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PAYMENTS INDEX

Deep Dive: Business Cards

August 2026

July card spending growth results reflect a continued positive trend in consumer engagement. While debit purchase growth continued to outperform, credit purchase growth remained positive while moderating from recent highs. Spending in July was supported by back-to-school shopping, which helped offset the shift of promotional retail activity from July 2025 into June this year. The broader economic environment remained generally supportive of consumer spending, with mixed-to-improving consumer sentiment, steady wage growth and some easing of inflation.

Consumer confidence indicators diverged in July, reflecting ongoing caution alongside emerging signs of improvement. The University of Michigan's Index of Consumer Sentiment rose to 55.2, up 11.5% from June and marking its second consecutive monthly gain. Lower gas prices and resilient consumer spending helped drive the improvement, with gains observed across income, education, wealth and political party affiliation. Despite these recent improvements, sentiment remains 11% below its level from a year ago, underscoring the continued impact of elevated prices on consumers' economic outlook. By contrast, the Conference Board's Consumer Confidence Index fell 1.4 points to 90.8, down from an upwardly revised 92.2 in June.

Performance Snapshot: July 2026

Market/Economic Variables

90.8
Consumer Confidence Index
↓ Change 1.4 points

55.2
U of M Index of Consumer Sentiment
↑ Change 5.7 points

3.4%
Consumer Price Index
↓ Change 0.1%

2.5%
Core CPI (excl. Food/Energy)
↑ Change 0.2%

132,763,000
ADP National Employment Report
↑ Change 44,000

-23,000
BLS/Job Growth
↓ 106,000 jobs lower than forecast

4.1%
Unemployment Rate
↓ -0.1%

3.5-3.75%
Federal Reserve Interest Rate
— Unchanged

Payments Index Growth

Purchases

2026 v 2025

Credit	Debit
↑ 2.7%	↑ 8.8

2025 v 2024

Credit	Debit
↑ 1.6%	↑ 6.2%

Transactions

2026 v 2025

Credit	Debit
↑ 2.3%	↑ 5.3%

2025 v 2024

Credit	Debit
↑ 1.6%	↑ 4.1%

The labor market showed signs of softening during July 2026. The Bureau of Labor Statistics (BLS) reported an unexpected loss of 23,000 jobs, a sharp contrast to the WSJ poll of economists' expectation of an 83,000-job gain. The unemployment rate edged down to 4.1%, caused by the labor force participation rate slipping to 61.4%, while wage growth also moderated to 3.15%. Employment declined in local government, education and retail trade, while healthcare continued to add jobs. Meanwhile, the ADP jobs report showed private-sector payrolls increased by 44,000 jobs in July, though hiring slowed from the previous month and fell short of expectations. Gains were concentrated in education and health services, financial activities and professional and business services, while employment declined in leisure and hospitality, as well as in trade, transportation and utilities. Annual pay growth for job changers accelerated to 4.4%, the fastest pace in nearly a year.

Inflation trends moved in a more favorable direction for consumers. The U.S. Consumer Price Index (CPI) rose 0.1%, bringing the 12-month annual inflation rate to 3.4%, down slightly from 3.5% in June. Shelter was the primary driver of monthly inflation, accounting for roughly two-thirds of the

increase. Medical care, airline fares and food away from home also posted notable gains. However, declines in several volatile categories, including energy and motor vehicle insurance, helped keep headline inflation in check. Core CPI, which excludes food and energy, increased 0.2% in July after remaining unchanged in June.

Against this backdrop, the Federal Open Market Committee (FOMC) is widely expected to leave interest rates unchanged at its September 15-16 meeting. The meeting will be closely watched, as it will include an updated Summary of Economic Projections (SEP), which provides policymakers' outlook for economic growth, inflation, unemployment and the future path of interest rates over the next few years.

In our August 2026 edition of the Velera Payments Index, we explore the latest consumer spending and economic trends, including a deep dive into business credit card trends.

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.

"Business cards may represent a smaller share of overall card activity, but they point to a meaningful opportunity for credit unions. Small businesses are often highly engaged relationships, and many already look to credit unions for service, guidance and community connection. As these businesses expand, credit unions have an opportunity to grow with them by offering the payment solutions, expense management tools and financial support that help them manage cash flow, separate business and personal spending, and deepen the relationship over time."

Sheba Carnes
Vice President, Payment Solutions

Key Takeaways for July 2026

- Consumer spending continued to show strength in July, with debit purchase growth remaining strong at 8.8% year over year and credit purchases increasing 2.7%, despite moderating from recent highs as promotional sales events from Amazon and other major retailers shifted into June. Early back-to-school shopping helped sustain momentum. Money Services, Goods and Gasoline were the primary drivers of debit purchase growth, while Gasoline and Services led credit purchase growth.
- July inflation remained modest, with CPI increasing 0.1% and the annual rate edging down to 3.4% as declines in energy and other volatile categories helped offset higher shelter costs.
- Year to date, business credit cards accounted for only 3.2% and 8.4% of overall credit transactions and purchases, respectively, but outperformed consumer credit cards in transactions per account, purchases per account, average purchase and average interchange rate.
- Business card transactions and purchases represented 25.8% and 42.7% of overall credit card activity year-to-date, respectively, for the smaller financial institutions studied.

Deep Dive: Business Cards

For August, we explore trends in spending behavior for business credit cards and how they compare to consumer cards for nearly 300 financial institutions in our fixed-set population that offer both credit card types. Year to date, business cards accounted for only 3.2% and 8.4% of overall credit transactions and purchases, respectively, but outperformed consumer cards in transactions per account, purchases per account, average purchase and average interchange rate. Specifically, on a year-to-date monthly average basis, business cards generated 18.3 transactions per account, $3,604.15 in purchases per account and an average purchase of $196.56, compared with 13.5 transactions, $951.21 in purchases and an average purchase of $70.25 for consumer cards over the same period. Additionally, the year-to-date interchange rate for business card purchases has been 38% higher than the rate for consumer card purchases. Since January 2025, Business cards have also shown higher transaction and purchase growth than consumer cards, but have experienced greater volatility due to lower volume.

Sector performance within business and consumer card activity was largely similar, but with some notable differences. The Goods and Services sectors were the leading categories for both business and consumer card purchases at 69.3% and 57.1%, respectively, year to date. Business cards saw less transactional and purchase activity in the Food & Grocery and Restaurants sectors, as well as higher activity in Travel and Transportation compared to consumer credit cards.

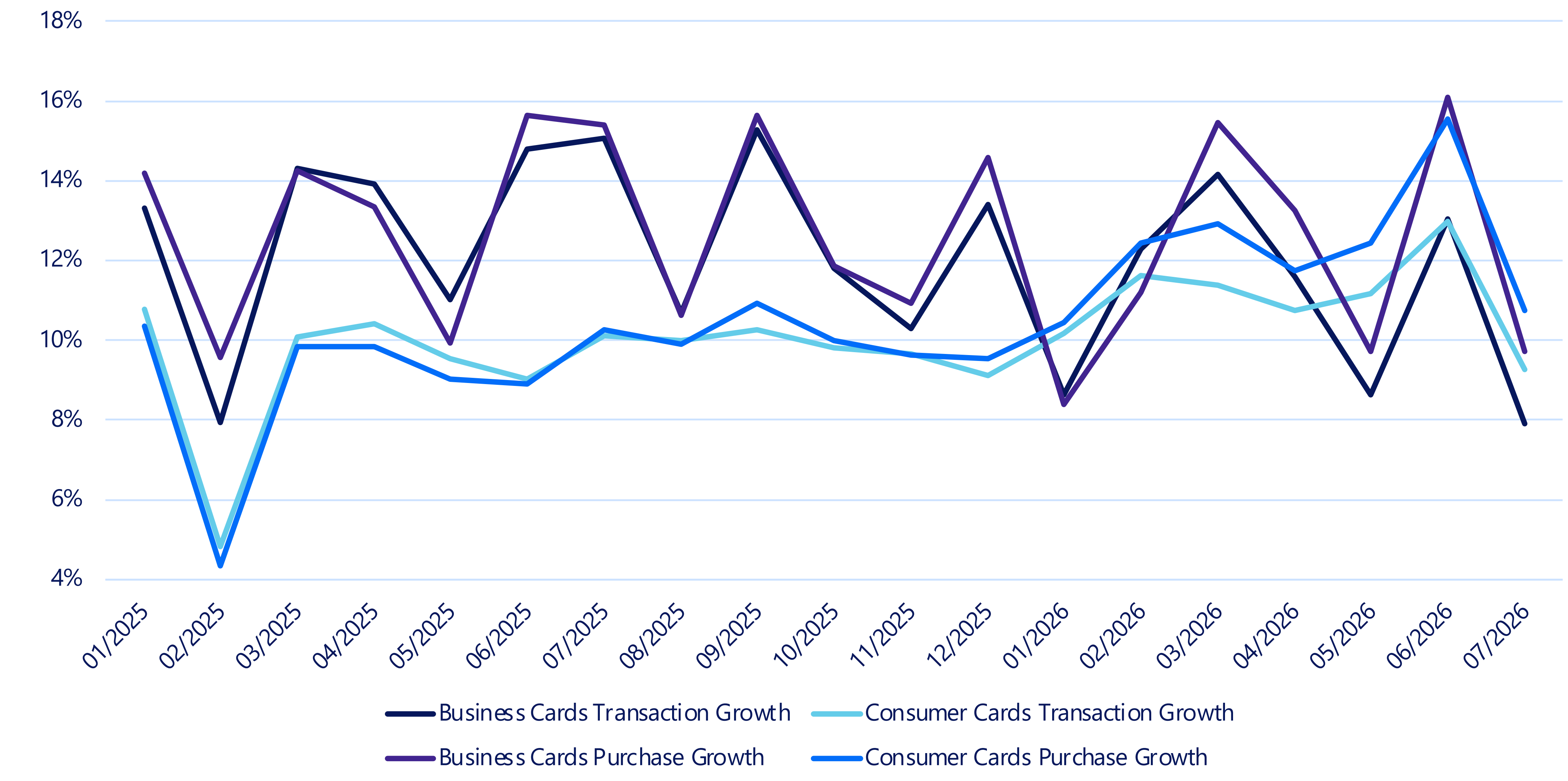
For financial institutions with fewer than 20,000 accountholders, business card transactions and purchases accounted for 25.8% and 42.7% of overall credit card activity, respectively. At the same time, business card transactions and purchases contributed 4.5% and 12.1%, respectively, to overall credit card activity for mid-size financial institutions (20,000-100,000 accountholders). Financial institutions with more than 100,000 accountholders saw the least impact, with business cards signifying 1.4% and 3.2% of overall credit card transactions and purchases, respectively. This is consistent with research suggesting that smaller, community-focused financial institutions allocate a significantly higher proportion of their assets to small business lending than large national financial institutions. It is important to note that smaller credit unions have been experiencing slower growth and losing share to mid-size and large credit unions since January 2025, suggesting a competitive landscape and challenges in scaling a community-based approach.

Deep Dive: Business Cards

Purchase Behavior by Card Type Year-to-Date

Card Type	Transactions/ Account	Purchases/ Account	Average Purchase
Business	18.3	$3,604.15	$196.56
Consumer	14.0	$980.70	$70.25

Transaction and Purchase Growth for Business/Consumer Cards



Business Card % of Overall Transactions and Purchases by Accountholders Year-to-Date

Accountholders	Year to Date	Purchases/Account
Over 100,000	1.4%	3.2%
20,000 - 100,000	4.5%	12.2%
Under 20,000	25.8%	42.7%
Overall	3.2%	8.4%

Deep Dive: Business Cards

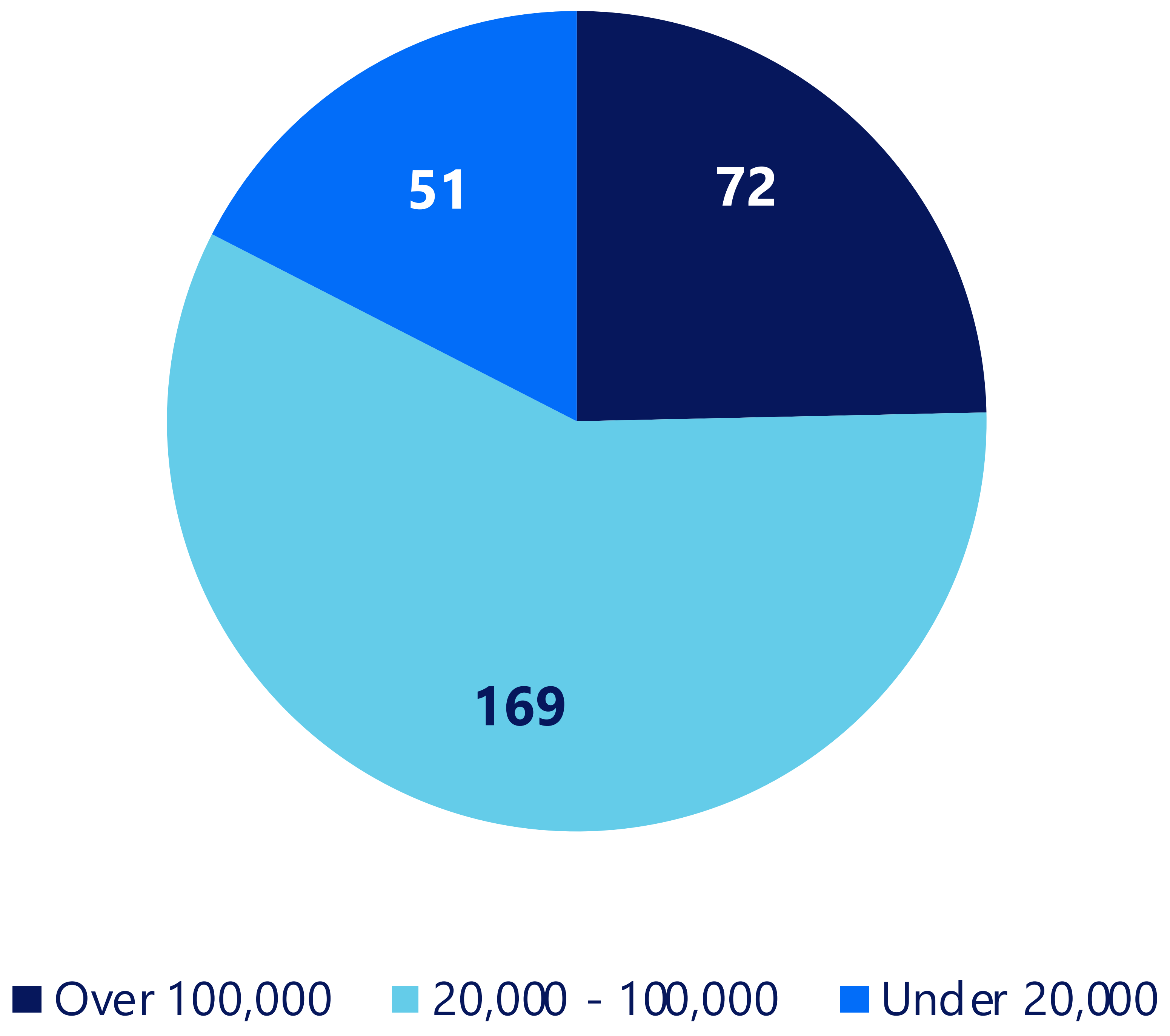
Purchase Behavior by Card Type Year-to-Date

	Share of Transactions		Share of Purchases	
Sector	Business	Consumer	Business	Consumer
Entertainment	1.9%	4.5%	2.2%	4.3%
Food & Grocery	6.9%	14.6%	3.4%	10.9%
Gasoline	13.8%	10.7%	4.9%	5.2%
Goods	39.3%	33.8%	43.7%	34.7%
Money Services	0.6%	0.6%	0.8%	1.4%
Restaurants	12.3%	20.7%	5.3%	8.9%
Services	15.6%	9.5%	25.6%	22.4%
Transportation	3.2%	2.3%	0.9%	0.8%
Travel	4.2%	1.6%	10.2%	8.7%
Utilities	2.1%	1.6%	3.0%	2.7%

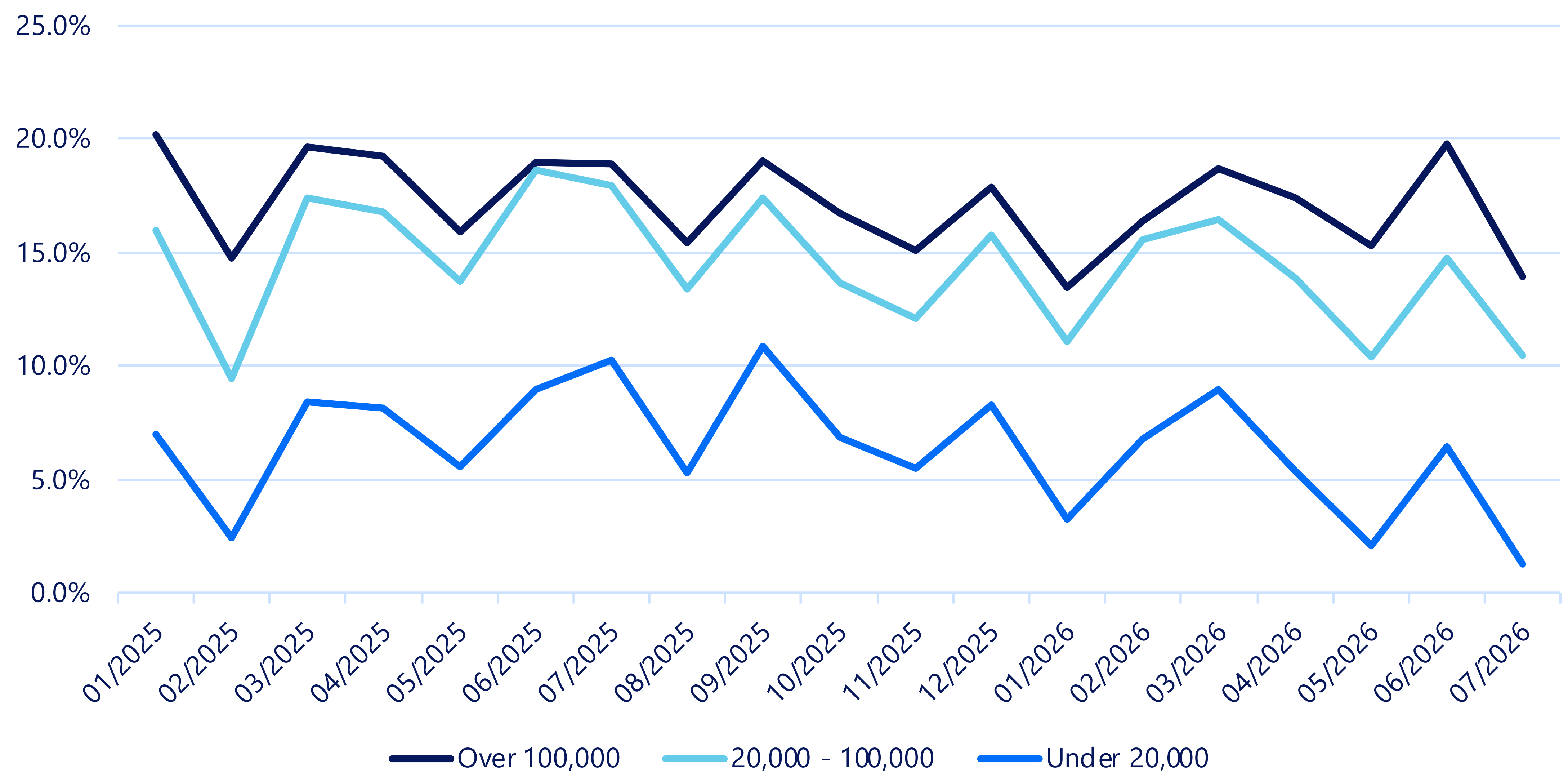
Deep Dive: Business Cards

Financial Institution Participation by Accountholders

Financial institutions with 20,000-100,000 accountholders were the most prevalent, at 169 (57.9%), followed by those with over 100,000 at 72 (24.6%) and under 20,000 at 51 (17.5%).



Monthly Mobile Wallet Debit Purchase Growth by Accountholders



Opportunities to Act On: What Credit Unions Should Do Now

Unlock New Growth Opportunities Through SMB Banking

Small and medium-sized businesses (SMBs) represent a significant and largely untapped growth opportunity for credit unions, making now the ideal time to expand into SMB banking. By streamlining account opening and offering competitive loan, card and digital banking solutions, credit unions can become trusted financial partners to business owners while creating new revenue streams. With lower fees, flexible lending, modern technology and community-focused service, credit unions are uniquely positioned to meet the needs of SMBs and deliver meaningful value. Velera's dedicated SMB team helps credit unions develop and execute a tailored strategy, providing the tools, services and expertise needed to attract, serve and grow SMB relationships. Learn more about Velera's Business Card Solutions.

Understand SMB Needs to Build Lasting Relationships

Unlocking the full opportunity of SMB banking relationships begins with understanding how business needs evolve at every stage of growth. Velera's latest Credit Union Growth Outlook research, based on a survey of 600 U.S. SMB owners and decision-makers, reveals the financial priorities, preferences and loyalty drivers shaping SMB banking decisions today. The findings provide valuable insights into where credit unions can differentiate themselves, strengthen relationships and expand their role as trusted financial partners over time. By aligning products, services and engagement strategies with the needs of SMBs, credit unions can better position themselves for long-term growth and success. Download and view the report to learn more.

Win the SMB Opportunity: Strategies to Support Business Growth

Velera's *Explore Your Niche in the SMB Space* blog provides practical strategies for credit unions looking to build a compelling SMB value proposition. It explores ways to enhance business offerings and examines the growing importance of modern payment capabilities. Read the blog here.

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

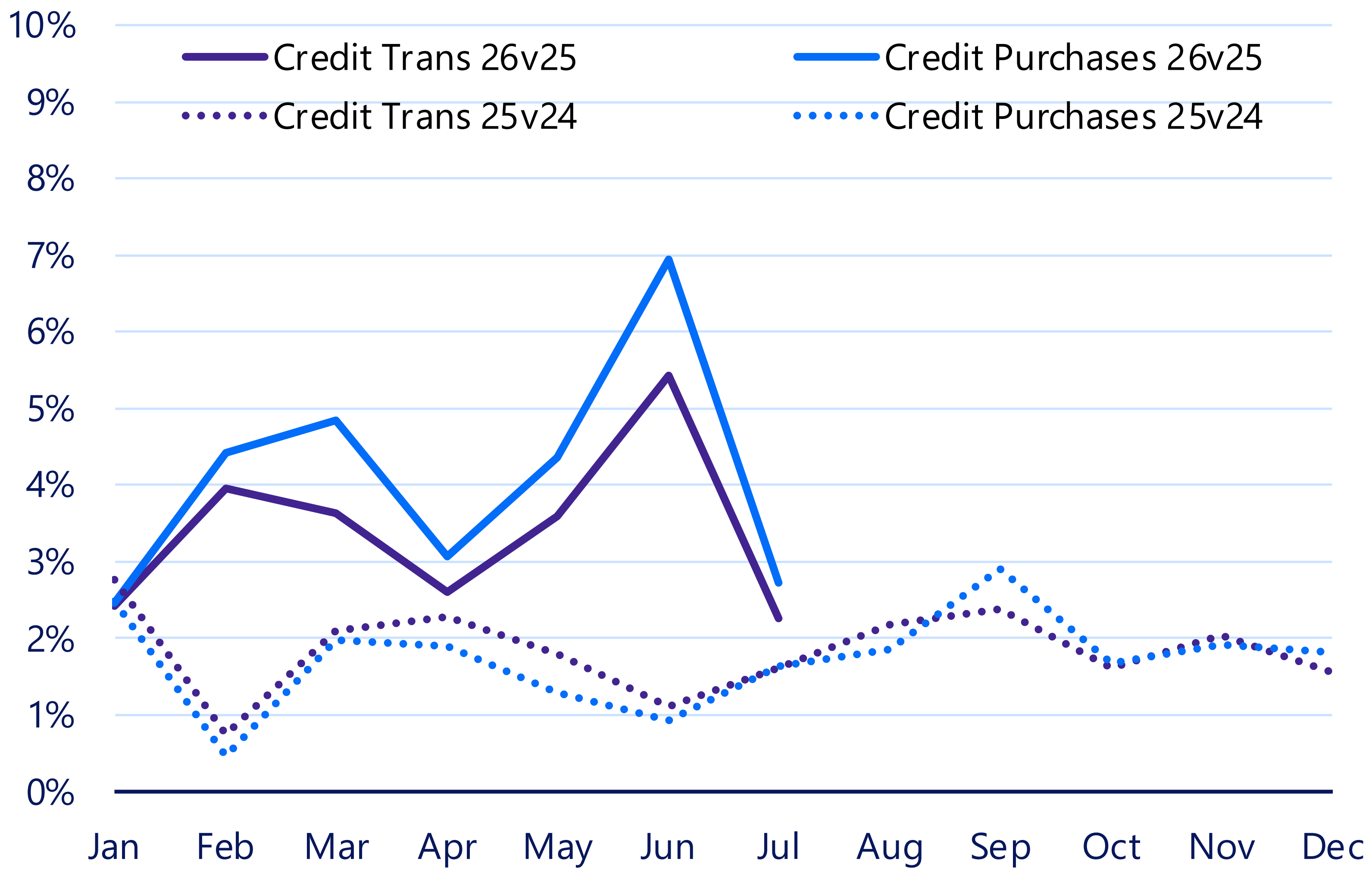
July spending growth remained strong overall, with debit performance holding steady at a high rate and credit growth easing from recent highs as promotional sales activity shifted from July 2025 to earlier in the summer this year. Despite this moderation, credit card activity continued to exceed year-ago levels, overcoming tougher comparisons from July 2025 sales events and highlighting resilient consumer spending. Early back-to-school shopping also contributed to July spending trends. The National Retail Federation (NRF) reported that roughly two-thirds of shoppers had begun making purchases by early July, while major retailer promotional events in June served as a key catalyst for the season.

Debit purchases increased 8.8% year over year, supported by 5.3% growth in transactions. Purchase growth continued to be driven by the Money Services, Goods, Gasoline and Services sectors. Credit purchases rose 2.7% year over year, with transaction growth of 2.3%. The Gasoline sector returned as the leading contributor to credit purchase growth, followed by Services and Restaurants. Across both payment types, the Goods sector remained the primary driver of transaction growth, with strength in this sector supported in part by back-to-school shopping activity.

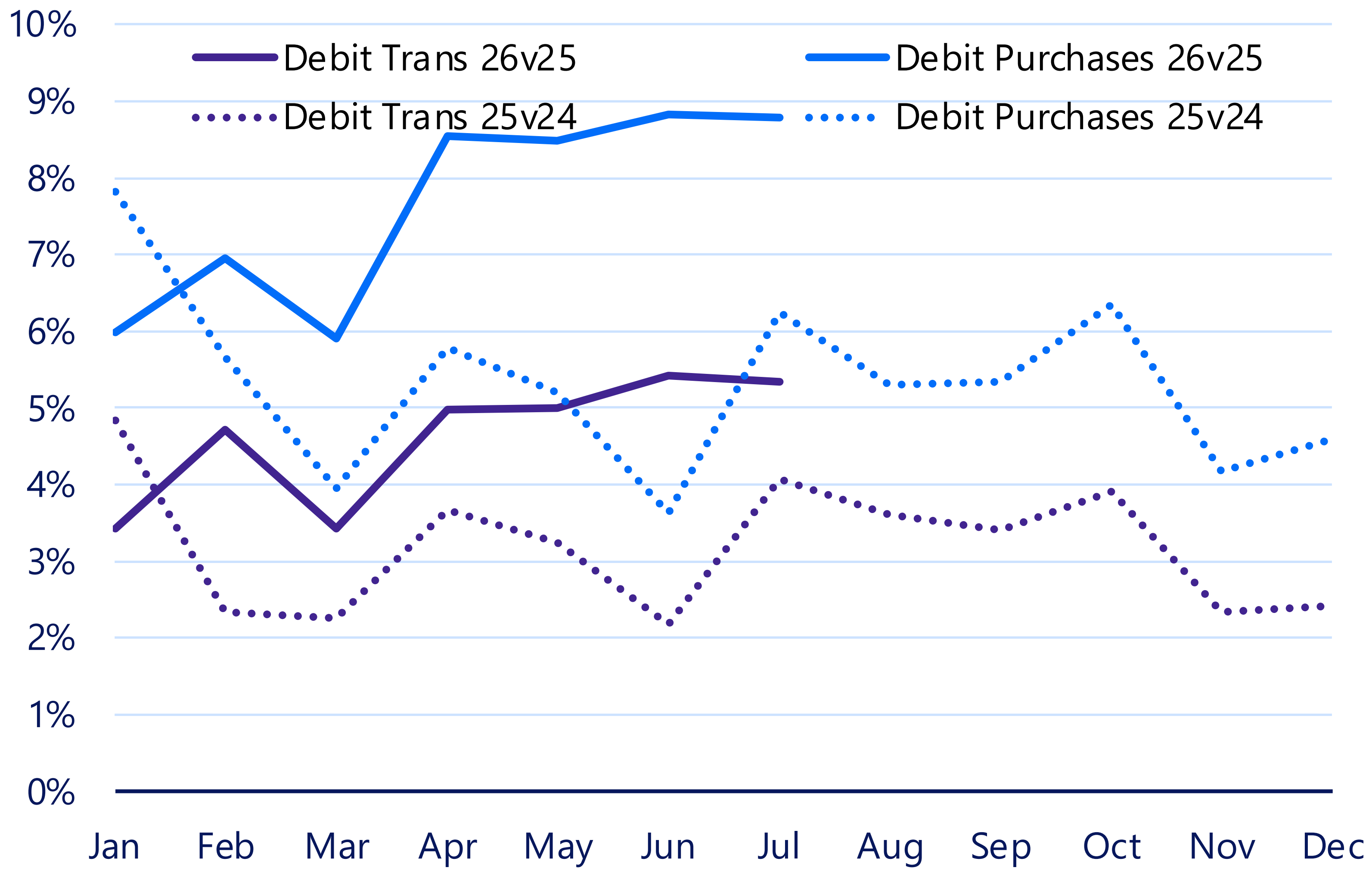
Month of July 2026

	Credit		Debit	
	Transactions	Purchases	Transactions	Purchases
2026 v 2025	↑ 2.3%	↑ 2.7%	↑ 5.3%	↑ 8.8%
2025 v 2024	↑ 1.6%	↑ 1.6%	↑ 4.1%	↑ 6.2%

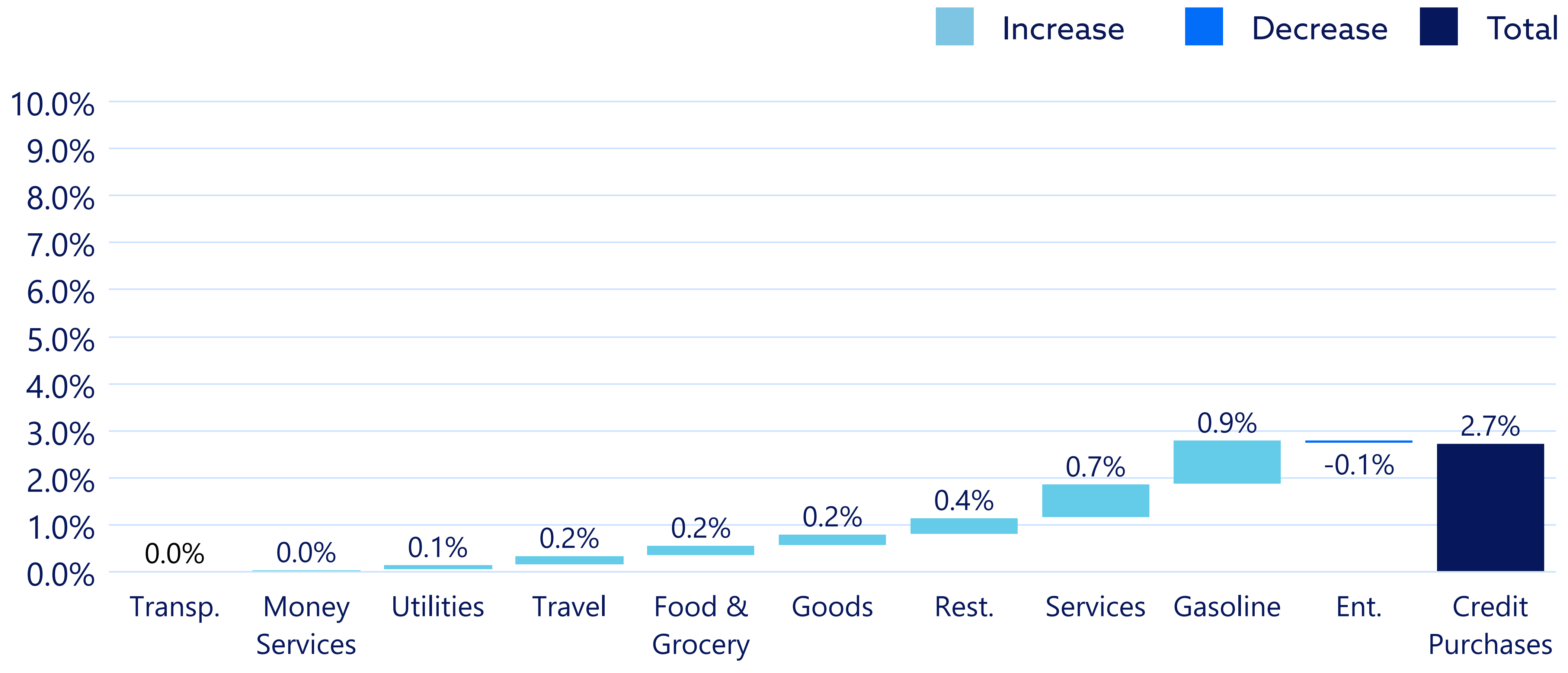
Credit



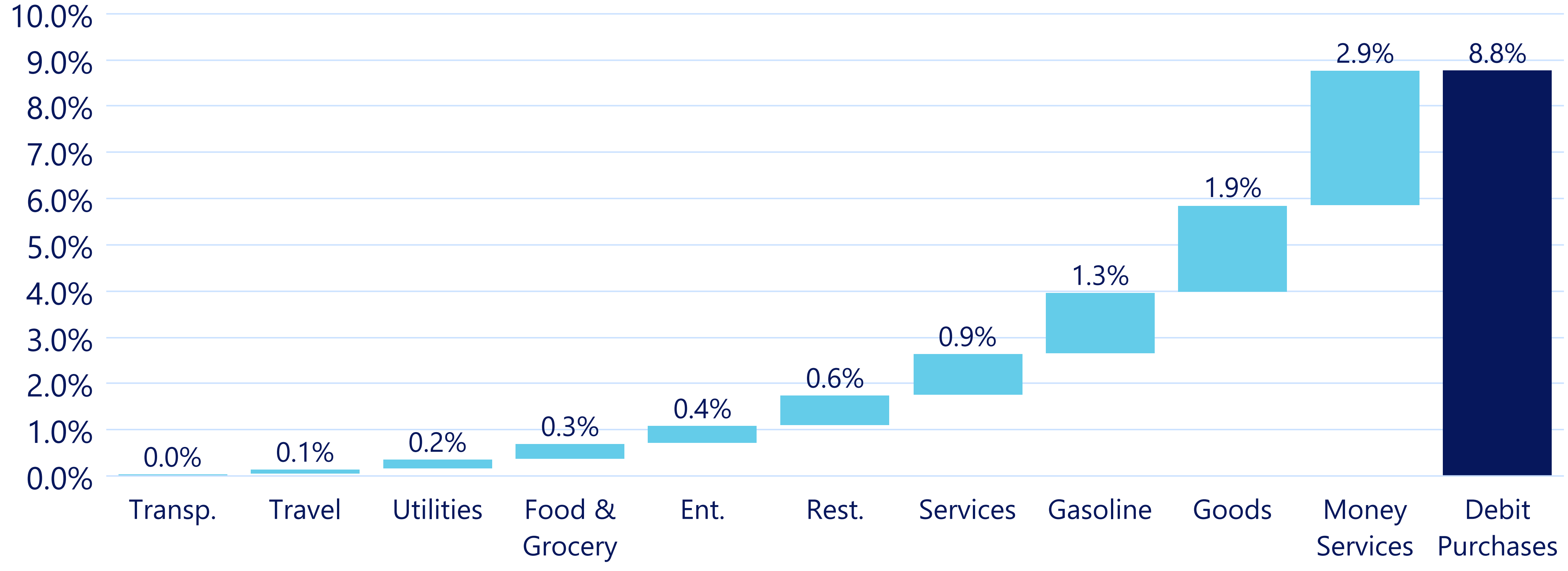
Debit



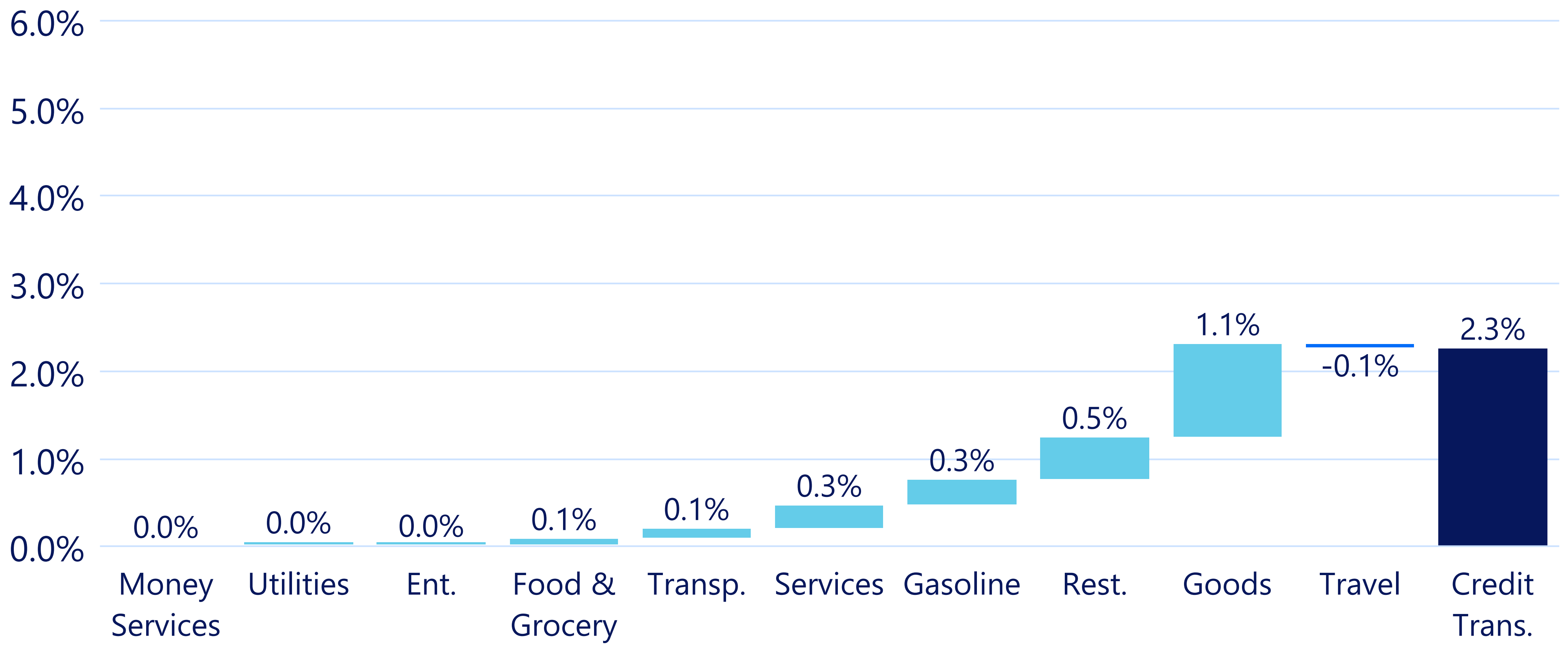
Sector Contributions to Growth in Credit Purchases: July



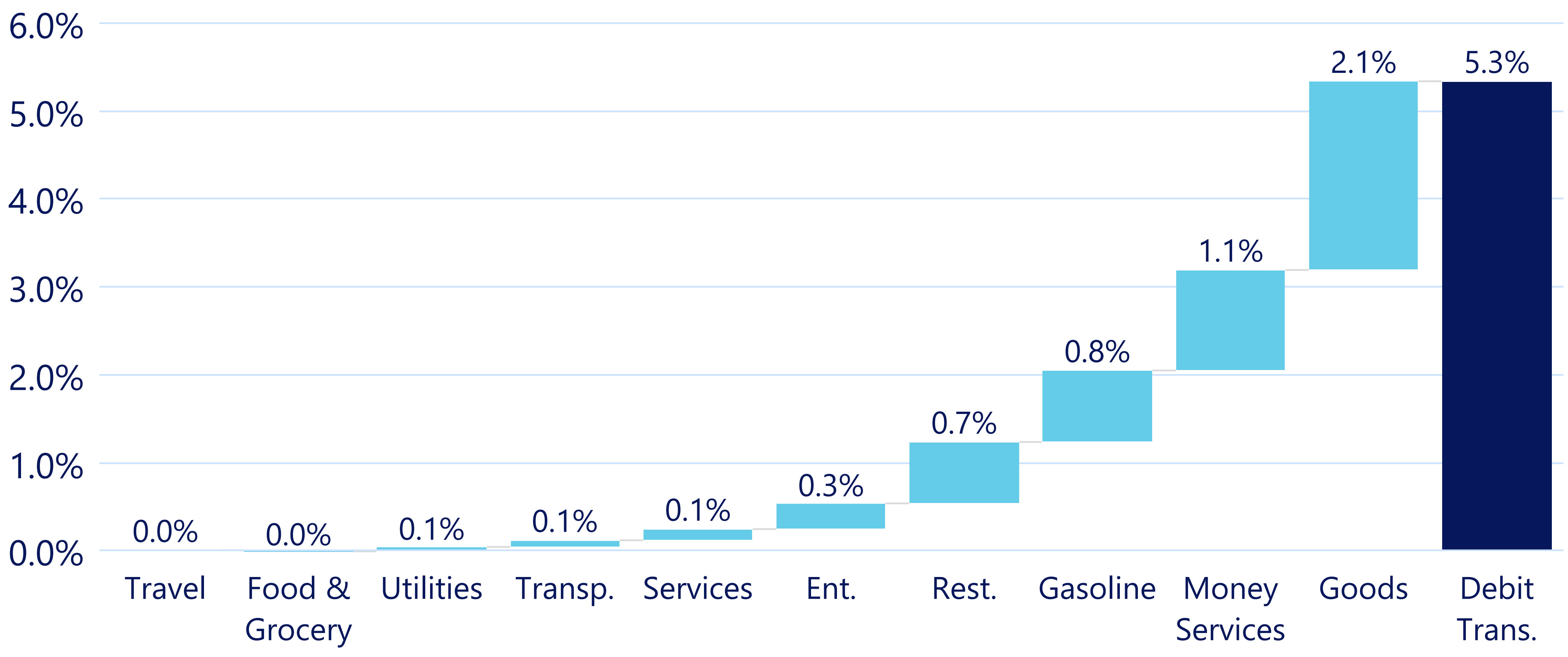
Sector Contributions to Growth in Debit Purchases: July



Sector Contributions to Growth in Credit Transactions: July



Sector Contributions to Growth in Debit Transactions: July



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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 August 2026 edition of the Velera Payments Index represents a total of 3.8 billion transactions valued at $194 billion of credit and debit card activity from August 2025 through July 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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