velera

PAYMENTS INDEX

July 2026

While consumers have posted the largest increase in monthly purchasing activity in the past four years, and gasoline prices, though still high, have receded from their April peaks, consumer sentiment has shown signs of improvement. However, tensions with Iran have re-escalated after President Trump declared the ceasefire is off. As of July 14, the average price for a gallon of gasoline was $3.86 — 23% higher than one year ago and 31% (or $0.92) higher than when the war with Iran began on Feb. 28. Gasoline prices increased $0.08 in the last week amid reports that the Strait of Hormuz is not yet fully open. In our July 2026 edition of the Velera Payments Index, we present our quarterly metrics update, including credit card balances, delinquencies and mobile wallet activity.

For June 2026, the University of Michigan Index of Consumer Sentiment increased to 49.5, a 10% jump from May's 44.8. The increase was identified across income, wealth and political affiliation segments. Inflation remains a top concern, with over half of consumers surveyed citing the impact of high prices on their budgets. For June, the Conference Board reported that consumer sentiment in the Consumer Confidence Index increased slightly by 0.6

Performance Snapshot: June 2026

Market/Economic Variables

91.2
Consumer Confidence Index
↑ Change 0.6 points

49.5
U of M Index of Consumer Sentiment
↑ Change 4.7 points

3.5%
Consumer Price Index
↓ Change 0.4%

2.6%
Core CPI (excl. Food/Energy)
— Unchanged

132,722,000
ADP National Employment Report
↑ Change 98,000

57,000
BLS/Job Growth
↓ WSJ Economists survey expected +115k

4.2%
Unemployment Rate
↓ Change 0.1%

3.5-3.75%
Federal Reserve Interest Rate
— Unchanged

Payments Index Growth

Purchases

2026 v 2025

Credit	Debit
↑ 7.0%	↑ 8.8%

2025 v 2024

Credit	Debit
↑ 0.9%	↑ 3.6%

Transactions

2026 v 2025

Credit	Debit
↑ 5.4%	↑ 5.4%

2025 v 2024

Credit	Debit
↑ 1.1%	↑ 2.2%

points to 91.2 from a downwardly revised May result of 90.6. The slight increase in confidence is attributed to dropping oil prices, with the expectation that inflation could ease in the coming weeks.

The Bureau of Labor Statistics (BLS) reported that jobs grew by 57,000 positions in June, roughly half the WSJ poll of economists' estimate of 115,000 positions. The unemployment rate slightly dropped to 4.2% in June, or 7.1 million people. June's job growth was noted in professional and business services, social assistance and health care. Job losses were seen in the leisure and hospitality sector in June. The June ADP jobs report, which tracks changes in U.S. private employment, reported an increase of 98,000 jobs. Notable increases were posted in the education and health services, trade, transportation and utilities, and financial activities sectors. Job reductions were noted in the natural resources and mining sector. The ADP payroll population represents more than 26 million U.S. private-sector employees.

For June, the BLS reported a 0.4% decline in inflation, lowering the 12-month Consumer Price Index (CPI) to 3.5%. The Energy index dropped by 5.7%, more than offsetting the increase that was reported in the shelter and food indices. Core CPI, which excludes food and energy, was unchanged in June, finishing at 2.9%. While flat at the aggregate level, decreases for the month include motor vehicle insurance, communication, apparel, medical care and used cars and trucks. Increases for June were posted in recreation, household furnishings and operations and personal care.

The ongoing disconnect of how consumers feel and how they spend is ever-present in the June updates. Year-over-year growth reached its strongest level in 2026, led by activity in the Goods Sector, influenced by Amazon Prime Day, related big-box retailer sales in late June and the economic impact of the World Cup events in North America (including activity in the prediction markets). Yet, despite this spending strength, a growing number of consumers are considered financially unhealthy. Could the late summer/early fall period bring a post-World Cup slowdown in consumer spending?

The next Federal Open Market Committee (FOMC) meeting concludes July 17. Federal funds target rates have remained in the 3.5% to 3.75% range. Fed members were split on the direction of interest rate adjustments in the meeting minutes, yet they voted unanimously to keep rates steady after their June meeting.

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.

"Consumer spending remains resilient and is expected to stay strong, yet inflation-adjusted growth has been modest. This mix of spending is shifting toward essential expenses such as gas, energy, housing, goods and healthcare while reducing discretionary spending on categories like travel. Consumers expect inflation to remain elevated, which drives them to make purchases ahead of anticipated increases and actively seek value and discounts. Amazon Prime Day was a great demonstration: U.S. online sales reached a record $26.4 billion, up 9.3% year over year, yet average household spending fell 9%, and most purchases were apparel and household essentials."

Ryan Myers
SVP, Advisors Plus, Velera

Key Takeaways for June 2026

- June year-over-year growth in transactions and purchases were the strongest since 2022 for both credit and debit card activity. Debit purchases increased by 8.8%, with the Money Services and Goods sectors accounting for over 60% of the June growth. Credit purchases were up 7%, with the Goods sector accounting for over 40% of the increase. In June, debit and credit transactions each were up 5.4%.
- The Consumer Price Index fell more than WSJ industry analysts expected, down 0.4% in June, taking the 12-month inflation rate to 3.5%. This was the largest single-month reduction in the CPI since April 2020. Lower gasoline prices were the primary driver, offsetting increases in shelter and food for the month. Core CPI was unchanged at 2.6% for June.
- While gasoline prices have come down from their May 2026 peak of $4.50/gallon, they remain 21% (or $0.65/gallon) higher than one year ago. The resurgence of tensions with Iran may see crude oil prices increase again in the coming weeks. The increase in gasoline purchases, for both credit and debit, each accounted for 15% of the overall increase.
- Prediction markets are moving from niche products to mass-market consumer finance products. Driven primarily by World Cup contracts, the highest monthly volumes ever were reported for the various platforms in June — demonstrating that global sports can drive equal or greater liquidity than political events, which previously dominated prediction markets. Kalshi appears to be benefiting disproportionately in the U.S. due to its regulated structure, while Polymarket continues to lead globally with deep liquidity and market variety.

Opportunities to Act On: What Credit Unions Should Do Now

Boost Top-of-Wallet Behavior with Strategic Awareness Campaigns

Awareness campaigns are a cost effective way to keep your card products top of mind year-round. By highlighting your credit union's card benefits and key features, you reinforce everyday relevance and encourage stronger top-of-wallet behavior. Velera offers a variety of Q4 credit and debit card awareness campaigns, including Digital Wallet, Recurring Payments, Everyday Purchases and Fraud Protection. Enroll by Aug. 1 to participate in the Oct. 15 campaign launch.

Maximize Member Access Without Adding Branches

Even as consumers become more digitally engaged, convenient access to in-person service remains important. Credit union members value the option to visit a branch, and the Co-op Shared Branch network enables credit unions to provide seamless, secure in-person access across thousands of locations nationwide. By extending your reach through the Shared Branch network, you can deliver personalized service, strengthen member relationships, create new revenue opportunities and build long-term loyalty and retention.

Expand Members' Purchasing Power

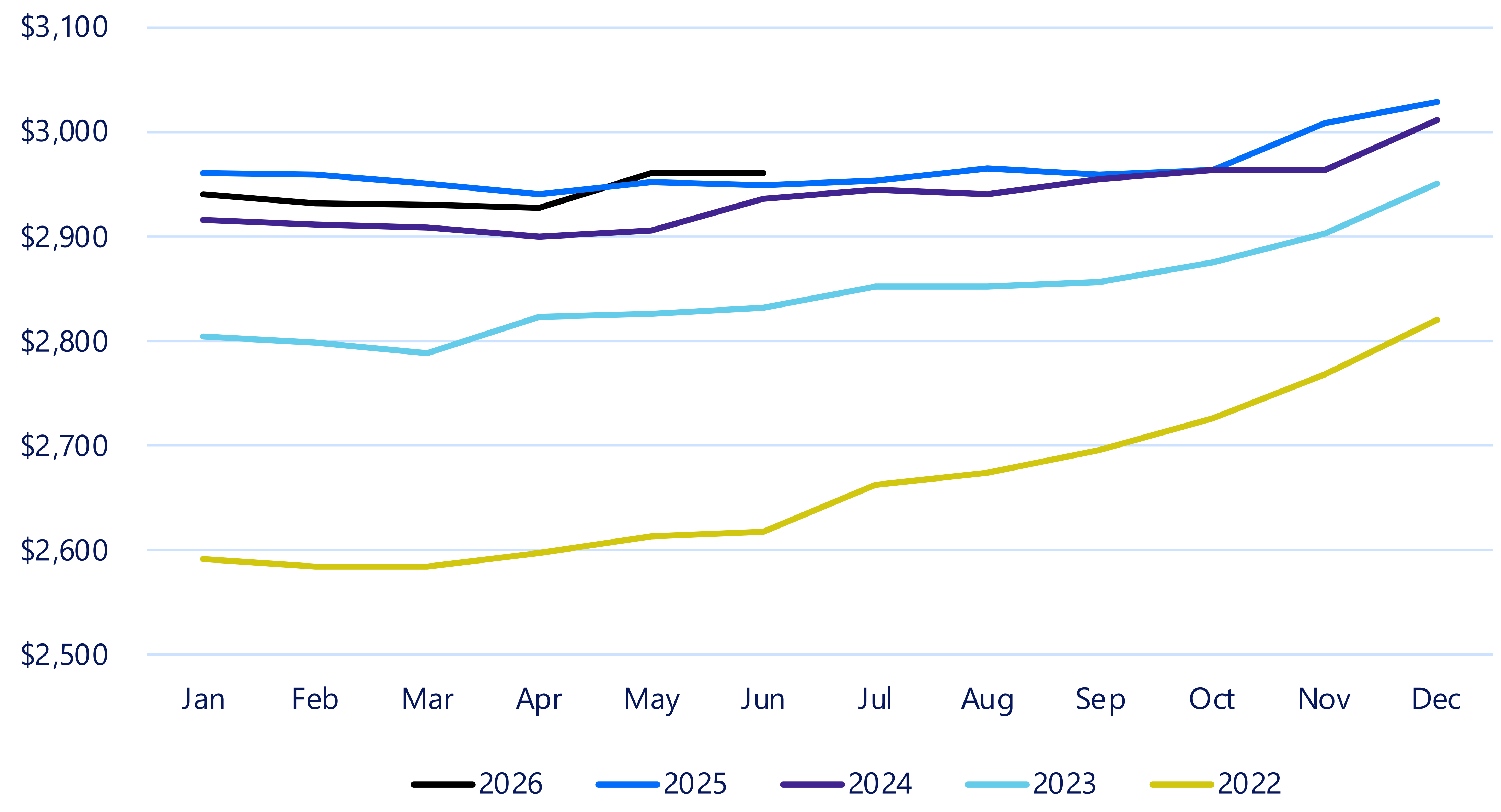
Help qualified cardholders gain greater financial flexibility through data-driven credit line increases. Velera's Fall Credit Line Increase campaign provides eligible members with additional spending capacity ahead of the holiday spending season. According to Velera data, 25%-30% of open accounts qualify for a line increase, creating an opportunity for credit unions to deliver added value to members while boosting card activity. Enrollment closes Aug. 15, and the campaign launches Nov. 15.

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

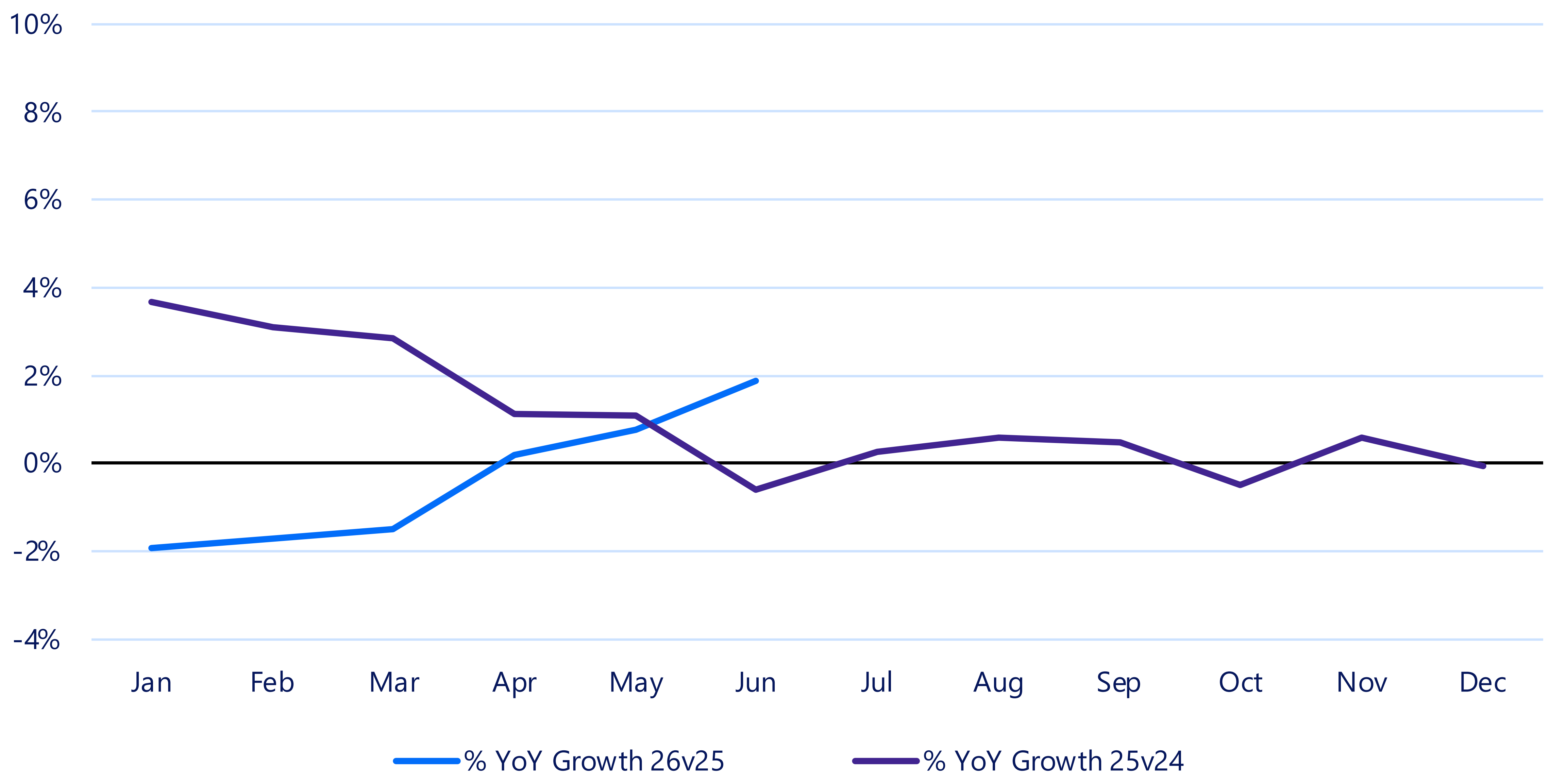
Credit Card Balances

After trending below 2025 levels, the average credit card balance per gross active account has surpassed last year's benchmark. In June, the average credit card balance reached $2,960, increasing $11, or 0.37%, year over year. Total credit card balances also continued to grow, rising 1.9% from the prior year.

Average Credit Card Balances per Gross Active Account



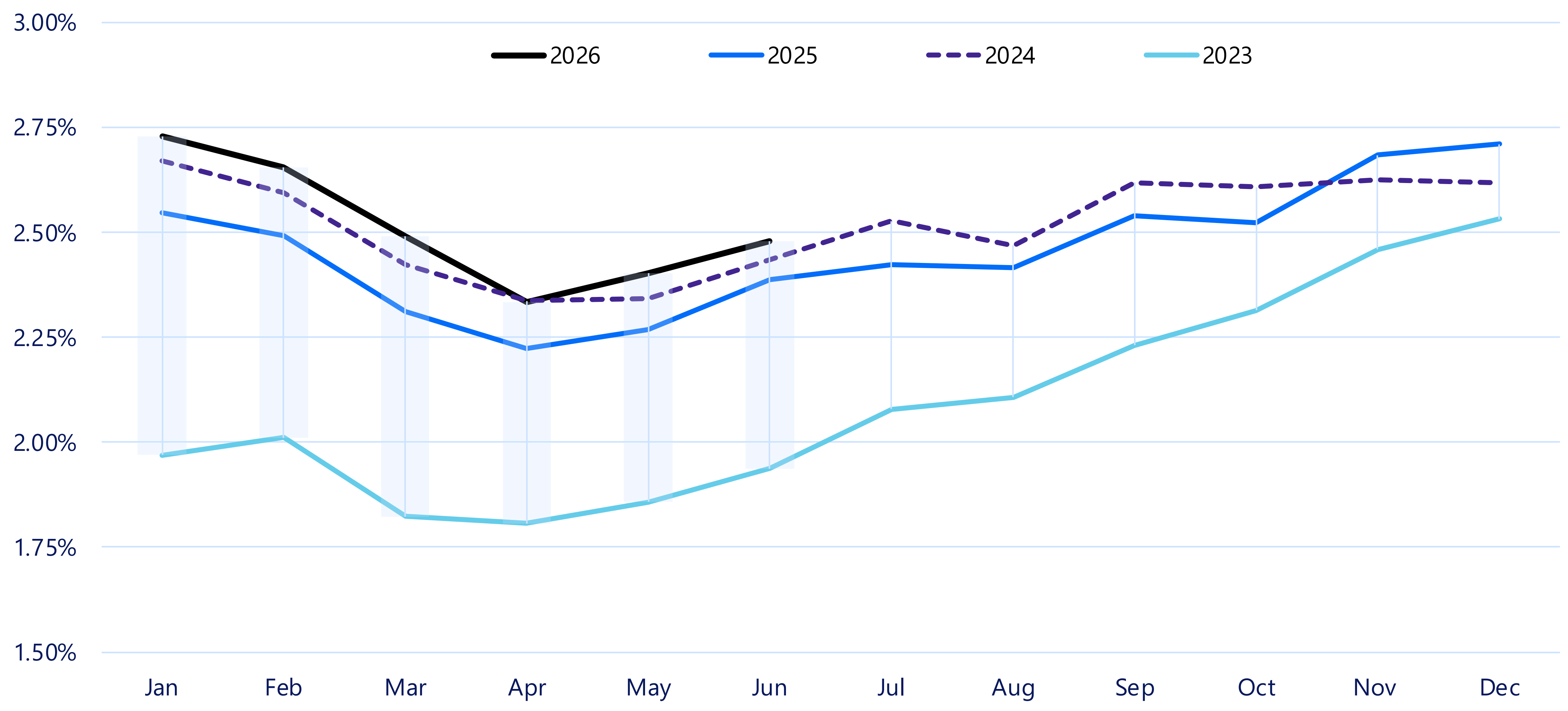
Percentage Change in Total Credit Card Balances



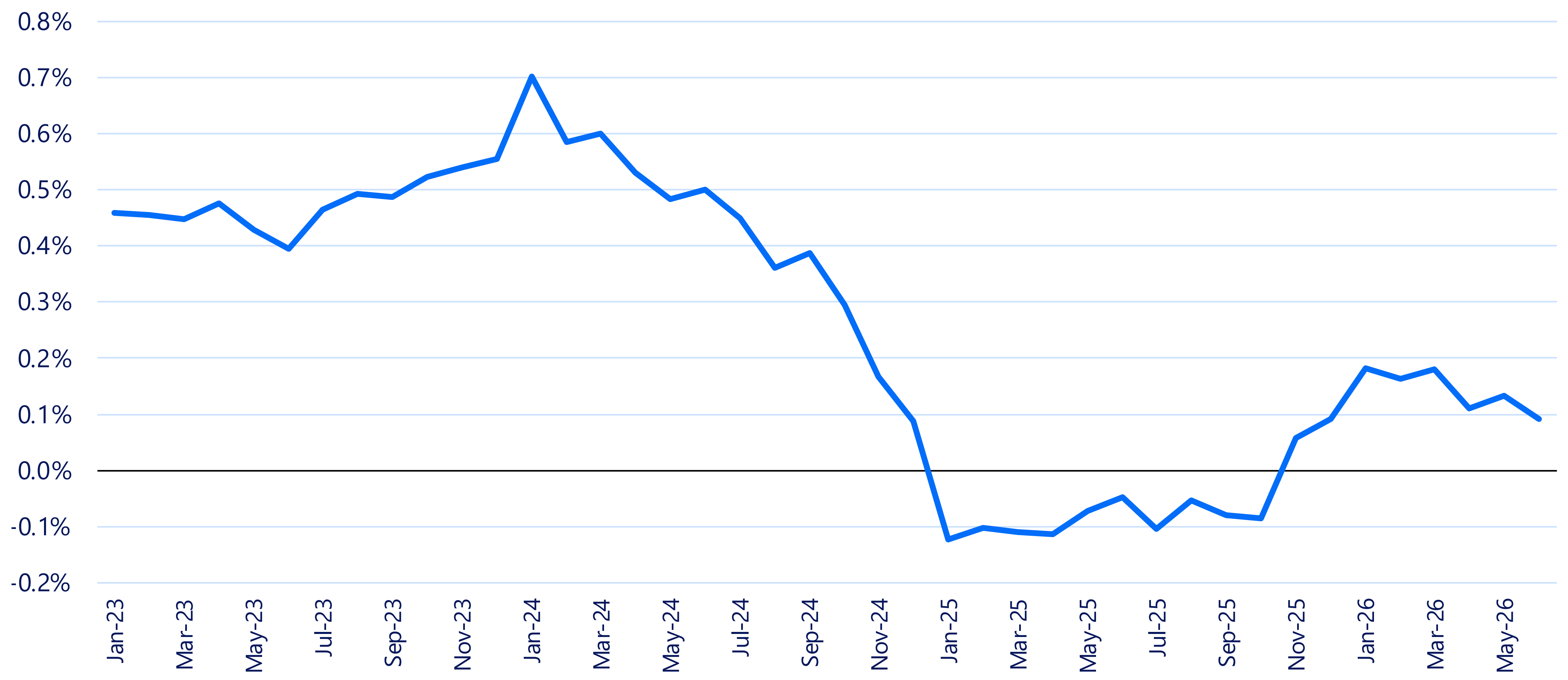
Credit Card Delinquencies

In June, the delinquency rate increased to 2.48%, up 9 basis points, or 3.8%, year over year. While delinquencies remain above 2025 levels, the trend continues to follow its typical seasonal patterns and is broadly aligned with historical norms.

Overall Credit Card Delinquency Rate: June 2026



Year-Over-Year Change in Delinquencies Beginning January 2023



Credit and Debit Cards

June delivered the strongest performance since 2022, with purchase and transaction growth reaching their highest levels for both debit and credit cards. Debit purchases increased 8.8% year over year, while credit purchases rose 7%. Both debit and credit transactions increased 5.4% from a year earlier.

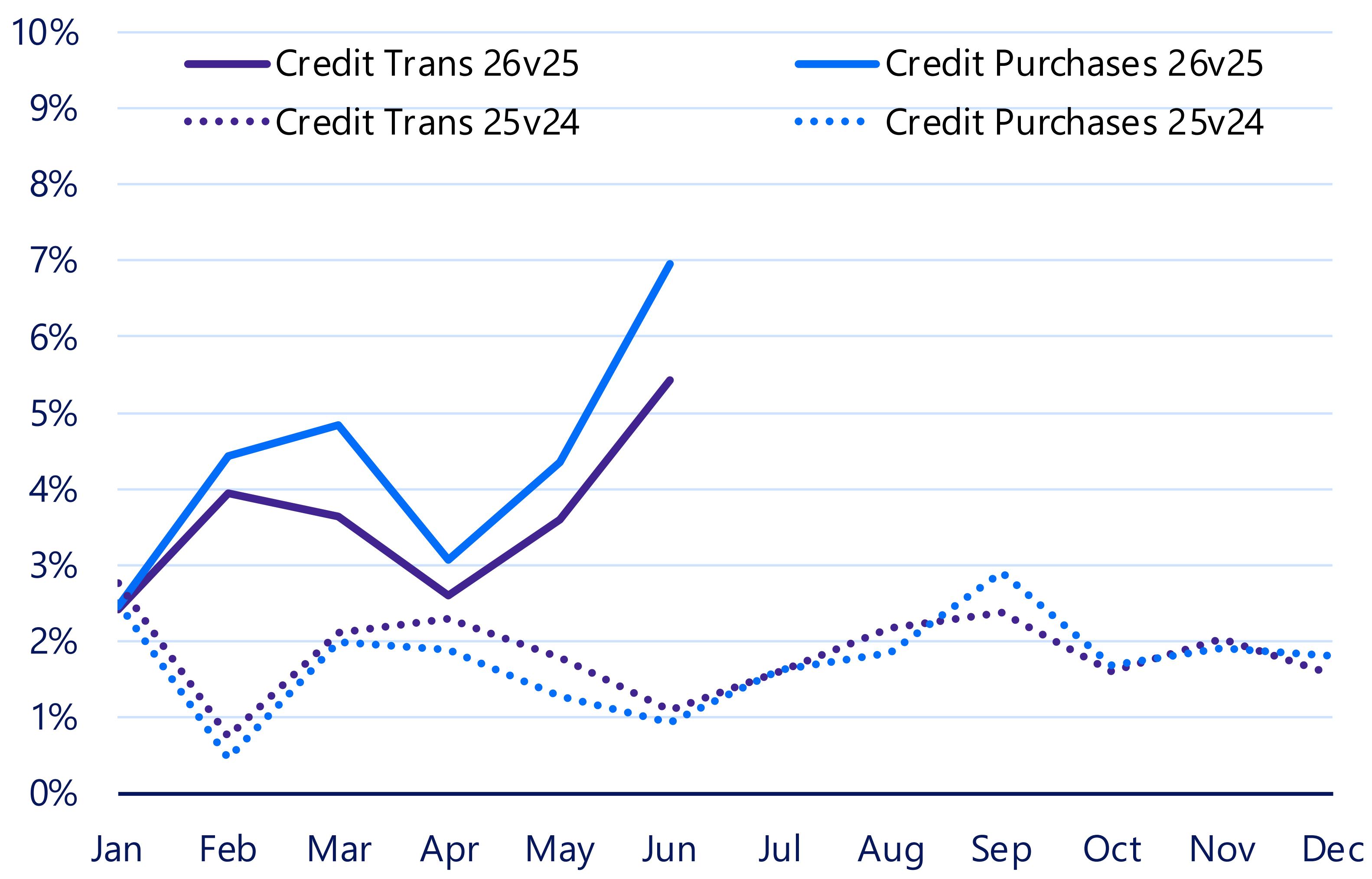
The Goods sector was the leading contributor of credit purchase growth and ranked second only to Money Services for debit purchase growth. It also drove the largest share of transaction growth across both payment types. Spending was likely supported by major promotional events from retailers such as Amazon and Walmart, whose sales campaigns occurred earlier than last year and helped boost consumer activity during the month. In addition, the FIFA World Cup, hosted across multiple North American cities, provided an incremental lift in spending, particularly among merchants in the Restaurants, Travel and Entertainment sectors, as well as retailers selling team merchandise, apparel and fan gear.

Meanwhile, the Gasoline sector's contribution to overall growth weakened as fuel prices declined throughout June. The impact was most pronounced for credit purchases, where the sector's share of total growth fell from more than one-third to just 15%.

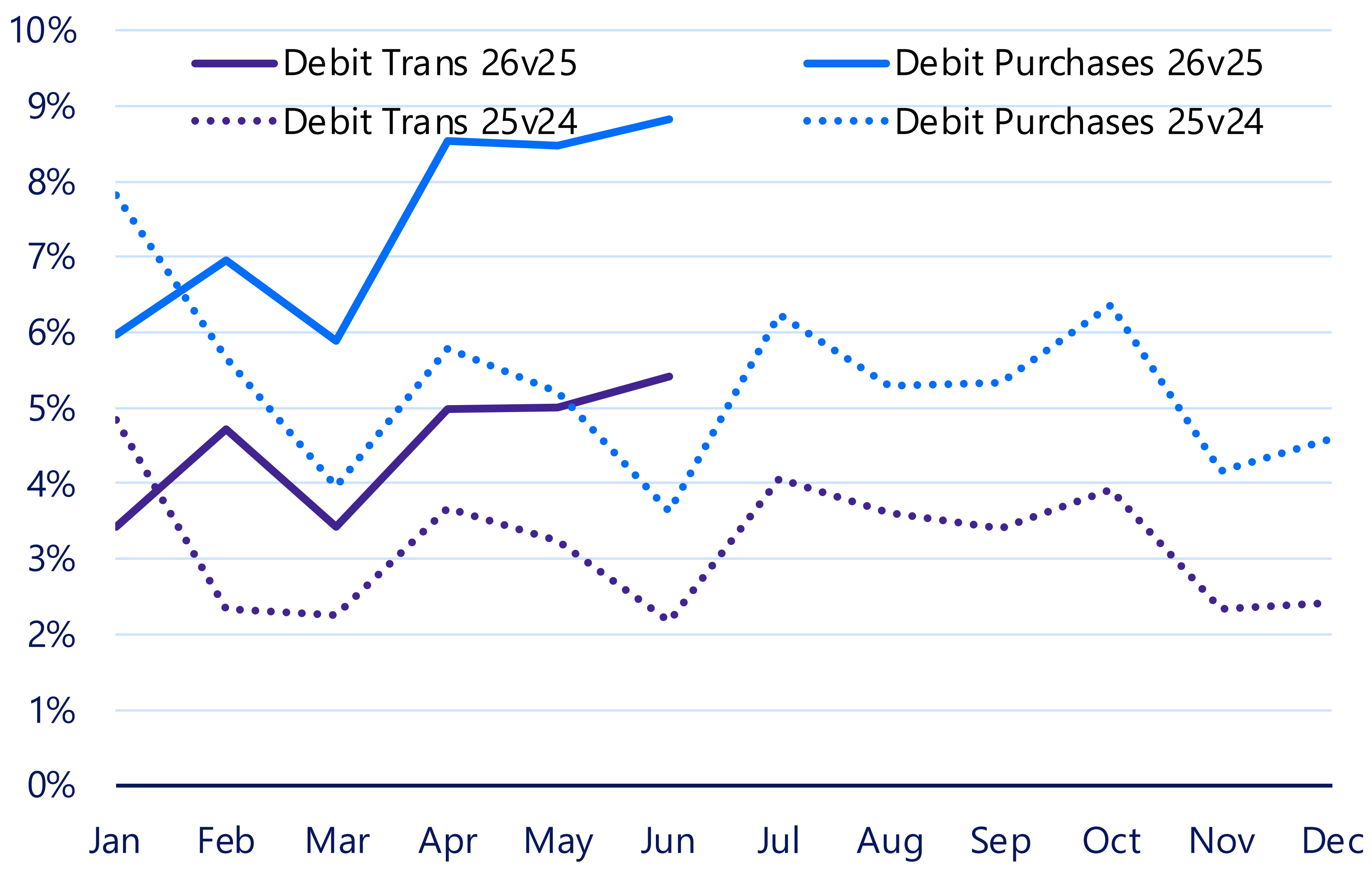
Month of June 2026

	Credit		Debit	
	Transactions	Purchases	Transactions	Purchases
2026 v 2025	↑ 5.4%	↑ 7.0%	↑ 5.4%	↑ 8.8%
2025 v 2024	↑ 1.1%	↑ 0.9%	↑ 2.2%	↑ 3.6%

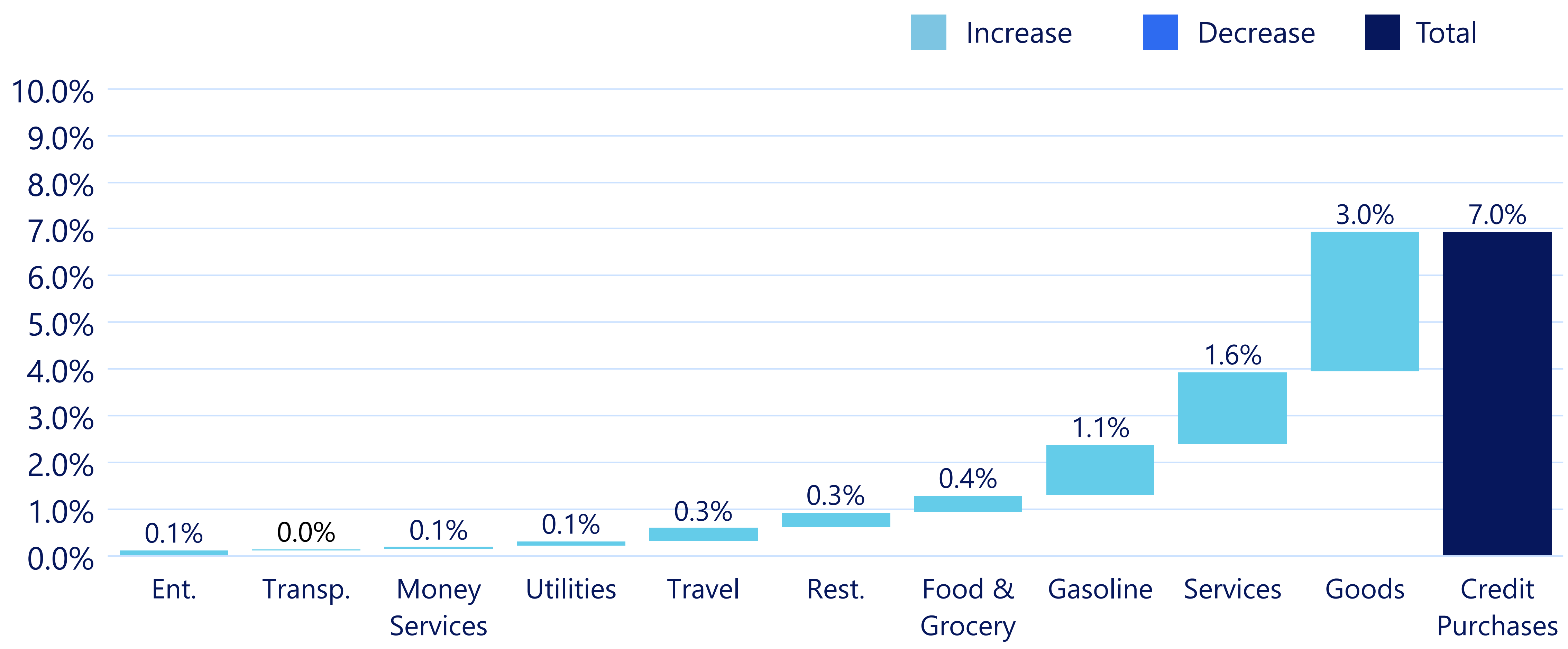
Credit



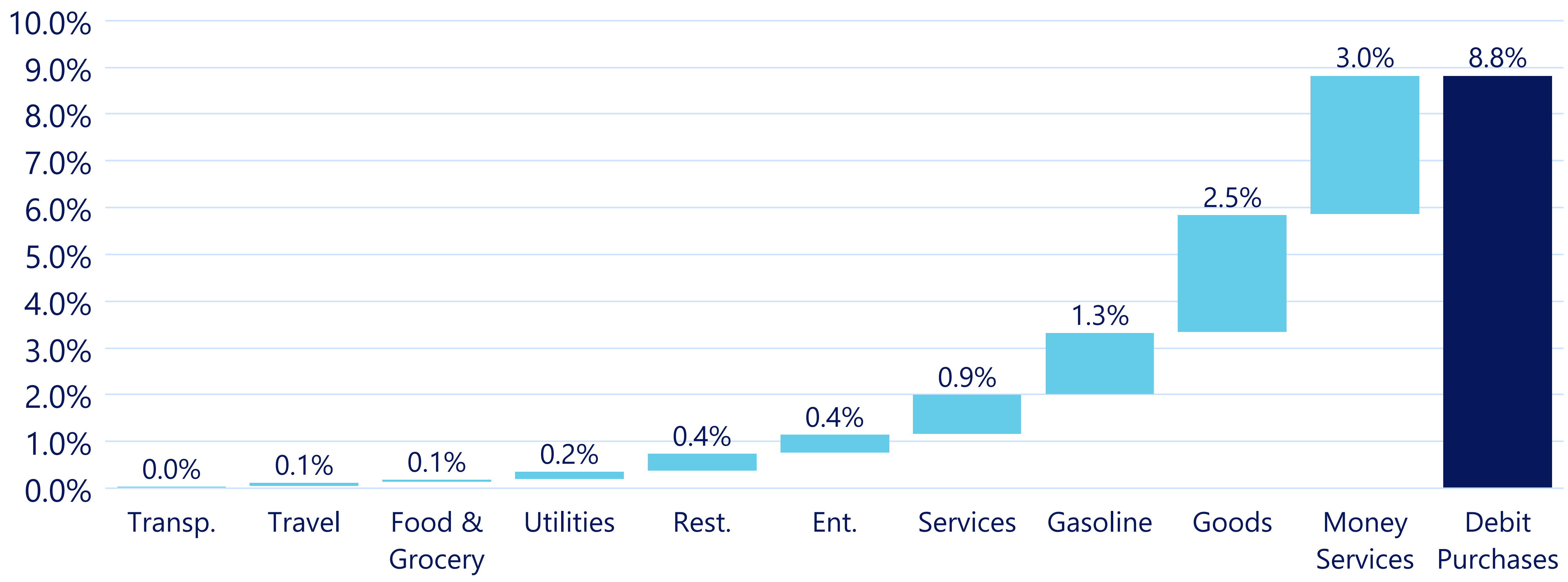
Debit



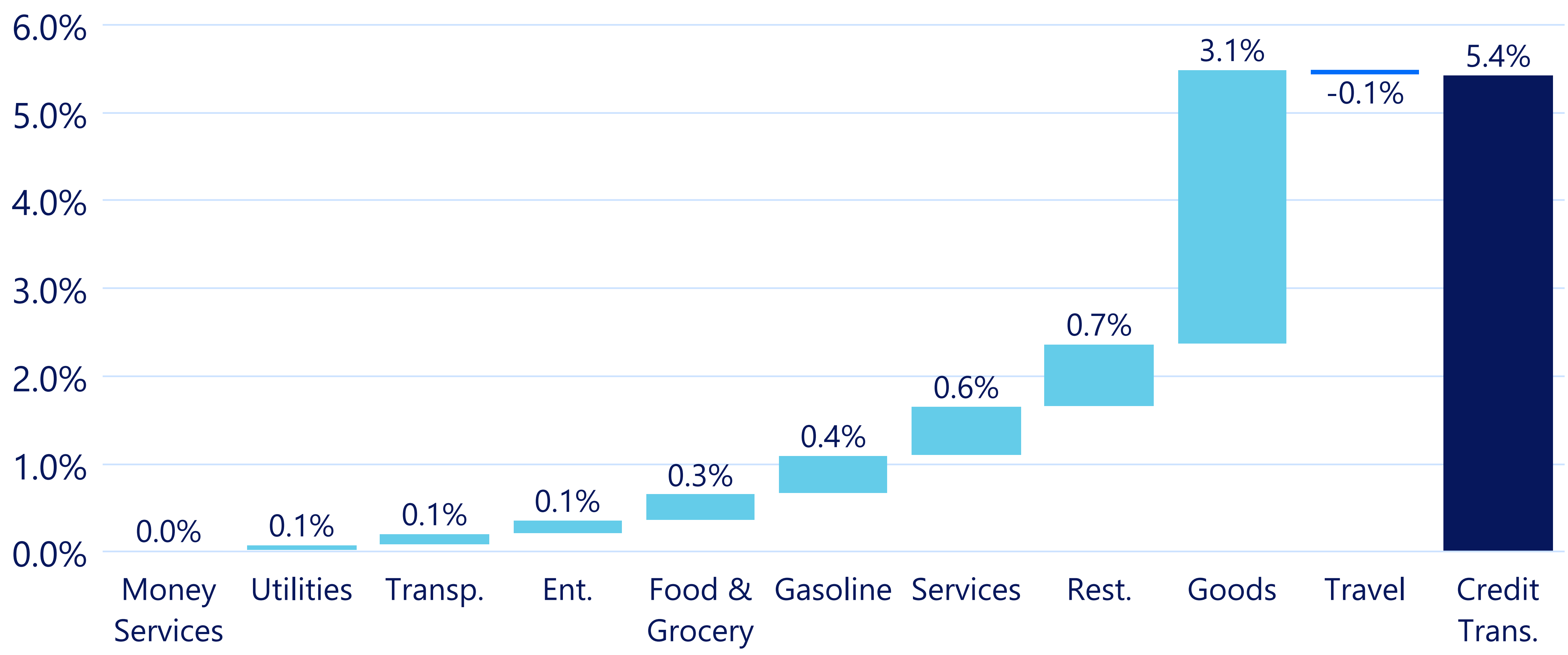
Sector Contributions to Growth in Credit Purchases: June



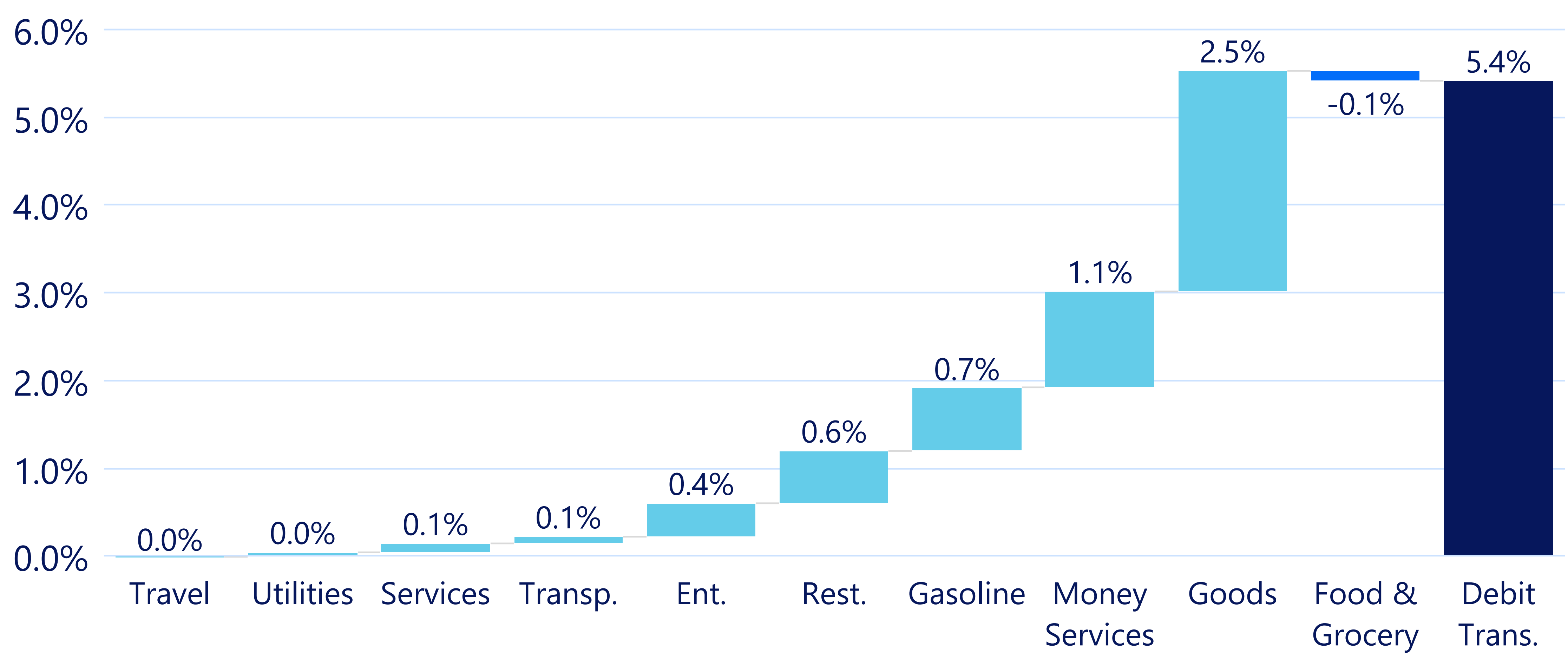
Sector Contributions to Growth in Debit Purchases: June



Sector Contributions to Growth in Credit Transactions: June



Sector Contributions to Growth in Debit Transactions: June



Discretionary and Non-Discretionary: June 2026

Discretionary activity encompassed 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.

June consumer spending was characterized by strong essential spending and continued discretionary demand. Credit card growth was driven largely by non-discretionary activity, with purchases increasing 7.9% year over year and transactions rising 5.4%. Discretionary credit activity was positive, with purchases up 2.6% and transactions increasing 0.8%. Debit card spending remained strong across both discretionary and non-discretionary categories. Non-discretionary purchases increased 9% year over year, supported by a 5.4% increase in transactions, while discretionary spending remained healthy, with purchases rising 7.5% and transactions up 5.7% from the prior year.

Year-Over-Year Growth in Credit

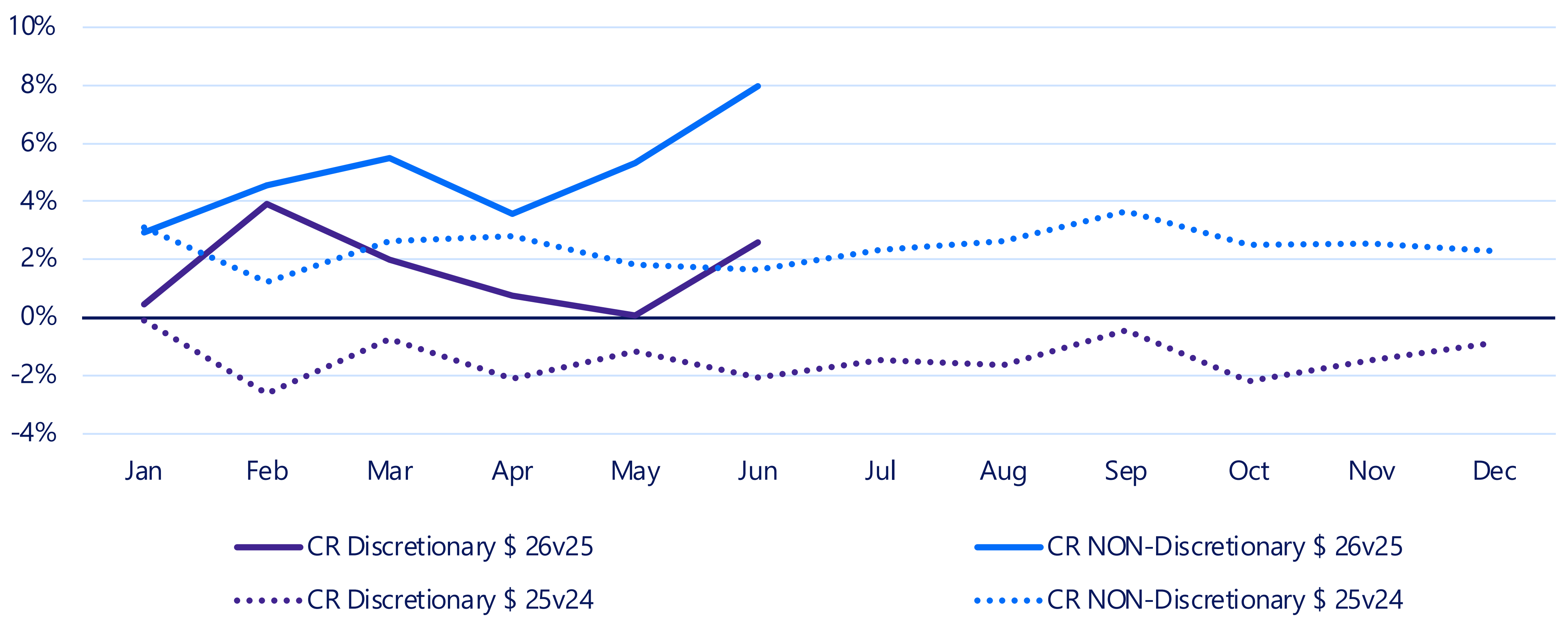
	% of Overall Purchases	Transactions	Purchases	Average Purchase
Discretionary	18%	↑ 0.8%	↑ 2.6%	$155
Non-Discretionary	82%	↑ 5.9%	↑ 7.9%	$63

Year-Over-Year Growth in Debit

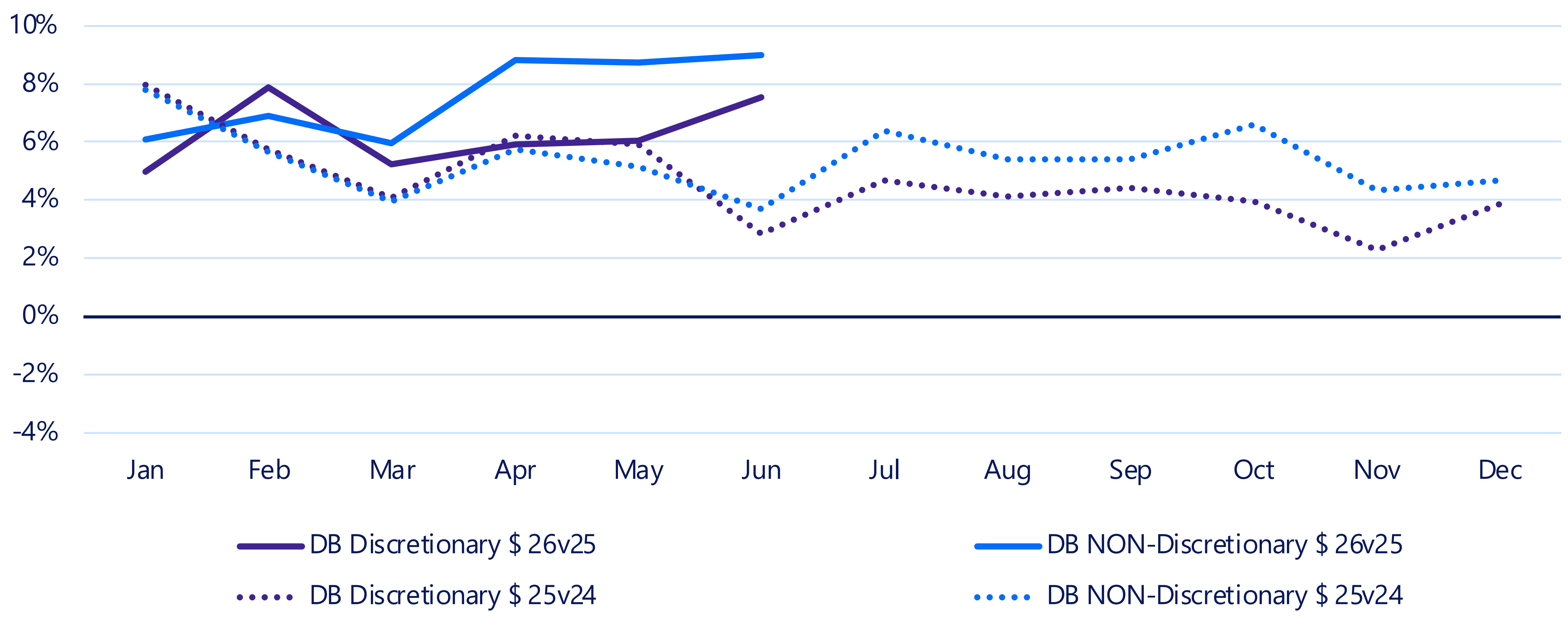
	% of Overall Purchases	Transactions	Purchases	Average Purchase
Discretionary	9%	↑ 5.7%	↑ 7.5%	$72
Non-Discretionary	91%	↑ 5.4%	↑ 9.0%	$46

Growth in Discretionary/Non-Discretionary Overall Purchases

Credit

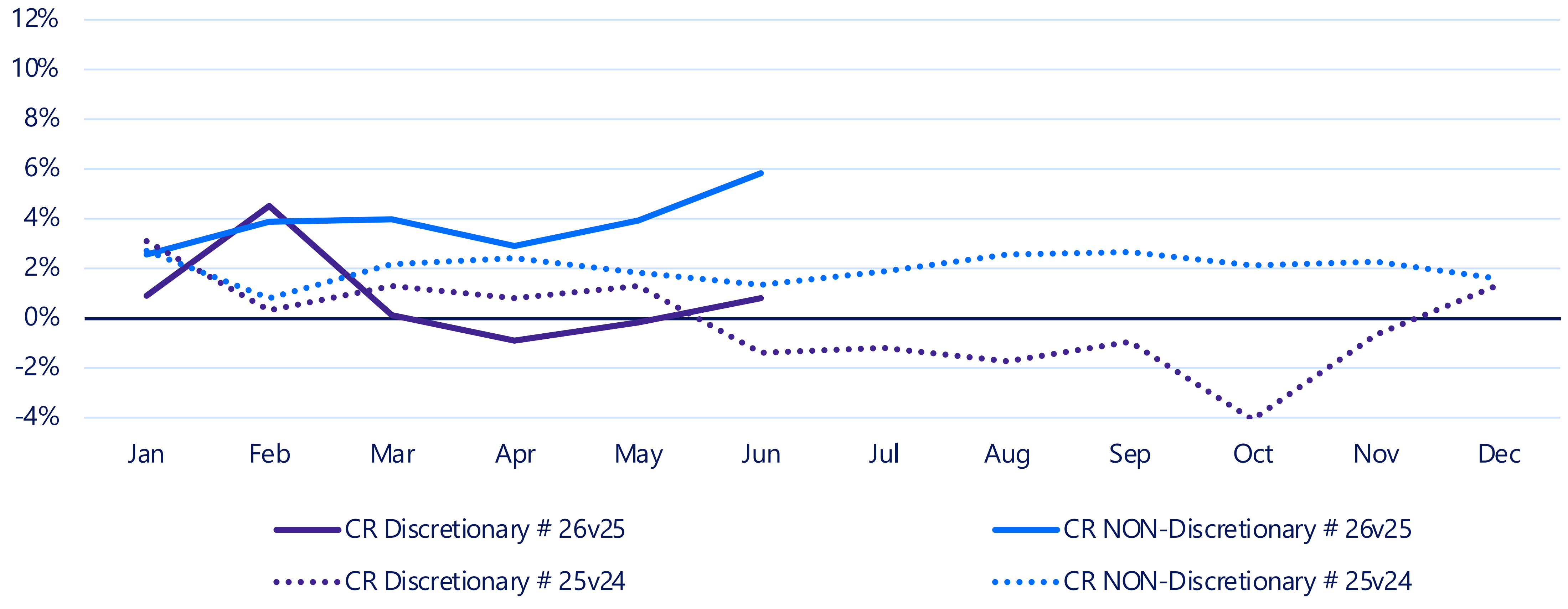


Debit

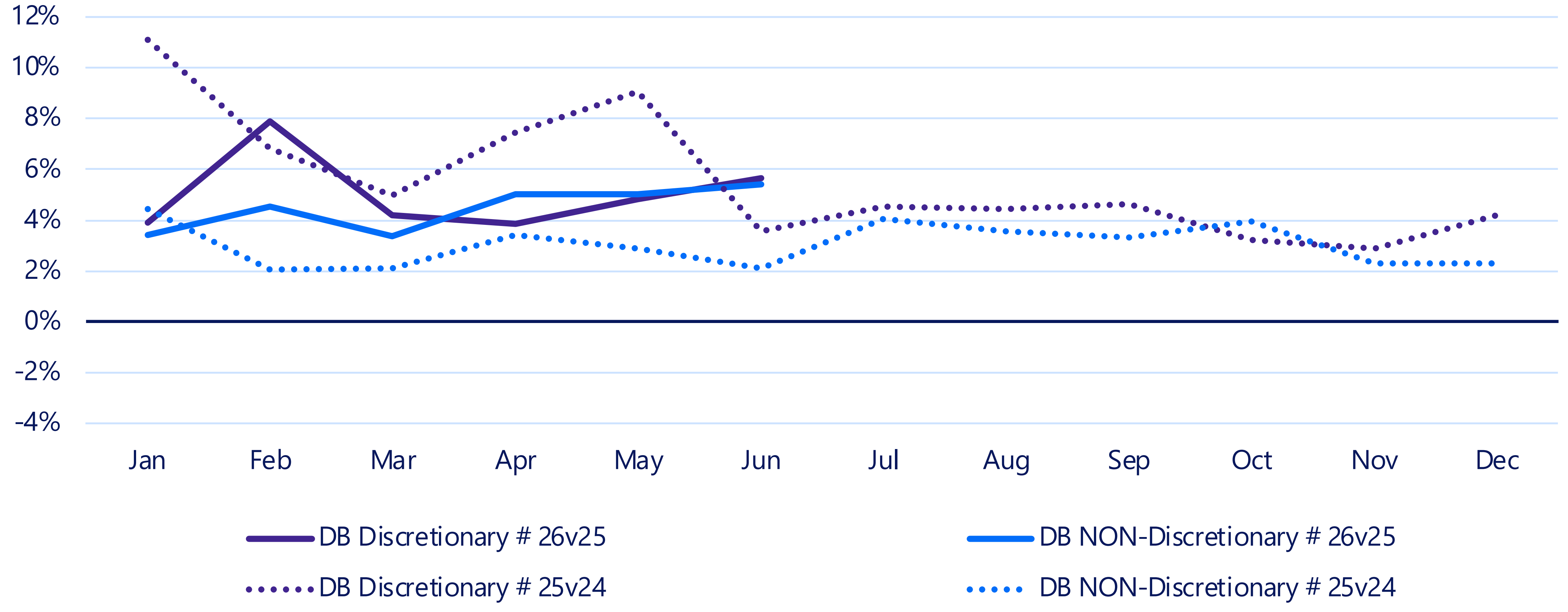


Growth in Discretionary/Non-Discretionary Overall Transactions

Credit



Debit



Sectors/Merchant Categories

Despite lower fuel prices, the Gasoline sector remained a notable outlier, with credit and debit purchases increasing 22% and 18% year over year, respectively. The national average price per gallon of gasoline finished at $3.86 for the week ending July 14, up 23% (or $0.73) year over year. It is up 31% (or $0.92) since the start of the war with Iran that began on Feb. 28, 2026.

As noted earlier, the Goods sector was a key driver of overall spending growth across both payment types, supported by strong gains with both purchases and transactions. Goods-sector credit card purchases and transactions each increased 9% year over year, while Goods-sector debit card activity was even stronger, with both purchases and transactions rising 10%. Other sectors also posted solid growth, including Services for credit, where purchases rose 7% year over year, and Entertainment for debit, where purchases increased 10%.

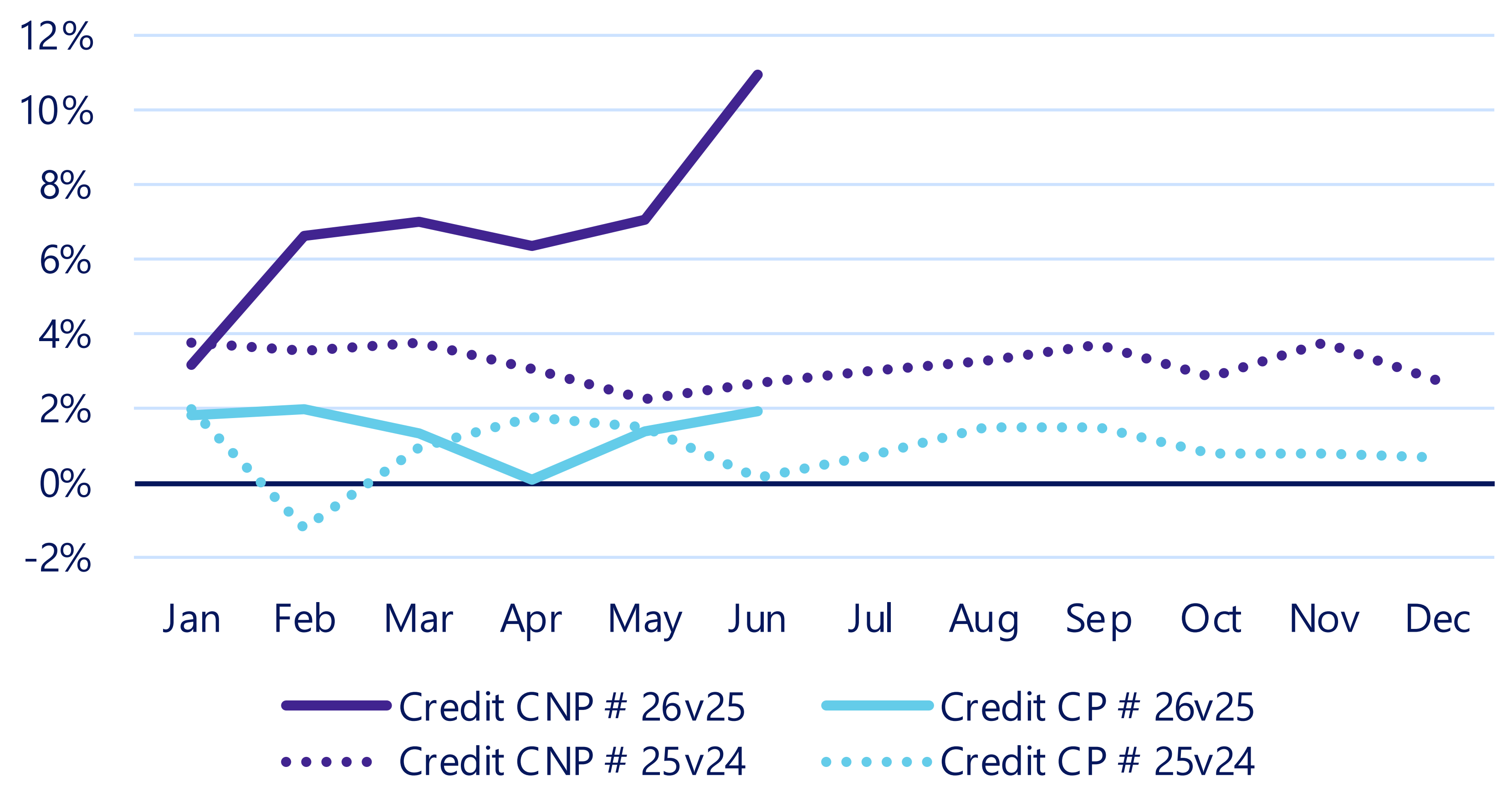
June 2026 v 2025

Credit			Debit	
YoY Purchases	YoY Transactions		YoY Purchases	YoY Transactions
↑ 3.0%	↑ 3.0%	**Entertainment**	↑ 10.0%	↑ 9.0%
↑ 3.0%	↑ 2.0%	**Food & Grocery**	— 0.0%	↓ 1.0%
↑ 22.0%	↑ 4.0%	**Gasoline**	↑ 18.0%	↑ 5.0%
↑ 9.0%	↑ 9.0%	**Goods**	↑ 10.0%	↑ 10.0%
↑ 5.0%	↑ 7.0%	**Money Services**	↑ 23.0%	↑ 20.0%
↑ 4.0%	↑ 3.0%	**Restaurants**	↑ 3.0%	↑ 2.0%
↑ 7.0%	↑ 6.0%	**Services**	↑ 6.0%	↑ 2.0%
↑ 4.0%	↑ 5.0%	**Transportation**	↑ 8.0%	↑ 5.0%
↑ 3.0%	↓ 3.0%	**Travel**	↑ 4.0%	↓ 1.0%
↑ 4.0%	↑ 4.0%	**Utilities**	↑ 4.0%	↑ 3.0%

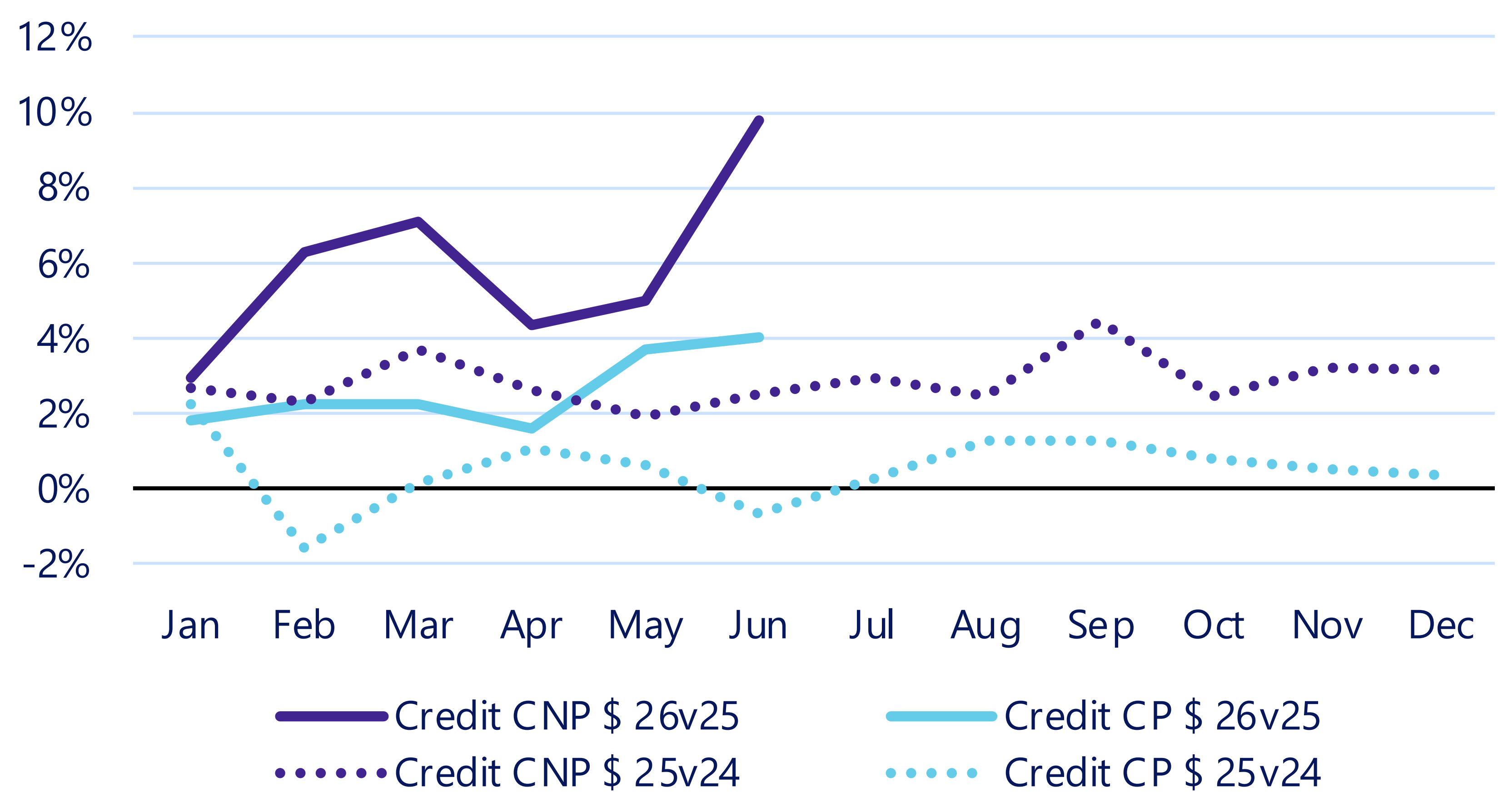
Card-Not-Present (CNP) and Card-Present (CP) Activity

While card-present (CP) transactions continue to account for the majority of overall volume, the share has steadily declined. CP transactions represented 59% of credit transactions, down from 61% a year earlier, and 63% of debit transactions, down from 67%. At the same time, card-not-present (CNP) activity remained a key growth driver across both payment types. For credit cards, CNP purchases increased 9.8% year over year, while CNP transactions rose 11%. Debit CNP activity was even stronger, with purchases and transactions increasing 20% and 19.2%, respectively.

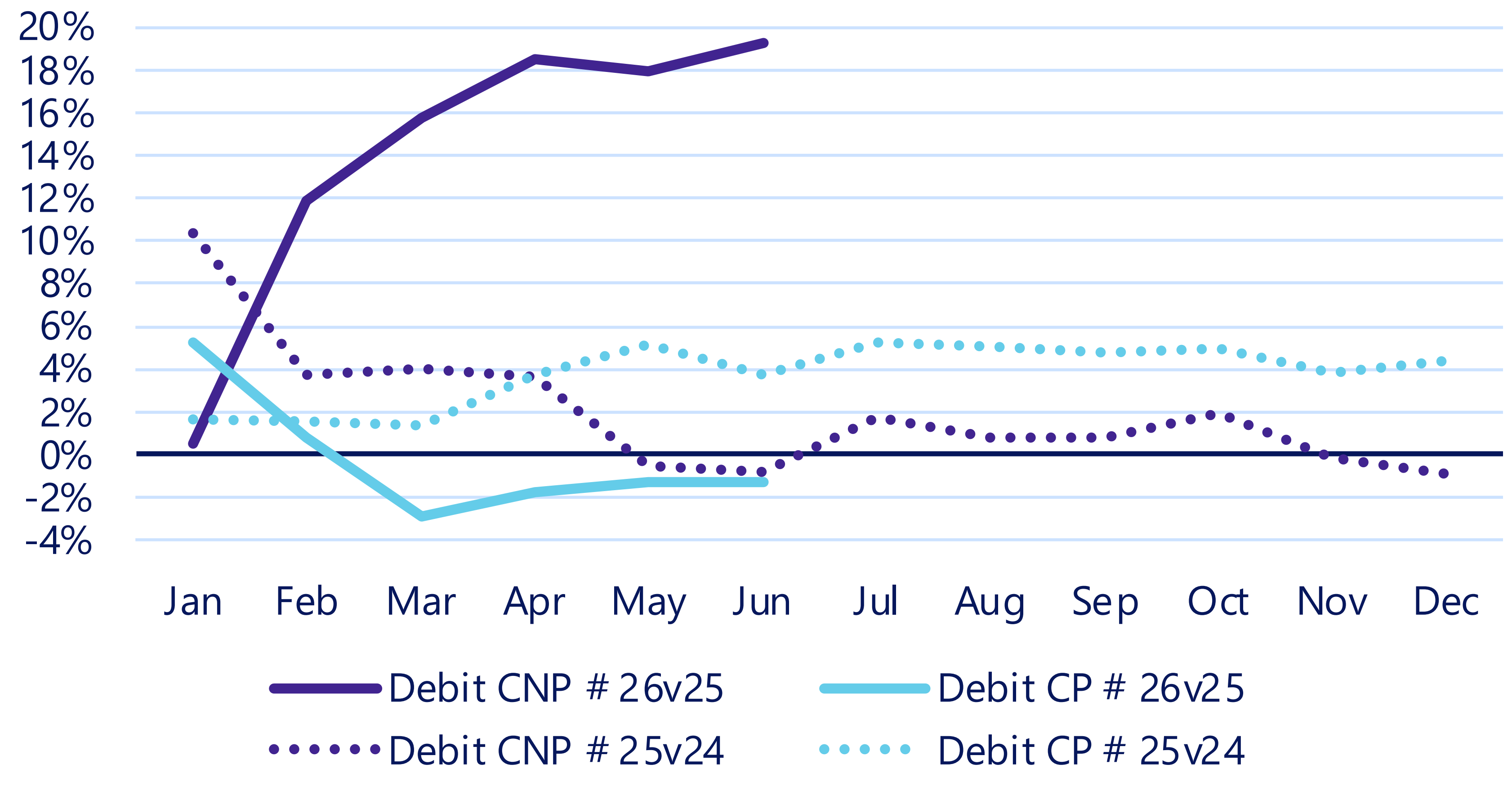
YoY % Growth in Credit Transactions



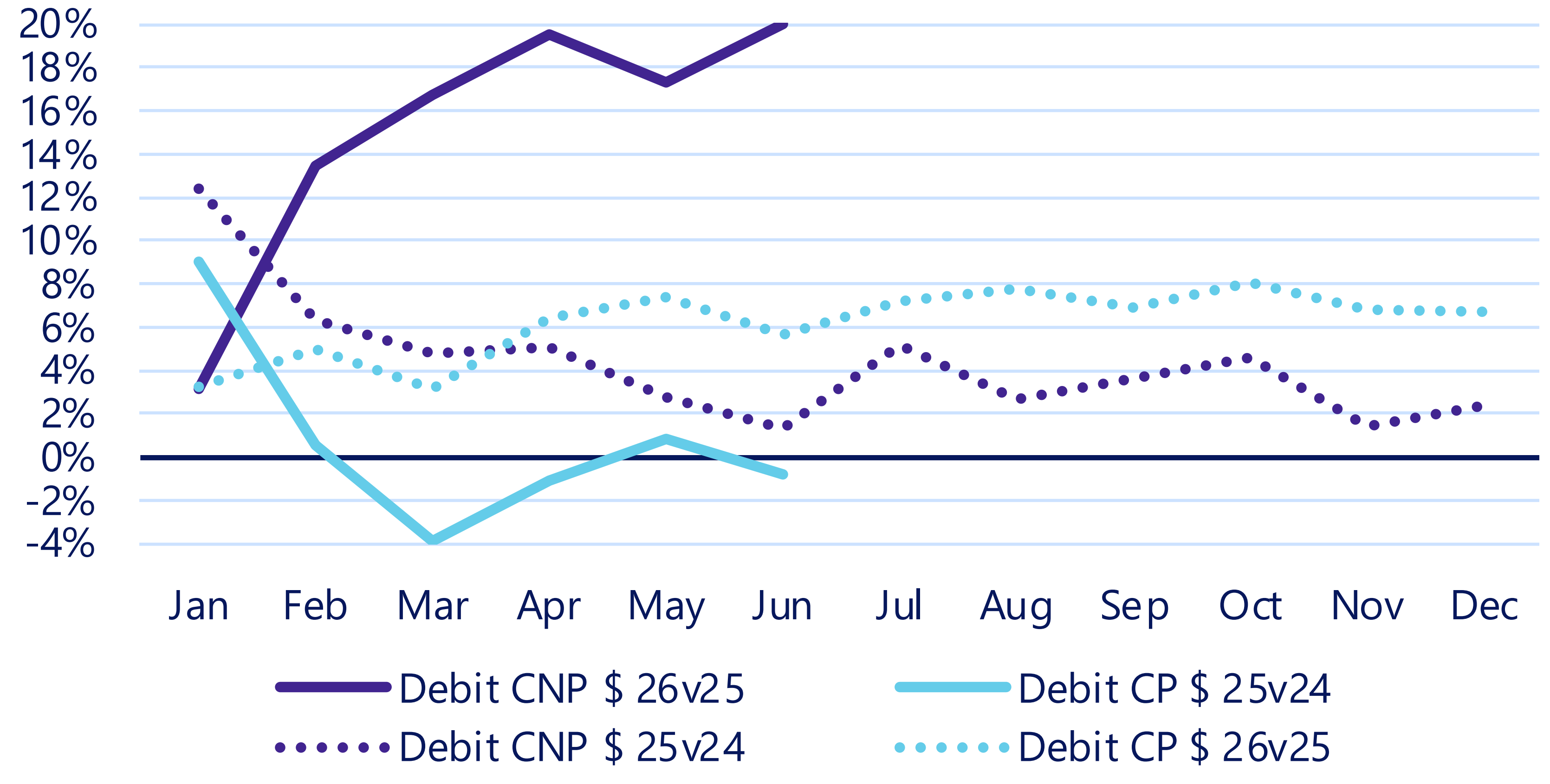
YoY % Growth in Credit Purchases



YoY % Growth in Debit Transactions



YoY % Growth in Debit Purchases

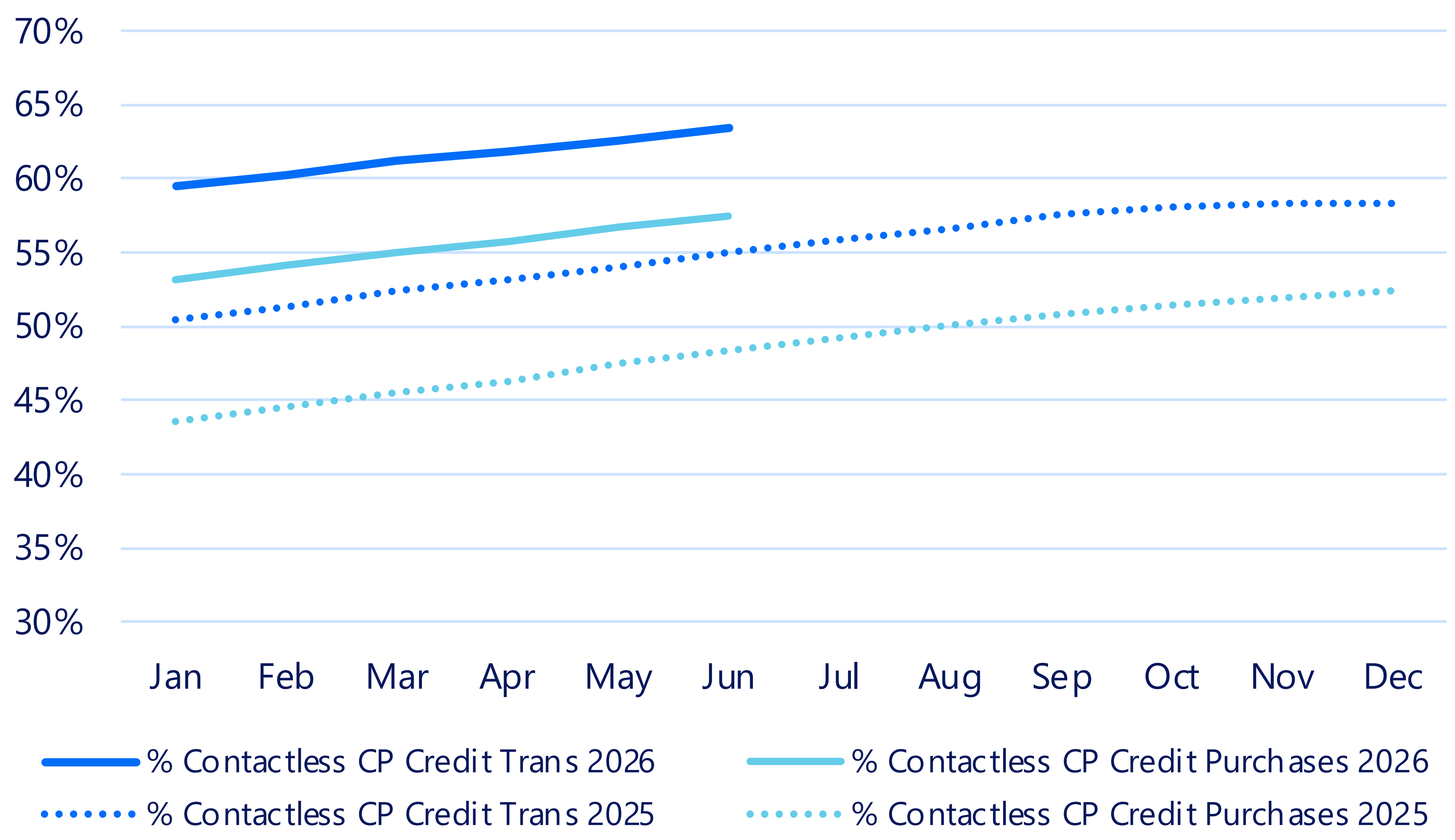


Contactless Transactions

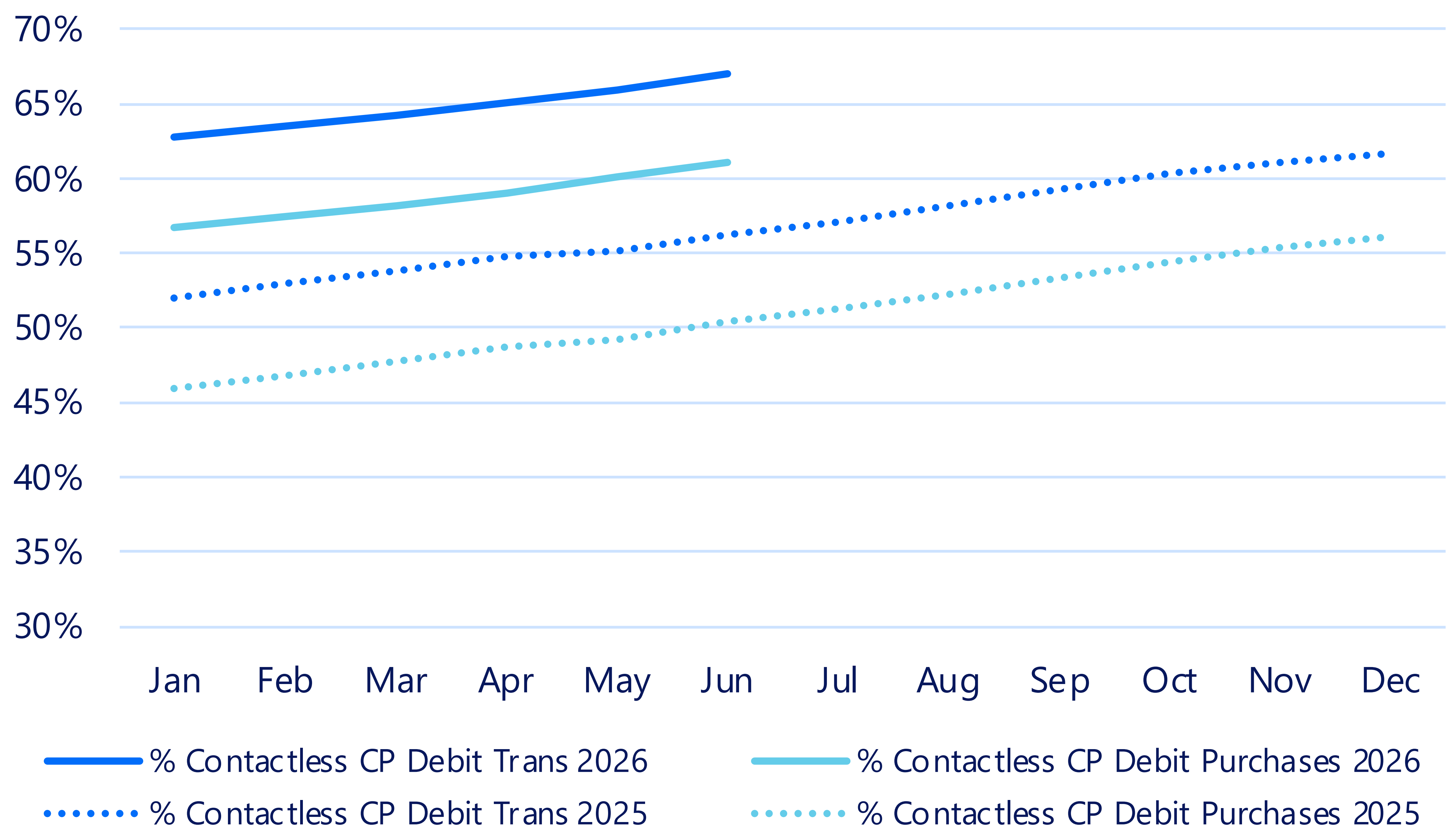
Contactless payments remained on a positive growth trajectory, with continued expansion in both usage and spend, despite a slowdown in the rates of growth. Since the beginning of the year, the share of credit contactless transactions as a percent of card-present transactions has increased by 6.8%, reaching 63%, while debit contactless penetration has risen by 6.4%, accounting for 67% of debit card-present transactions. While these gains remain strong, they trail the growth rates recorded during the same period last year (10% for credit and 7.7% for debit), reflecting the increasing maturity of contactless.

The average credit contactless transaction amount increased 5.4% year over year to $53.17, while the average debit contactless transaction grew 5% to $32.28.

% Contactless Credit Activity on Contactless Cards



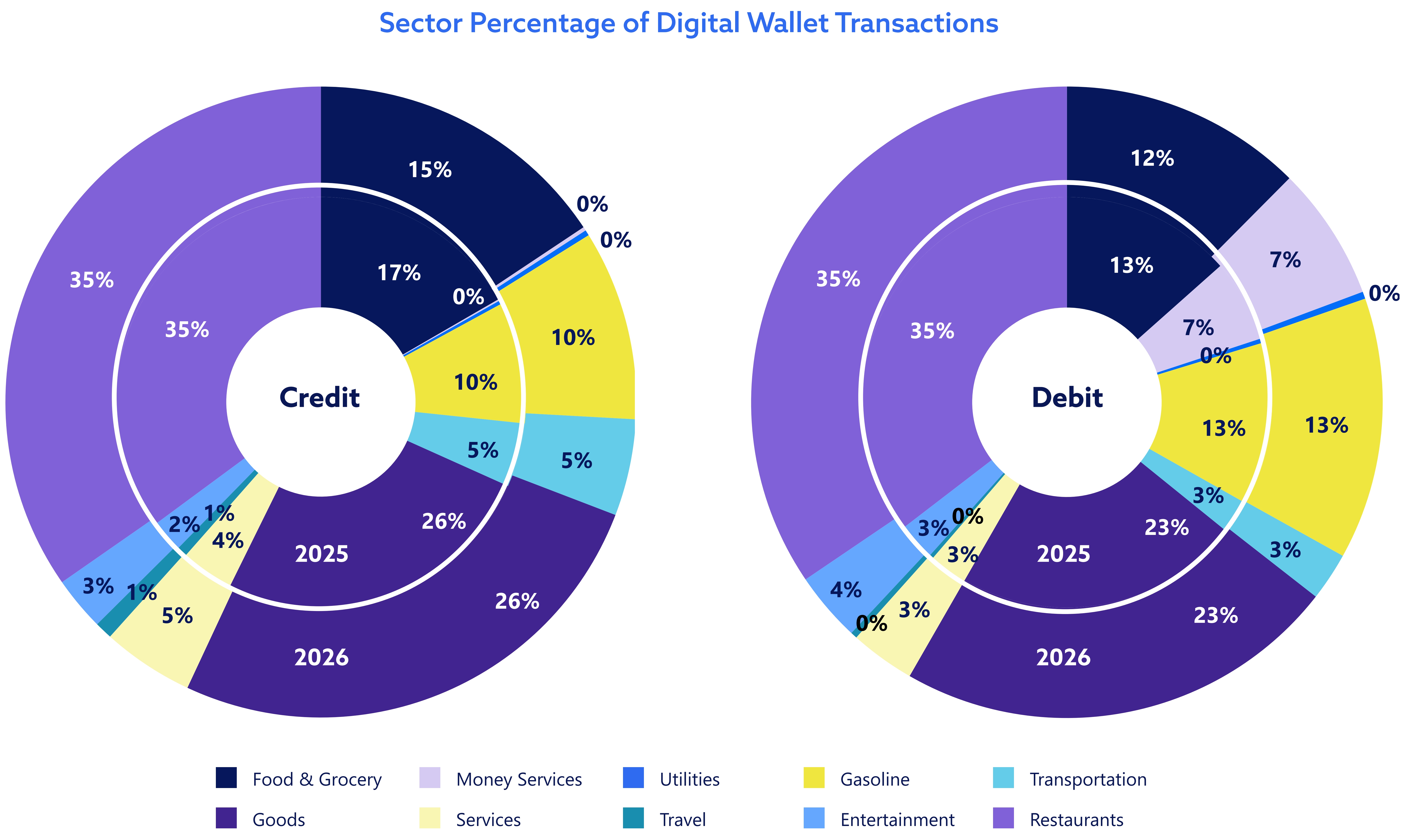
% Contactless Debit Activity on Contactless Cards



Digital Wallets

Digital wallet adoption continued to accelerate, with both transaction share and transaction growth increasing. In June, digital wallet transaction growth reached its highest level of the year, rising 40% for credit and 38% for debit. As a result, digital wallets accounted for 7.9% of all credit transactions, up from 6% a year ago and 13.4% of debit transactions, up from 10.2%.

The distribution of digital wallet spending across sectors showed modest year-over-year shifts. For both credit and debit, the Entertainment sector increased its share of digital wallet transactions, while Food & Grocery declined. Within credit, the Services sector also gained share.

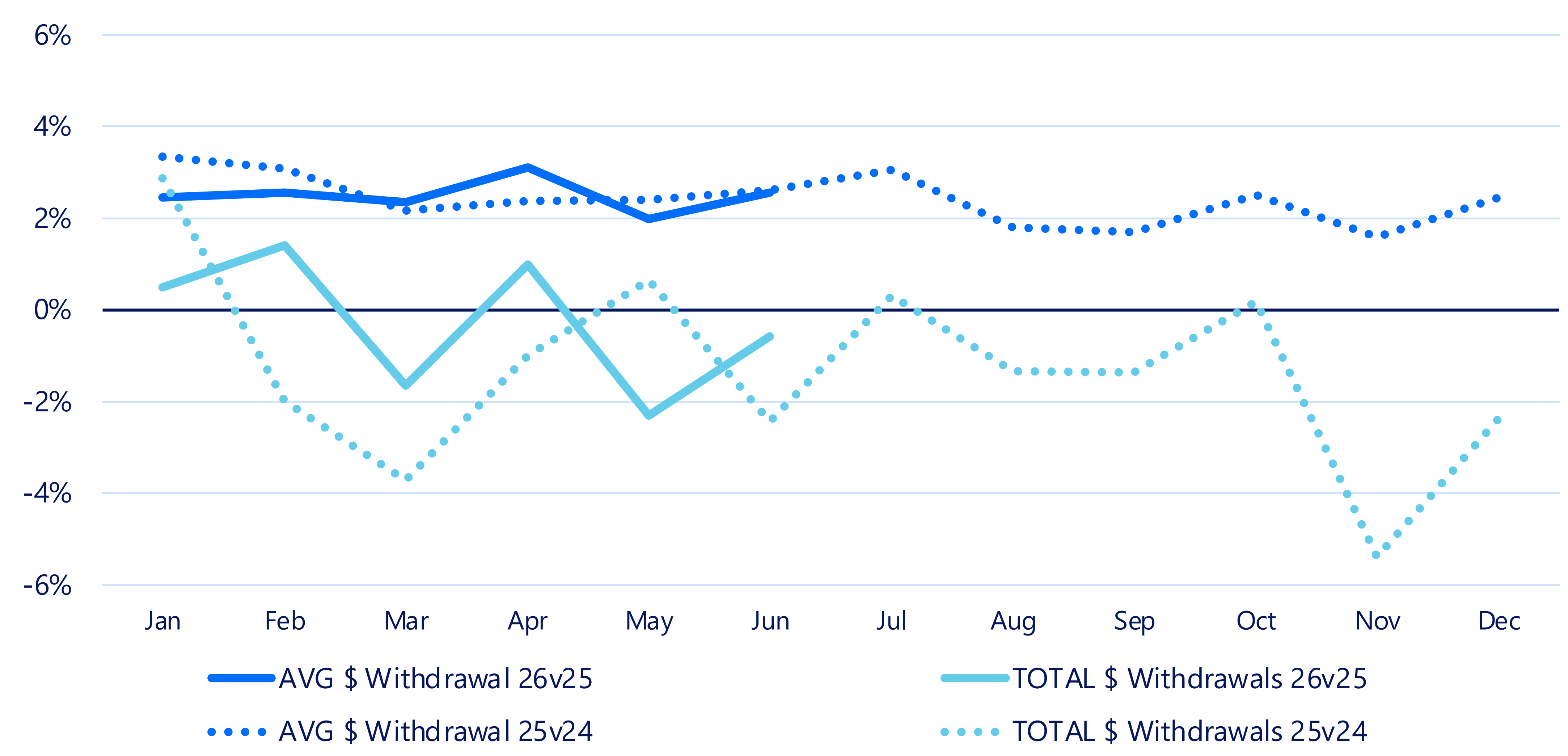


ATM

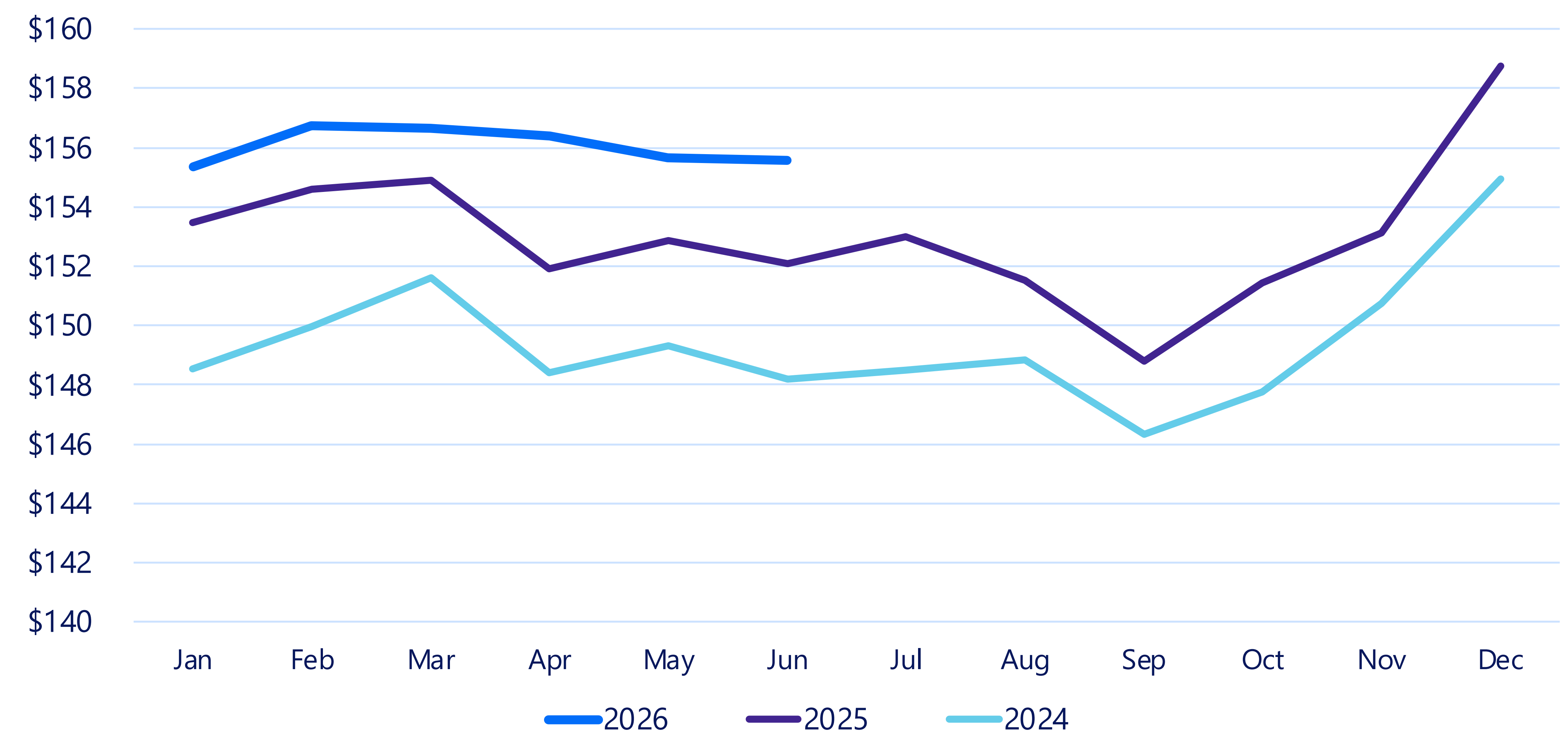
In June, ATM withdrawal and deposit volumes followed divergent trends: total withdrawals declined 0.6% year over year, while deposits increased 1.8%. Despite lower withdrawal volume, the average withdrawal rose 2.5% to $155.56. Similarly, the average deposit amount increased 1.2% to $475.26.

Point-of-sale cashback activity remained in negative growth territory, with total cashback declining 5.2% year over year, though the trend has improved. At the same time, the average cashback amount increased 4.7% year over year to $44.47. As a share of card-present debit transactions, cashback accounted for 0.98%, down from 1.09% a year earlier.

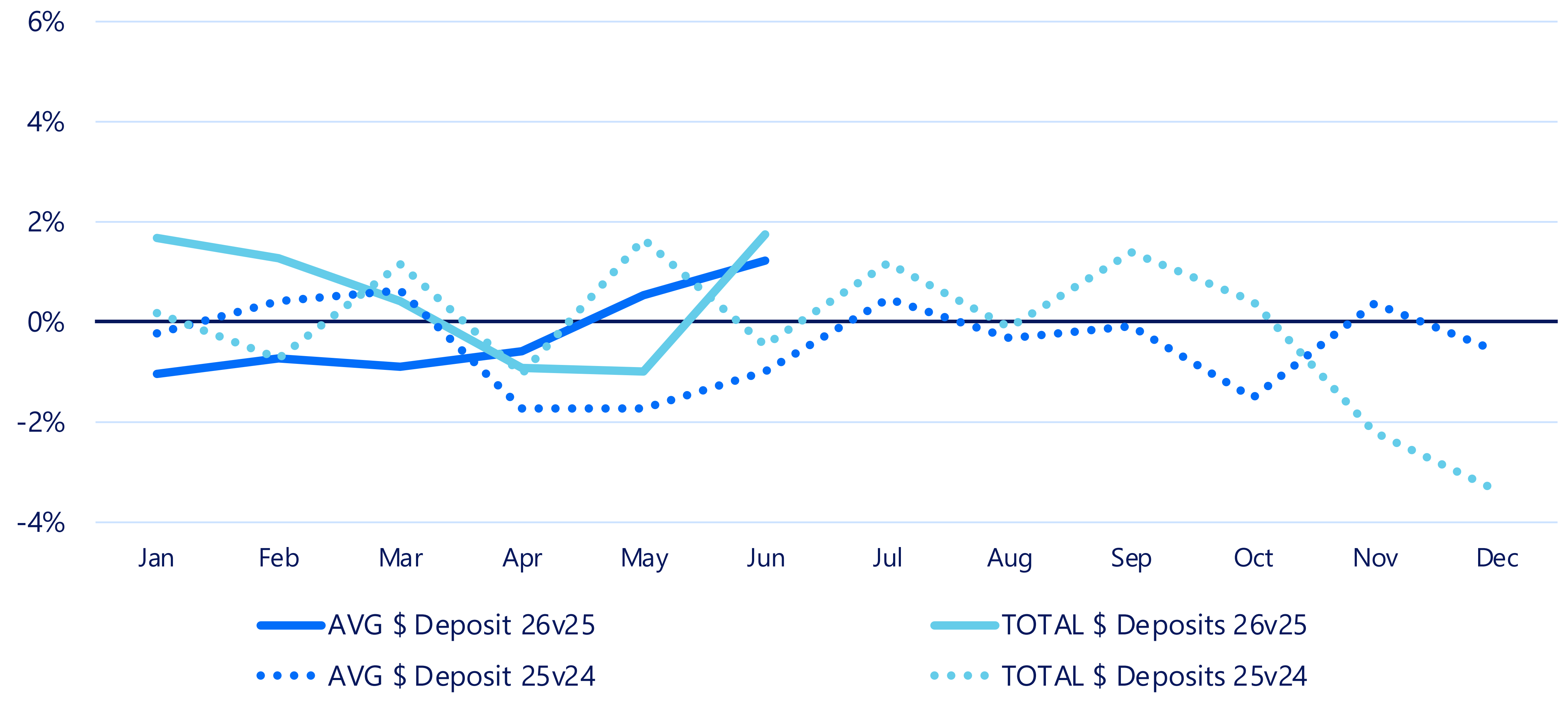
YoY Growth in ATM Withdrawals



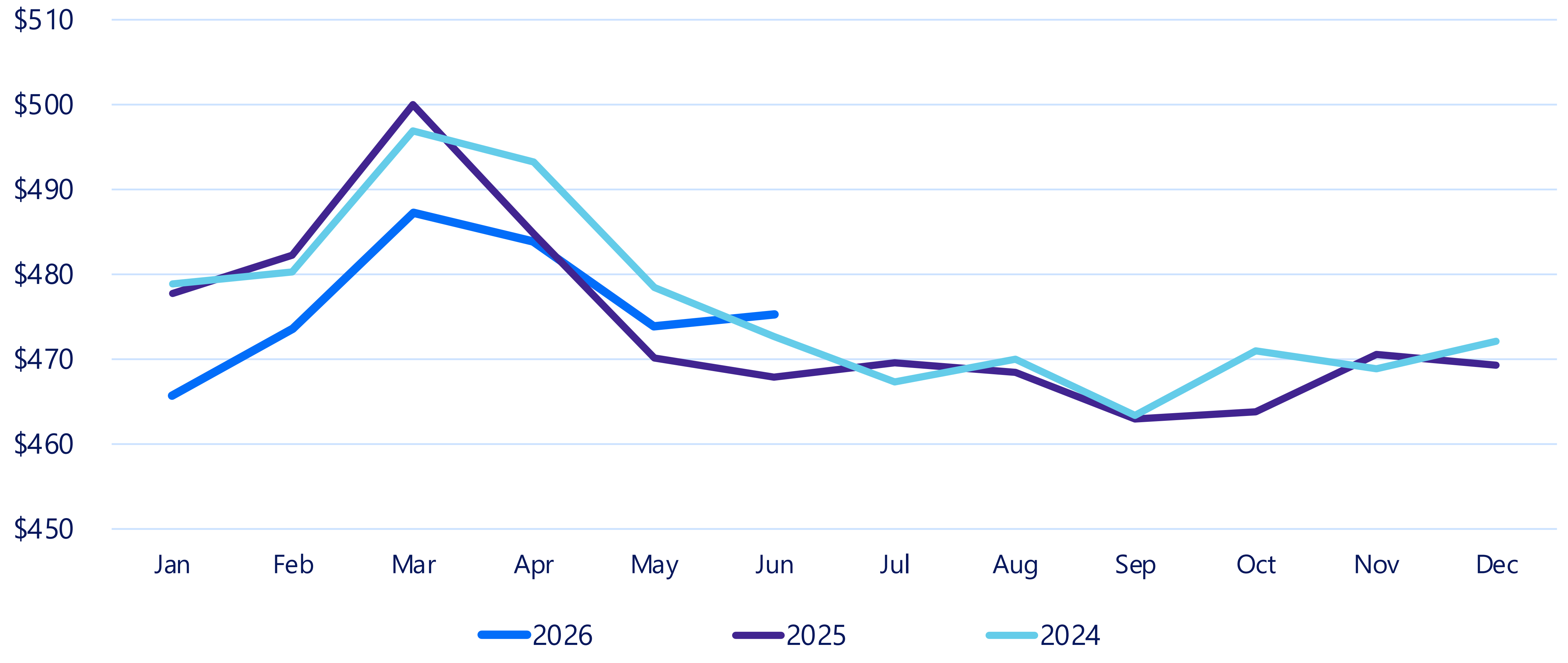
Average ATM Withdrawal



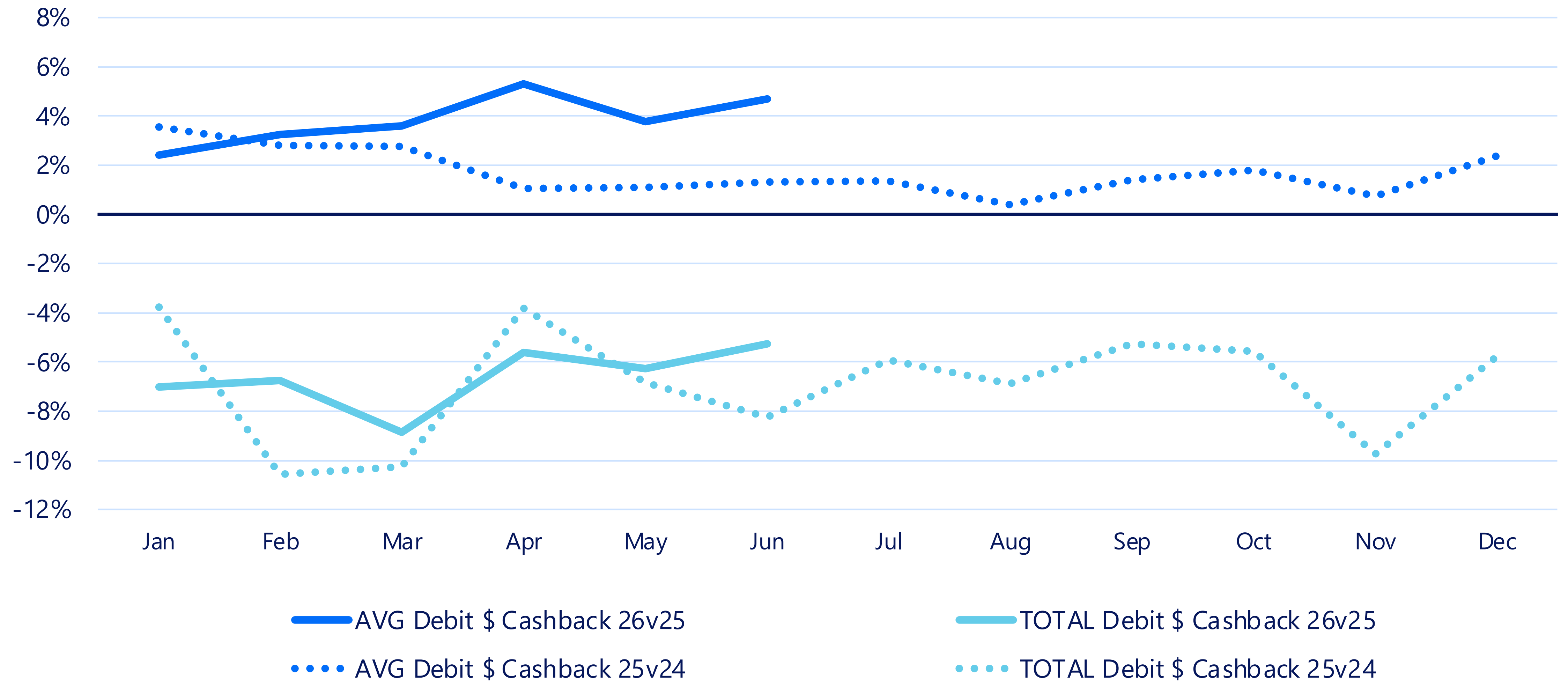
YoY Growth in ATM Deposits



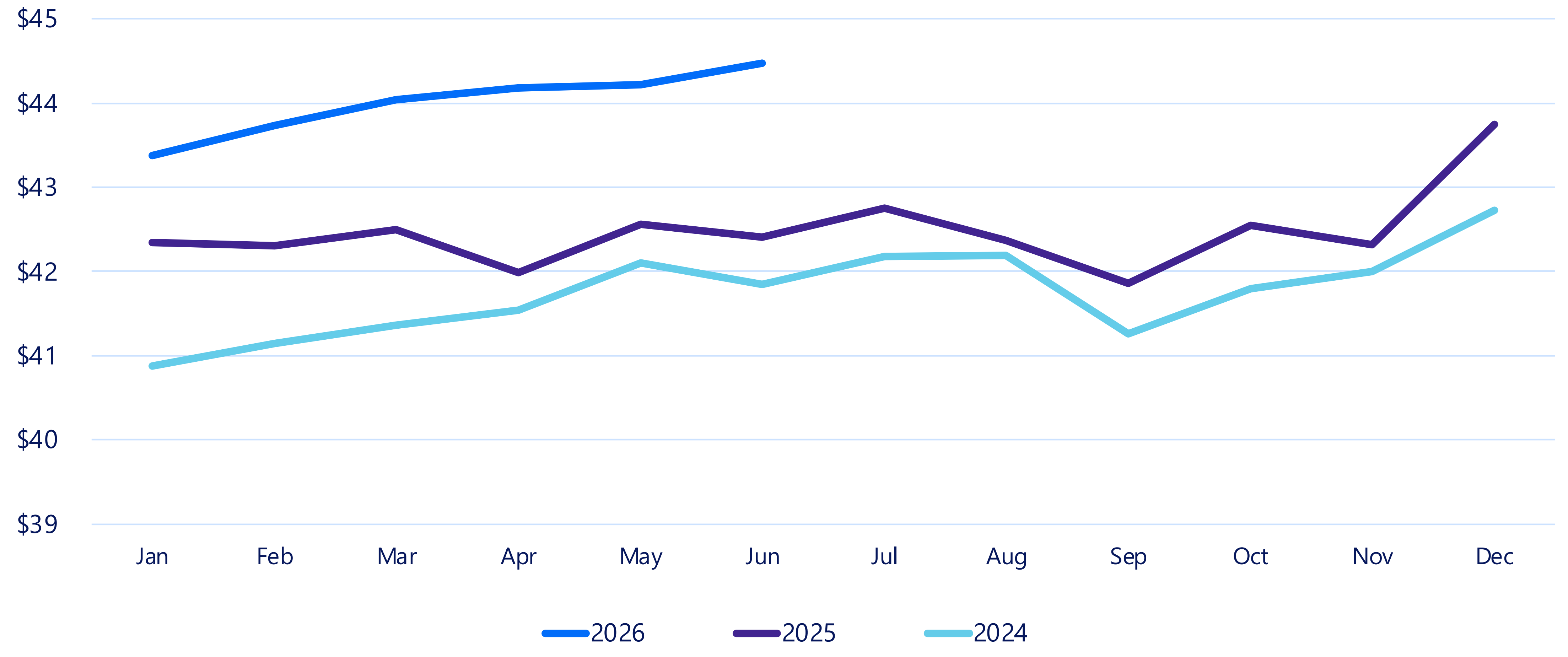
Average ATM Deposits



YoY Growth in Debit Cashback Activity



Average Debit Cashback Amount



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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 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 July 2026 edition of the Velera Payments Index represents a total of 3.8 billion transactions valued at $193 billion of credit and debit card activity from July 2025 through June 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.