

velera

PAYMENTS INDEX

Deep Dive: Generations

June 2026



While gasoline prices have softened slightly from their 2026 peak in May, they remain stubbornly high as the conflict with Iran entered its fifth month and continued to contribute to rising inflation. As of June 16, the average price for a gallon of gasoline was \$4.05 — 29% higher than one year ago and 38% (or \$1.12) higher since the war with Iran began on Feb. 23.

For May 2026, the University of Michigan Index of Consumer Sentiment dropped to 44.8, a 10% reduction from April's 49.8. Inflation is top of mind for consumers, with 57% of respondents citing higher prices cutting into personal finances, up from 50% in April. The erosion in sentiment was more apparent for lower-income consumers and those without college degrees. The 44.8 score is just below the low point in June 2022, when inflation was 9.1%. In preliminary June results, the Index of Consumer Sentiment lightly softened 1.6 points to 48.2. According to the preliminary June survey results, consumer sentiment improved by four points (9%), which is attributed to lower gasoline prices at the start of the month. For May, the Conference Board reported that consumer sentiment in the Consumer Confidence Index softened 0.7 points to 93.1 from an upwardly revised April result of 93.8. Consumers remain concerned over high gasoline prices.

Performance Snapshot: May 2026

Market/Economic Variables

93.1
Consumer Confidence Index
↓ Change 0.7 points

44.8
U of M Index of Consumer Sentiment
↓ Change 7.2 points

3.8%
Consumer Price Index
↑ Change 0.6%

2.8%
Core CPI (excl. Food/Energy)
↑ Change 0.2%

132,624,000
ADP National Employment Report
↑ Change 122,000

172,000
BLS/Job Growth
↑ 92,000 jobs higher than forecast

4.3%
Unemployment Rate
— Unchanged

3.5-3.75%
Federal Reserve Interest Rate
— Unchanged

Payments Index Growth

Purchases

2026 v 2025

Credit
↑ **4.4%**

Debit
↑ **8.5%**

2025 v 2024

Credit
↑ **1.3%**

Debit
↑ **5.2%**

Transactions

2026 v 2025

Credit
↑ **3.6%**

Debit
↑ **5.0%**

2025 v 2024

Credit
↑ **1.8%**

Debit
↑ **3.2%**

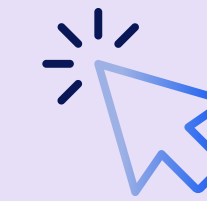
The Bureau of Labor Statistics (BLS) [reported](#) that jobs grew by 172,000 positions in May, more than doubling the [WSJ poll of economists'](#) estimate of 80,000 positions. The unemployment rate remained unchanged in May at 4.3%, or 7.3 million people. May's job growth was noted in leisure and hospitality, local government, health care and social services. Job losses were seen in the financial activities sector in May. While the transportation and warehousing sector remained largely unchanged, the air transportation sector lost 9,000 jobs due to the closure of Spirit Airlines. The May [ADP jobs report](#), which tracks changes in U.S. private employment, reported an increase of 122,000 jobs. Increases were posted in the education and health services, trade, transportation and utilities, construction and professional and business services sectors. Job reductions were noted in the information services and natural resources and mining sectors. The ADP payroll population represents more than 26 million U.S. private-sector employees.

Energy prices — primarily gasoline — continue to take a toll on inflation. For May, the BLS [reported](#) a 0.5% increase in inflation, raising the 12-month Consumer



Price Index (CPI) to 4.2%. Inflation is at a three-year high, influenced by the war with Iran. The Energy index was the largest contributor to the monthly increase, accounting for 60% of the overall change. Also increasing for the past two months were the shelter and food categories. Core CPI, which excludes food and energy, rose 0.2% in May, finishing the month at 2.9%. Categories contributing to the Core CPI increase included communication, airline fares, medical care, personal care and recreation. The indexes posting reductions in May's Core CPI include motor vehicle insurance, household furnishings and operations, and new vehicles.

The last Federal Open Market Committee (FOMC) meeting, which concluded on June 17, was the first under the new Federal Reserve Chair Kevin Warsh, who took over for Jerome Powell following the expiration of his term on May 15. Powell is expected to remain on the Board of Governors, where his term runs through January 2028. Following the June meeting, interest rates remained unchanged at the current federal funds target rate of 3.50% to 3.75% — but the committee [signaled a rate increase](#) may be on the horizon.



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“Even with ongoing pressure from higher gas prices and inflation, consumers are continuing to spend — but not in the same way across generations. Younger consumers, in particular, are showing a stronger pull toward essential categories and digital-first payment experiences, while older segments are maintaining more traditional spending patterns. That divergence is creating new opportunities for credit unions to better align payment strategies, personalize engagement and meet members where they are.”

Carrie Stapp

Vice President, Marketing, Velera

Key Takeaways for May 2026

- Transactions and purchases for May remained strong for both debit and credit. Debit purchases increased by 8.5%, with the Money Services, Goods and Gasoline sectors accounting for more than three-quarters of that growth. Credit purchases were up 4.4%, with Gasoline accounting for just over a third of the entire increase. In May, debit transactions were up 5% and credit transactions rose by 3.6%. The Goods sector remained a top source of credit and debit growth, accounting for 40% of the debit transaction growth and 47% of the credit transaction growth.
- The Consumer Price Index (CPI-U) jumped 0.4% in May on rising Energy costs, taking the 12-month inflation rate to 4.2% — marking the highest inflation rate in three years. Gasoline, the primary driver, accounted for 60% of the increase. Also increasing in May were the Housing and Food indexes, while the 12-month Core-CPI rose to 2.9%.
- Generation Z demonstrated less discretionary spending for both credit and debit than older generational segments, with a higher percentage of monthly spending attributed to Gasoline, Transportation and Restaurants.

Deep Dive: Generations

Consumer spending behavior continues to vary meaningfully across generational segments, particularly in how consumers allocate purchases and adopt emerging payment methods. The goal of this deep dive is to provide generational insights into data that may already be familiar as part of the Velera Payments Index, such as Sector Performance, Expense Type and Tokenized Digital Wallets, to better understand consumer behavior.

Goods were the leading contributor to debit purchases and remained consistent across generational segments, while representing a relatively larger share of transactions within older generational segments. The debit transaction and purchase sector contributions for Gasoline, Money Services, Transportation and Restaurants all increased disproportionately with member age. Similarly, Food and Grocery, Services, Travel, and Utilities all exhibited higher debit transactional and purchase sector contributions with each successively older generational segment. The average debit purchase increased consistently across all generational segments, from the youngest to the oldest.

For credit, the transaction and purchase sector contributions for Gasoline, Restaurants and Transportation increased as generational segments diminished in age. In contrast, the credit transactional and purchase sector contributions for Food and Grocery, Goods, Services, Travel and Utilities all increased with age. The average credit purchase increased consistently across all generational segments, from the youngest to the oldest, except for Utilities and Money Services for Boomers+.

Looking at discretionary spend, we see relative parity in year-to-date discretionary debit contribution for transactions and purchases across generational segments, ranging from 5.5% to 6.7% for transactions and 9.2% to 10% for purchases. For credit, however, the three youngest generational segments demonstrated lower discretionary contribution for transactions and purchases.

Tokenized digital wallets, or the “Pays,” continue to gain consumer acceptance. This growth in adoption is evident for both debit and credit purchases and is consistent across generational segments. Purchase growth within Younger Gen Z continues to

stabilize as that segment grows in membership.

Apple Pay remains the dominant provider in year-to-date market share for credit mobile wallet transactions across all generational segments, with Older Gen Z (93%) and Younger Gen Z (96%) leading. Google Pay is

gaining traction among Older and Younger Millennials at 12% and 13% market share, respectively. Apple Pay accounts for virtually all mobile wallet debit transactions. Both credit and debit mobile wallet transactions skew towards the point of sale for younger generations.



Deep Dive: Generations

2026 Year-to-Date Credit Purchase Sector Contribution by Generation

	Boomers+	Gen X	Older Millennial	Younger Millennial	Older Gen Z	Younger Gen Z
Entertainment	4.1%	4.3%	4.7%	4.5%	4.6%	4.2%
Food & Grocery	11.7%	9.5%	10.4%	11.1%	11.3%	11.7%
Gasoline	4.0%	4.7%	5.2%	6.0%	8.6%	14.7%
Goods	34.7%	35.1%	35.2%	35.7%	34.1%	31.7%
Money Services	1.1%	1.5%	1.5%	1.5%	1.4%	1.3%
Restaurants	6.5%	8.2%	9.7%	11.7%	14.7%	17.7%
Services	25.9%	23.2%	21.2%	19.2%	16.3%	12.6%
Transportation	0.6%	0.9%	0.9%	1.0%	1.2%	1.3%
Travel	8.4%	9.6%	8.2%	6.5%	5.7%	3.5%
Utilities	3.0%	2.8%	2.9%	2.7%	2.1%	1.4%

2026 Year-to-Date Debit Purchase Sector Contribution by Generation

	Boomers+	Gen X	Older Millennial	Younger Millennial	Older Gen Z	Younger Gen Z
Entertainment	4.2%	4.6%	4.9%	4.9%	4.8%	3.9%
Food & Grocery	22.1%	16.3%	14.6%	13.4%	11.8%	10.9%
Gasoline	3.7%	4.8%	4.9%	4.6%	4.6%	5.9%
Goods	25.8%	25.6%	25.1%	24.2%	23.4%	25.5%
Money Services	10.0%	14.3%	16.6%	19.3%	21.1%	19.9%
Restaurants	8.9%	10.9%	11.8%	12.4%	13.9%	17.1%
Services	17.9%	15.5%	14.4%	14.1%	14.3%	12.6%
Transportation	0.3%	0.4%	0.4%	0.5%	0.7%	0.8%
Travel	1.8%	2.2%	2.2%	2.0%	2.1%	1.8%
Utilities	5.4%	5.3%	5.1%	4.6%	3.4%	1.6%

Highest Contribution
 2nd Highest Contribution
 3rd Highest Contribution

Deep Dive: Generations

2026 Year-to-Date Credit Average Purchase by Sector and Generation

	Boomers+	Gen X	Older Millennial	Younger Millennial	Older Gen Z	Younger Gen Z
Overall	\$79.33	\$78.83	\$69.96	\$58.43	\$46.31	\$33.64
Entertainment	\$71.01	\$73.58	\$71.53	\$57.82	\$49.35	\$39.83
Food & Grocery	\$55.70	\$54.81	\$53.46	\$48.29	\$39.51	\$29.14
Gasoline	\$37.23	\$36.36	\$33.52	\$30.23	\$28.65	\$28.52
Goods	\$72.35	\$79.75	\$75.22	\$67.81	\$58.67	\$46.10
Money Services	\$189.58	\$198.48	\$168.42	\$135.10	\$99.10	\$60.45
Restaurants	\$35.21	\$33.28	\$30.32	\$26.67	\$23.26	\$18.31
Services	\$173.70	\$182.42	\$161.89	\$140.99	\$115.58	\$80.43
Transportation	\$29.10	\$25.63	\$22.75	\$20.49	\$16.89	\$14.82
Travel	\$414.29	\$367.46	\$354.14	\$308.66	\$263.19	\$174.16
Utilities	\$115.51	\$131.40	\$128.21	\$120.49	\$107.03	\$93.30

2026 Year-to-Date Debit Average Purchase by Sector and Generation

	Boomers+	Gen X	Older Millennial	Younger Millennial	Older Gen Z	Younger Gen Z
Overall	\$55.59	\$52.30	\$49.93	\$47.26	\$42.20	\$30.53
Entertainment	\$55.39	\$50.02	\$47.40	\$42.94	\$38.01	\$29.96
Food & Grocery	\$53.96	\$51.41	\$49.75	\$46.79	\$39.20	\$26.70
Gasoline	\$26.55	\$23.25	\$20.93	\$18.88	\$17.29	\$16.00
Goods	\$49.06	\$48.45	\$46.86	\$44.67	\$41.85	\$35.42
Money Services	\$142.61	\$123.74	\$116.31	\$115.07	\$99.54	\$58.61
Restaurants	\$25.29	\$24.60	\$24.01	\$22.11	\$19.84	\$15.79
Services	\$110.56	\$111.99	\$108.93	\$111.00	\$116.21	\$89.47
Transportation	\$21.46	\$20.79	\$18.73	\$17.07	\$15.19	\$13.56
Travel	\$245.99	\$233.02	\$229.58	\$216.22	\$205.53	\$170.17
Utilities	\$121.62	\$140.28	\$138.93	\$128.51	\$116.60	\$94.27

Deep Dive: Generations

2026 Year-to-Date Credit Transaction Contribution by Expense Type and Generation

	Boomers+	Gen X	Older Millennial	Younger Millennial	Older Gen Z	Younger Gen Z
Discretionary	8.8%	8.9%	8.4%	7.4%	6.8%	6.2%
Non-Discretionary	91.2%	91.1%	91.6%	92.6%	93.2%	93.8%

2026 Year-to-Date Credit Purchase Contribution by Expense Type and Generation

	Boomers+	Gen X	Older Millennial	Younger Millennial	Older Gen Z	Younger Gen Z
Discretionary	17.8%	20.2%	18.8%	16.4%	15.2%	12.6%
Non-Discretionary	82.2%	79.8%	81.2%	83.6%	84.8%	87.4%

2026 Year-to-Date Debit Transaction Contribution by Expense Type and Generation

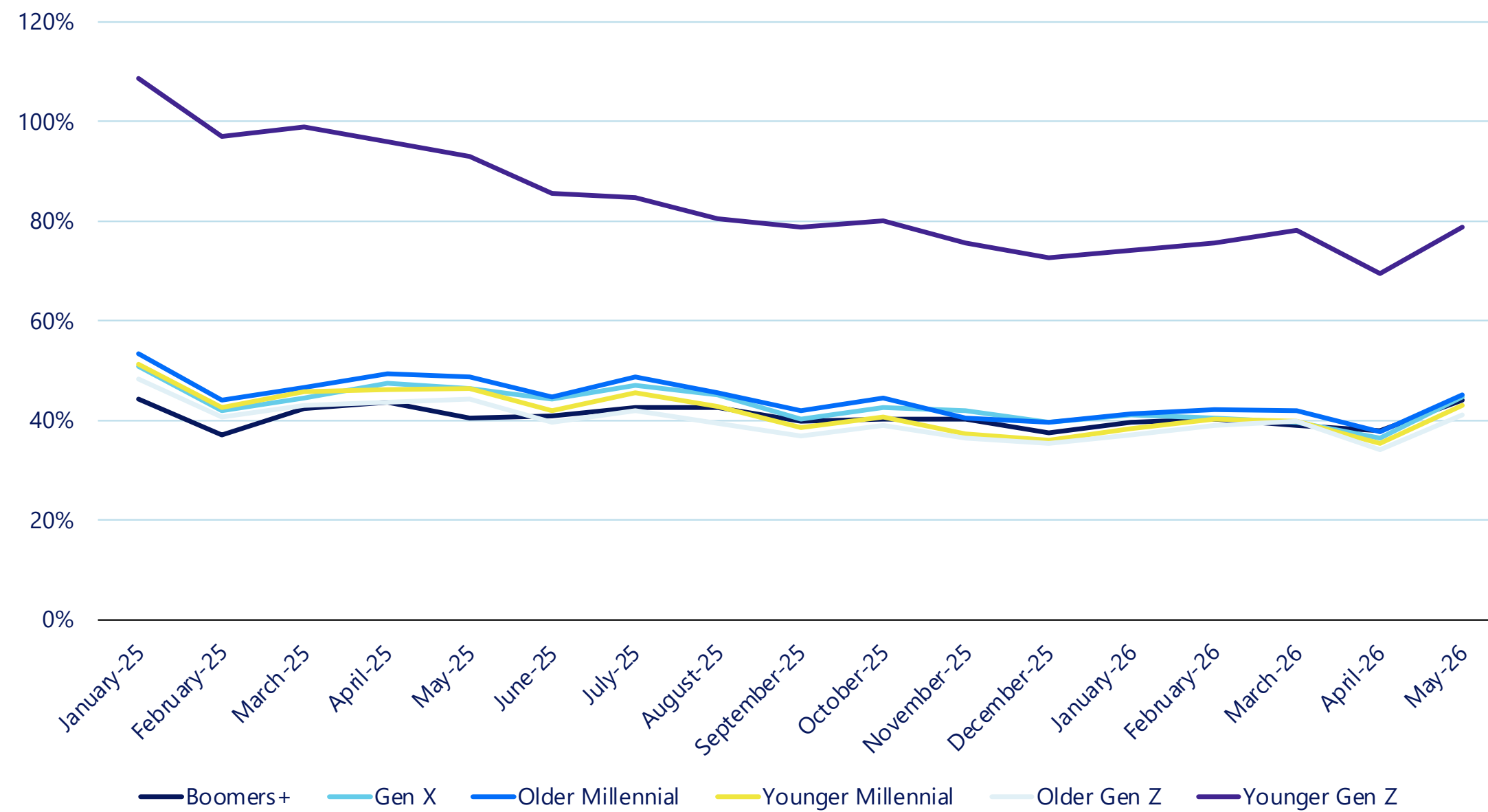
	Boomers+	Gen X	Older Millennial	Younger Millennial	Older Gen Z	Younger Gen Z
Discretionary	6.5%	6.6%	6.7%	6.4%	6.2%	5.5%
Non-Discretionary	93.5%	93.4%	93.3%	93.6%	93.8%	94.5%

2026 Year-to-Date Debit Purchase Contribution by Expense Type and Generation

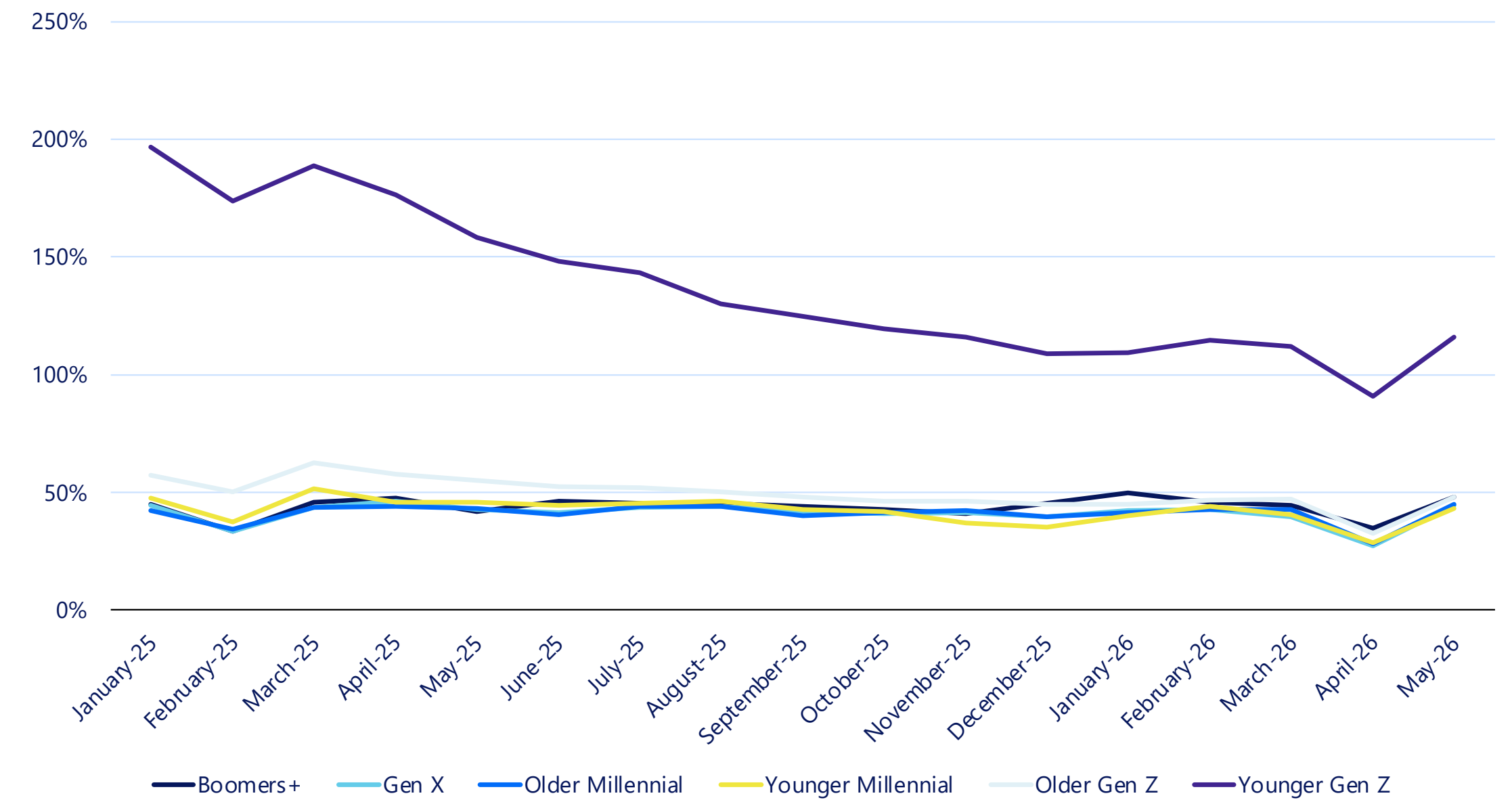
	Boomers+	Gen X	Older Millennial	Younger Millennial	Older Gen Z	Younger Gen Z
Discretionary	9.2%	10.0%	9.9%	9.3%	9.5%	9.9%
Non-Discretionary	90.8%	90.0%	90.1%	90.7%	90.5%	90.1%

Deep Dive: Generations

Monthly Mobile Wallet Credit Purchase Growth by Generation



Monthly Mobile Wallet Debit Purchase Growth by Generation



Deep Dive: Generations

Year-to-Date Credit Digital Wallet Transaction Market Share by Generation

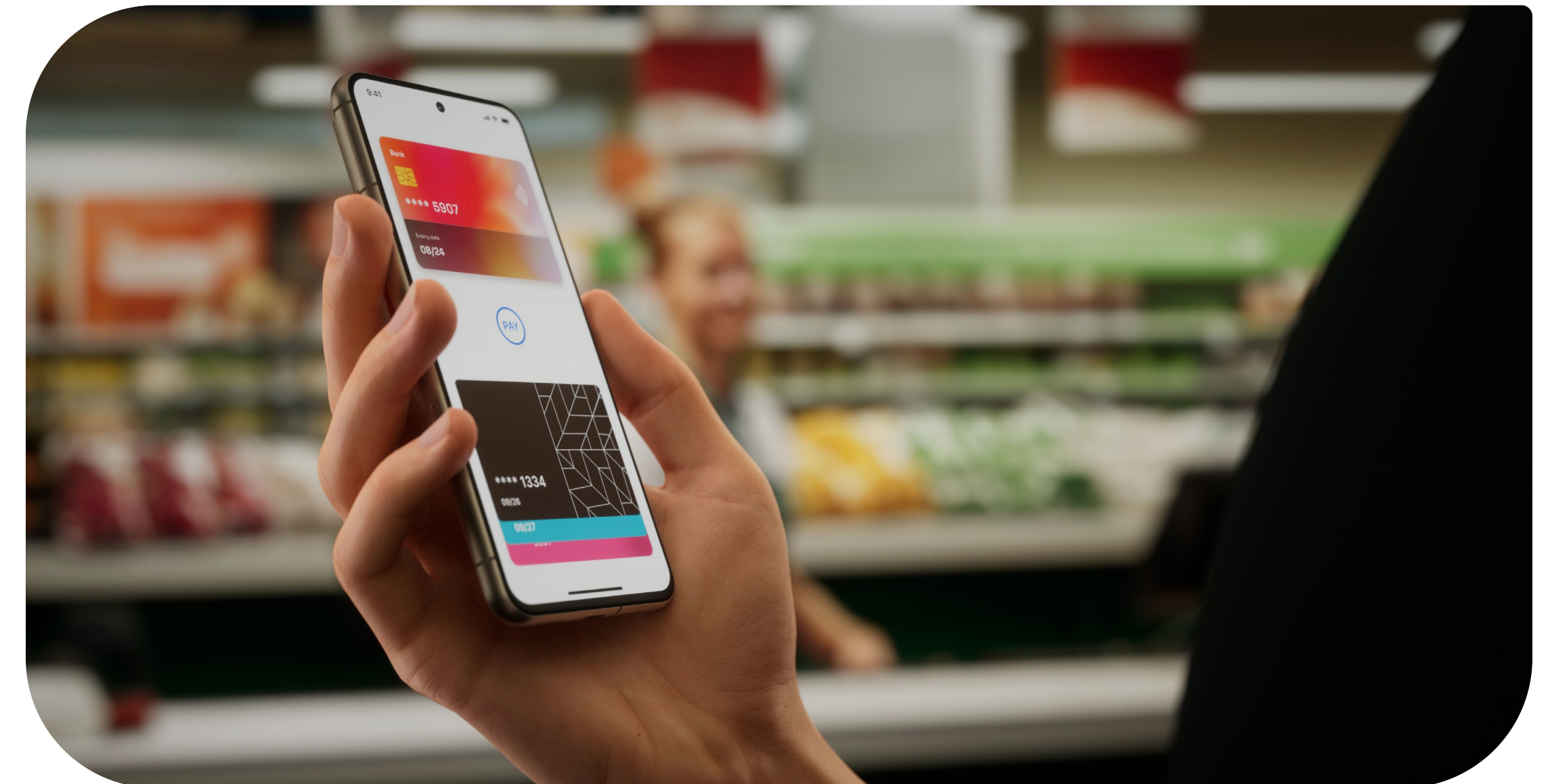
	Boomers+	Gen X	Older Millennial	Younger Millennial	Older Gen Z	Younger Gen Z
Apple Pay	89%	88%	84%	86%	93%	96%
Google Pay	9%	10%	13%	12%	6%	3%
Samsung Pay	2%	2%	2%	2%	1%	1%

Year-to-Date Credit Digital Wallet Transaction Type by Generation

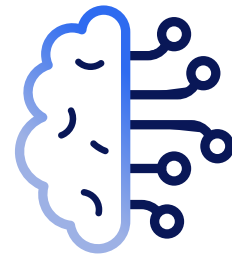
	Boomers+	Gen X	Older Millennial	Younger Millennial	Older Gen Z	Younger Gen Z
eCommerce	39%	34%	34%	34%	30%	23%
Point of Sale	61%	66%	66%	66%	70%	77%

Year-to-Date Debit Digital Wallet Transaction Type by Generation

	Boomers+	Gen X	Older Millennial	Younger Millennial	Older Gen Z	Younger Gen Z
eCommerce	52%	46%	44%	42%	37%	28%
Point of Sale	48%	54%	56%	58%	63%	72%



Opportunities to Act On: What Credit Unions Should Do Now



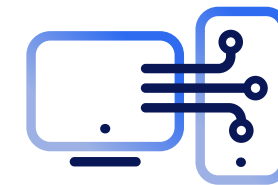
Elevate Member Experience Through Hyper-Personalization

Credit unions should modernize their “people helping people” mission for Gen Z by pairing their hallmark personalized service with AI-powered hyper-personalization — using generative AI data to anticipate member needs, support financial decision-making and deliver more proactive, human-centered guidance that resonates with a digitally native generation. Gen Z is shifting the definition of “personalization” — personalized greetings (“Hello, John!”) and marketing offers based on limited data or manual preferences were previously enough. Now Gen Z is expecting experiences that feel tailor-made for their lifestyle, values and financial goals — without having to ask for it.



Adopt an Influencer-Driven Growth Strategy

A modern influencer strategy positions credit unions directly within the social spaces where Gen Z and Millennials make early financial decisions, offering a cost efficient, credibility driven way to be present where those choices take shape. By leveraging creators’ built-in trust and authentic storytelling, credit unions can drive stronger digital engagement, increase message resonance and build stronger connections. These campaigns also deliver a dual-channel advantage — reaching younger members on Instagram while engaging their parents on Facebook — expanding multi-generational awareness, trust and long-term growth.



Own Everyday Member Touchpoints

Credit unions should treat payments as the gateway to deeper member relationships by building seamless, secure and highly personalized digital payment experiences, including mobile wallets, P2P payments and flexible card options that keep them embedded in Gen Z’s everyday financial lives, while generating the data needed to deliver more relevant guidance, trust and long-term loyalty. For today’s members — across every generation — it’s all about the experience. This is where working with a partner like Velera, which offers a comprehensive payments ecosystem and expert guidance, is extremely important to optimize your payments portfolio within the context of a complete member experience.

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

Credit and Debit Cards

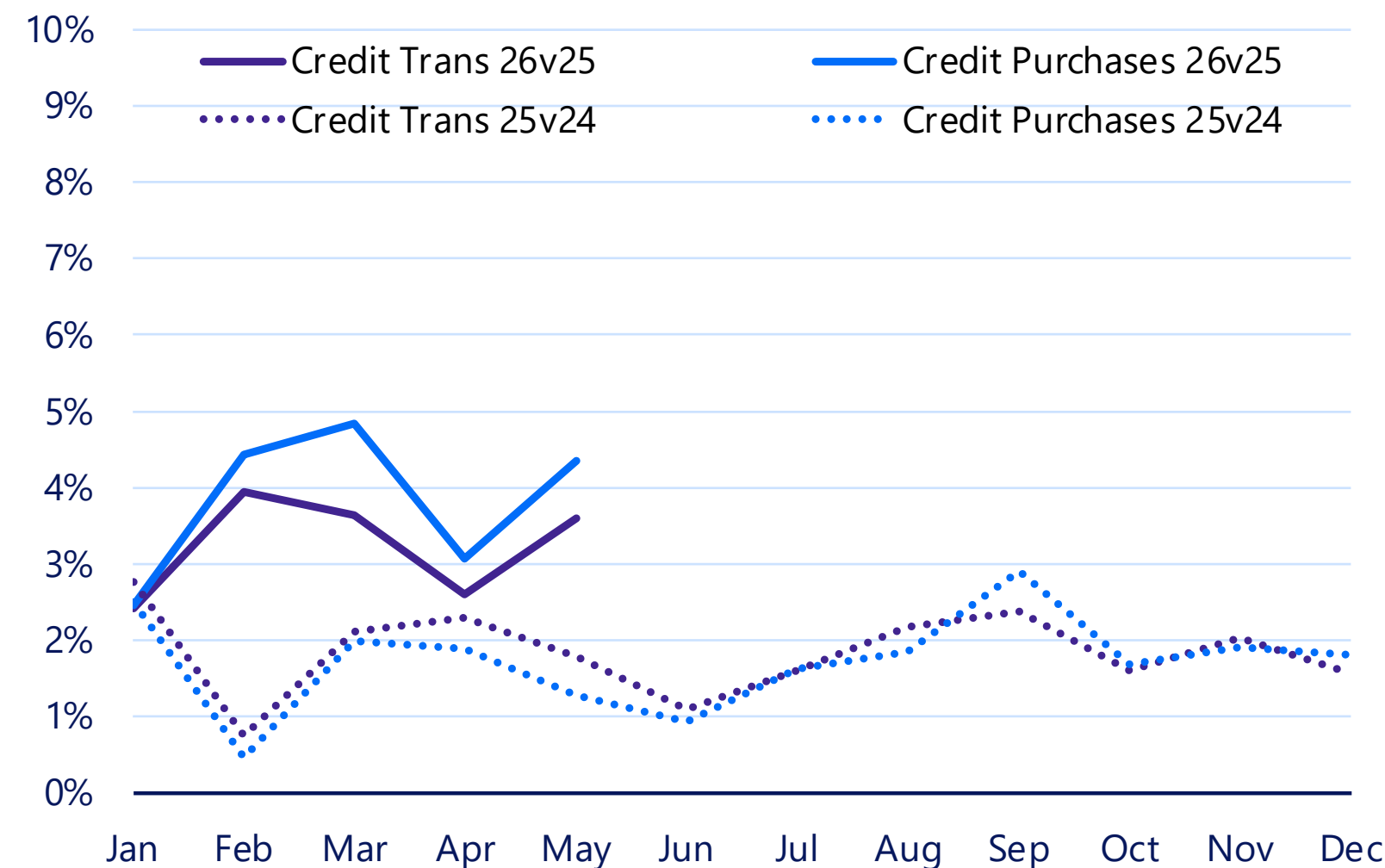
Consumer spending remained robust through May, with both credit and debit card activity expanding year over year, supported by inflationary dynamics, a strong labor market and the Memorial Day holiday. Debit continued to outpace credit across both purchases and transactions, with purchase dollars rising 8.5% and transaction volume increasing 5%, compared to 4.4% and 3.6% growth for credit, respectively. The average credit card transaction increased 0.7% year over year to \$70.27, while the average for debit rose 3.3% to \$47.76.

The Gasoline sector remained the primary driver of credit purchase growth for the second consecutive month, accounting for just over one-third of total growth, followed by the Goods sector. For debit, beyond the typically dominant Money Services sector (which contributed nearly one-third), growth was driven by the Goods and Gasoline sectors, each representing roughly one-quarter of total gains. The Goods sector also led transaction growth across both payment types.

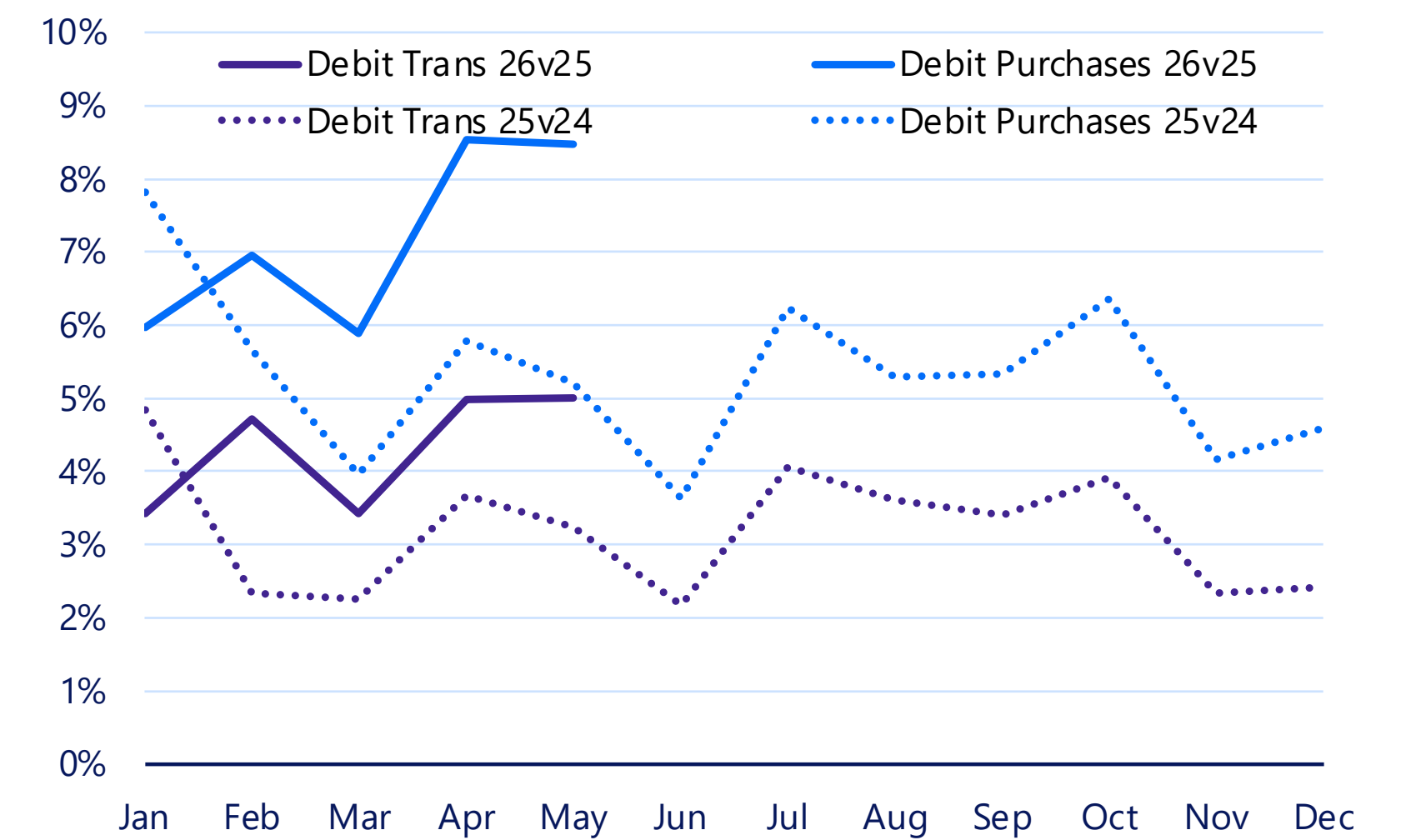
Month of May 2026

	Credit		Debit	
	Transactions	Purchases	Transactions	Purchases
2026 v 2025	↑ 3.6%	↑ 4.4%	↑ 5.0%	↑ 8.5%
2025 v 2024	↑ 1.8%	↑ 1.3%	↑ 3.2%	↑ 5.2%

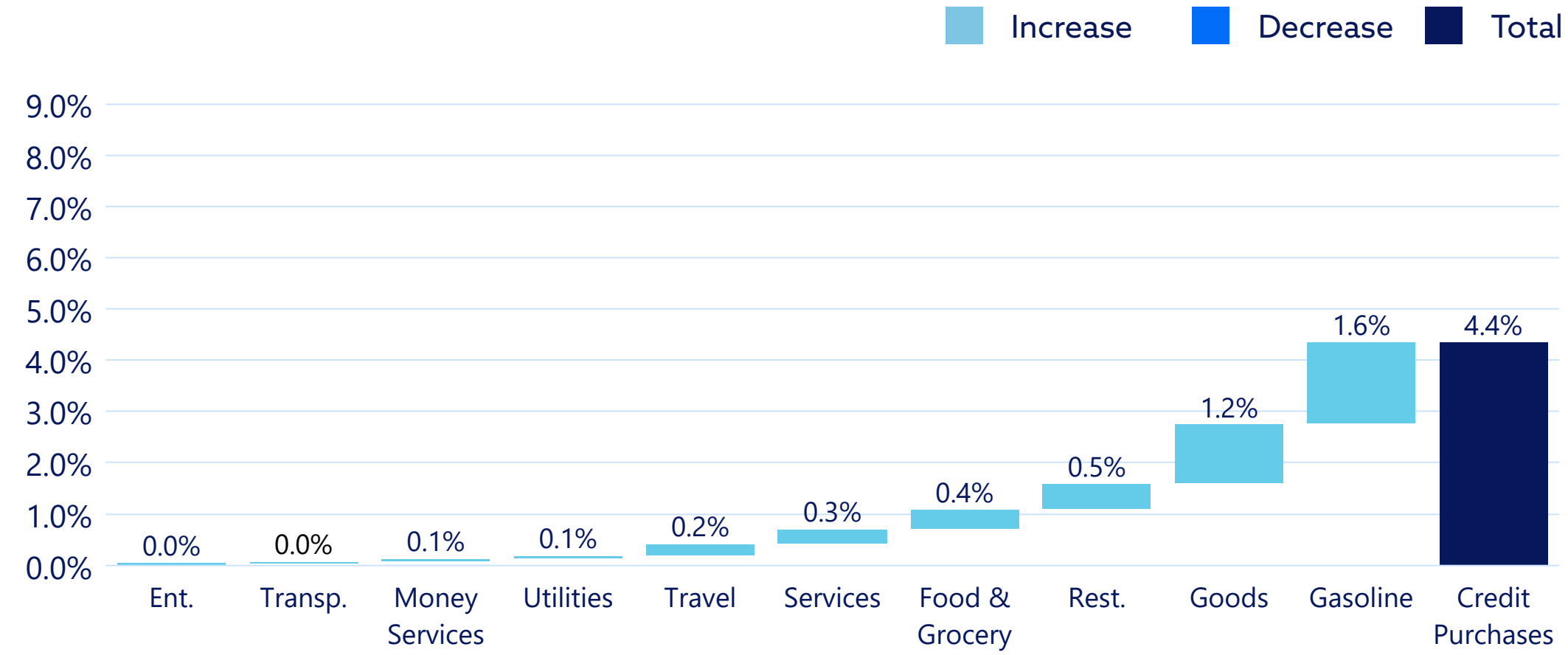
Credit



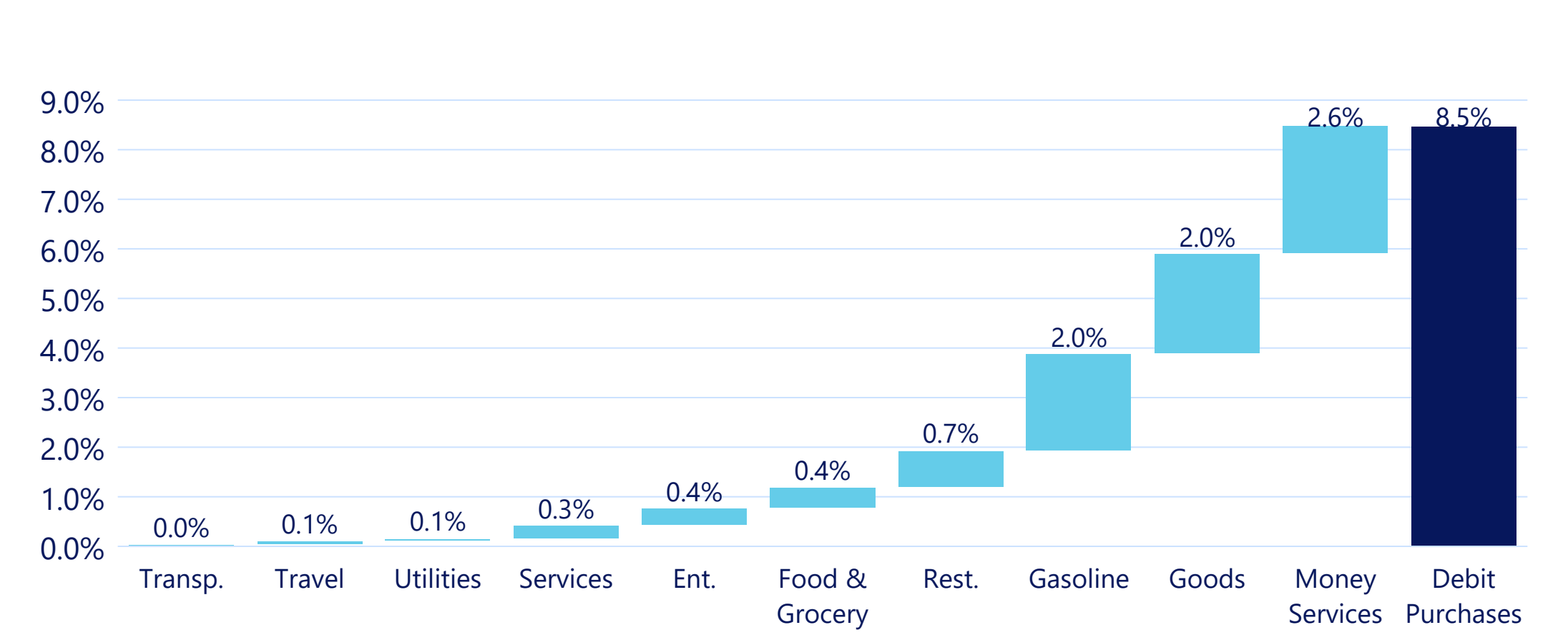
Debit



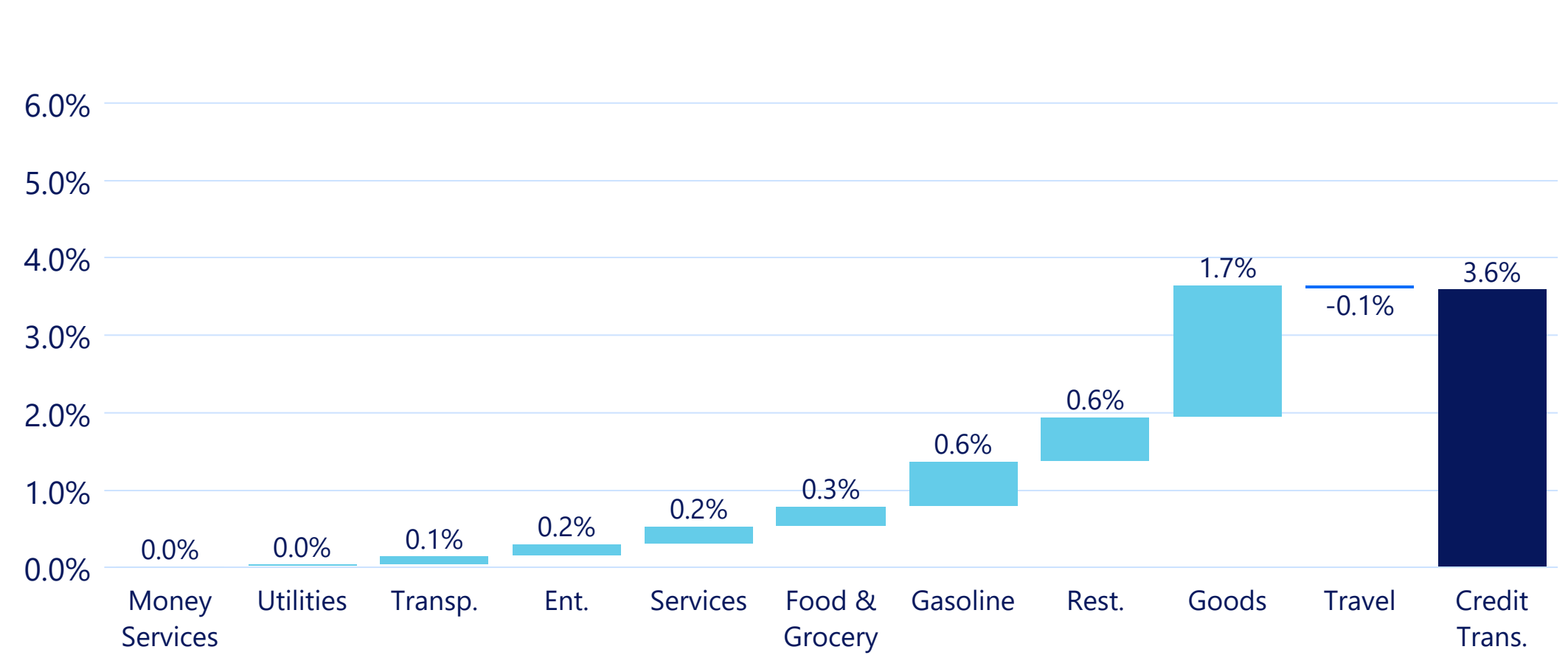
Sector Contributions to Growth in Credit Purchases: May



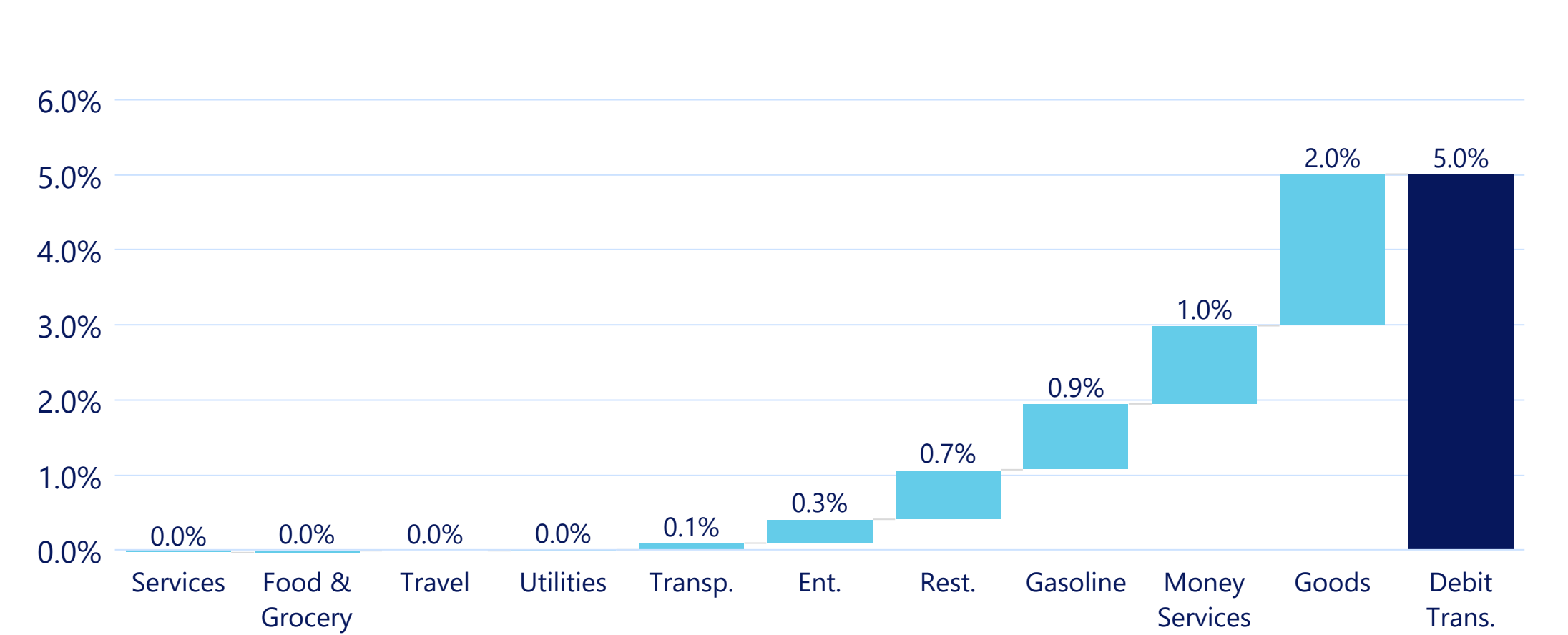
Sector Contributions to Growth in Debit Purchases: May



Sector Contributions to Growth in Credit Transactions: May



Sector Contributions to Growth in Debit Transactions: May





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 2024 through the most current complete month of 2026, enabling an accurate and relevant year-over-year same-store comparison (2026 vs. 2025, 2025 vs. 2024) 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 June 2026 edition of the Velera Payments Index represents a total of 3.8 billion transactions valued at \$191 billion of credit and debit card activity from June 2025 through May 2026.

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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