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PAYMENTS INDEX

Deep Dive: Money Services

November 2026



Strong October spending trends were supported by a healthy labor market and signs of improving consumer confidence. While affordability concerns and inflation continue to weigh on sentiment, steady job growth, stable wage gains and low unemployment suggest consumers remain well-positioned heading into the holiday shopping season. In this November 2026 edition of the Velera Payments Index, we provide an update on the economic and consumer spending environment, take a deep dive into the Money Services sector and offer an early look at the holiday shopping season.

The U.S. labor market remained resilient in October, though hiring estimates varied by report. The Bureau of Labor Statistics (BLS) reported 165,000 nonfarm jobs added, well above the average monthly gain of 48,000 over the prior 12 months and ahead of expectations for 59,000 jobs added. The unemployment rate declined to 4.1% from 4.2%, remaining within the narrow range observed throughout much of 2026 and signaling continued labor market stability. Wage growth remained moderate, with average hourly earnings increasing 3.1% year over year, indicating healthy labor market conditions without a meaningful acceleration in wage pressures. The October

Performance Snapshot: October 2026

Market/Economic Variables

91.7
Consumer Confidence Index
↑ Change 7.5 points

48.0
U of M Index of Consumer Sentiment
↓ Change 0.1 points

0.4%
Consumer Price Index
↓ Change 0.2%

0.3%
Core CPI (excl. Food/Energy)
— Unchaged

132,971,000
ADP National Employment Report
↑ Change 86,000

165,000
BLS/Job Growth
↑ 106,000 jobs higher than forecast

4.1%
Unemployment Rate
↓ Change 0.1%

3.75-4.00%
Federal Reserve Interest Rate
— Unchaged

Payments Index Growth

Purchases

2026 v 2025

Credit	Debit
↑ 4.6%	↑ 9.5%

2025 v 2024

Credit	Debit
↑ 1.7%	↑ 6.4%

Transactions

2026 v 2025

Credit	Debit
↑ 4.3%	↑ 5.8%

2025 v 2024

Credit	Debit
↑ 1.6%	↑ 3.9%

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ADP jobs report pointed to more moderate private-sector hiring, with 86,000 jobs added, while wage growth remained stable at 3.2% year over year. Despite differences in hiring estimates, both reports indicate labor market conditions remain healthy and supportive of consumer spending.

Consumer surveys painted a more mixed picture. The University of Michigan Index of Consumer Sentiment remained near historically low levels at 48.0 in October, essentially unchanged from September and down 10.4% year over year. The survey highlighted persistent concerns about affordability, elevated interest rates and rising inflation expectations. In contrast, the Conference Board's Consumer Confidence Index rose sharply to 91.7 from 84.2 in September, driven by improved perceptions of business conditions, labor market strength and easing gasoline prices. However, consumers still expressed concerns about inflation and purchasing power, and the Expectations Index remained below levels historically associated with recession risk.

Inflation remained elevated in October, though some signs of moderation emerged. The October Consumer Price Index (CPI) report showed headline inflation increased by 0.4% month over month, slowing from September's 0.6% increase. Meanwhile, core CPI, which excludes food and energy, rose 0.3% month over month, suggesting underlying inflation pressures remained more contained than headline inflation. Shelter, food and energy costs continued to drive overall price growth. Due to the government shutdown in October 2025, the Bureau of Labor Statistics was unable to publish official 12-month inflation rates in this report.



At its October meeting, the Federal Open Market Committee (FOMC) maintained the federal funds rate at 3.75% to 4.00%. Looking ahead to the December 8-9 meeting, expectations have shifted toward further tightening. Resilient labor market conditions, coupled with ongoing inflationary pressures, have reinforced market expectations for a 25-basis point increase.

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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.

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"Affordability and cash flow are pressure points to watch this holiday season. At the Financial Health Network, we survey consumers annually about the state of their household finances to understand how their financial health is changing. In our 2026 U.S. Financial Health Pulse, we found that the share of households that are financially vulnerable jumped from 15% to 17% — matching the highest percentage we have recorded in nine years of data collection. This vulnerability shows up across income levels and demographic groups in households' ability to meet their financial obligations: only 68% of households reported paying all their bills on time in 2026. Holiday spending will test the resilience of a wide range of households this year."

Taylor Nelms
Vice President of Research & Insights
Financial Health Network

Key Takeaways for October 2026

- Consumer spending momentum remained strong in October, signaling healthy demand heading into the holiday season. Debit purchases increased 9.5% year over year, while credit purchases rose by 4.6%. Growth continued to be driven primarily by the Goods and Gasoline sectors. These trends support forecasts for a strong holiday shopping season.
- The labor market remained a key source of strength in October, with solid job creation, low unemployment and moderate wage growth continuing to support consumer spending. While consumer sentiment surveys painted a mixed picture, improving confidence in current economic conditions and a resilient labor market suggest households remain willing to spend despite ongoing concerns about inflation and affordability.
- Money Services now represents 14.6% of overall debit purchases, up from 13.3% a year ago, an increase fueled by the addition of funds to fintechs and other third-party operations.

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Deep Dive: Money Services

This month, we are revisiting a previous Deep Dive into Money Services from November 2025. We find that peer-to-peer (P2P) activity still accounts for the majority of Money Services transactions, which currently represent nearly 15% of overall debit card purchases — but less than 1% of overall credit card purchases as of the most recent update. For debit purchases, this sector continued to experience notable growth in debit card activity as entrenched P2P transactions shifted from cash to digital formats. Money Services continued to grow its share of overall debit purchases, growing from 3.8% in May 2019 to 14.6% — more than 300% growth over the six-year period and up from 13.3% a year ago. For this month's Deep Dive, we focused primarily on debit activity, given its notable contribution to debit purchase growth.

Money Services spans a variety of merchant categories, the largest of which is P2P payments, accounting for 73.3% of debit transactions and 65.9% of purchases within this sector. Top merchants include Cash App, Venmo, Apple Cash, Remitly, Meta Pay and PayPal. Also included in Money Services are cryptocurrency merchants like crypto.com, Coinbase and MoonPay. Some payments toward Buy Now, Pay Later (BNPL) arrangements led by Affirm, as well as short-term lending and credit-building programs, are also included in Money Services.

An emerging trend within Money Services appears to be adding funds to existing balances via debit purchases with traditional P2P vendors and fintech apps, such as Dave and Chime, which allow consumers to hold balances with these providers. The Consumer Financial Protection Bureau (CFPB) previously issued a consumer advisory reminding consumers that funds held in payments apps may not be insured by NCUA, FDIC or other insurers and should be moved to an account with deposit insurance. Beyond the CFPB advisory, consumers need to be aware of the limited live support and customer service available with these tools. The absence of fraud protection and the lack of dispute processes for transactions should also be taken into consideration when using these apps.

Boomers+, Gen X and Older Millennials combined represent 55.9% of debit transactions and 60.7% of debit purchases within Money Services. This disparity reflects the higher average purchase amount among older consumers. Similarly, younger consumers tend to have more monthly transactions, but lower overall monthly purchases across Money Services than older generational segments.

From a generational perspective, the largest year-over-year growth in Money Services debit transactions was among the youngest consumers, younger Gen Z, with an average increase of 26.7%, while representing the smallest share of activity (5.8%) and the lowest average payment ($69.19).

Interestingly, older Gen Z showed the lowest transaction growth in Money Services, averaging 11.4% year over year, followed by Boomers+ at 13.7%. The remaining generations experienced relative parity in terms of Money Services debit transaction growth, ranging from 20% on average for Older Millennials to 17.3% for Younger Millennials.



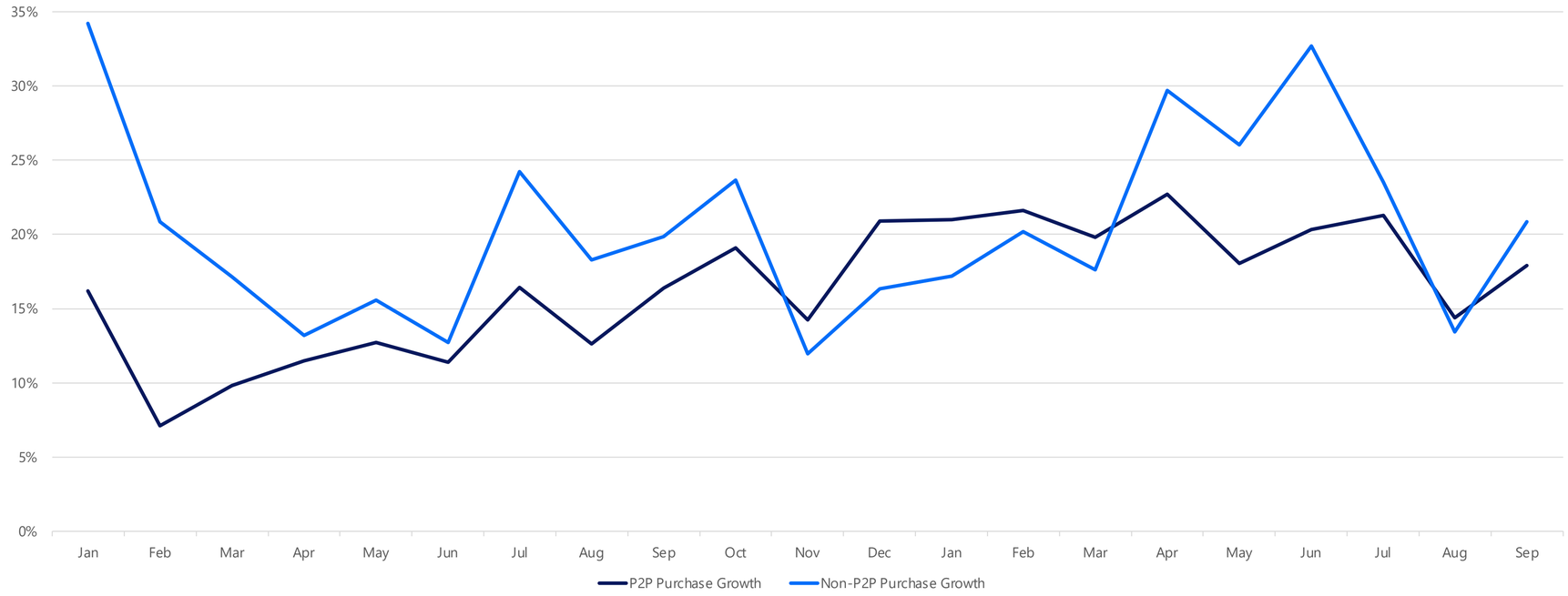
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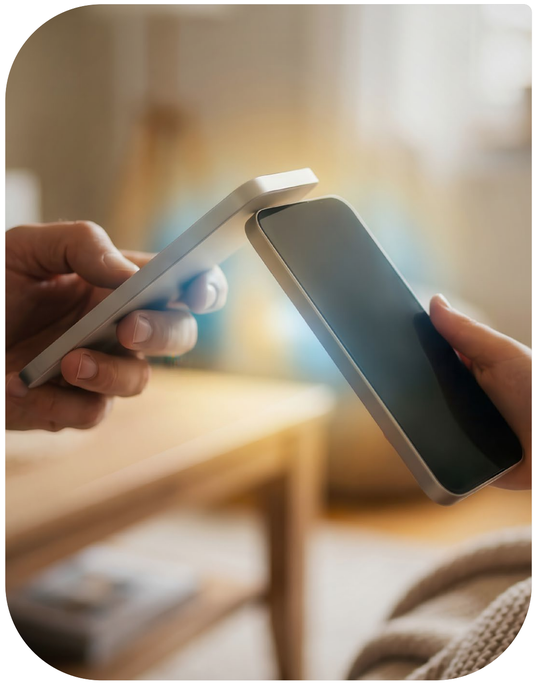
Money Services P2P vs. Non-P2P Debit Spending Mix and Average Purchase

	Transaction Mix		Purchase Mix		Average Purchase	
	1 Year Ago	Current Mix	1 Year Ago	Current Mix	1 Year Ago	Current Month
P2P	75.8%	73.3%	66.5%	65.9%	$95.68	$98.66
Non-P2P	24.2%	26.7%	33.5%	34.1%	$155.86	$143.98

- The share of non-P2P transactions and purchases both continued to grow for the second consecutive year. Additionally, the average purchase for non-P2P continued to outpace P2P; however, the average purchase disparity narrowed to $143.98 for non-P2P compared to $98.66 for P2P over the last year.

Money Services P2P vs. Non-P2P Debit Purchase Growth — Year over Year

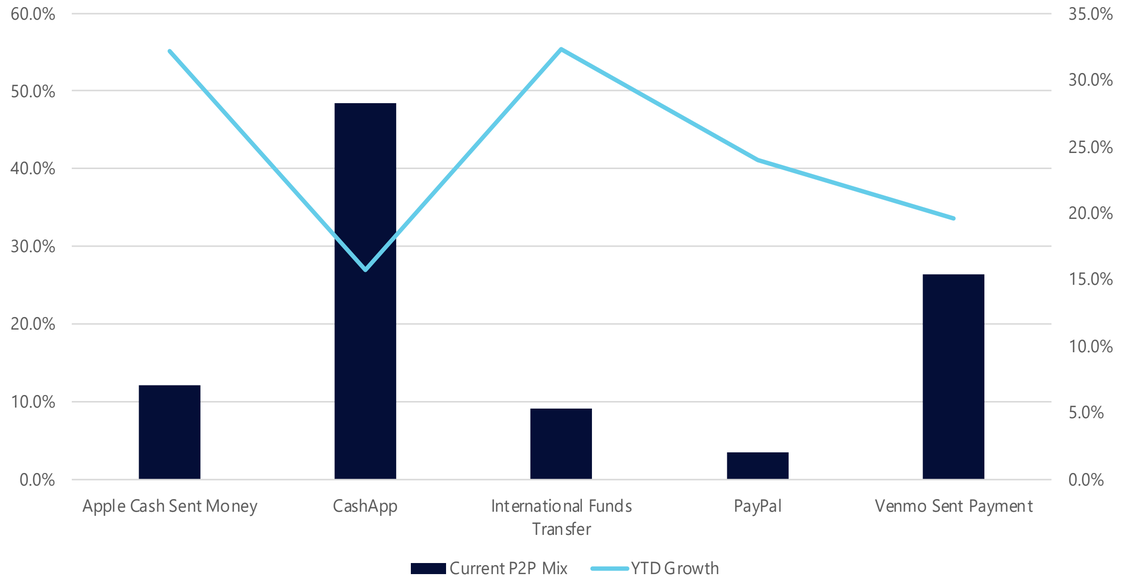




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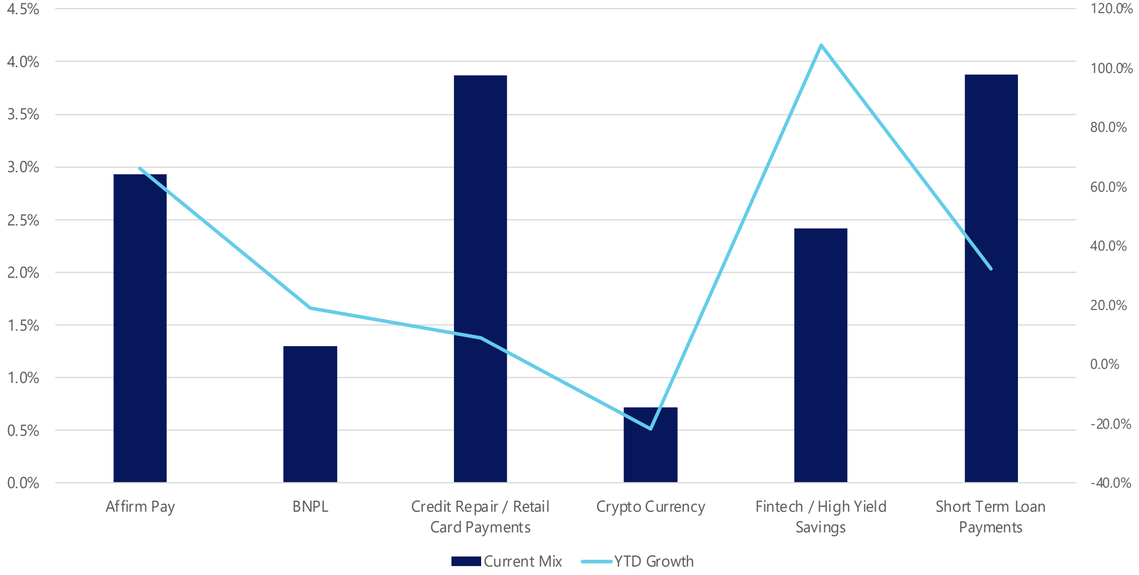
Deep Dive: Money Services

Money Services P2P vs. Non-P2P Debit Purchase Growth — Year Over Year



- Apps specializing in international P2P, like Remitly or TapTap, steadily increased debit purchase growth throughout 2026 and led all P2P providers in year-over-year debit purchase growth as of the most recent month.
- Apple Cash and PayPal demonstrated consistent debit purchase growth that exceeded that of higher-volume competitors, including Cash App and Venmo.
- The combined debit purchase share for Cash App and Venmo is 74.8% for P2P, down from 78.9% since the start of 2024.

Money Services Non-P2P Debit Purchase Mix and Year-to-Date Growth

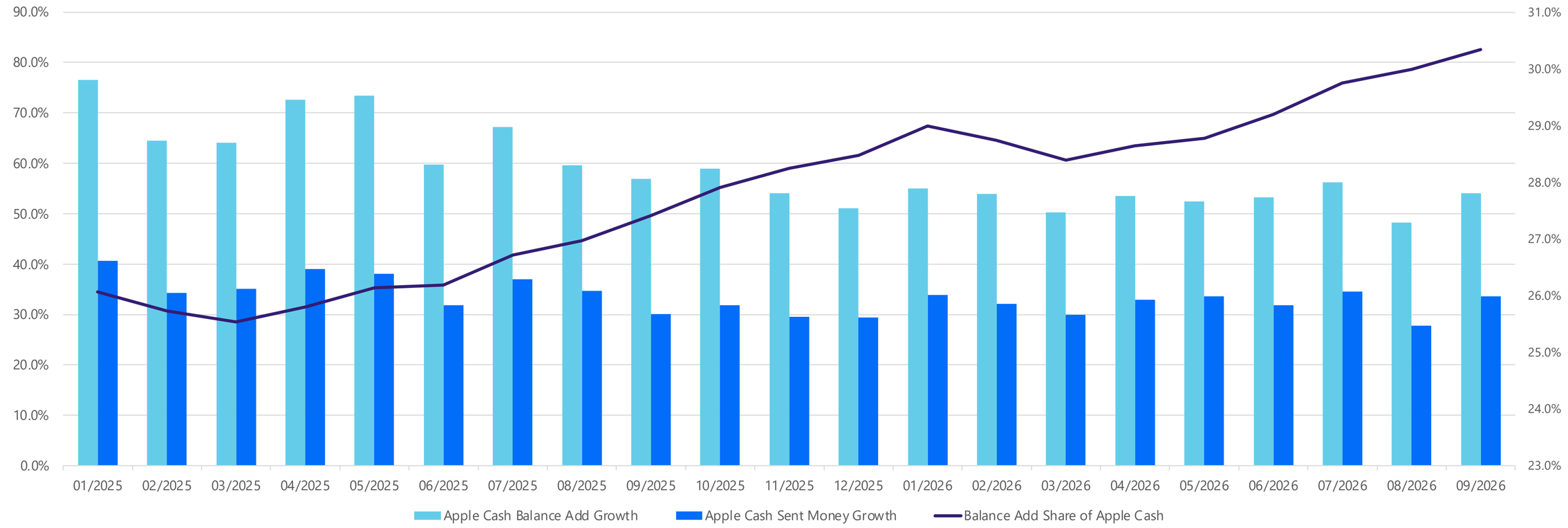


- BNPL and short-term loan payment growth exceed debit purchase growth across Money Services, a concerning signal of consumer behavior that may indicate economic distress.
- Debit purchase growth for fintech providers has exceeded 100% on average this year, with consumers seemingly enticed by attractive savings yields compared to conventional alternatives. As a result, its share of Money Services debit purchases has grown from 0.7% to 2.4% since January 2024.

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Deep Dive: Money Services

Apple Pay Debit Purchase Growth by Type — Year Over Year

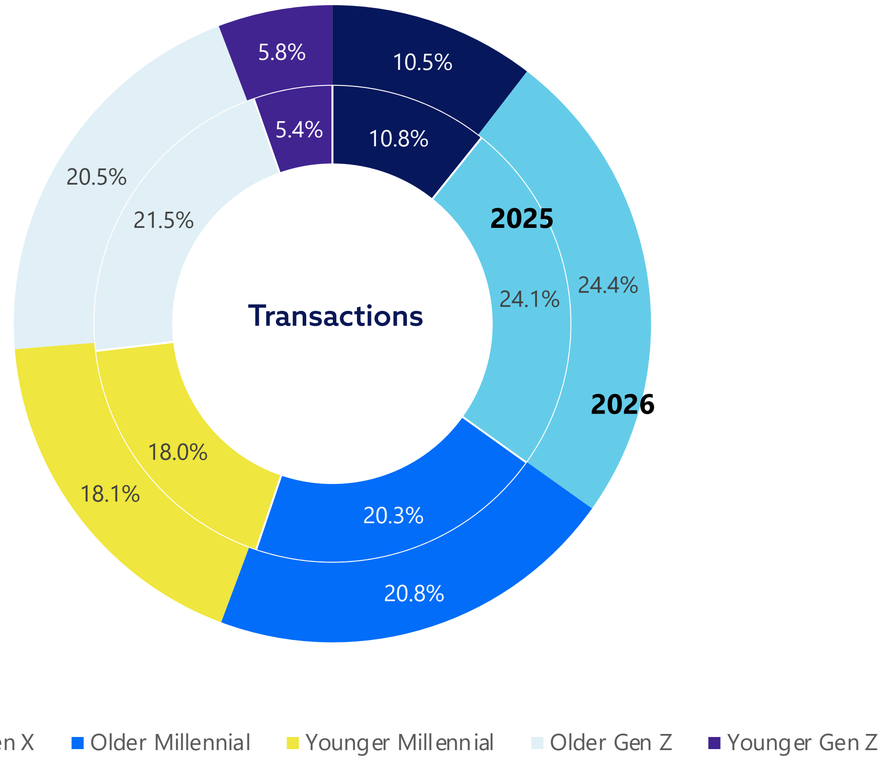


Overall, debit purchase growth for Apple Cash has outpaced Money Services year to date, increasing its debit purchase share from 7.1% at the beginning of 2024 to 11.5% currently. Interestingly, Balance Add has shown stronger growth than Sent Money within Apple Cash and now represents 30.3% of Apple Cash purchases.

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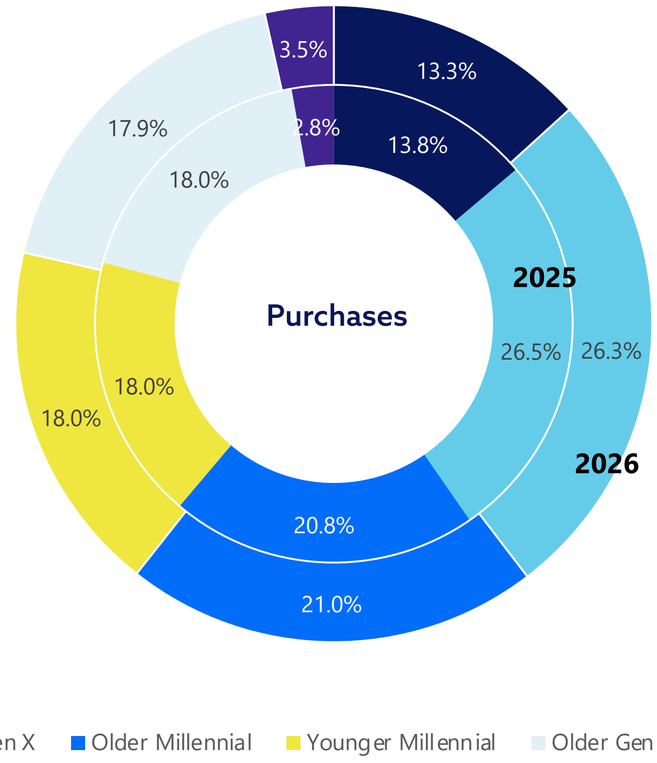
Deep Dive: Money Services

Year-Over-Year Money Services Transaction Mix by Generation



Boomers+ Gen X Older Millennial Younger Millennial Older Gen Z Younger Gen Z

Year-Over-Year Money Services Purchase Mix by Generation

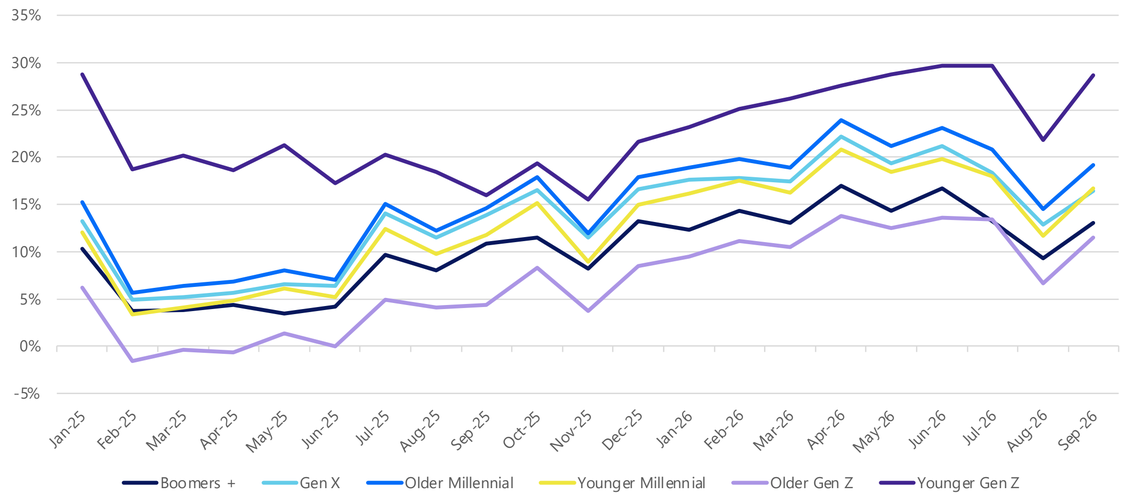


Boomers+ Gen X Older Millennial Younger Millennial Older Gen Z Younger Gen Z

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Deep Dive: Money Services

Year-Over-Year Money Services Debit Transaction Growth by Generation



Debit Money Services Performance Metrics by Generation — Year to Date

	Monthly Transactions/ Account	Monthly Purchases/ Account	Average Purchase
Boomers+	1.87	$273.22	$146.01
Gen X	1.99	$248.16	$124.50
Older Millennial	2.12	$245.88	$116.24
Younger Millennial	2.18	$250.32	$114.66
Older Gen Z	2.32	$233.69	$100.87
Younger Gen Z	2.63	$181.73	$69.19
Total	**2.13**	**$245.20**	**$115.20**

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Checking In: Holiday Season Kicks Off with Early October Sales at Largest Retailers

The 2026 holiday shopping season is now fully underway, beginning with early October sales at major U.S. retailers, including Amazon, Walmart and Target.

For the holiday shopping season thus far in October, year-over-year credit purchases in the overall Goods sector were up by 4.3% (compared to +2% at this point last year), while debit purchases in the Goods sector were up by 9.6% (compared to +7.7% 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 16% and 17%, respectively. For purchase growth in this category, credit card transactions increased by 14.3% and debit card transactions increased by 1.4%. For most merchant categories within the Goods sector, year-over-year growth in credit purchases was modest or slightly down in October, except for Digital Merchants and Discount Stores. Conversely, year-over-year growth in debit purchases was more consistent across merchant categories and was bolstered by Miscellaneous Stores, Discount Stores and Wholesale Clubs, which had the strongest year-over-year growth in debit purchases within the Goods sector, up 26.3%, 14.9% and 10.1%, respectively, for the holiday season thus far.

We will continue to report on consumer behaviors and monitor trends throughout our subsequent holiday spending editions.



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Checking In: Holiday Spending

Holiday Spend: Goods Sector Sub-Categories: October 2026

	Credit				Debit			
Merchant Category	Transactions	Purchases	Average Purchase	% Goods Purchases	Transactions	Purchases	Average Purchase	% Goods Purchases
Digital Merchants	14.3%	15.9%	$38.58	16%	1.4%	0.7%	$30.22	17%
Miscellaneous Stores	-8.3%	-2.5%	$76.99	10%	26.0%	26.3%	$42.91	13%
Discount Stores	9.7%	8.3%	$47.85	9%	13.1%	14.9%	$37.14	13%
Apparel & Accessories	10.1%	4.6%	$98.90	10%	13.1%	7.0%	$66.13	9%
Vehicles - Automobiles	0.3%	-2.2%	$256.10	9%	2.4%	7.1%	$142.49	8%
Wholesale Clubs	6.7%	6.0%	$125.62	7%	9.2%	10.1%	$98.53	8%
Home Supply & Hardware	0.3%	1.9%	$117.78	8%	1.1%	4.3%	$73.96	7%
Retail Stores	12.6%	6.5%	$60.68	5%	21.2%	10.7%	$40.49	5%
Drug & Pharmacy	3.3%	9.6%	$42.20	3%	3.3%	8.8%	$30.23	4%
Digital Goods	10.9%	4.8%	$27.06	2%	25.7%	26.7%	$22.41	3%
Hobby Stores	0.7%	3.8%	$63.25	2%	1.2%	5.4%	$38.54	3%
Wholesale Distributors and Manufacturers	2.8%	-3.6%	$176.18	4%	8.7%	6.1%	$85.22	2%
Home Furnishings	2.7%	-2.4%	$341.69	5%	5.2%	3.2%	$162.83	2%
Sporting	2.1%	7.2%	$162.40	3%	4.0%	7.3%	$98.70	2%
Pet Services	2.7%	3.7%	$78.40	2%	1.2%	3.4%	$60.16	2%
Direct Marketing	-2.8%	-7.6%	$41.55	2%	4.9%	-0.9%	$24.72	2%
Pawn/Consignment	31.7%	14.3%	$39.30	1%	60.1%	24.8%	$27.91	1%
Vehicles - Other	-5.2%	-0.6%	$451.67	1%	0.7%	9.8%	$271.20	0%
Grand Total	7.1%	4.3%	$70.39	100%	10.4%	9.6%	$44.93	100%



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Opportunities to Act On: What Credit Unions Should Do Now



Leverage Consumer Insights to Shape Your Payments Strategy

Velera's *Eye on Payments 2026* research provides a comprehensive view of the evolving payment behaviors, preferences and digital adoption trends shaping member expectations. For example, eight in 10 credit union members use a P2P payment service, with more than half sending one to three payments each month. The report offers valuable insights into the trends shaping payment preferences and digital engagement, helping credit unions align their payments strategy, digital experiences and product offerings with member expectations. Download the *Eye on Payments 2026* Research Study.



Position P2P Payments as a Core Part of the Member Experience

P2P capabilities have become an essential component of the digital banking experience. Credit unions that enable fast, secure payments directly within mobile and online banking channels can increase member engagement, retain deposits and reduce reliance on third-party payment apps. Integrating Zelle® through Velera enables credit unions to deliver a trusted P2P payment experience while keeping everyday transactions within the credit union ecosystem. To maximize adoption, credit unions should actively promote P2P capabilities through targeted marketing, member education and incentives that encourage usage while reinforcing the speed, security and simplicity of P2P money movement. Drive engagement with Zelle®.



Meet Growing Demand for Flexible Payments

Demand for flexible financing continues to accelerate. Transaction activity related to repayments to third-party BNPL providers has grown an average of 32% annually across Velera's debit portfolio over the past two years, underscoring strong consumer adoption. As members turn to fintech providers for short-term financing, credit unions risk losing both lending opportunities and engagement. Velera's Debit Flex Payments, powered by equipifi, enables credit unions to offer BNPL capabilities directly within their digital banking experience, helping keep financing activity, member relationships and revenue in-house. Empower members with BNPL.

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

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Credit and Debit Cards

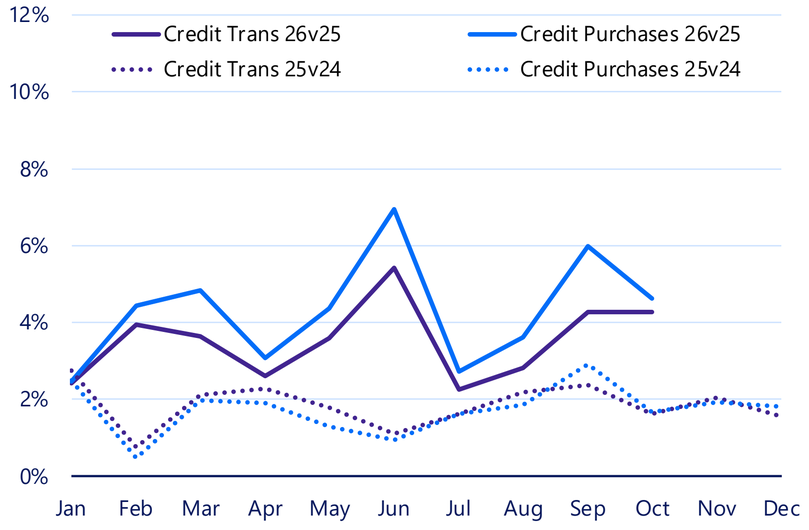
October card spending trends suggest consumers entered the holiday shopping season with healthy spending momentum. Debit purchase growth accelerated 9.5% year over year, supported by 5.8% transaction growth, while credit purchase growth increased 4.6% with transaction volumes up 4.3%. Growth was driven primarily by the Goods and Gasoline sectors. This performance aligns with the National Retail Federation's (NRF) forecast for a strong holiday season, with retail sales expected to increase 4.2% year over year and exceed $1 trillion.

NRF survey results indicate that consumer spending patterns remain stable. While many consumers begin browsing and making purchases early in the season, most spending is still expected to occur around Thanksgiving weekend and be driven by promotional activity. Although online remains the leading shopping channel, digital purchasing is moderating, with the share of consumers planning to shop online falling to 53%, the lowest level since 2015. At the same time, more consumers are seeking in-store experiences to evaluate products, shop more intentionally and enjoy the holiday retail experience.

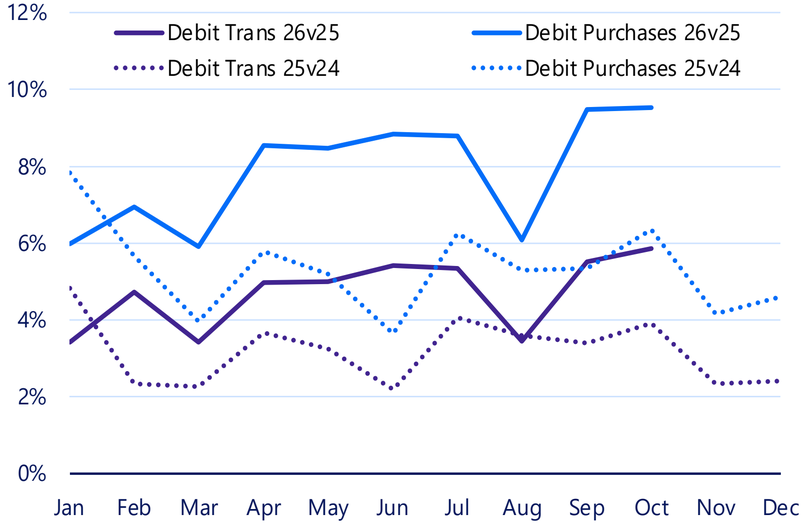
Month of October 2026

	Credit		Debit	
	Transactions	Purchases	Transactions	Purchases
2026 v 2025	↑ 4.3%	↑ 4.6%	↑ 5.8%	↑ 9.5%
2025 v 2024	↑ 1.6%	↑ 1.7%	↑ 3.9%	↑ 6.4%

Credit

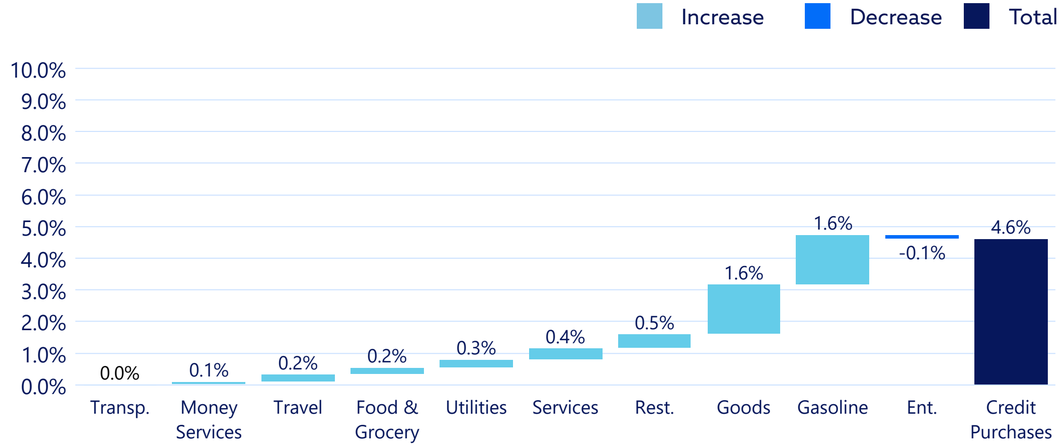


Debit

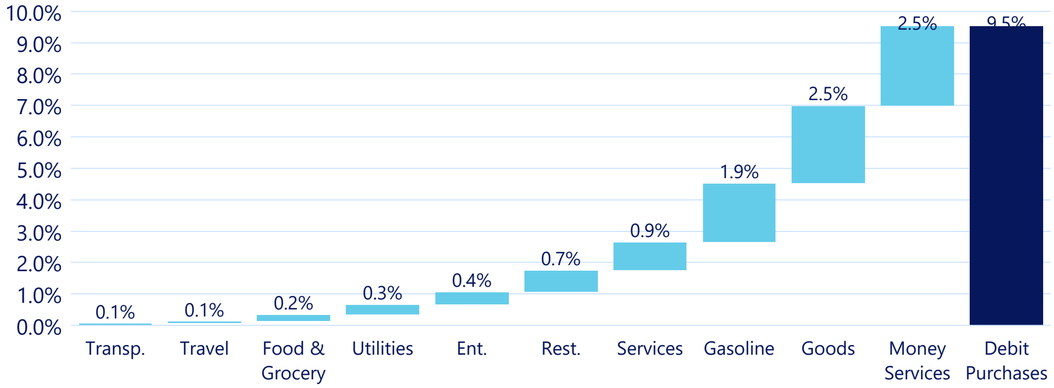


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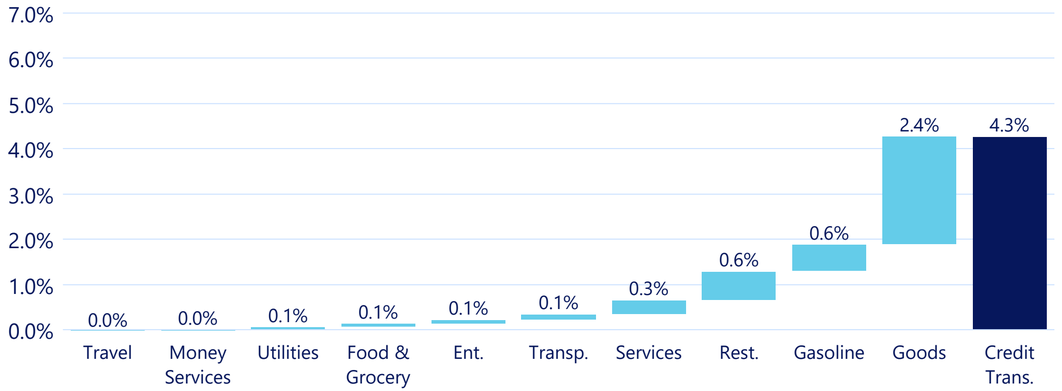
Sector Contributions to Growth in Credit Purchases: October



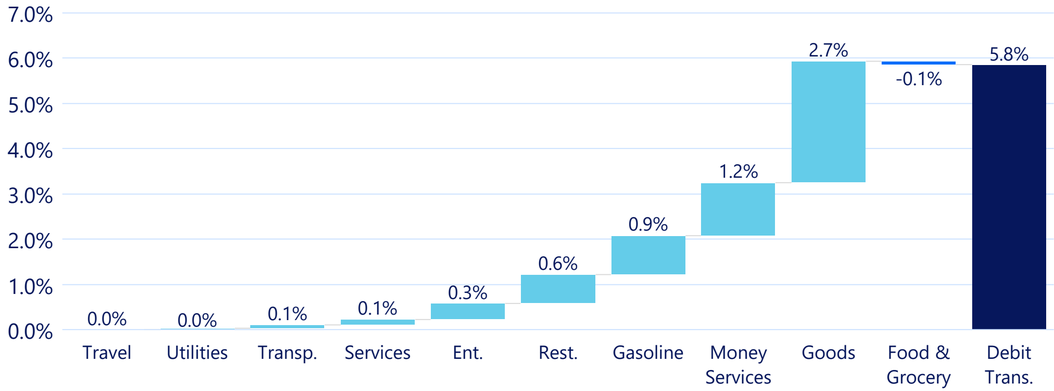
Sector Contributions to Growth in Debit Purchases: October



Sector Contributions to Growth in Credit Transactions: October



Sector Contributions to Growth in Debit Transactions: October



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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 November 2026 edition of the Velera Payments Index represents a total of 3.9 billion transactions valued at $200 billion of credit and debit card activity from November 2025 through October 2026.



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A library of past Payments Index reports is available on the Payments Index site. To subscribe to the Payments Index and receive alerts when the Index is published each month, please visit the Payments Index site.

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.