confidence in improvement, with those over 55 years old being the least upbeat. Consumers aged 35 and over experienced a decline in confidence, while those under 35 years of age showed some improvement. By income, the only population that posted an improvement in confidence was those making under \$15,000 per year. The preliminary results for the December 2025 University of Michigan [Index of Consumer Sentiment](#) increased 2.3 points to 53.3. While this 4.5% increase is primarily driven by younger consumers, the overall outlook remains bleak, likely due to concerns over higher prices.

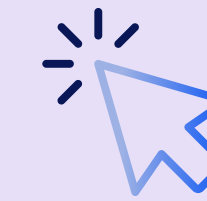
The Bureau of Labor Statistics (BLS) released its [November update](#), showing a 0.2% rise in inflation for November. Data for October 2025 is mainly unavailable due to the government shutdown, potentially distorting the view of annual results. This takes the 12-month Consumer Price Index (CPI) to 2.7%. The energy index rose 1.1%. Both shelter and food each rose 0.1%. Decreases were posted for the two-month period in lodging away from home, recreation and apparel. Core CPI, which excludes the Food and Energy sectors, also increased by 0.2%



for the two-month period ending in November, bringing the 12-month Core CPI to 2.6%.

After the six-week government shutdown, the BLS [reported](#) that the overall unemployment rate for November increased to 4.6%, or 7.8 million people, the highest in four years. While the economy added 64,000 jobs in November, there were 105,000 jobs lost in October 2025, [highlighting concerns](#) about the overall strength of the U.S. economy.

November saw job growth in the healthcare and construction sectors, while job losses occurred in the federal government. For November, the [ADP jobs report](#), which tracks changes in U.S. private employment, showed a decrease of 32,000. Small companies — those with fewer than 50 employees — posted all the job losses, while companies with 50 or more employees posted gains. The ADP payroll population represents 26 million U.S. private-sector employees.



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"This holiday season, with mixed signals in consumer confidence, we wanted to offer an incentive to activate low-usage cardholders and keep our card top of wallet. By working with Velera's Advisors Plus, we were able to align our campaigns with market trends and develop strategies that made sense based on cost, expected returns and lift. Their insight helped us analyze past results, forecast future performance and apply best practices to maximize impact. Thanks to their guidance, our current holiday campaign has achieved a 33% response rate, with an increase of over 17% in transactional dollar volume, putting us on track to exceed last year's results. This momentum reflects the benefit of yearly planning and consistent campaign execution."

Natalie Baker

Vice President, Marketing, Dominion Energy Credit Union

Key Takeaways for November 2025

- While consumer sentiment showed mixed results, actual purchasing activity continued to grow consistently in November. Debit purchases increased by 4.2%, with the Goods and Money Services sectors accounting for 80% of that growth. Credit purchases were up 1.9%, with the Goods and Services sectors accounting for just under 80% of the increase. For November, year-over-year growth in debit transactions was up 2.3% and credit transactions increased by 2%.
- Consumers spent record amounts online from Thanksgiving Day through Cyber Monday (Nov. 27 through Dec. 1), building on the strong performance in 2024. Overall debit purchases increased by 1.1% and debit purchases in the Goods sector rose by 3.8% within the Payments Index dataset for this intensive five-day spending period. Overall credit purchases increased by 0.2%, while credit purchases in the Goods sector decreased by 0.1%.
- There was a drop in International Goods credit purchase growth coinciding with the initial tariff announcements in April, followed by an even steeper decline in growth after the elimination of the de minimis exemption in late August.
- In a highly anticipated move, the Fed lowered interest rates by a quarter of a percentage point in December. While multiple sets of updated data will be available by the January meeting, a pause in subsequent rate changes may occur, as growing dissent among the voting committee is evident.
- For November, the ADP private-sector jobs report showed a decrease in U.S. private employment by 32,000. In the November jobs report, the BLS posted an increase in the unemployment rate to 4.6%, the highest rate in four years. While the economy added 64,000 jobs in November, it lost 105,000 jobs in October, which could highlight a weakness that could point to future interest rate reductions.

Credit and Debit Cards

November's consumer purchase activity reflected strong holiday engagement while demonstrating mixed payment trends. Compared to growth rates in the prior month and year, credit card growth accelerated while debit card growth slowed, suggesting that consumers may be shifting some purchases to credit.

Credit card purchases rose by 1.9% year over year and transaction volume increased by 2%, slightly higher than October's 1.7% and 1.6% gains. This marked a notable rebound from November 2024, when purchases declined by 2.1% and transactions grew only 0.4%. In contrast, debit performance softened, with purchase and transaction growth of 4.2% and 2.3%, respectively – both lower than October's 6.4% and 3.9%, as well as last year's 6.2% and 4.5%. The Goods sector played a key role in overall growth, accounting for nearly half of credit and debit purchases and more than half of transaction volumes, underscoring strong demand for what is primarily tangible products in this sector during the early holiday season.

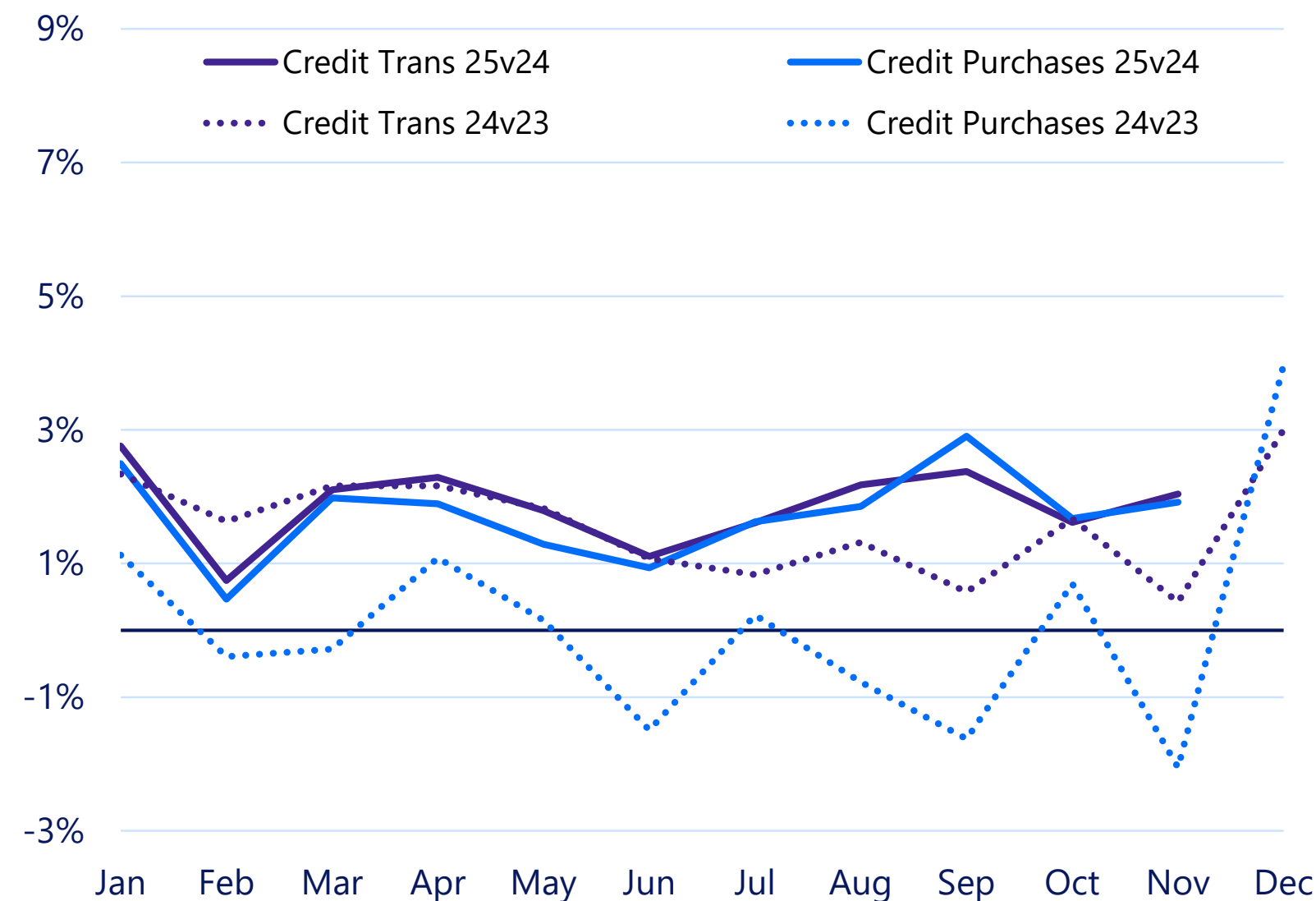
The [National Retail Federation \(NRF\)](#) reported that a record number of consumers shopped during the Thanksgiving holiday weekend, with 96% making holiday-related purchases.

According to the report, clothing and accessories were the most popular gifts purchased (51%), followed by toys (32%). By the end of the Thanksgiving weekend, 84% of consumers had started their holiday shopping, yet shoppers still have over half (53%) of their holiday shopping remaining, indicating continued spending momentum.

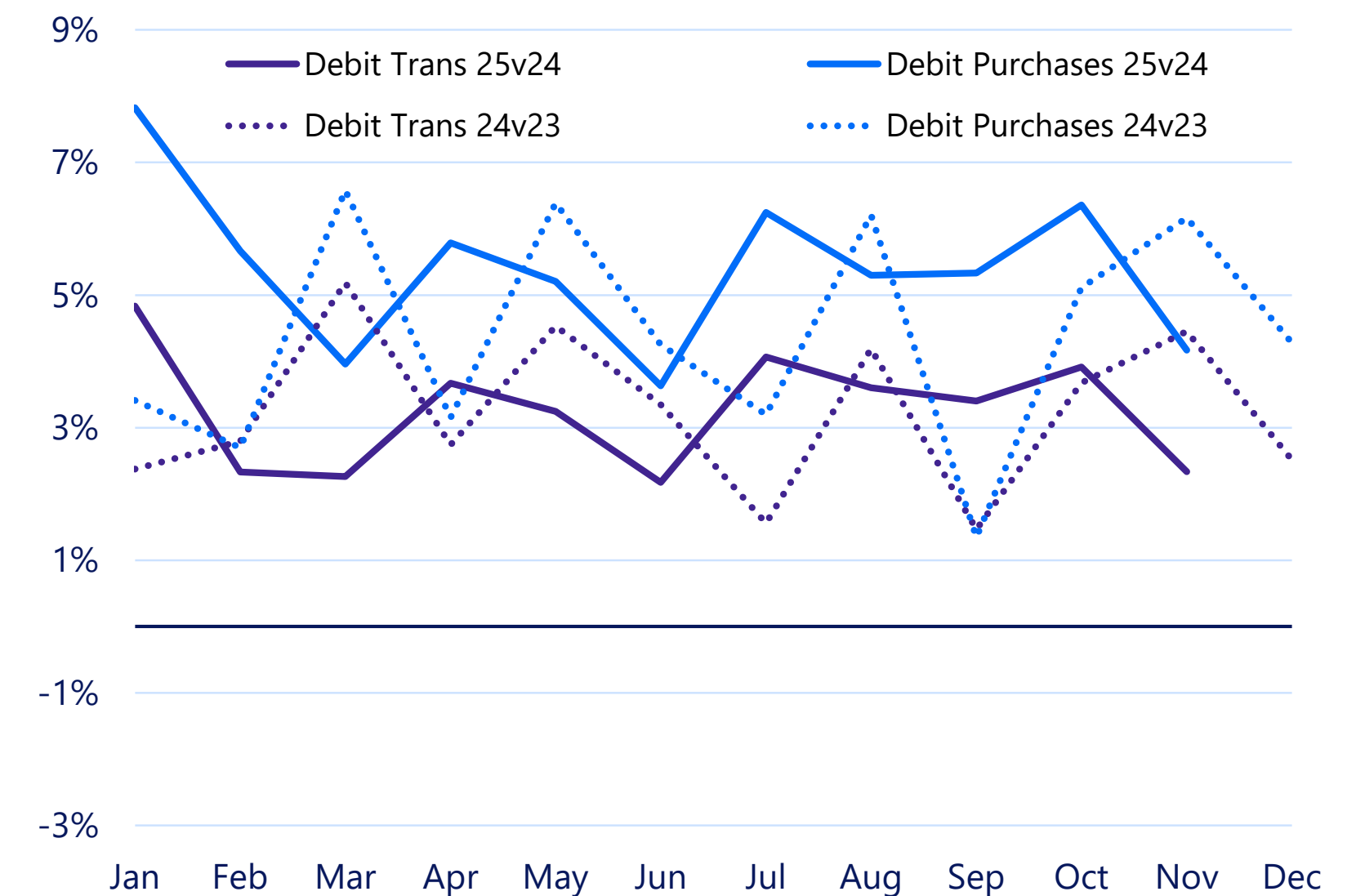
Month of November

	Credit		Debit	
	Transactions	Purchases	Transactions	Purchases
2025 v 2024	↑ 2.0%	↑ 1.9%	↑ 2.3%	↑ 4.2%
2024 v 2023	↑ 0.4%	↓ 2.1%	↑ 4.5%	↑ 6.2%

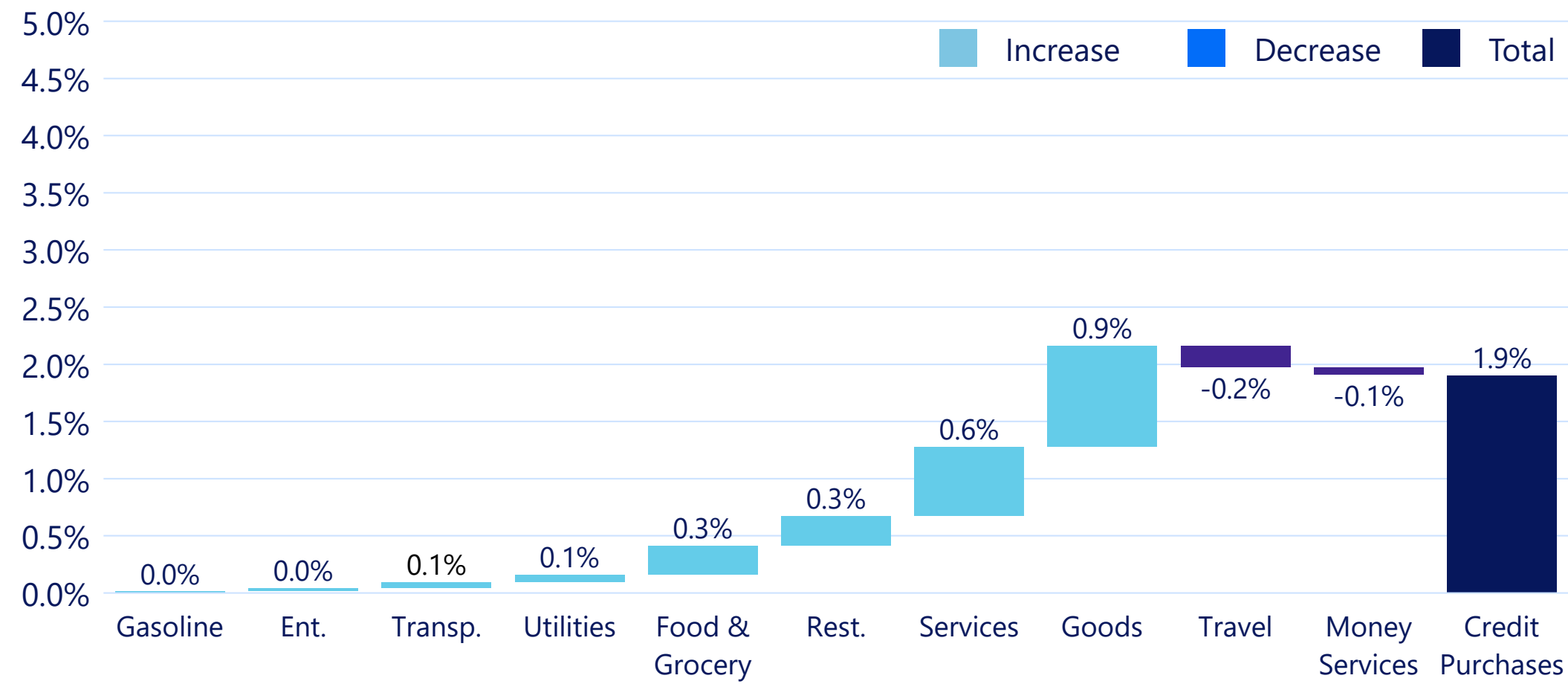
Credit



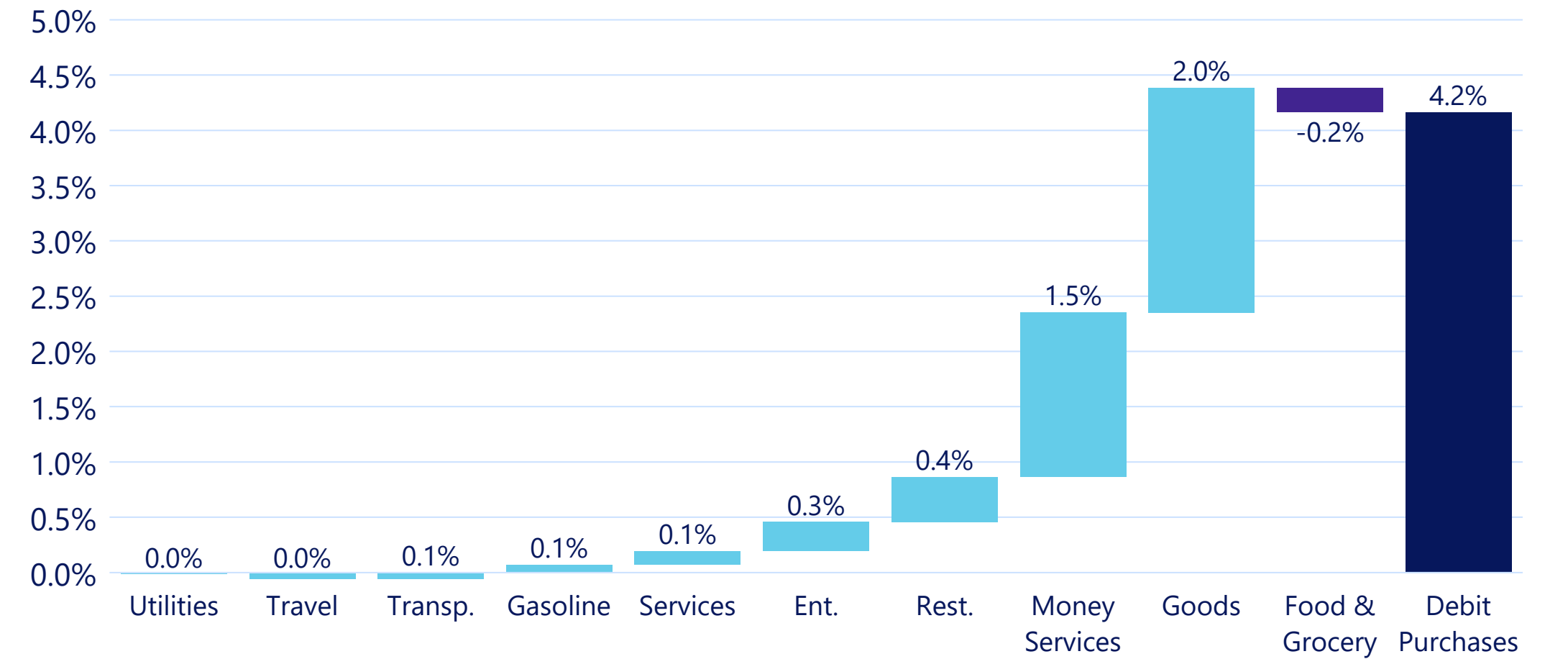
Debit



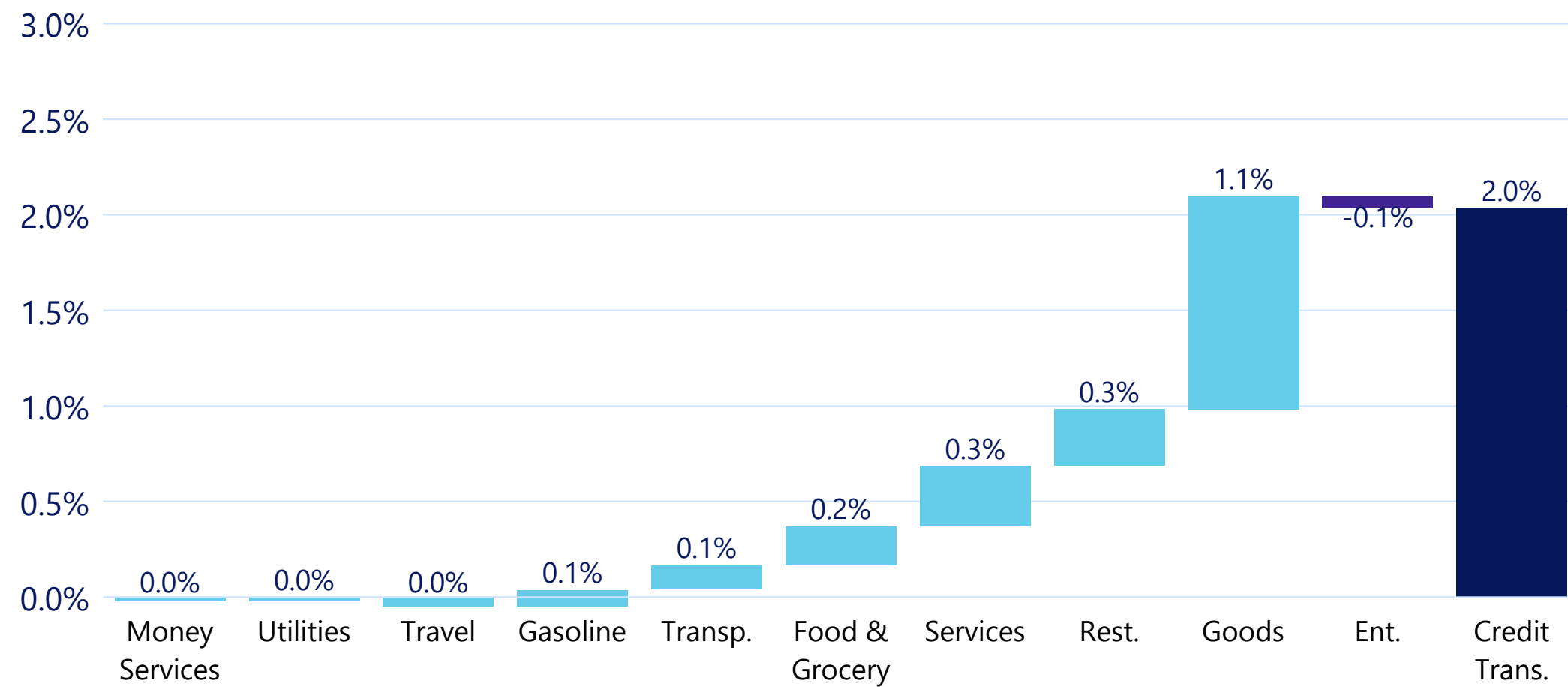
Sector Contributions to Growth in Credit Purchases: November



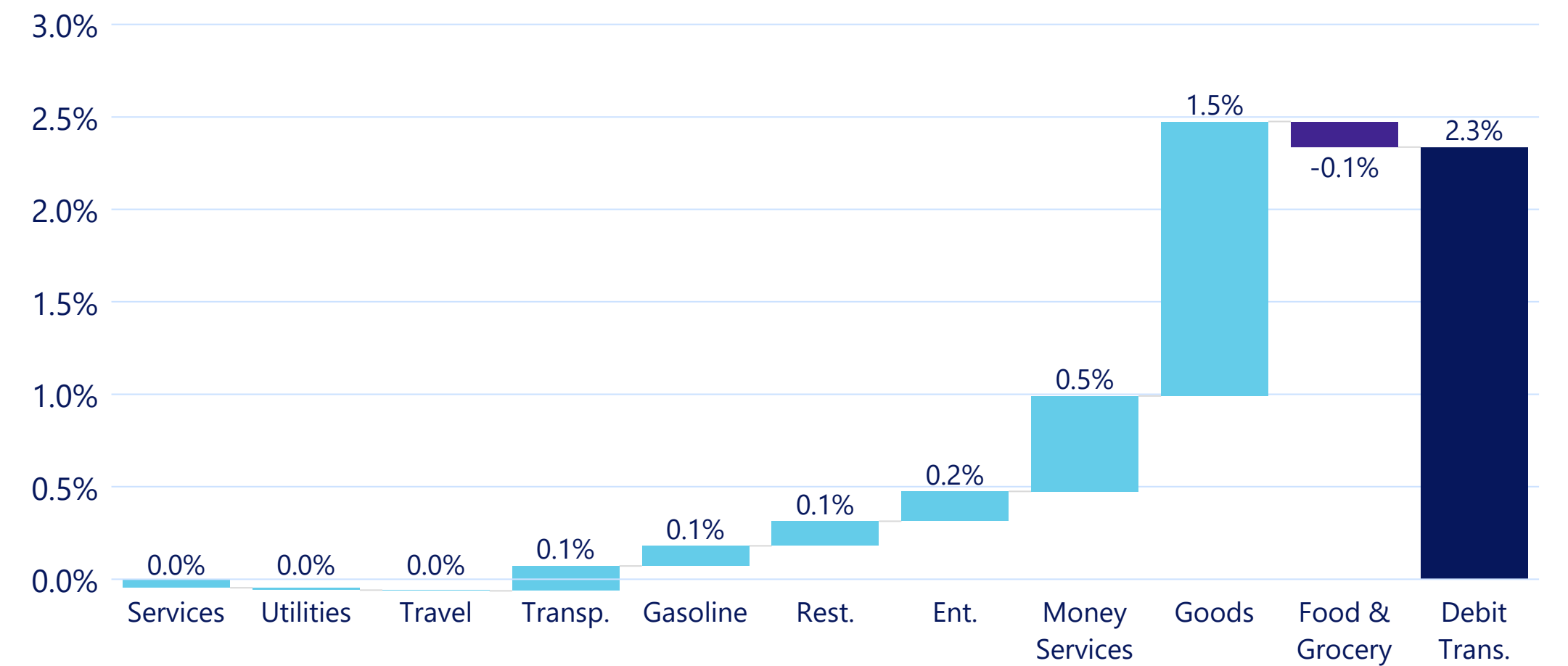
Sector Contributions to Growth in Debit Purchases: November



Sector Contributions to Growth in Credit Transactions: November

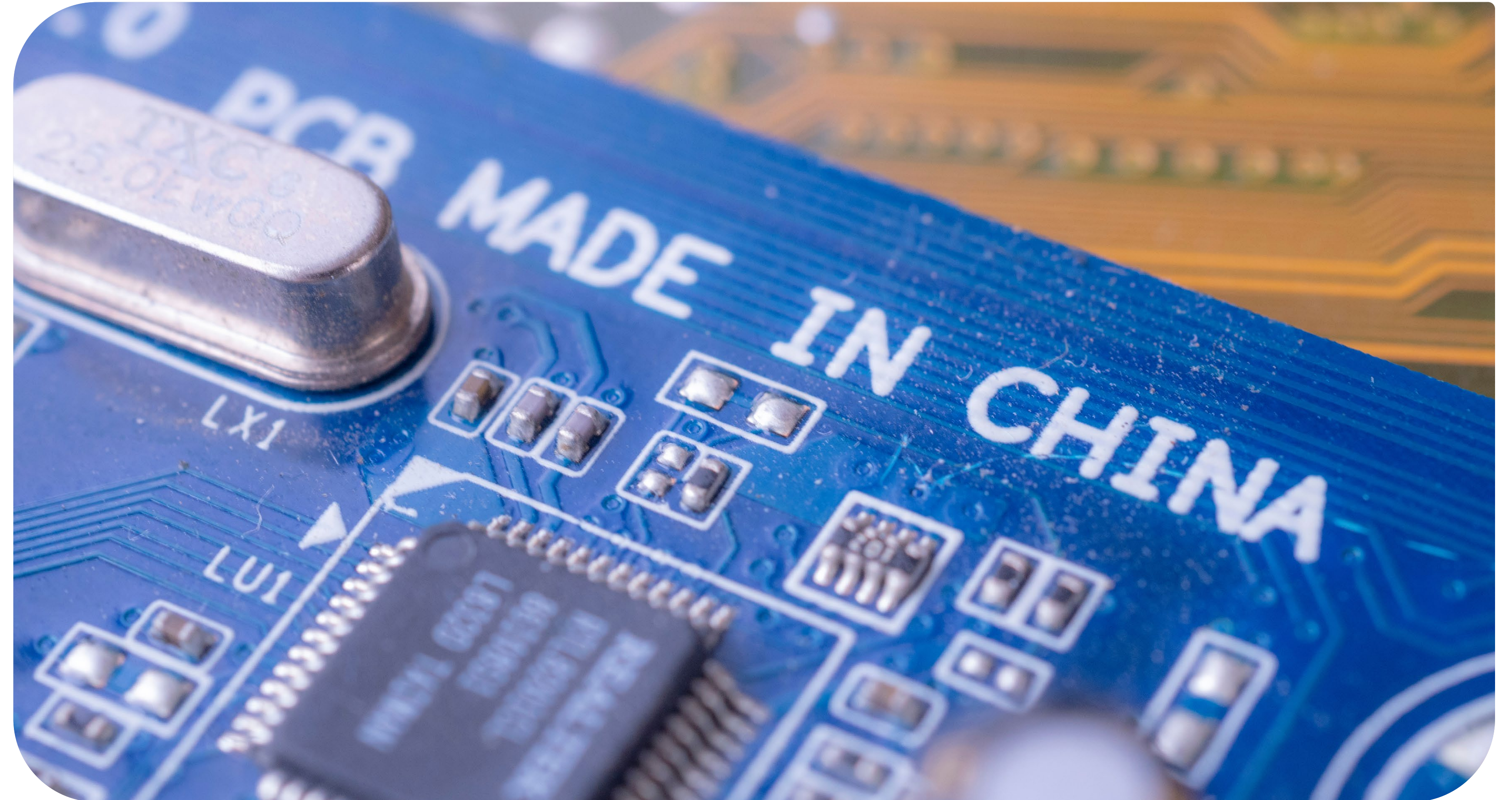


Sector Contributions to Growth in Debit Transactions: November

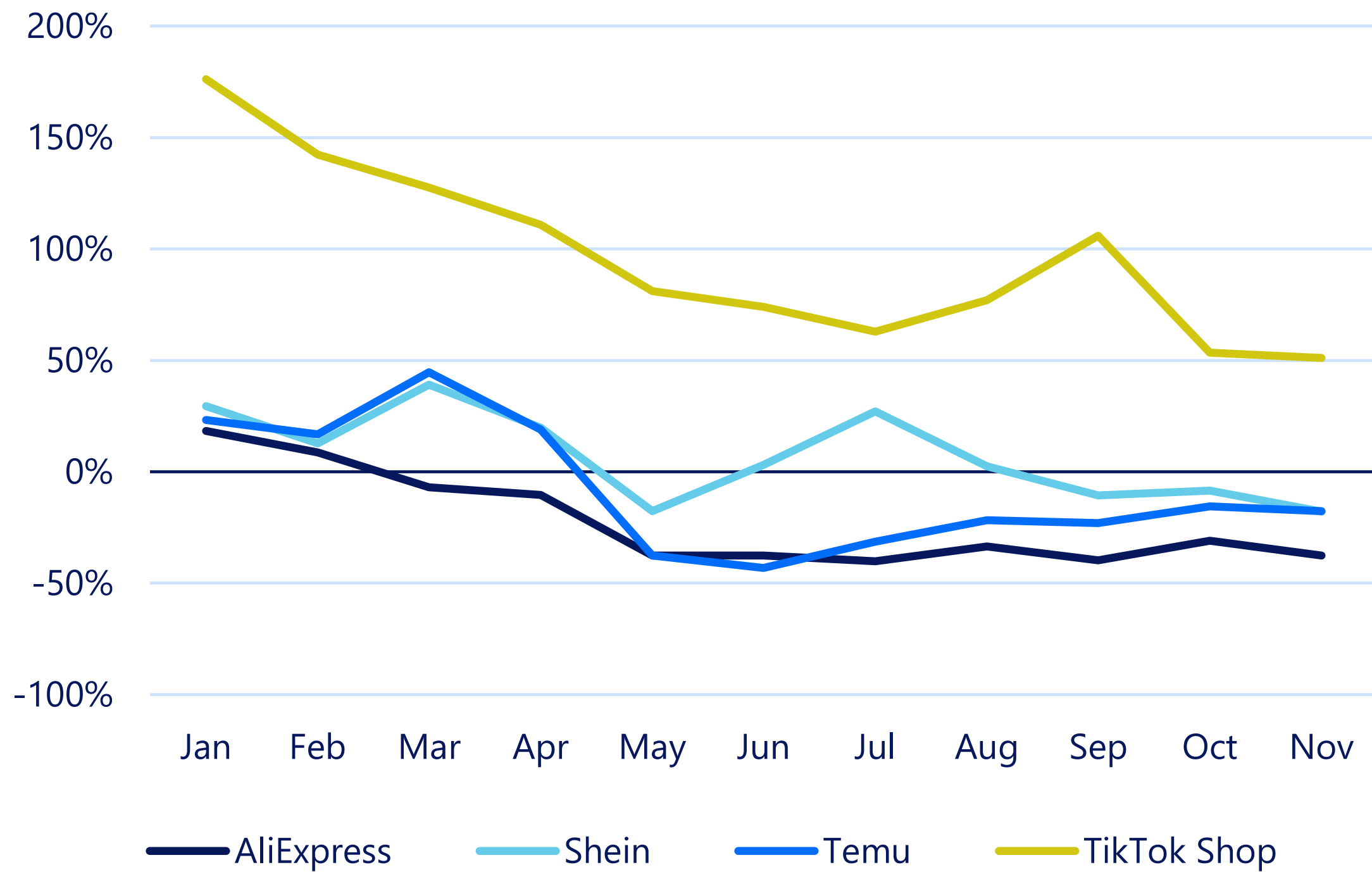


Deep Dive: Tariff Impact on International Goods Purchases

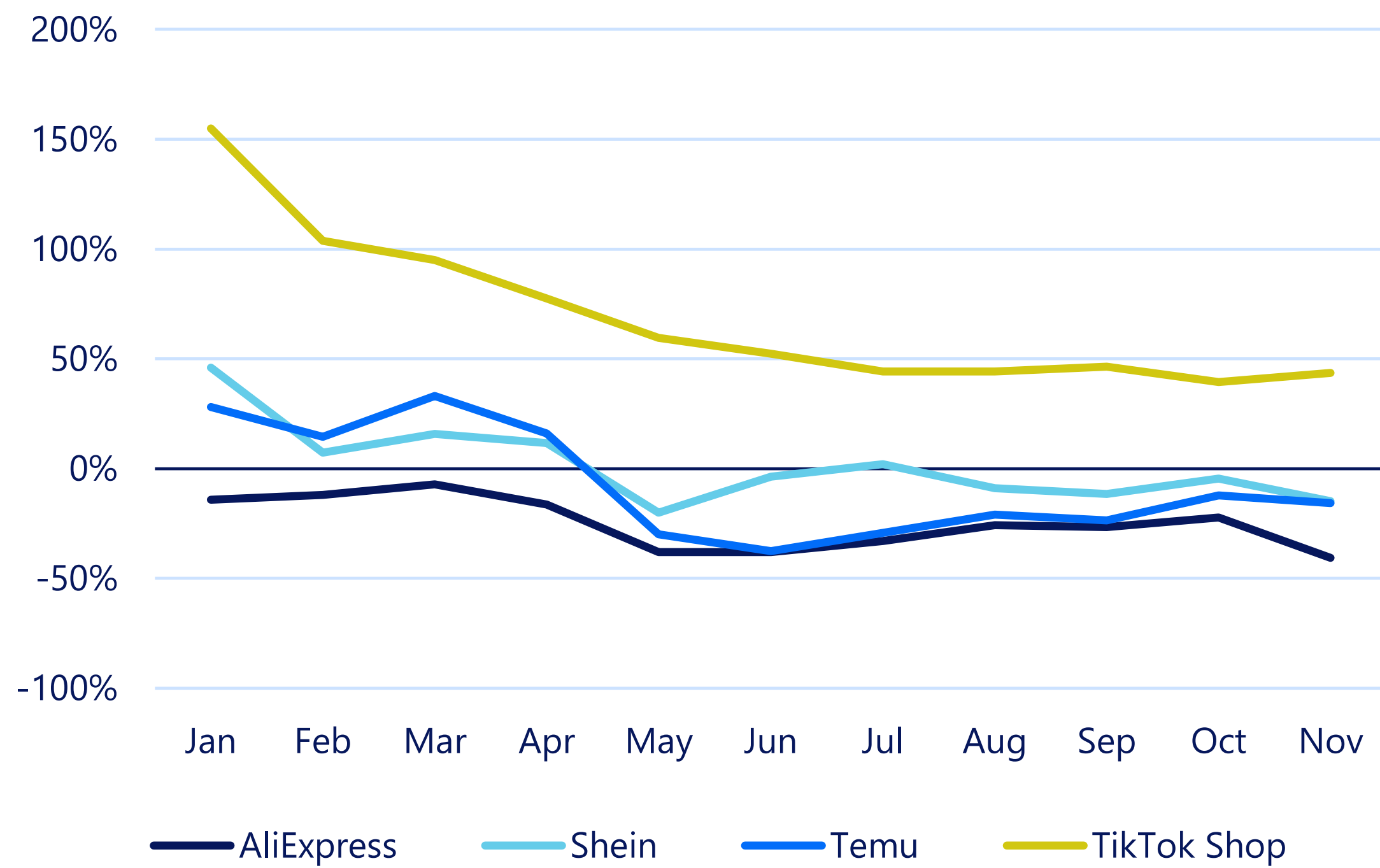
The de minimis exemption, a U.S. trade rule allowing goods valued under \$800 to enter the country without taxes or tariffs, ended in early May 2025 for China and Hong Kong, eliminating duty-free treatment for low-value goods being imported into the United States. To understand the impact on consumer behavior, we examined debit and credit transactions and purchases for several major online retailers shipping from China, including Shein, Temu and TikTok.



International Online Merchants Credit Purchase Growth – Year-Over-Year



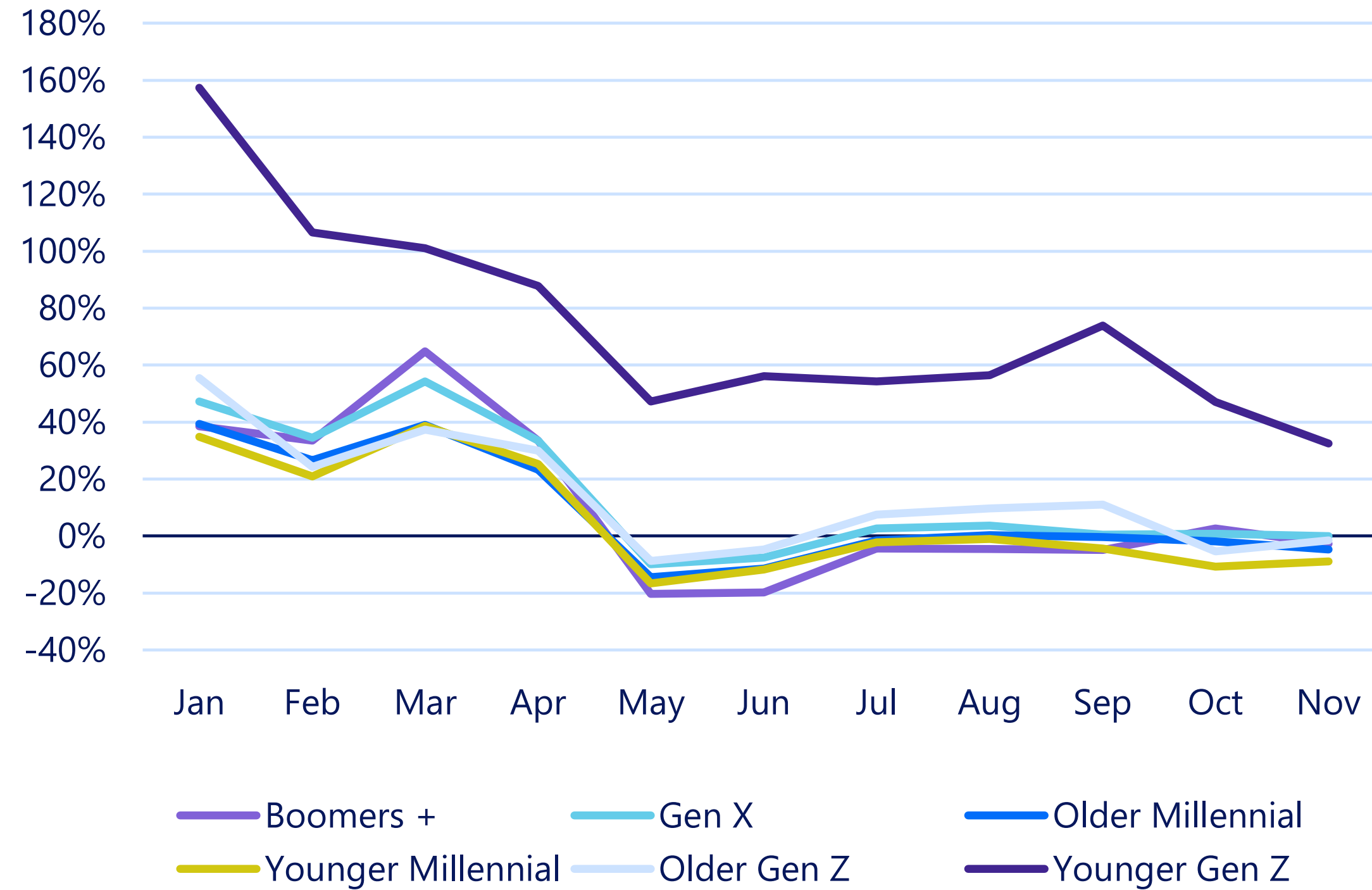
International Online Merchants Debit Purchase Growth – Year-Over-Year



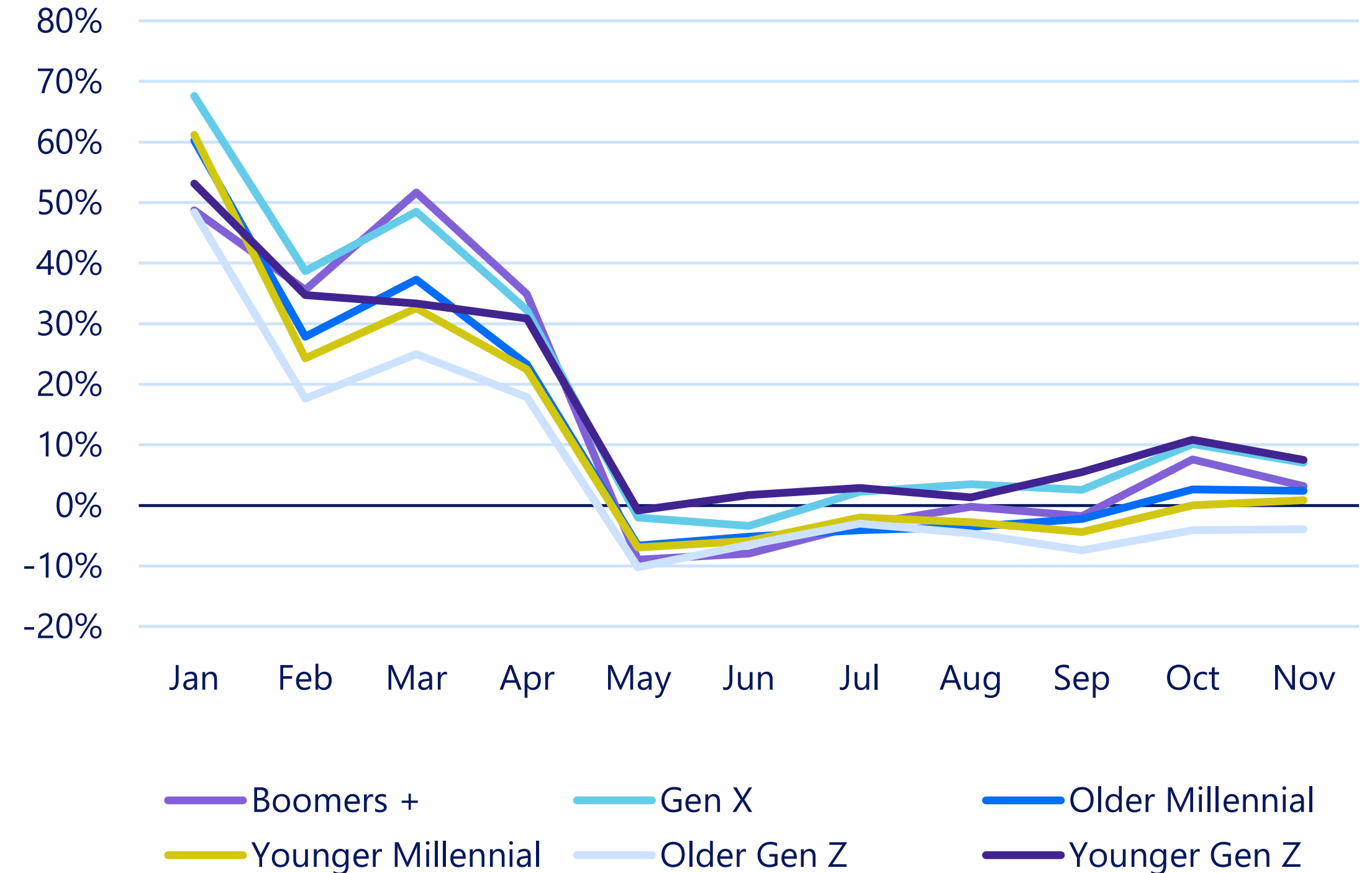
- Despite demonstrating strong year-over-year growth for credit and debit purchases through April 2025, Shein, Temu and TikTok saw a sharp decline in purchase growth following the tariff announcements affecting Chinese imports in April and the previously mentioned change in the de minimis exemption. Only TikTok has managed to sustain positive year-over-year purchase growth since the announcements, while AliExpress saw already slumping year-over-year purchase growth further exacerbated by tariff implications.



Year-Over-Year International Online Merchants Credit Purchase Growth by Generation



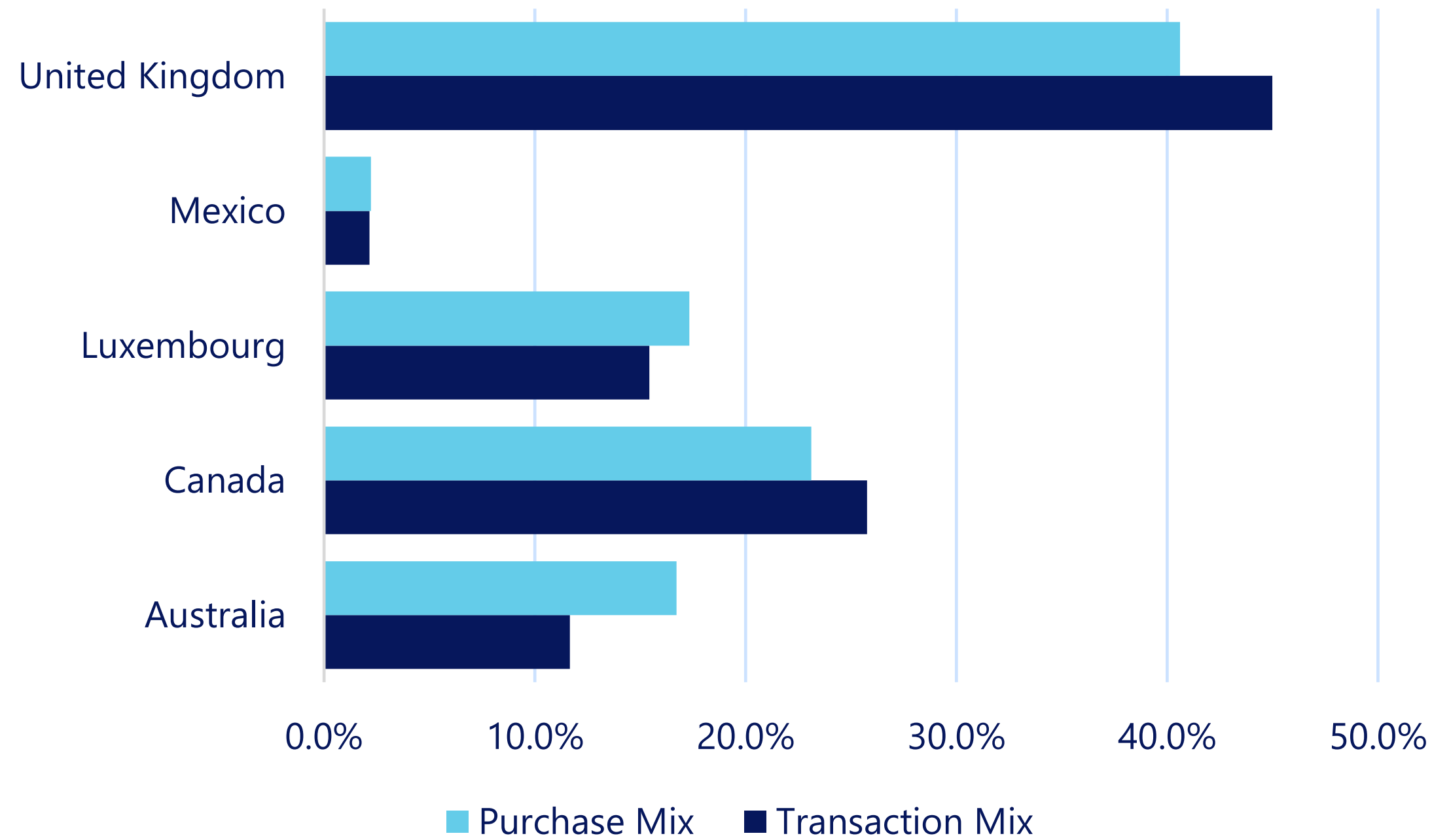
Year-Over-Year International Online Merchants Debit Purchase Growth by Generation



- From a generational perspective, the impact of tariff announcements is clearly visible with a decline in credit and debit purchase growth across generations. Boomers+ and Gen X experienced the strongest debit purchase growth through April, each clearing over 30% while falling into negative growth in the immediate aftermath of the tariff announcements. For credit purchases, only Younger Gen Z managed robust growth despite tariff impacts, which can be explained by heavy TikTok Shop participation.

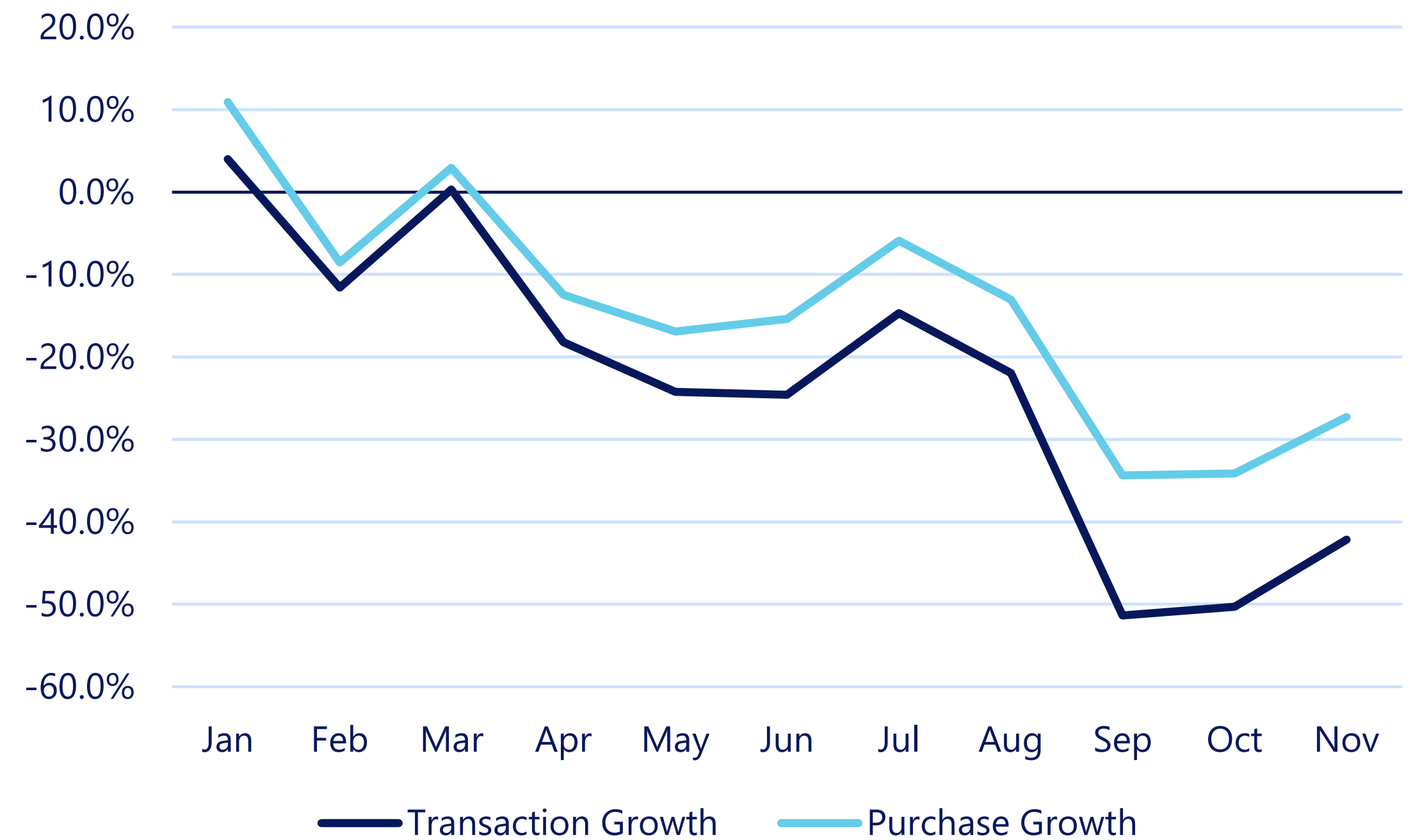


eBay Current Credit Transaction and Purchase Mix by Merchant Country



- The de minimis exemption ended for all other countries on Aug. 29, 2025. Its specific effect on consumer behavior, excluding China, as well as its broader tariff impacts, can be gleaned by examining credit transactions and purchase data for eBay.
- eBay represents the largest share of credit transactions and purchases from merchants outside of the U.S. by a wide margin. Items ordered from international sellers for delivery to the U.S. provide insight into consumer behavior as the tariff landscape evolved throughout 2025. The United Kingdom had the most transactions and purchases internationally on eBay, followed by Canada.

eBay Credit Transaction and Purchase Growth – Year-Over-Year



- There are two clear inflection points when examining the year-over-year credit transaction and purchase growth. There was an initial drop in growth coinciding with the initial tariff announcements from April 2025, followed by an even steeper decline in growth following the elimination of the de minimis exemption in late August. The widening gap between transaction and purchase growth from September through November reflects consumers shying away from lower-cost items after tariffs went into effect.



Checking In: Holiday Spending

Checking in on 2025 holiday spending, we again see an interesting nuance in our reporting this year. While consumers spent record amounts during the five-day period of Thanksgiving through Cyber Monday, the last day of the five-day period (including Cyber Monday) occurred in December. According to [Adobe Analytics](#), consumers spent a record \$11.8 billion online on Black Friday and \$14.25 billion online on Cyber Monday. Therefore, while the November data may appear softer than expected, growth is likely to pick up in December, which includes Cyber Monday. In this month's check-in on holiday spending, we explore both the five-day peak shopping period and the isolated month of November.

During the peak five-day period from Thanksgiving through Cyber Monday (Nov. 27 through Dec. 1), consumers were very active — especially as they were once again faced with fewer shopping days before Christmas than they traditionally had. During this five-day period, overall debit purchases increased by 1.1% and debit purchases in the Goods sector rose by 3.8%. Overall credit purchases increased by 0.2%,

while Goods sector credit purchases decreased by 0.1%. Consumer preferences also continued to shift, with Adobe reporting that 57.5% of online sales came through mobile devices on Cyber Monday — up 8% year over year — signaling a greater influence of AI and social media on buying decisions, leading to increased impulse buying. Furthermore, Buy Now, Pay Later (BNPL) usage once again hit an all-time high, driving over \$1 billion in online spending on Cyber Monday.

For the month of November, year-over-year growth in consumer purchases and transactions in the Goods sector made the largest positive contribution to the overall growth in purchases. Growth in debit card activity this holiday season is outpacing growth in credit card activity. For November, we observed that credit purchases in the Goods sector increased by 2.2% compared to November 2024, surpassing the October result of 1.8%. Year-over-year growth in debit purchases increased by 7.4%, a decrease from the 8% reported in October.



For the cumulative holiday shopping season thus far (October through November), year-over-year credit purchases in the overall Goods sector were up by 2% (compared to -3.5% at this point last year), while debit purchases in the Goods sector were up by 7.7% (compared to +2.5% last year). Looking at the merchant categories within the Goods sector, Digital Merchants — primarily

Amazon — accounted for the largest percentage of credit and debit purchases at 15% and 18%, respectively. For purchase growth in this category, credit card transactions increased by 12.3% and debit card transactions increased by 10.6%. For most merchant categories within the Goods sector, year-over-year growth in credit purchases was down for the months of

Checking In: Holiday Spending

October and November, except for Digital Merchants and Goods. Two exceptions were Retail Stores and Wholesale Clubs, which saw increases of 5.2% and 5%, respectively, for credit purchases. Conversely, year-over-year growth in debit purchases was more consistent across merchant categories, but was also bolstered by Retail Stores and Wholesale Clubs, which had the strongest year-over-year growth in debit purchases within the Goods sector, up 13.8% and 27.1%, respectively, for the holiday season thus far.

As seen in previous years, performance varied between our three featured large retailers: Amazon, Target and Walmart. Examining November's results and the cumulative two-month holiday season, growth in purchases was aligned with the overall Goods sector results for Amazon and Walmart, with positive growth in both debit and credit purchases, while Target experienced negative growth. Through November, Amazon (which includes results at Whole Foods) posted growth in debit purchases of 11.2% — the strongest of the three retailers — while credit purchases were also up 5.4%. At Walmart, debit purchases increased by 3.4% and credit

purchases decreased by 4.1% compared to November 2024. (For Walmart, gasoline sales were excluded to make the comparison to the Goods sector and other larger retailers more consistent.) While Target reported a decline in year-over-year growth activity for October and November, November's growth improved in both transactions and purchases for credit and debit. Shortly after the first installment of our 2025 holiday spend edition published, [Target announced it was expecting a weak holiday outlook](#) for the second year in a row on an analyst call. Our November report shows a modest rebound in growth over October, with debit purchases down 1.5% for the cumulative holiday season and credit purchases down 5.1%, in contrast with the other two large retailers. These results are based exclusively on the Payments Index card populations for these select merchants. Growth with payment cards at these merchants could be impacted by actions taken by each retailer to promote alternative payment solutions, such as co-branded or private label cards, ACH, BNPL alternatives, etc.

Holiday Spend: Goods Sector and Large Retailers: Oct & Nov 2025 vs 2024

Transaction Growth

Retailer	Credit			Debit		
	Oct 2025	Nov 2025	Cumulative Holiday Period	Oct 2025	Nov 2025	Cumulative Holiday Period
Goods (Overall)	2.3%	3.1%	2.7%	5.8%	5.5%	5.7%
Amazon/Whole Foods	2.4%	11.1%	6.9%	7.6%	15.5%	11.6%
Target	-5.6%	-2.3%	-3.8%	-2.3%	0.3%	-0.9%
Walmart*	1.8%	6.3%	4.1%	0.3%	4.0%	2.2%

* Excluding Gasoline

Purchase Growth

Retailer	Credit			Debit		
	Oct 2025	Nov 2025	Cumulative Holiday Period	Oct 2025	Nov 2025	Cumulative Holiday Period
Goods (Overall)	1.8%	2.2%	2.0%	8.0%	7.4%	7.7%
Amazon/Whole Foods	1.6%	9.1%	5.4%	7.8%	14.5%	11.2%
Target	-6.4%	-3.9%	-5.1%	-2.5%	-0.7%	-1.5%
Walmart*	1.1%	6.7%	4.1%	1.5%	5.1%	3.4%

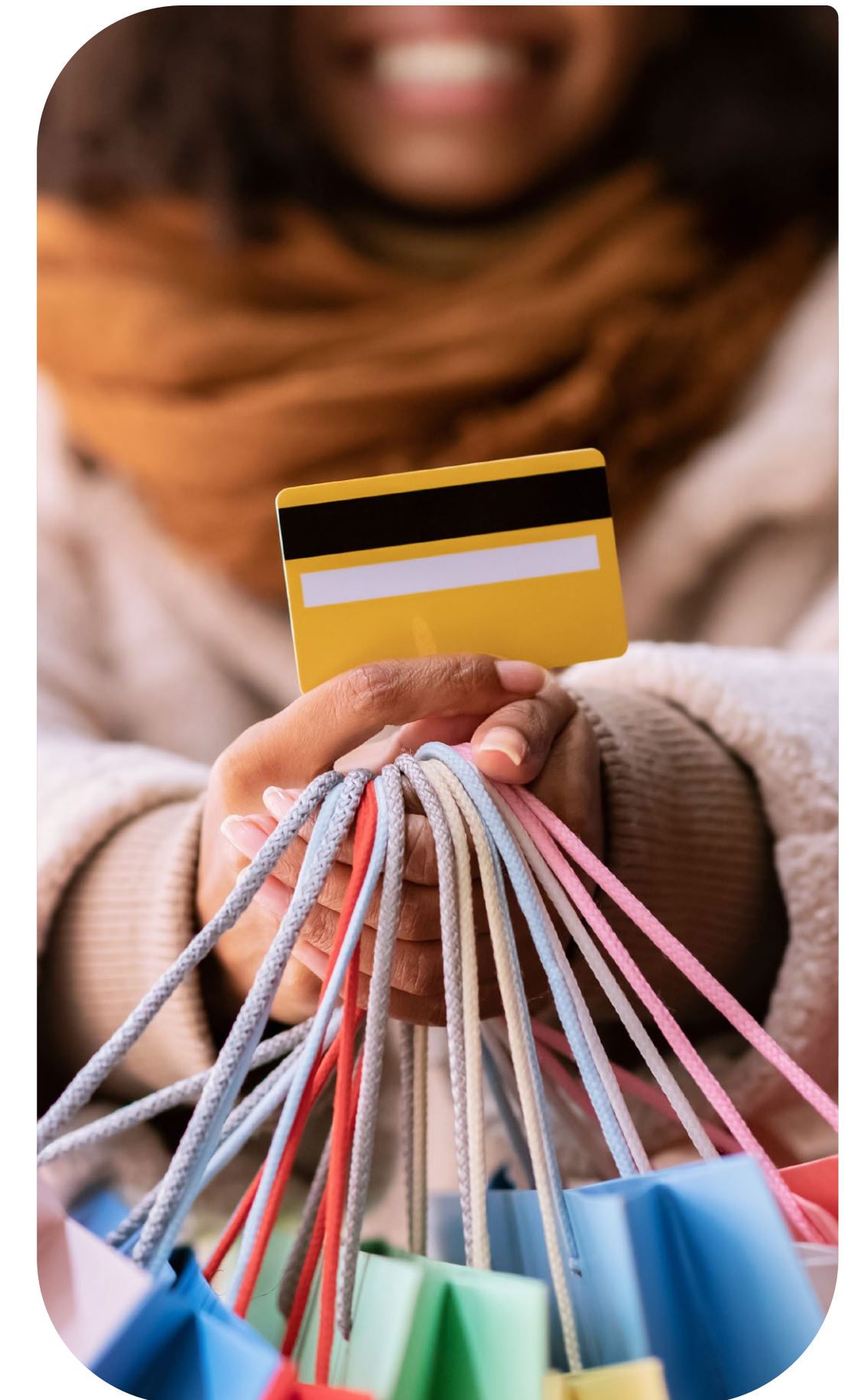
* Excluding Gasoline



Checking In: Holiday Spending

Holiday Spend: Goods Sector Sub-Categories: Oct & Nov 2025

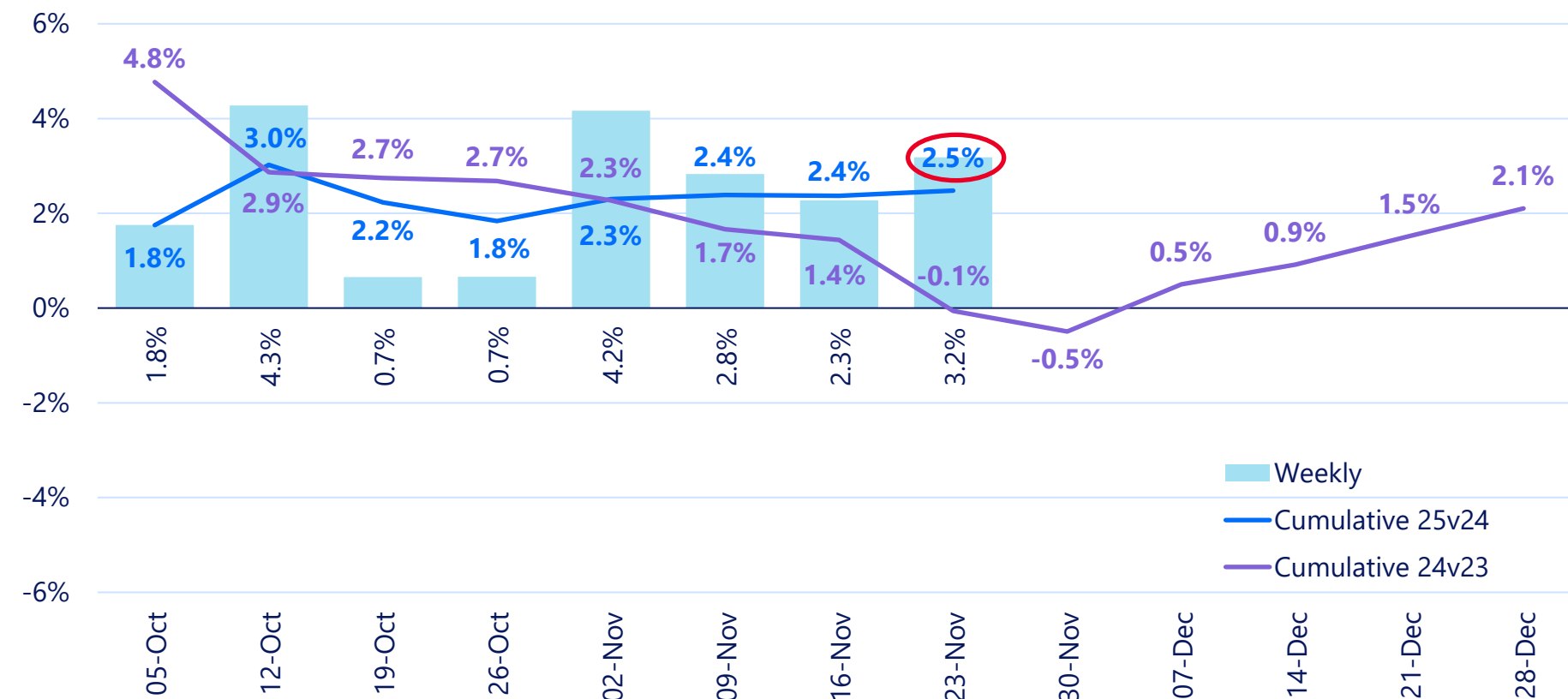
Merchant Category	Credit				Debit			
	Transactions	Purchases	Average Purchase	% Goods Purchases	Transactions	Purchases	Average Purchase	% Goods Purchases
Digital Merchants	9.9%	12.3%	\$39.38	15%	8.4%	10.6%	\$31.27	18%
Discount Stores	5.1%	4.8%	\$50.78	9%	2.9%	6.2%	\$38.25	13%
Miscellaneous Stores	-3.5%	-1.6%	\$77.31	10%	10.3%	12.3%	\$43.59	11%
Apparel & Accessories	1.5%	2.7%	\$104.59	11%	1.7%	3.8%	\$71.85	10%
Wholesale Clubs	4.9%	5.0%	\$129.91	7%	4.3%	6.0%	\$98.43	7%
Vehicles – Automobiles	-0.8%	-1.3%	\$261.69	9%	1.5%	5.2%	\$135.87	7%
Home Supply & Hardware	-6.5%	-6.7%	\$118.76	8%	-6.1%	-4.5%	\$73.03	7%
Retail Stores	3.2%	5.2%	\$65.61	6%	15.5%	13.8%	\$46.12	5%
Drug & Pharmacy	-7.1%	-5.9%	\$40.03	3%	-6.8%	-5.3%	\$28.73	3%
Hobby Stores	-11.4%	10.1%	\$64.45	3%	-6.9%	8.7%	\$39.14	3%
Digital Goods	22.7%	27.0%	\$28.99	2%	24.2%	33.7%	\$22.42	3%
Home Furnishings	-1.1%	-1.2%	\$348.63	6%	-3.7%	-1.3%	\$163.91	2%
Sporting	-1.1%	-1.1%	\$158.78	3%	1.2%	2.9%	\$99.00	2%
Wholesale Distributors & Manufacturers	2.9%	-3.9%	\$185.75	4%	9.7%	1.2%	\$85.49	2%
Direct Marketing	-6.8%	-8.5%	\$45.03	2%	-2.2%	-3.8%	\$26.76	2%
Pet Services	1.4%	3.0%	\$77.96	2%	0.1%	1.8%	\$59.22	2%
Pawn/Consignment	6.0%	1.8%	\$46.63	0%	7.3%	6.9%	\$36.57	1%
Vehicles – Other	-6.8%	-6.7%	\$439.66	0%	-3.9%	2.9%	\$250.99	0%
Grand Total	2.7%	2.0%	\$74.24	100%	5.7%	7.7%	\$46.49	100%



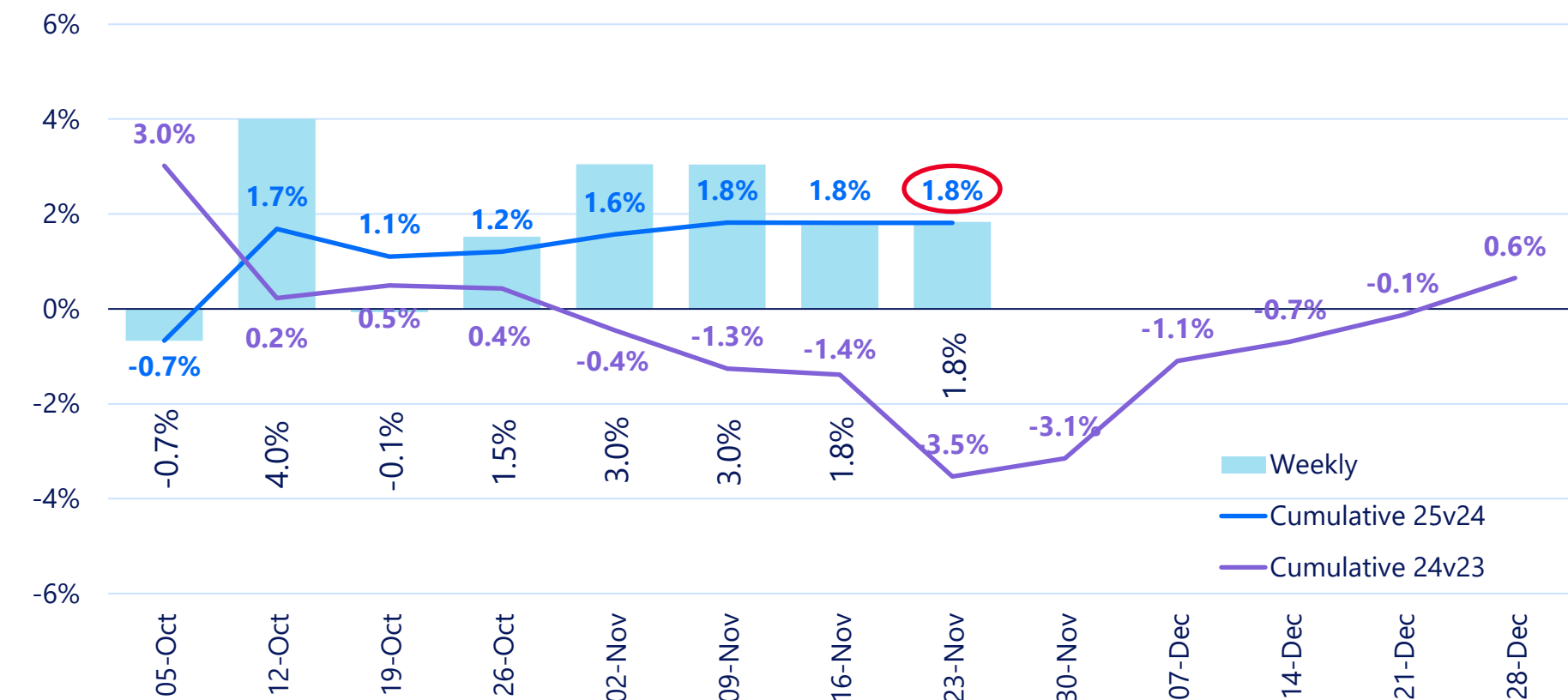
Holiday Season Purchases: Goods Sector 2025 Weekly Results Compared to 2024

Cumulative

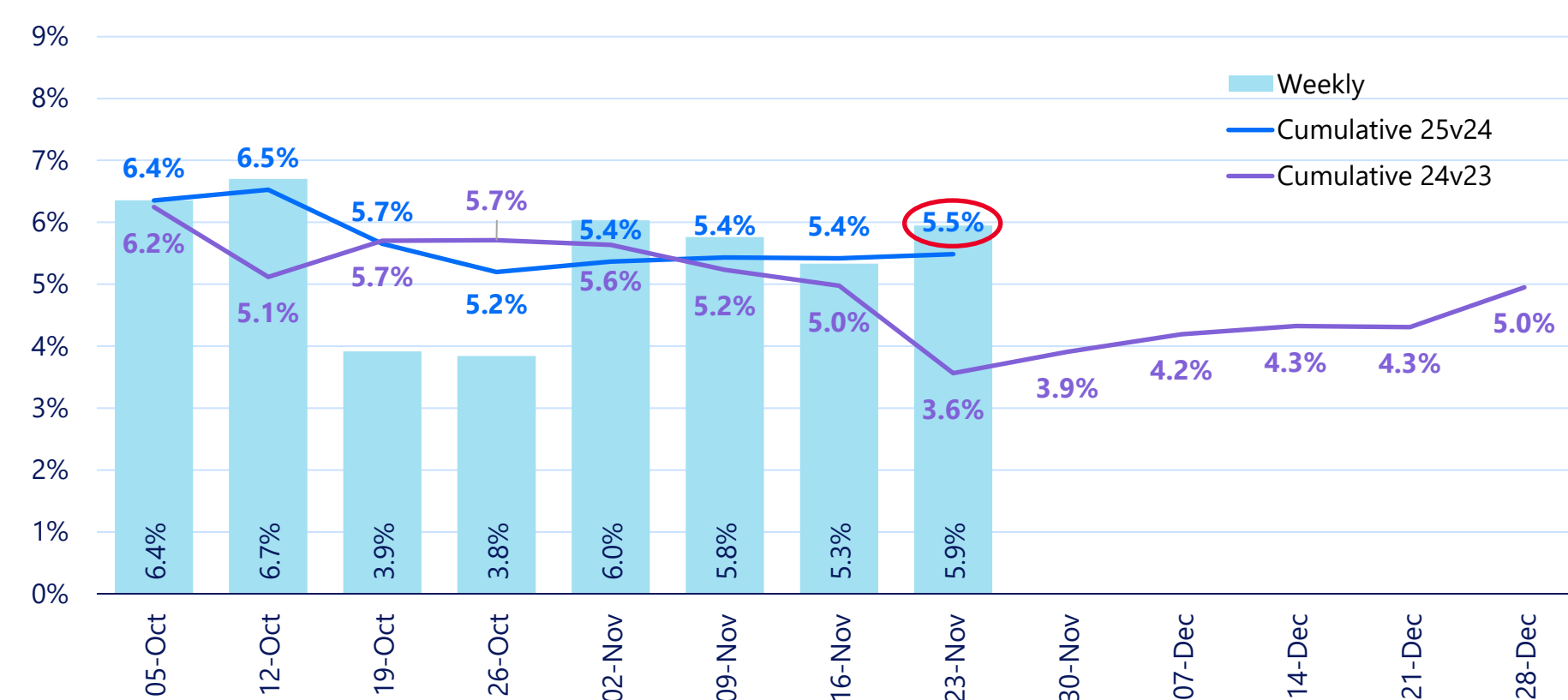
2025 v 2024 Credit Transaction Growth



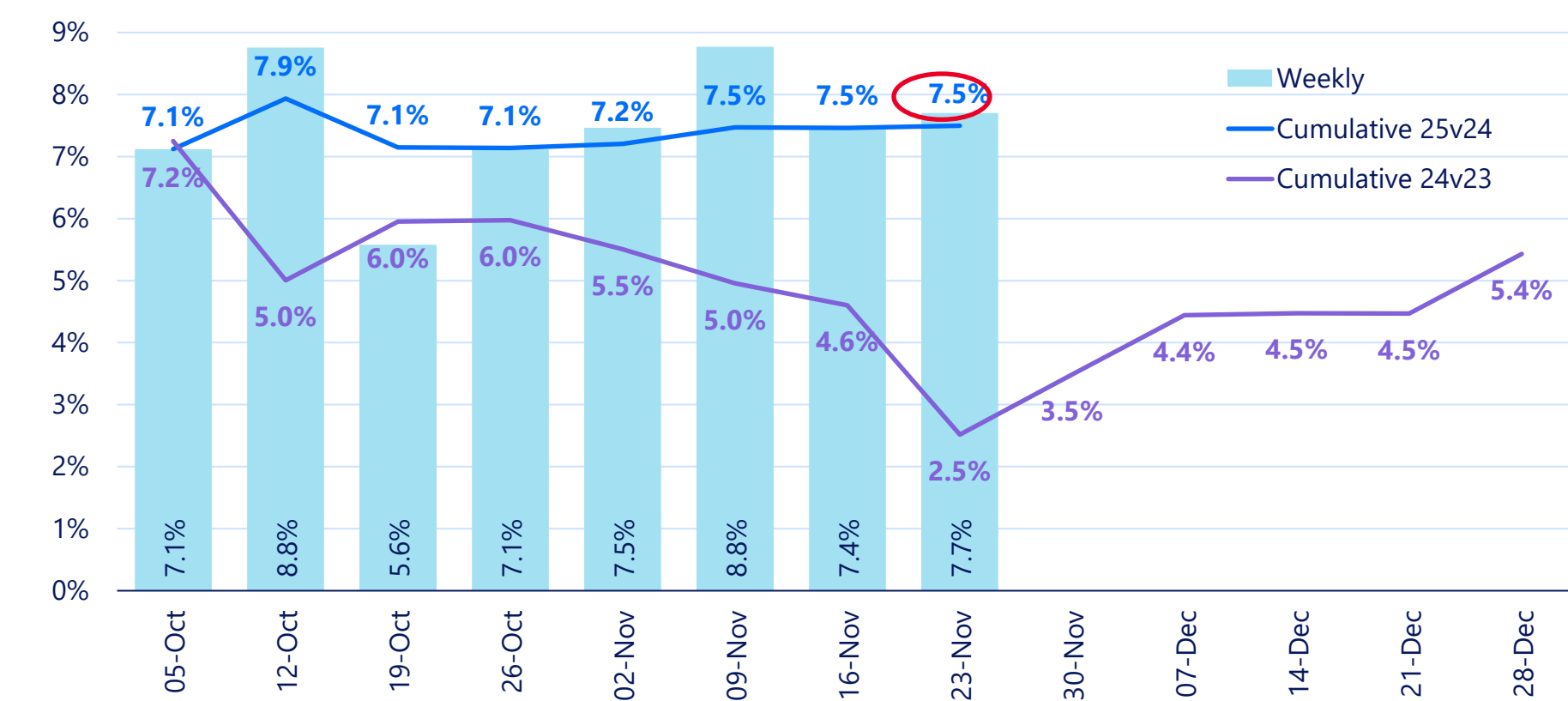
2025 v 2024 Credit Purchases Growth



2025 v 2024 Debit Transaction Growth



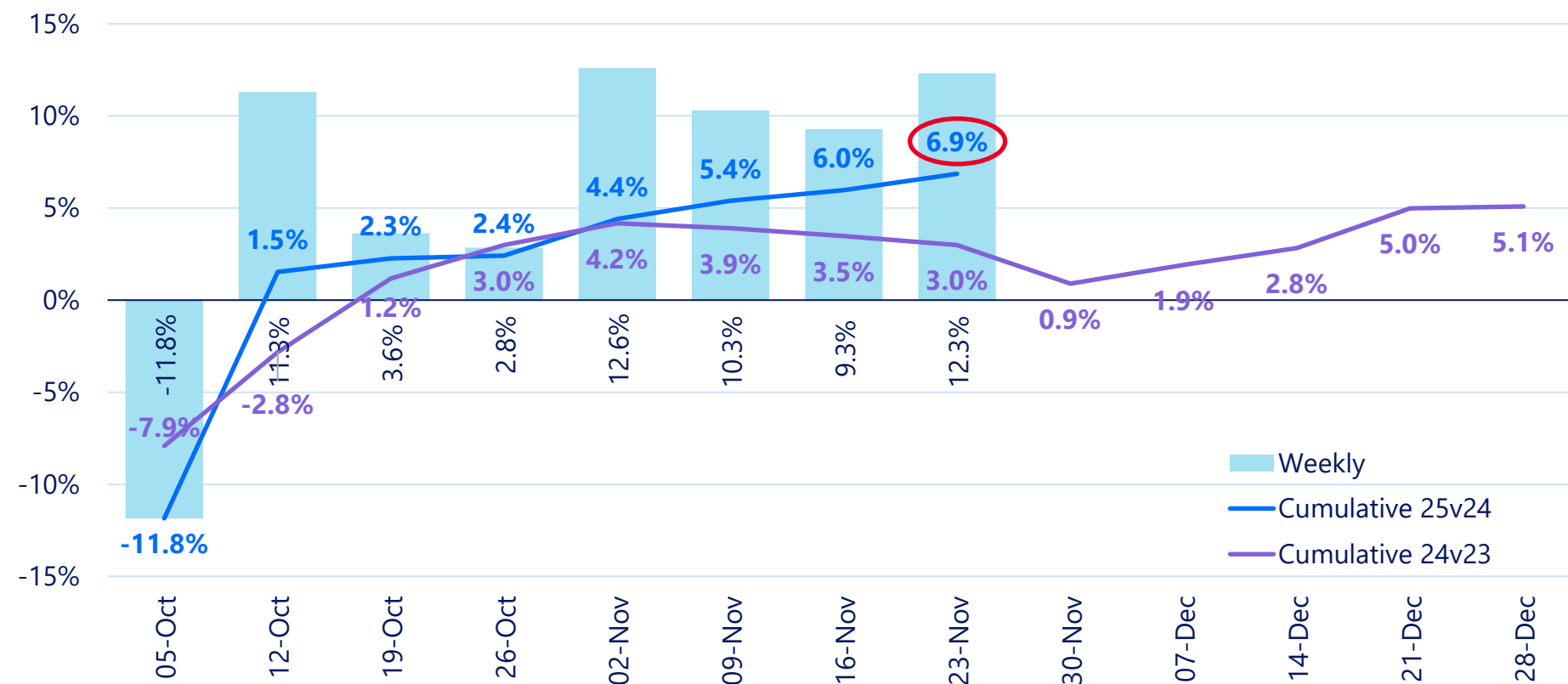
2025 v 2024 Debit Purchases Growth



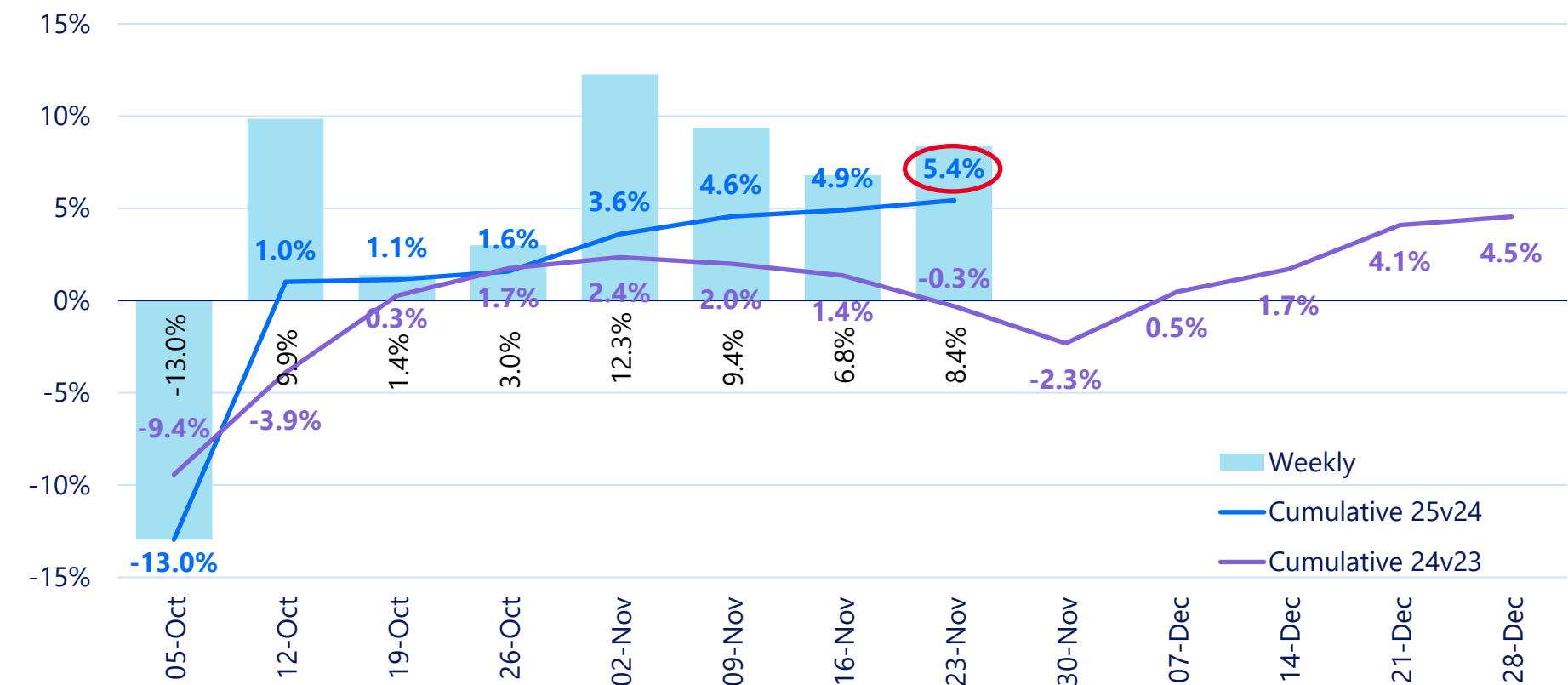
Holiday Season Purchases: Amazon/Whole Foods 2025 Weekly Results Compared to 2024

Cumulative

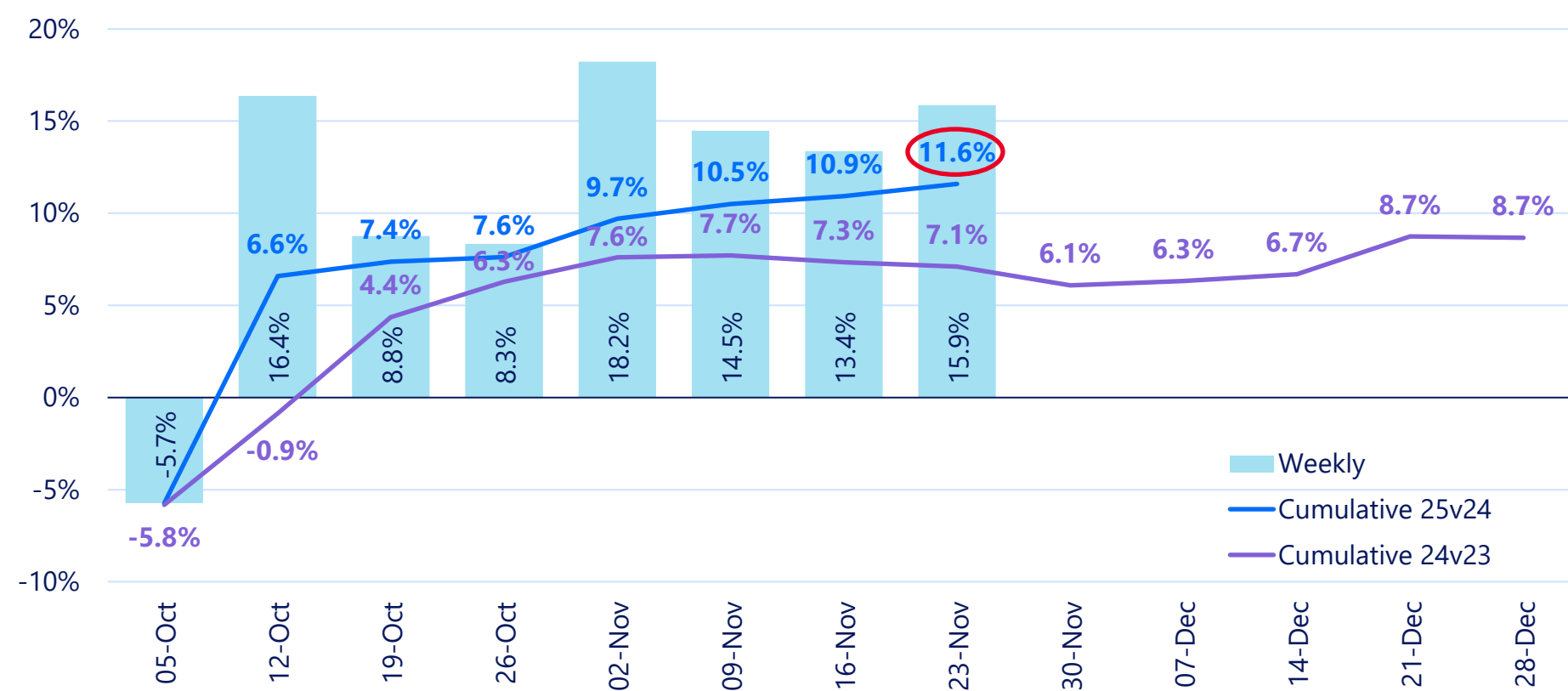
2025 v 2024 Credit Transaction Growth



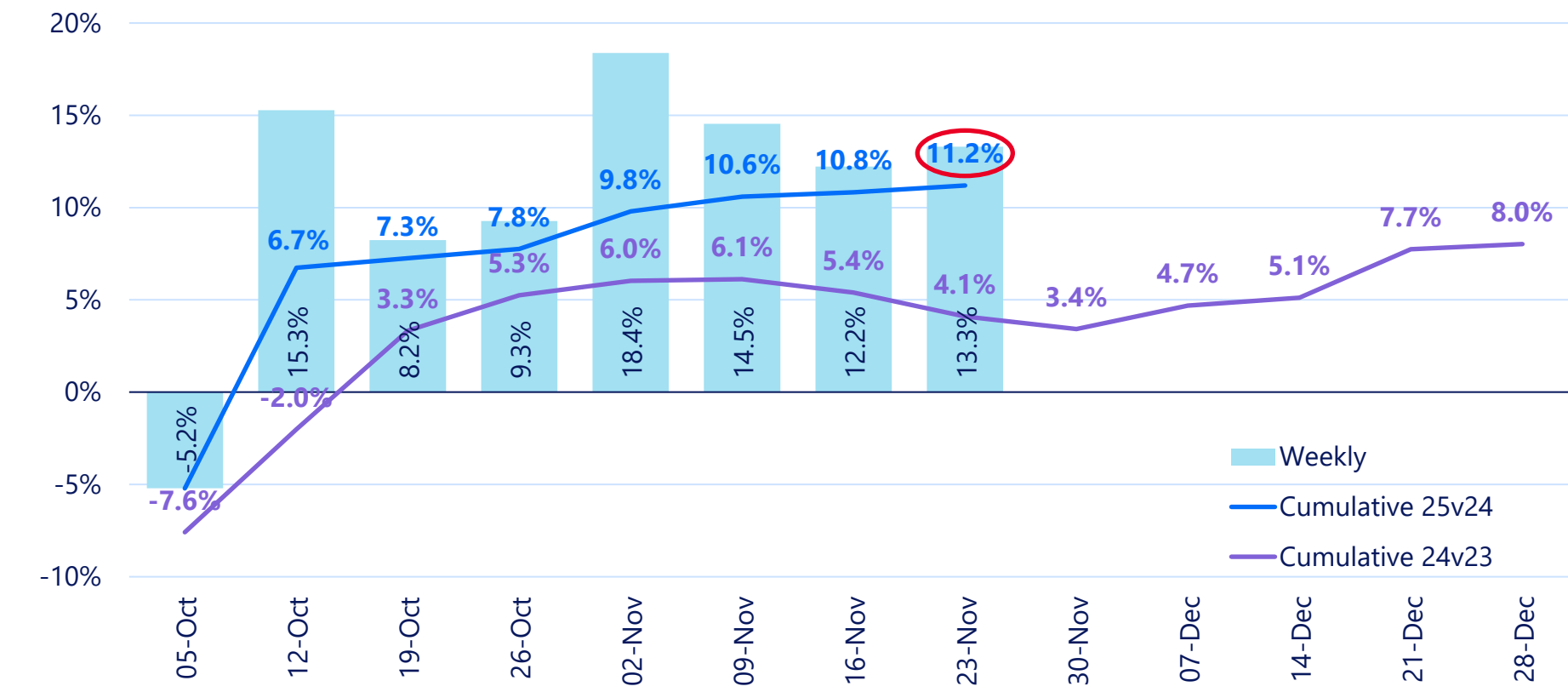
2025 v 2024 Credit Purchases Growth



2025 v 2024 Debit Transaction Growth



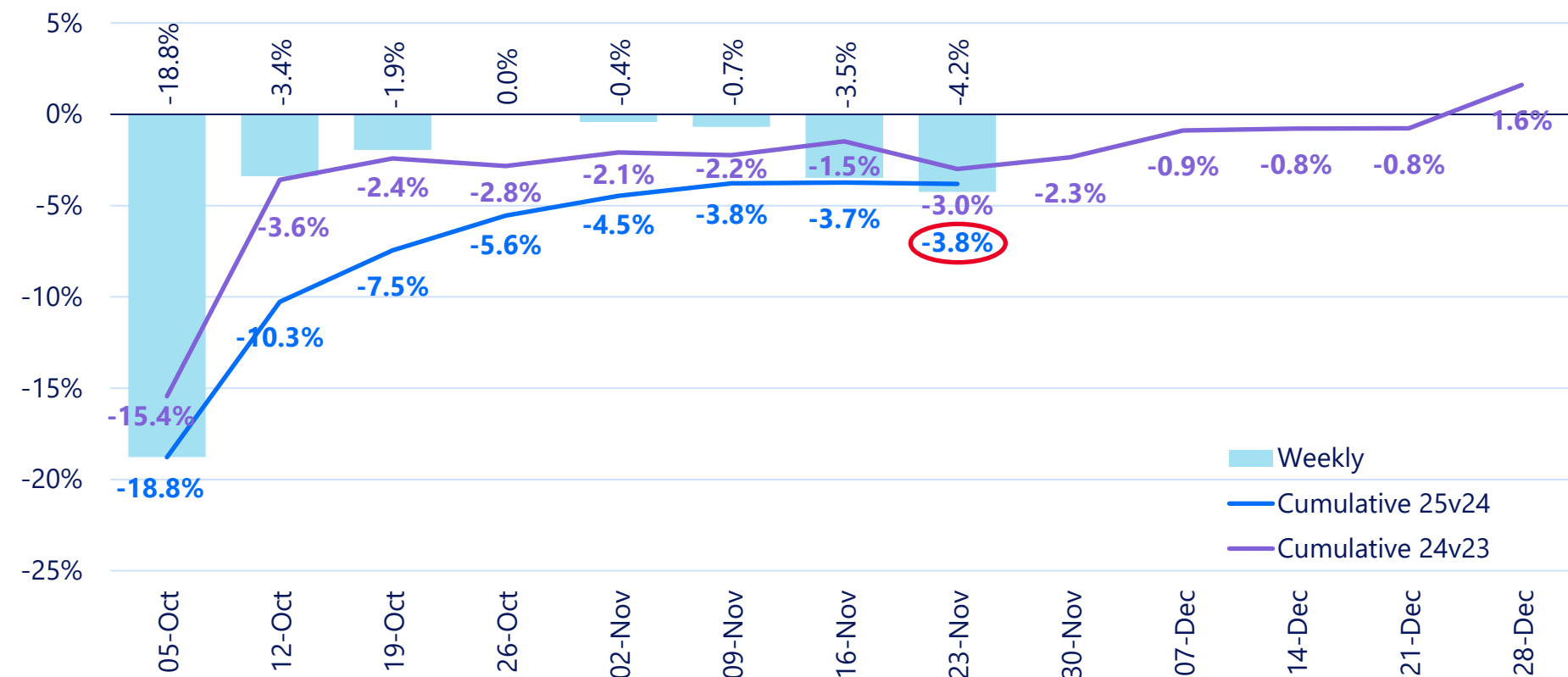
2025 v 2024 Debit Purchases Growth



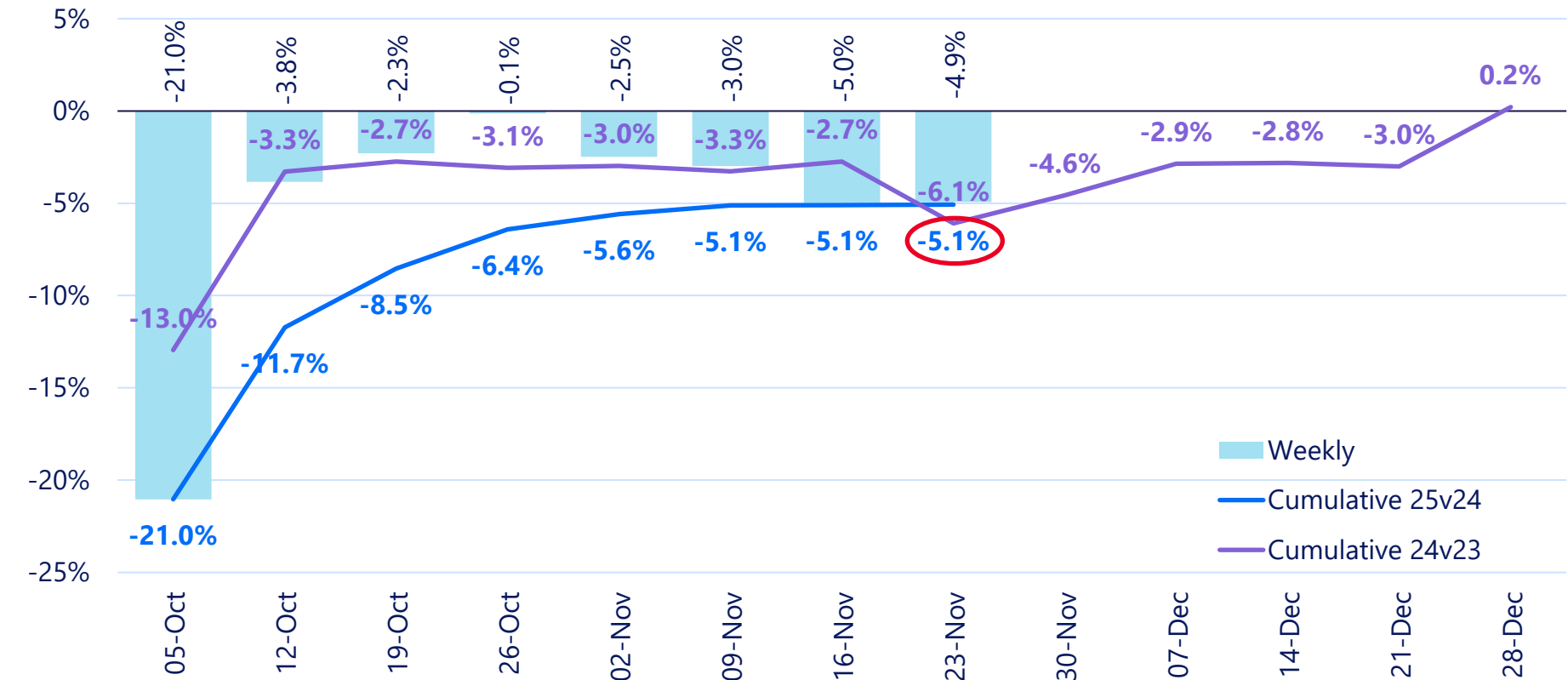
Holiday Season Purchases: Target 2025 Weekly Results Compared to 2024

Cumulative

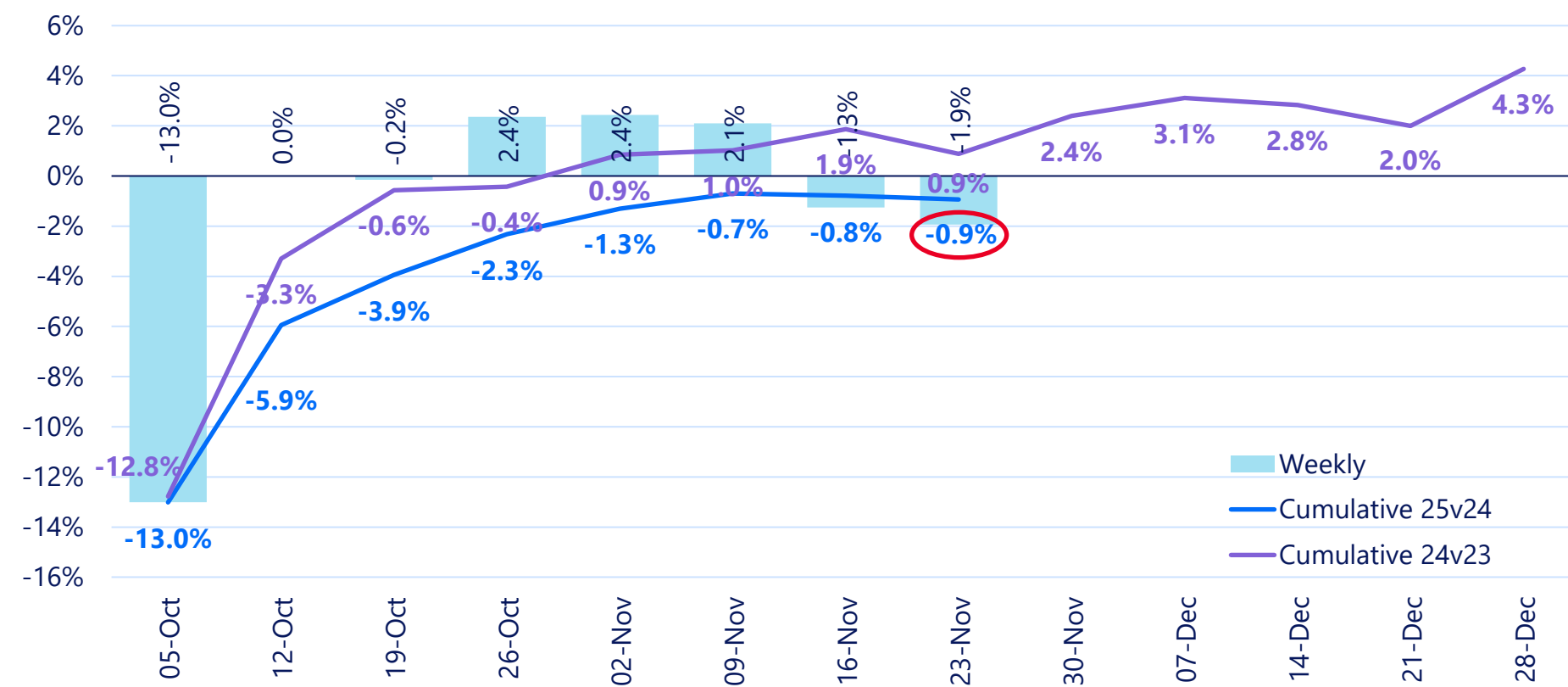
2025 v 2024 Credit Transaction Growth



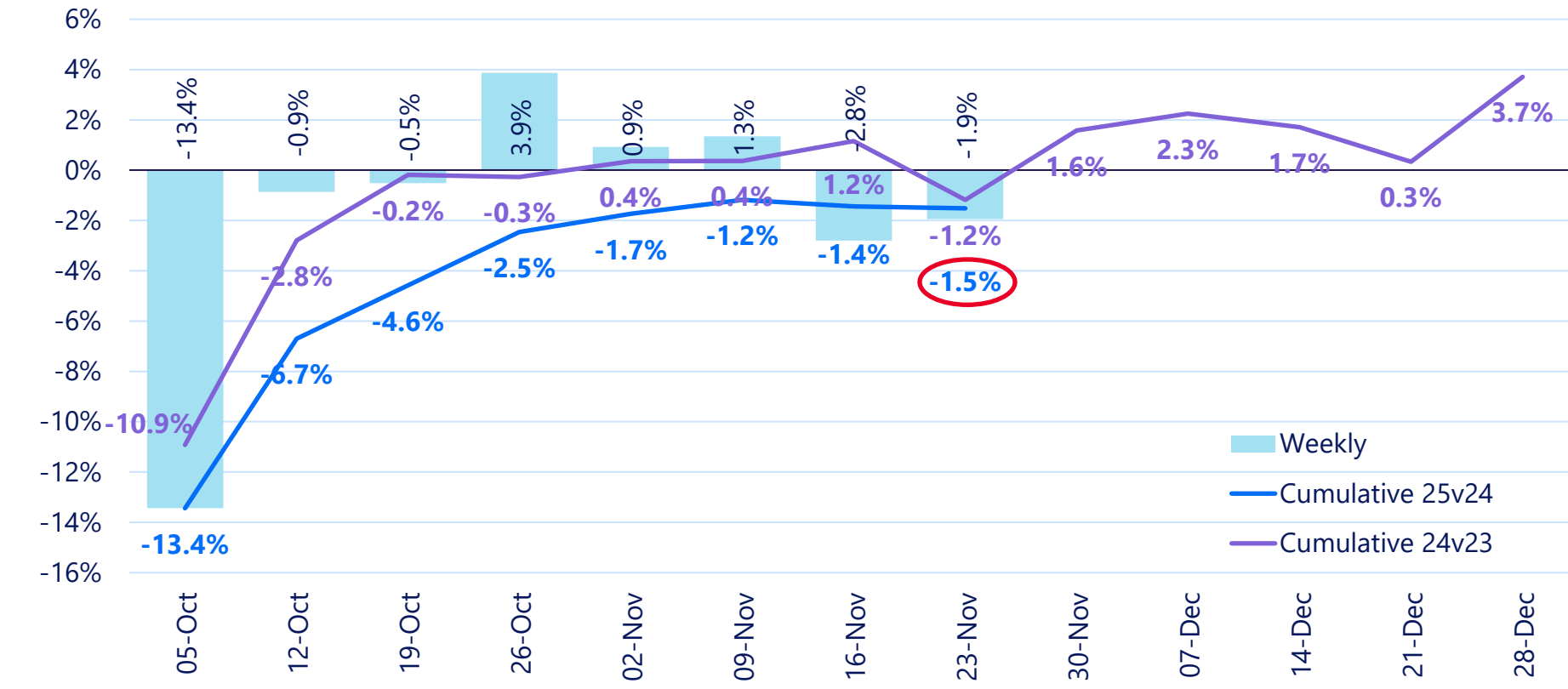
2025 v 2024 Credit Purchases Growth



2025 v 2024 Debit Transaction Growth



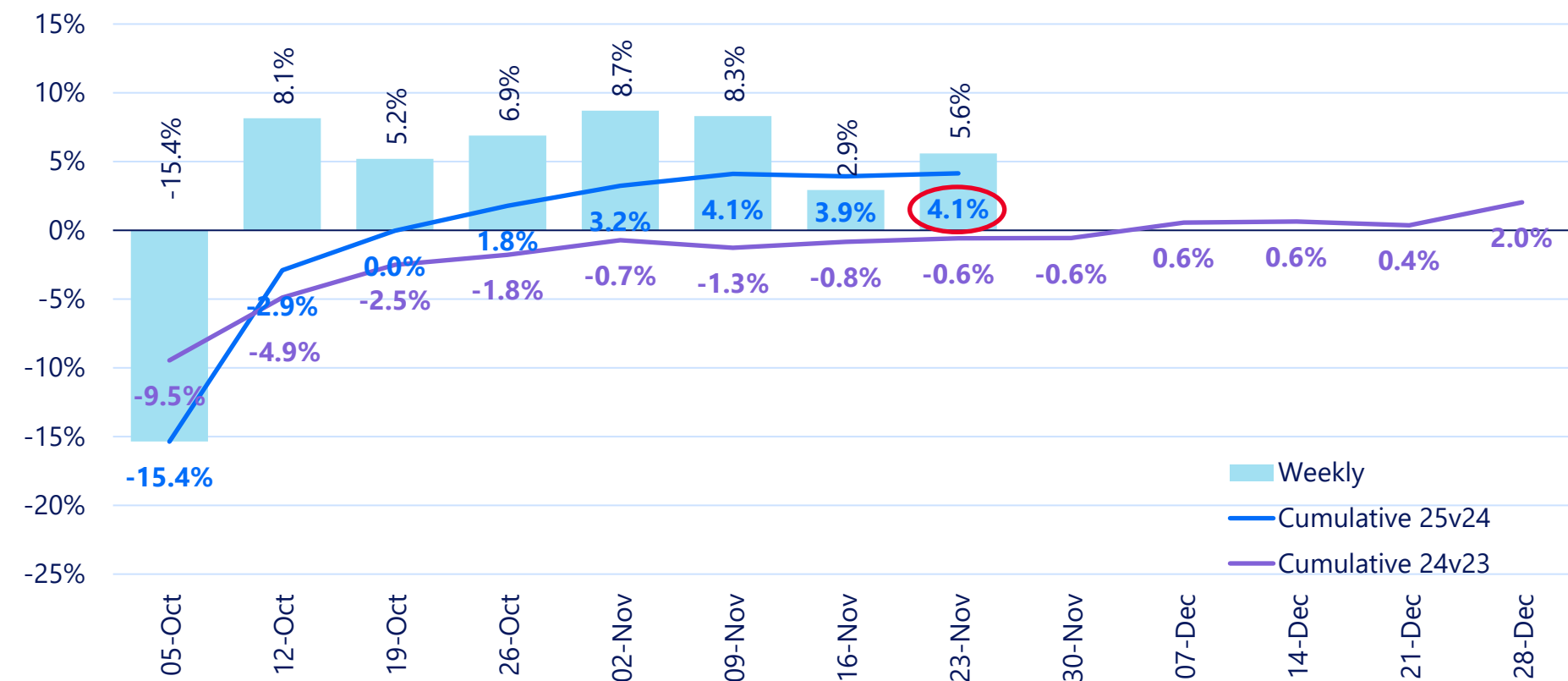
2025 v 2024 Debit Purchases Growth



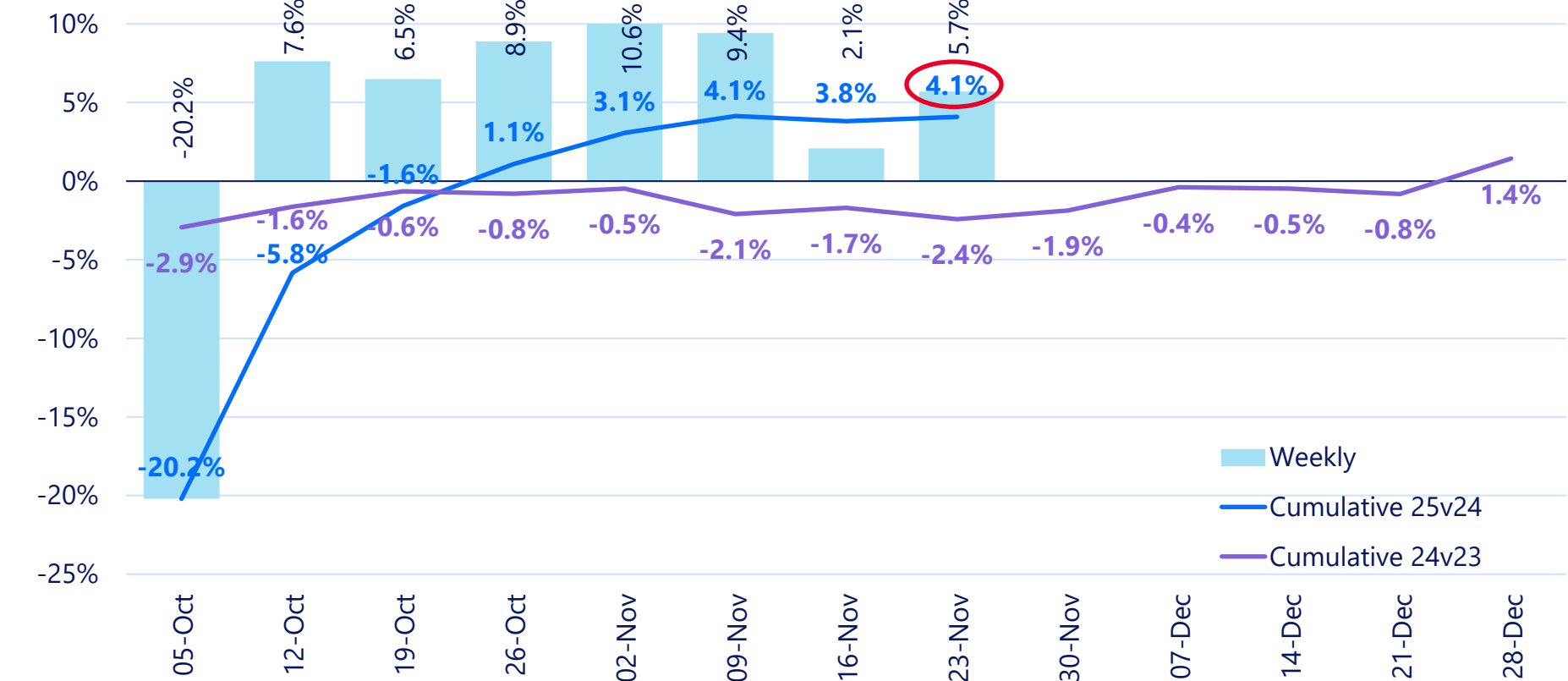
Holiday Season Purchases: Walmart (excluding Gas) 2025 Weekly Results Compared to 2024

Cumulative

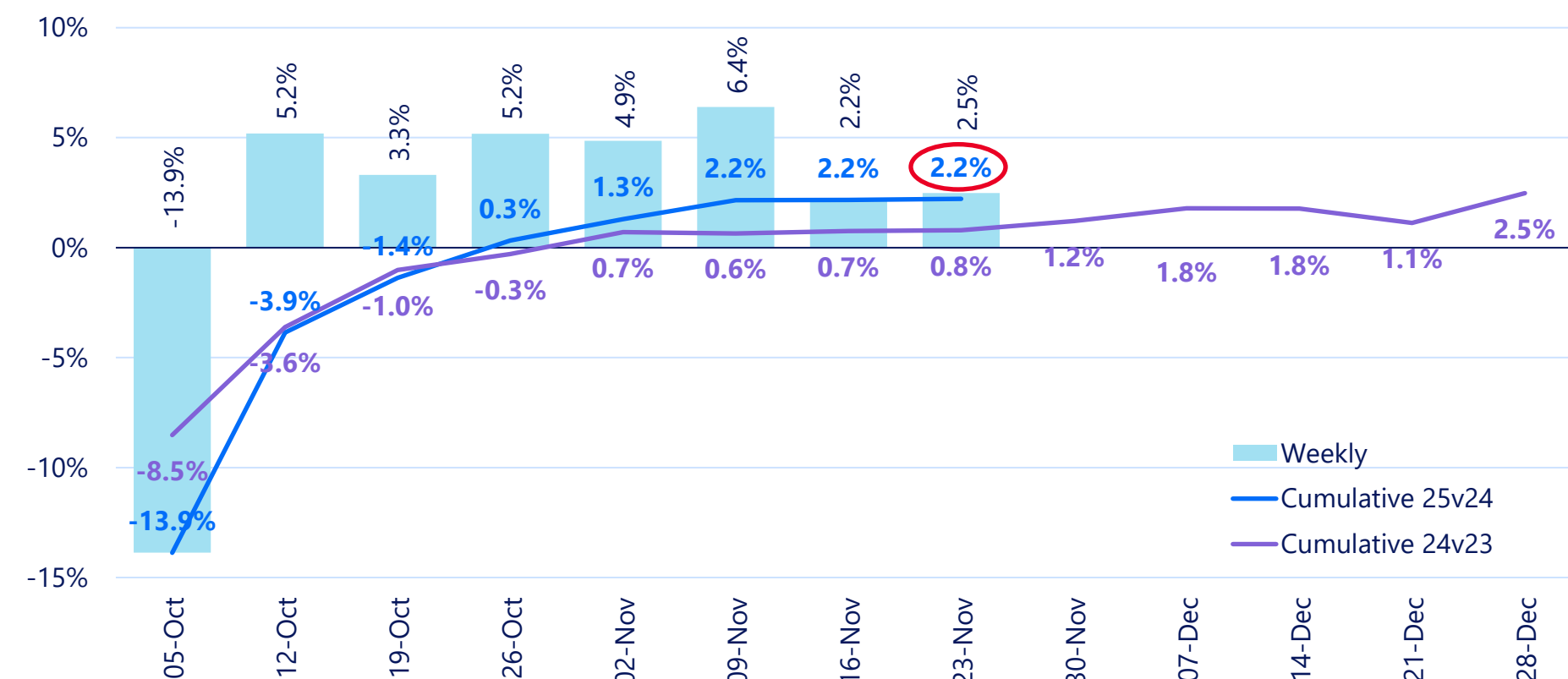
2025 v 2024 Credit Transaction Growth



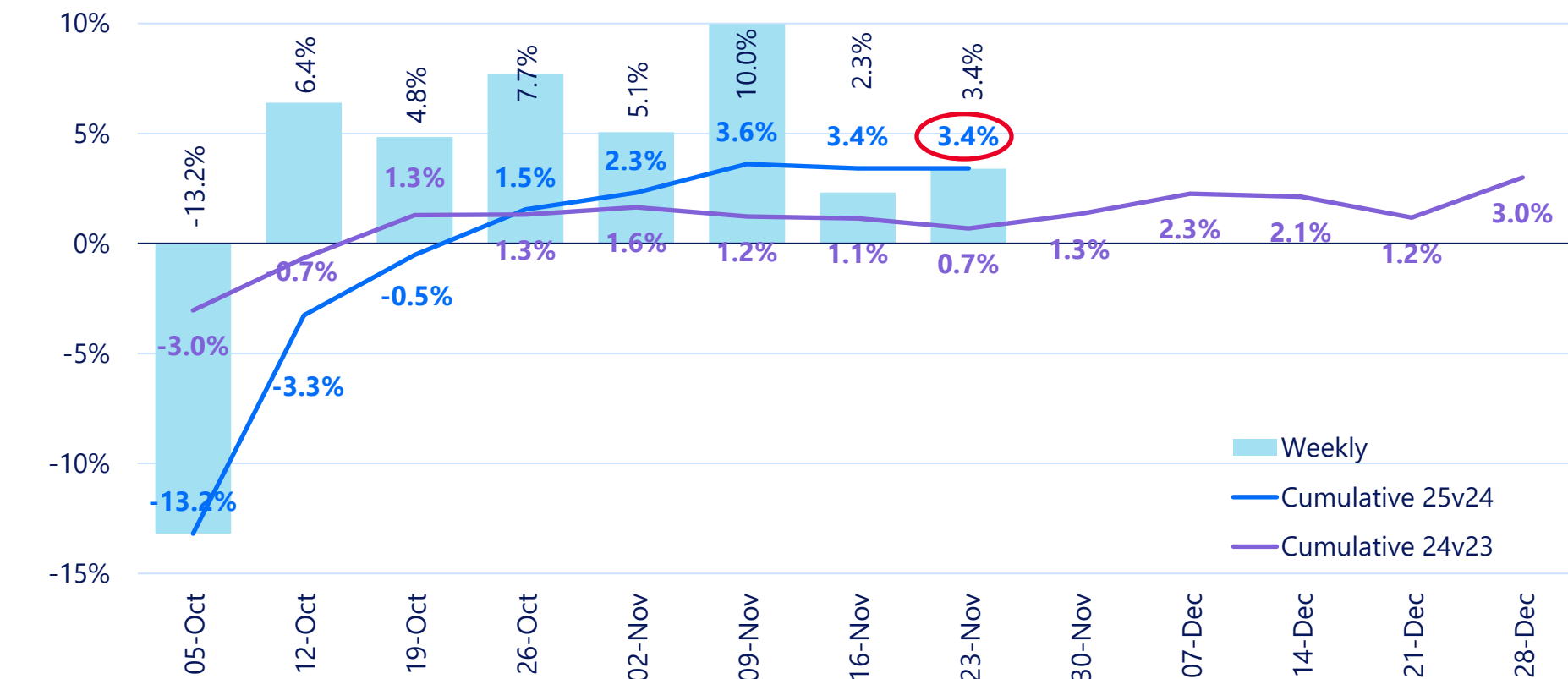
2025 v 2024 Credit Purchases Growth



2025 v 2024 Debit Transaction Growth

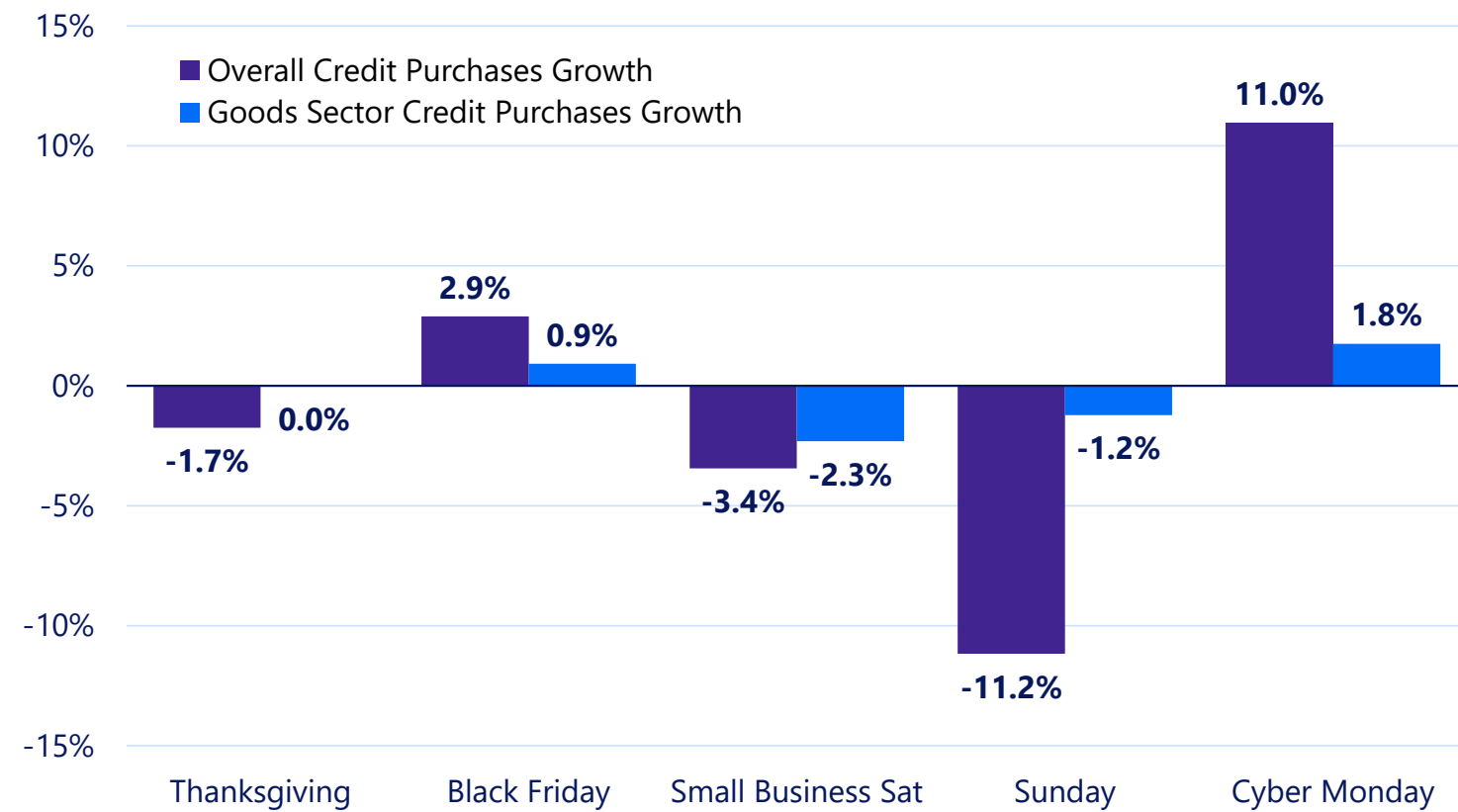


2025 v 2024 Debit Purchases Growth

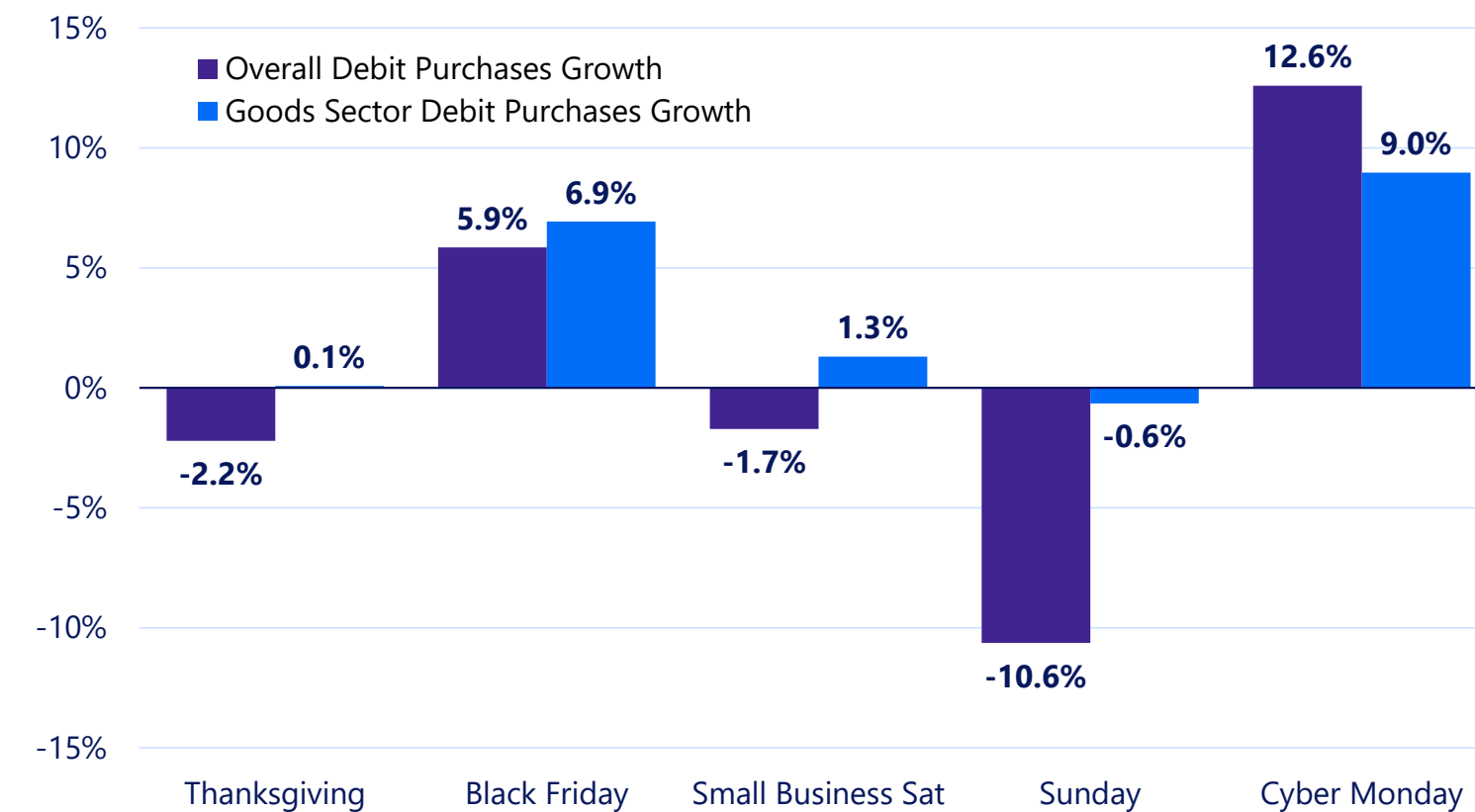


Thanksgiving Day to Cyber Monday Year-Over-Year Growth by Day

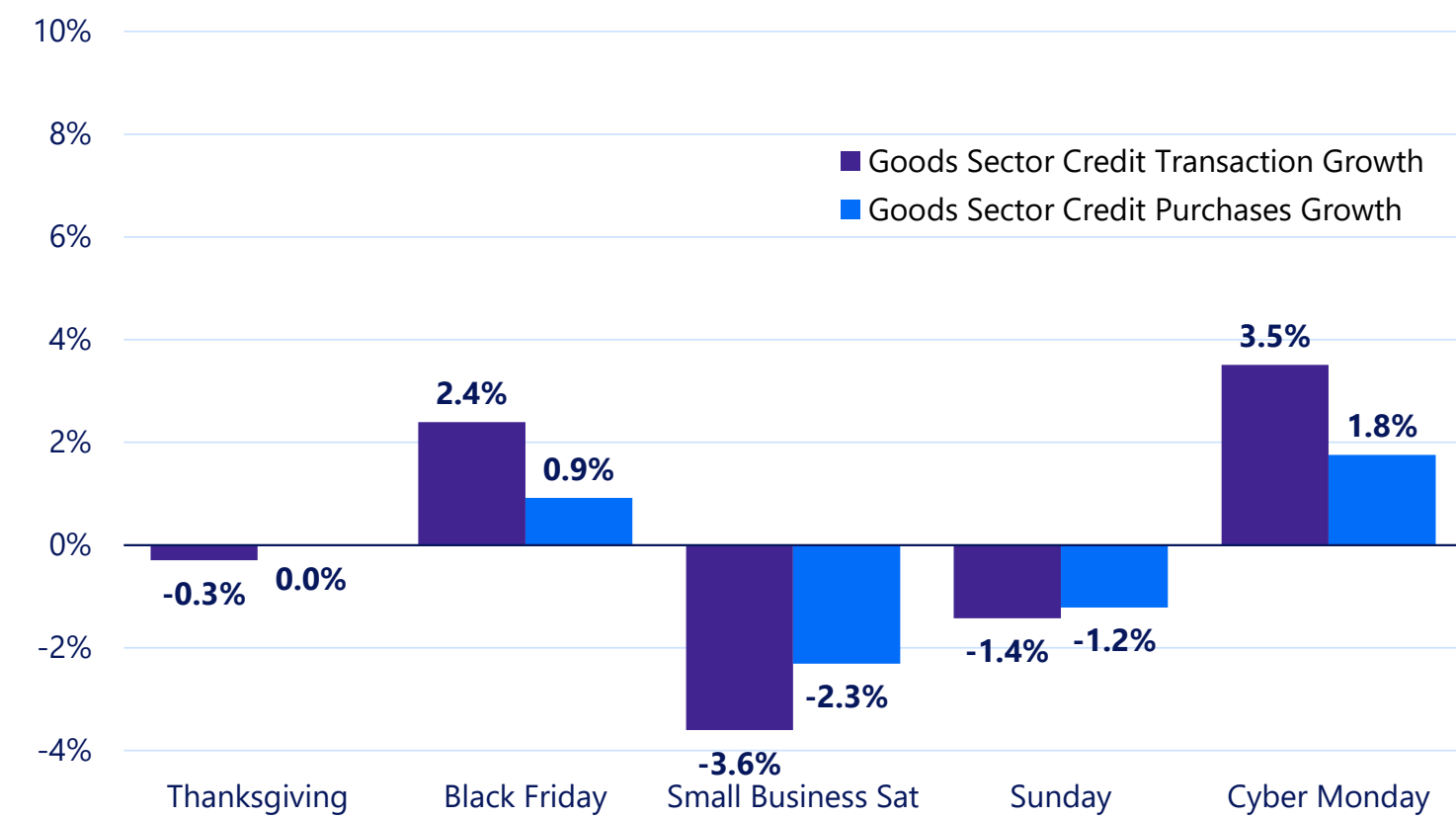
Credit Purchases — Overall & Goods Sector



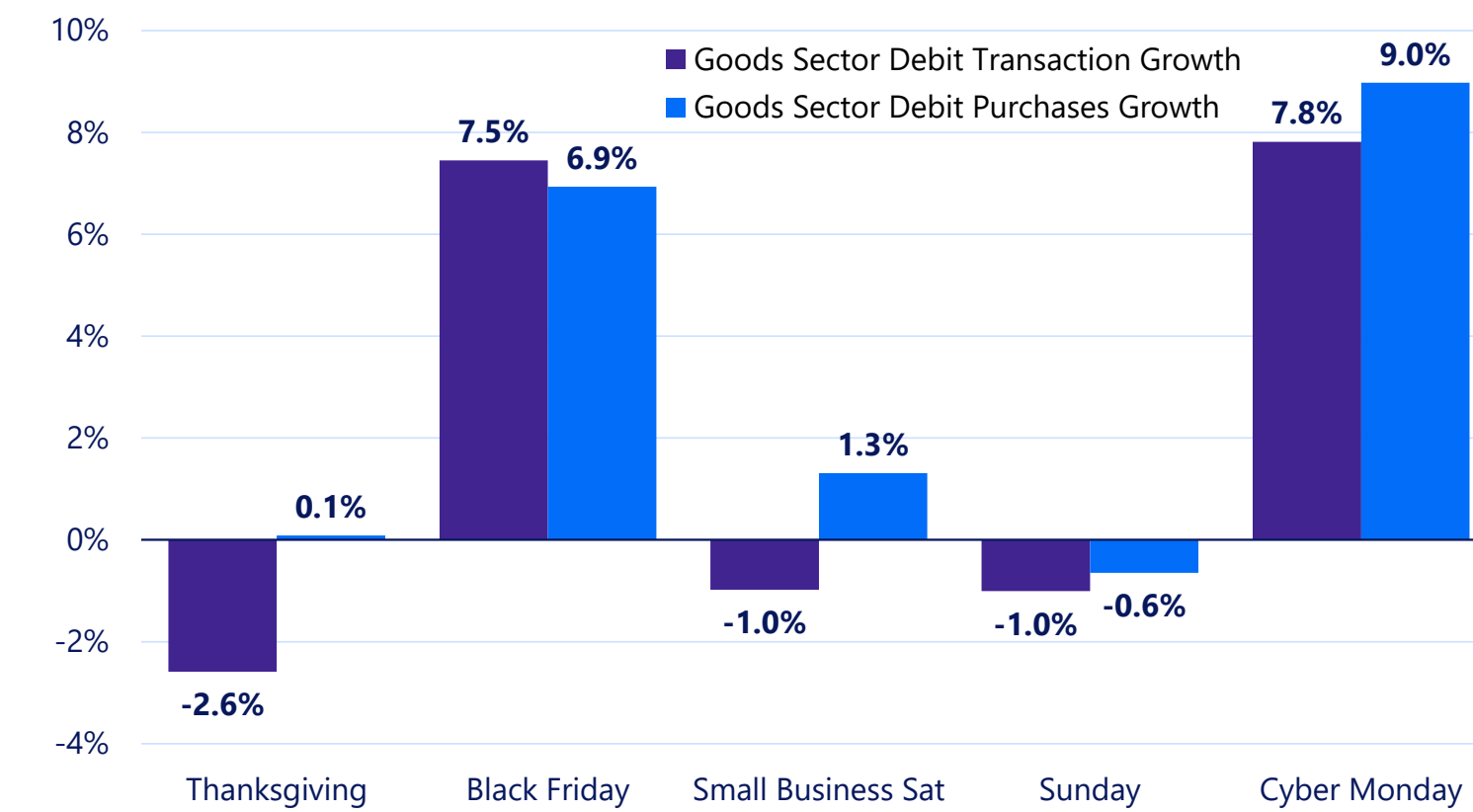
Debit Purchases — Overall & Goods Sector



Credit Transactions & Purchases — Goods Sector



Debit Transactions & Purchases — Goods Sector



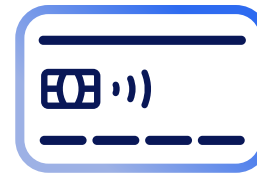
Opportunities to Act On: What Credit Unions Should Do Now

Reimagine Your Digital Banking Experience



Members expect seamless, personalized interactions across every digital touchpoint. Competing effectively in a dynamic digital landscape requires benchmarking your digital experience, identifying gaps and building a strategic roadmap. Partner with Advisors Plus for actionable insights and expert guidance to deliver connected digital journeys that drive member engagement and loyalty.

Re-Engage Members and Drive Portfolio Growth



As consumer spending rebounds after the post-holiday slowdown, this is the perfect time to focus your card marketing efforts on strengthening credit and debit card retention through member re-engagement. Velera's Portfolio Marketing & Communications offers a Spring 2026 Activation & Retention Campaign designed to incentivize members to use their credit union card. Spring is the season for growth — enroll by January 15 for an April 1 launch.

Turn Financial Anxiety into Engagement



Younger consumers feel like they face financial challenges that previous generations did not. Credit unions have an opportunity to stand out by addressing these concerns and positioning themselves as trusted partners in financial wellness. To capture attention and build loyalty, leverage platform-specific social strategies, authentic messaging and community-focused content. By normalizing financial struggles and offering practical solutions, credit unions can increase relevance and attract a new generation of prospective members.

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



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 December 2025 edition of the Velera Payments Index represents a total of 3.6 billion transactions valued at \$180 billion of credit and debit card activity from December 2024 through November 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.



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