



# 2020 Eye on Payments

## COVID-19 Drives Surge in Digital Adoption



## Introduction

The payments landscape can be impacted by a number of factors, ranging from new options affecting how consumers make everyday purchases to global trends and events. 2020 has seen its fair share of upheaval, which has impacted consumer behavior in ways few experts could have predicted. For the third year in a row, PSCU set out to gauge payment preferences among credit union members and customers of other financial institutions (“non-members”) and how they shifted over the past year.

Through this annual research, PSCU explores the factors that influence consumers when it comes to their choice and usage of different payment methods, how these factors may vary among different life stages and economic events, and how credit unions can better serve their members and optimize their offerings to adapt to these evolving preferences and needs – both now and in the “new normal.” PSCU’s *Eye on Payments* will share key study findings, along with takeaways that credit unions can leverage as the payments landscape continues to evolve.

PSCU surveyed more than 1,500 credit union members and non-members from across the United States. The online survey, conducted in July 2020, was taken by participants ages 18 to 65+. Of those surveyed, 48% were male and 52% were female, and demographic characteristics of those surveyed align with consumer data from CUNA’s 2019 Member Profile.

### Through research gathered in *Eye on Payments*, PSCU will share the following:

- The factors that influence consumer behavior when it comes to the choice and usage of traditional and emerging payment methods across multiple payment scenarios
- How social and economic events impact payment choice
- The evolution of how consumers are interacting with their credit union or other financial institution, and how they anticipate doing so in the future
- How and why payment method preferences differ among generations
- Recommendations credit unions can implement to better fulfill member payment preferences and needs

# COVID-19 Drives Consumer Payment Choices and Purchasing Behavior



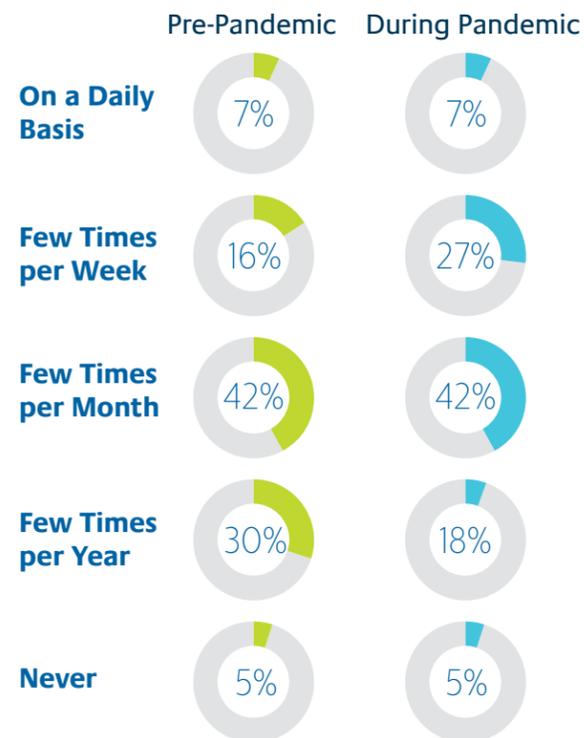
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Virtually no aspect of the economy has remained untouched by COVID-19. Stock markets saw their biggest drop in decades earlier this year. Entire sectors of the economy – such as travel and tourism and hospitality – came to a standstill, with many experts predicting a return to pre-pandemic levels will take years. Consumer confidence and spending saw unprecedented lows as people sheltered in place. Interest rates have been slashed, and countries around the world are grappling with record unemployment.

The payments industry is no different, with the pandemic acting as a driver for consumer payment choices and purchasing behavior. Seventy percent of respondents reported they make decisions about how they will pay for something primarily based on which payment option is the most physically safe at the point of sale. In line with this finding, the number of survey respondents – credit union members in particular – who say they shop online at least a few times a week increased by almost 50% since the pandemic started. The frequency of online purchases has increased among all age groups.

Before the pandemic, only 23% of credit union members shopped online at least a few times per week; during the pandemic, this increased to 34%. In comparison, only 12% of non-members shopped online at least a few times per week before the pandemic, increasing by 33% to just 16% during the pandemic.

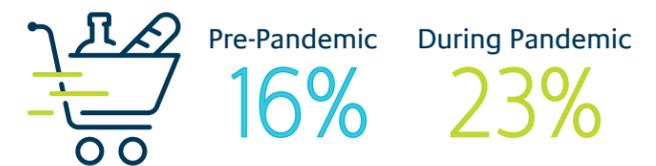
## Frequency of Online Purchases for Credit Union Members During COVID-19



Respondents reported increased usage of mobile apps and online platforms to order ahead for grocery or food pick-up or delivery, with most respondents indicating they expect to continue using these channels post-pandemic. Of note, credit union members reported an increase in using a mobile app or going online to order ahead for grocery pickup or delivery at least a few times per month from 33% pre-pandemic to 42% during the pandemic.

Credit union members also reported an increase in using mobile apps to order ahead for food pick-up at least a few times per month, increasing from 40% pre-pandemic to 61% during the pandemic. In line with this finding, 46% of credit union members were likely or extremely likely to use a store-specific mobile app over the next six months, versus just 33% in 2019.

## Increase in Mobile App/Online Grocery Purchases for Credit Union Members Few Times per Month



## Increase in Food Pick-up/Delivery for Credit Union Members Few Times per Month



Similarly, subscriptions to streaming services increased from 61% in 2019 to 70% in 2020. Most people lean toward debit (34%), credit (49%) and credit union or bank account withdrawal (22%) to pay for streaming services.

When it comes to rewards, cash back remains the first choice, with low interest rates ranking above travel rewards in popularity during the pandemic. When asked which rewards or benefits encouraged them to use their primary card more often before COVID-19, cash back and travel were most commonly selected as most preferred at 63% and 37%, respectively. When asked which rewards or benefits encouraged them to use their primary card more often as a result of COVID-19, the responses most commonly selected were cash back (60%), low interest rate (32%) and travel (29%).

Not surprisingly, cash usage has decreased across all types of purchases and payments situations due to COVID-19. More than one-third of respondents see cash as something they only use for smaller purchases, with more than half reporting they typically use cash for purchases less than \$10. In addition, only one-quarter of respondents view cash as physically safe.

Subscriptions to streaming services increased from 61% in 2019 to 70% in 2020.



**Preferred Payment Methods for Streaming Services**



## Nearly one-third of respondents reported suffering a job loss, furlough or reduced pay or hours as a result of COVID-19.

When the survey was fielded in July, many states had started to reopen after months of shelter-in-place measures, only to later slow or halt reopening plans due to escalating coronavirus cases. At that time, nearly one-third of survey respondents had already suffered a job loss, furlough or reduced pay or hours as a result of COVID-19.

According to PSCU data comparing Owner credit union members' payments behavior and activity on a same-store basis year-over-year in July, more people were conducting purchases through card-not-present channels, with transactions up more than 42% for debit and 21% for credit. Card-present transactions, on the other hand, were down 8% and 22% for debit and credit, respectively. Contactless transactions were up by nearly 13% for debit and 9% for credit in 2020, with mobile wallet transactions also increasing by as much as 42% for debit and 9% for credit year-over-year. In addition, ATM withdrawals were down by nearly 12%. These numbers offer further validation for the significant role COVID-19 played in how consumers make purchases and conduct routine financial activities.

### Key Takeaways

While many credit unions were quick to adapt to changing economic factors and consumer behavior as a result of COVID-19, they now need to look beyond the pandemic and prepare for consumer expectations in the “new normal.” While some members may never feel comfortable stepping foot in a branch again and choose to conduct routine activities exclusively via digital channels moving forward, others may prefer to go back to branches. It is important for credit unions to ensure that all channels work together seamlessly to provide members with the experiences they are seeking out today and into the future. This rings true across all credit union offerings, including rewards, card programs, emerging payments options, digital banking solutions, fraud offerings, contact centers and more. It also aligns with shifting behaviors, like the current trend of consumers choosing how to pay based on which option is the most physically safe, for example. Services and solutions need to reflect and be adaptable to changing consumer needs, wants and expectations across all channels and among all touchpoints.

# Contactless Penetration and Usage Surge...



As consumers look for “clean” forms of payments that limit human contact, there has been a 72% year-over-year increase in survey respondents that report having a contactless card. In addition, 57% of respondents said they used a contactless card at least a few times per month before the pandemic; this number increased to 65% during the pandemic, and 69% anticipate continuing to use it post-pandemic. Consumers from Generation Z and millennials are the most frequent users of contactless card technology.

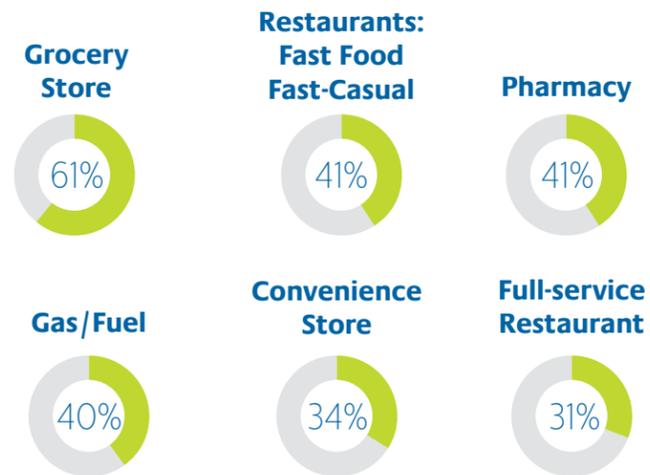
Respondents reported using contactless cards most frequently at essential businesses like grocery stores and pharmacies, with usage among credit union members higher across the board than non-members. Nearly 50% of consumers surveyed agreed with the statement, “I prefer to use a contactless card.” On the other hand, of those respondents who have a contactless card, 25% don’t use it because they don’t know what it is or how to use it.



**Credit Union Members with a Contactless Card Increased Year-over-Year**



**Contactless is Most Frequently Used at Essential Businesses by Credit Union Members**



73% of credit union members agree: “I will make decisions about how I will pay for something primarily based on which is the most physically safe.”

# ...Along with an Increase in Mobile Wallet Usage and Digital Banking



In 2019, 32% of respondents were likely or extremely likely to use a mobile wallet over the next six months. In 2020, this increased to 38%. Usage of mobile wallets among credit union members increased by 40% – up from 15% in 2019 to 21% in 2020 – when asked if they had utilized a mobile wallet in the 60 days prior to completing the survey. In fact, more credit union members (49%) report using a mobile wallet than non-members (28%). Similar to contactless cards, of those who have a mobile wallet, 44% don't use it because they don't know what it is or how to use it, while 31% don't use it because they feel it is not secure.

At the same time, mobile phone banking continues to trend up. Respondents who said they typically make payments or do banking via their mobile phone grew by three percentage points, with credit union members reporting higher usage than non-members (57% versus 35%).

Credit union members also reported increased usage of digital payment methods – such as Venmo, PayPal and Zelle, among others – as their primary payment method, rising from 8% in 2019 to 17% in 2020. In fact, over one-third of credit union members ages 23-30 (Younger Millennials) use digital payment methods as their primary method of payment.



**More Credit Union Members are Using a Mobile Wallet**



**Credit Union Members are More Likely to Make Payments or Do Banking via Mobile Phone**



**Key Takeaways:**

More and more consumers are taking to digital channels to conduct transactions and interact with their credit unions, with usage among credit union members higher than non-members. In order to keep pace with member demand and compete with other financial institutions, it is key for credit unions to continue innovating in the digital space, especially as artificial intelligence and biometric technology advance. Credit unions should keep a regular pulse on what their members want and expect when it comes to innovation, rather than innovating just for the sake of it. Leveraging third-party partners can be hugely beneficial once credit unions have formulated their strategic innovation priorities.

While the number of respondents with contactless credit or debit cards has risen dramatically, credit unions not currently offering these options should prioritize issuance whether through mass or natural reissue. Of the survey respondents who currently have a contactless card or mobile wallet but do not use it, many reported not knowing what it is or how to use it. In addition, many did not feel contactless cards or mobile wallets were secure (17% and 31%, respectively). This is an opportunity for credit unions to teach members how to utilize alternative payment methods, as well as explain the benefits and security features of each.

# Consumers Prioritize Ease of Use, Speed and Convenience



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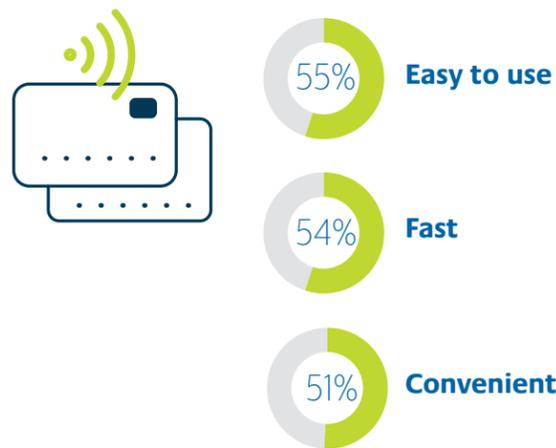
Despite the uncertainty surrounding the pandemic, the primary drivers behind choice in payment method have remained consistent since last year. For the second year in a row, convenience and ease of use were the main factors in consumers' purchasing decisions, along with speed.

Contactless cards and mobile wallets users agree they are easy to use, fast and convenient. For contactless, 55% of respondents who use a contactless card do so because it is easy to use, 54% because it is fast and 51% because it is convenient. For mobile wallets, 55% of respondents attribute usage to convenience and ease of use, while 52% attribute it to being fast. Respondents also reported using store-specific mobile apps because they are convenient (28%) and easy to use (27%). Drivers of payment preference are consistent between new and traditional payment methods, with survey respondents agreeing debit and credit cards are also convenient, easy to use and allow for fast transactions.

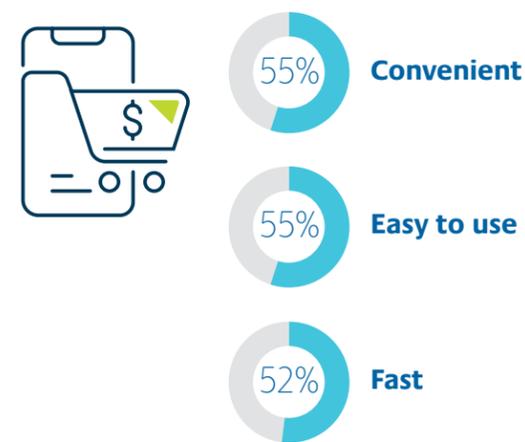
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### Why Consumers Choose to Pay with Contactless



### Why Consumers Choose to Pay with Mobile Wallets



# Nonetheless, Security is Still Important



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In 2019, four in 10 respondents agreed that they make decisions about how to pay for something based in part on which is the most secure. In 2020, this increased to eight in 10. At the same time, the number of respondents who reported being victims of card fraud or identity theft only increased slightly this year, up to 13% compared to 12% in 2019. The vast majority of 2020 incidents were attributed to a purchase made online, likely corresponding to the uptick in online shopping.

In 2020, 21% of respondents reported disputing a charge in the 60 to 90 days prior to completing the survey. Credit union members reported slightly higher incidences (25%) than non-members (13%). The majority of purchases or charges disputed were related to everyday or retail purchases (49% and 45%, respectively). Nonetheless, the vast majority of disputes – nine out of 10 – were resolved.

In line with these findings, it makes sense that credit union members (75%) are more likely to utilize mobile alerts and controls than non-members (66%). The number of overall users utilizing mobile alerts and controls remained steady, increasing slightly from 72% to 73%.



### Mobile Alert Usage is Consistently Strong

Credit Union Members

75%

Non-Credit Union Members

66%

79% of credit union members agree: “I make decisions about how I will pay for something primarily based on which is the most secure.”



62% of consumers reported they would be interested in utilizing a digital card issued by their financial institution for online purchases before their physical replacement card was received.

In addition, in a lost/stolen scenario, 62% of consumers reported they would be interested in utilizing a digital card issued by their financial institution for online purchases before their physical replacement card was received. Credit union members reported more interest in a digitally-issued card at 69% compared to just 43% of non-members, which may indicate credit union members have a higher level of trust in their credit unions than non-members have in their financial institutions. And while credit union members may have dealt with more disputes in 2020, they reported being more satisfied with their financial institution’s handling of fraud than non-members (74% versus 62%).



**Key Takeaways:**

Overall, consumers still value a personalized, frictionless experience and look to their trusted financial provider to deliver easy to use, convenient, simple tools that are just as secure and helpful as traditional offerings. Many members – 94%, according to the survey – consider their credit union to be that trusted financial partner. It is more important than ever for credit unions to continue educating members and act as a source of information on emerging technologies, fraudulent events and more.

For the third year in a row, both credit union and non-credit union members alike (79% of credit union members and 73% of non-members) report they make decisions about how to pay for something based in part on which is the most secure. It is imperative that credit unions continue to focus on safety and security while simultaneously meeting consumer demands and expectations, especially as fraudsters innovate and find new ways of attack. Ensuring members have access to mobile alerts and controls and digital banking solutions where they can easily place cards on hold can give members a heightened sense of security when conducting transactions with their credit union-issued cards. Credit unions should consider partnering with a provider that can deliver strong fraud mitigation offerings coupled with an optimal member experience.

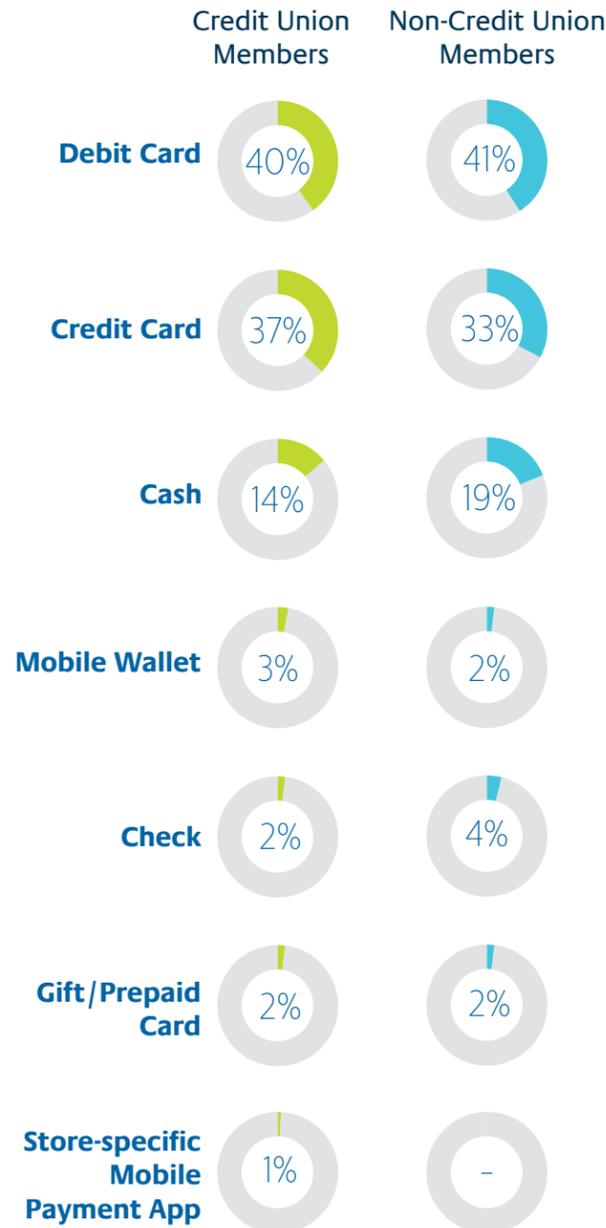
# Consumers Continue to Choose Debit



For the second year in a row, debit remains the first preferred payment method across all demographics, with 41% of survey respondents preferring debit and 35% preferring credit. Debit and credit emerge as the most frequently used payment methods in most types of purchase situations, including restaurants, retailers, grocery, pharmacy and gas/fuel, while credit remains the go-to payment method for major purchases.

Among credit union members, debit was reported as the first preferred payment method (40%). For point-of-sale or card-present purchases, credit union members are more likely to use a debit card than non-credit union members (69% versus 57%). In addition, six out of 10 credit union members agree they use both credit and debit cards now more than they did a few years ago, and over 75% also indicate that a credit or debit card is their first preferred payment method. Although physical safety is a key factor in determining how consumers transact, traditional methods of payment are still important and preferred. As such, financial institutions should continue to prioritize and promote them.

**Consumer Payment Method Preferences**

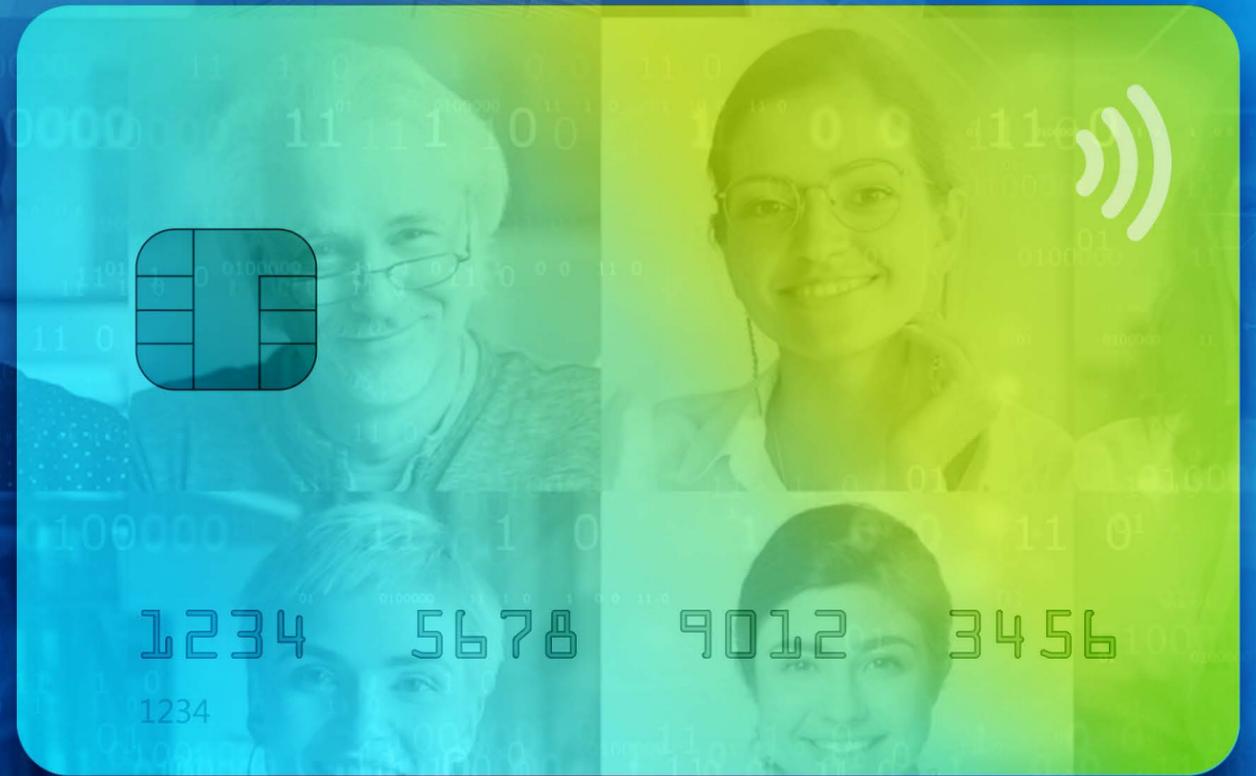


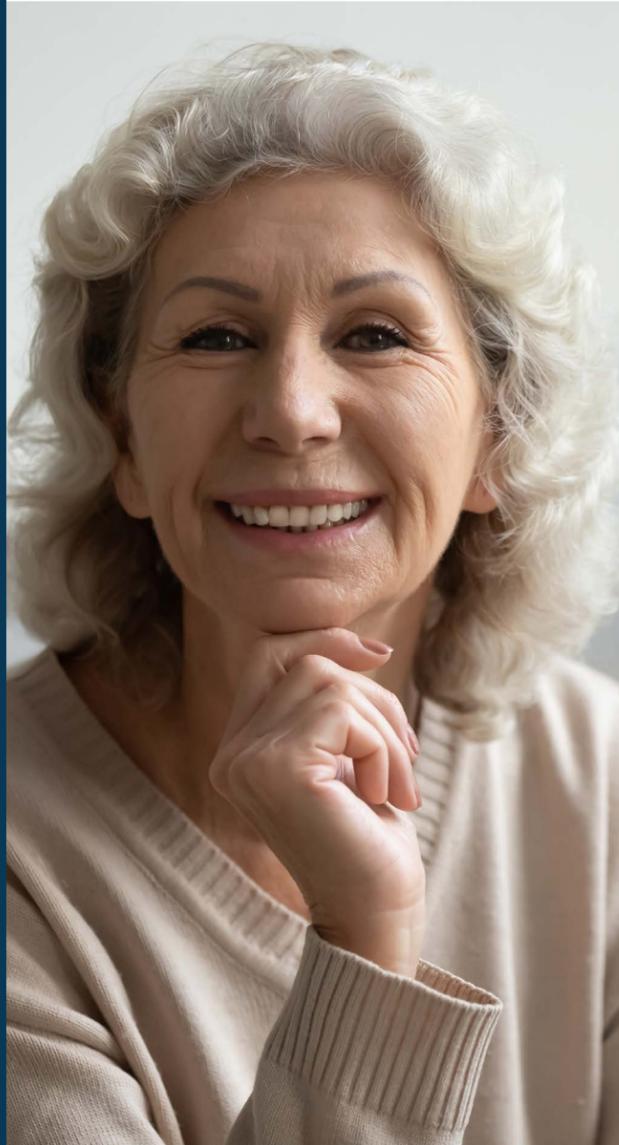
**Key Takeaways:**

Today, it is no longer enough for credit unions to simply encourage members to use their credit union-issued cards at the point of sale. With digital payments (like Venmo and PayPal) on the rise, more people shopping online and competitor banks, fintechs and financial institutions fighting for their share of the market, credit unions need to push for members to choose their credit union-issued card first across all channels, whether that be in mobile apps, online or in-store. Once a user stores a card in a digital channel, it is likely he or she will keep it as the preferred payment method.

Credit unions should promote incentives and special offers to encourage members to add or use their credit union-issued cards over competing bank- or fintech-issued cards. As indicated by survey respondents, debit is still the preferred way to pay, presenting credit unions with a substantial opportunity to leverage legacy programs like debit alongside newer offerings, so members can pay how they want, when they want. With digital payment methods on the rise and likely to continue trending up, members choosing their credit union-issued card will take on greater importance as each purchase made through a specific channel represents a revenue opportunity for both debit and credit accounts.

# Payments through Generations





## Baby Boomers:

Respondents in this demographic (aged 55 to 94) indicated the fewest changes in their payment preferences over the last year. Prior to the pandemic, nearly half (48%) said they shopped online at least a few times per month. During COVID-19, this number has risen by 27%. The number of people who report shopping online at least a few times per week has more than doubled (to 15%) during COVID-19. Most plan to continue this practice post-pandemic. In addition to being comfortable with online shopping, nearly one-third of credit union members in this generation use mobile banking.

<b>Top two most preferred ways to pay:</b>	Debit card (40%), credit card (36%)
<b>Frequency of online purchases during COVID-19:</b>	Few times per month (45%), few times per year (30%), few times per week (15%)
<b>Frequency of contactless card usage during COVID-19:</b>	Few times per month (28%), few times per year (20%), few times per week (14%)
<b>Frequency of mobile wallet usage:</b>	Daily (0%), few times per week (2%), few times per month (6%)
<b>Digital payment method most likely to be used in the next six months:</b>	PayPal
<b>Use mobile phone to make payments or do banking:</b>	Yes (31%)
<b>Life events experienced within the past 12 months as a result of COVID-19:</b>	Furloughed or reduced hours
<b>Statements this group is most agreeable to:</b>	I trust my financial institution, I am worried about the economy as a result of COVID-19, I believe that credit unions are good places to get advice and guidance on financial matters

## Key Takeaways:

This generation has witnessed the dawn and rise of technologies like the personal computer, smartphone and the internet, and many of them are now [regular users](#) of these channels, devices and various social media platforms. While some members of this generation still prefer traditional banking methods, many are online regularly – shopping and connecting with friends and family – and would readily embrace user-friendly digital and mobile banking options. Out of all the generations surveyed, this group trusts their financial institution the most. If credit unions can successfully get new offerings in front of them, the likelihood of adoption is higher given the level of trust they already have in their credit union.



## Generation X:

Similar to older millennials, Gen X respondents prefer to use their debit cards, but their partiality toward credit cards as a payment method has risen. Gen X respondents do show an increase in their use of contactless cards since the pandemic: Prior to COVID-19, 62% of Gen X respondents used a contactless card at least a few times per month; that number has risen to 74% since the pandemic and is expected to remain steady. Overall, consumers in this generation are slightly less prone to use mobile banking than younger generations. However, credit union members use their mobile phones to do banking or make payments more than non-credit union members, with 63% of credit union members in this generation reporting they use mobile banking, as opposed to only 38% of non-credit union members.

<b>Top two most preferred ways to pay:</b>	Debit card (41%), credit card (38%)
<b>Frequency of online purchases during COVID-19:</b>	Few times per month (45%), few times per week (26%), few times per year (19%)
<b>Frequency of contactless card usage during COVID-19:</b>	Few times per month (33%), few times per week (32%)
<b>Frequency of mobile wallet usage:</b>	Daily (5%), few times per week (13%), few times per month (18%)
<b>Digital payment method most likely to be used in the next six months:</b>	PayPal, Google Pay, Venmo
<b>Use mobile phone to make payments or do banking:</b>	Yes (63%)
<b>Life events experienced within the past 12 months as a result of COVID-19:</b>	Furloughed or reduced hours, reduced salary
<b>Statements this group is most agreeable to:</b>	I am worried about the economy as a result of COVID-19, I trust my financial institution, I believe that credit unions are good places to get advice and guidance on financial matters

## Key Takeaways:

Gen X is sometimes called the “sandwich generation” because consumers in this age group are often caring for both their children and their elderly parents. This generation is often juggling multiple demands and is regularly on the go. Credit unions should offer options like contactless cards, mobile wallets and digital banking solutions that provide Gen X consumers with benefits such as convenience, fast transactions and ease of use.



## Older Millennials:

While millennials in their thirties still prefer debit as their primary payment method, their preference for credit has risen since last year. Millennials, a generation that “[has been shaped by recession](#),” may be feeling the financial effects of the pandemic. Older millennials remain avid online shoppers, with the frequency of online purchases only increasing since the pandemic. Prior to COVID-19, 37% of older millennial respondents said they shopped online a few times a week or more; that number has grown to 45% as a result of COVID-19. Like their younger counterparts, older millennials like to make payments or do mobile banking on their mobile phones (81% of credit union members).

<b>Top two most preferred ways to pay:</b>	Debit card (38%), credit card (36%)
<b>Frequency of online purchases during COVID-19:</b>	Few times per month (37%), few times per week (34%), few times per year (15%)
<b>Frequency of contactless card usage during COVID-19:</b>	Few times per month (32%), few times per week (29%), few times per year (17%)
<b>Frequency of mobile wallet usage:</b>	Daily (8%), few times per week (25%), few times per month (18%)
<b>Digital payment method most likely to be used in the next six months:</b>	PayPal, Google Pay, Venmo, Apple Pay, Zelle, Apple Card
<b>Use mobile phone to make payments or do banking:</b>	Yes (81%)
<b>Life events experienced within the past 12 months as a result of COVID-19:</b>	Reduced salary, furloughed or reduced hours, lost my job, lost my healthcare benefits
<b>Statements this group is most agreeable to:</b>	I am worried about the economy as a result of COVID-19, I believe that credit unions are good places to get advice and guidance on financial matters, I am comfortable using my debit or check card for purchases on the internet

## Key Takeaways:

Older millennials shop online with more frequency than any other generation. While they generally feel comfortable using a debit card for online purchases, most say they are concerned about identity theft and make decisions about how they will pay for something based on which method is most secure. Credit unions should keep these concerns top-of-mind and consider this generation’s unique and unfortunate history with our nation’s economic downturns. Older millennials were coming of age and entering the workforce between the time of the dot-com burst and the Great Recession. Now in their prime working years, this generation faces the economic effects of COVID-19.



### Younger Millennials:

Millennials in their mid- to late twenties and early thirties represent a mobile-savvy generation open to embracing new technologies. While this generation tends to lean toward debit and credit as their primary payment methods, they do show more interest in mobile wallet technology than their other generational counterparts. Six percent of younger millennials even cite mobile wallet technology as their first preferred payment method. Younger millennials are also the most avid users of mobile banking technology, with 87% of credit union members saying they make payments or do banking on their mobile phones. Likewise, over one-third of credit union members aged 23 to 30 use digital tools such as Venmo, Zelle or Apple Pay as their primary method of payment.

<b>Top two most preferred ways to pay:</b>	Debit card (42%), credit card (28%)
<b>Frequency of online purchases during COVID-19:</b>	Few times per month (46%), few times per week (28%), few times per year (13%)
<b>Frequency of contactless card usage during COVID-19:</b>	Few times per week (28%), few times per month (25%), on a daily basis (21%)
<b>Frequency of mobile wallet usage:</b>	Daily (10%), few times per week (11%), few times per month (31%)
<b>Digital payment method most likely to be used in the next six months:</b>	PayPal, Venmo, Apple Pay, Zelle, Google Pay
<b>Use mobile phone to make payments or do banking:</b>	Yes (87%)
<b>Life events experienced within the past 12 months as a result of COVID-19:</b>	Furloughed or reduced hours, reduced salary, lost my job, lost my healthcare benefits
<b>Statements this group is most agreeable to:</b>	I am worried about the economy as a result of COVID-19, I trust my financial institution, I am very concerned about identity theft

### Key Takeaways:

Younger millennials are digital natives who grew up during a time of rapid technological advancement. They are mobile-oriented consumers, preferring to access the internet via mobile device instead of a desktop computer. A [Statista](#) study found that millennials in the United States spend a reported 211 minutes on their smartphone each day, accessing apps or the internet, compared to only 31 minutes of daily internet use on a desktop. This generation’s mobile orientation is apparent in their payment and banking preferences. Credit unions must meet these consumers where they are – on their mobile devices – and provide robust mobile banking tools and digital payment options.



## Generation Z:

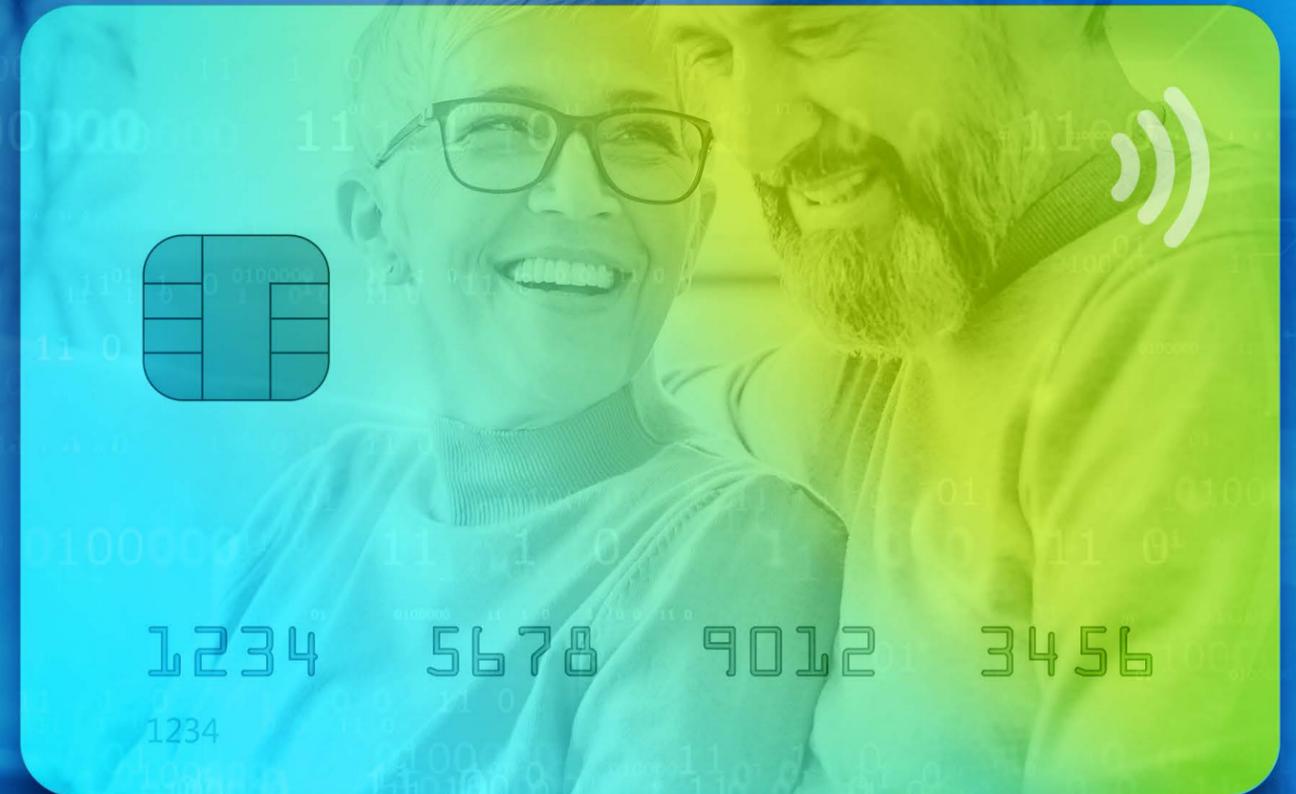
In 2020, the youngest generation of adult consumers indicates a strong preference for debit. In fact, Gen Z is the demographic that most prefers debit cards, with 44% of respondents aged 18-22 selecting debit as their first preferred payment method, up from 39% in 2019. This up-and-coming generation of consumers also reported strong contactless card usage prior to COVID-19, and that number has only increased since the pandemic: Nearly three-quarters (74%) of Gen Z respondents say they have used their contactless card at least a few times per month during COVID-19, and they expect that usage to hold steady. This generation has experienced the most negative financial effects of COVID-19, with 67% indicating a loss of job, income or healthcare coverage.

<b>Top two most preferred ways to pay:</b>	Debit card (44%), credit card (27%)
<b>Frequency of online purchases during COVID-19:</b>	Few times per month (43%), few times per week (30%), few times per year (12%)
<b>Frequency of contactless card usage during COVID-19:</b>	Few times per month (38%), few times per week (23%), few times per year (22%)
<b>Frequency of mobile wallet usage:</b>	Daily (2%), few times per week (14%), few times per month (25%)
<b>Digital payment method most likely to be used in the next six months:</b>	PayPal, Venmo
<b>Use mobile phone to make payments or do banking:</b>	Yes (75%)
<b>Life events experienced within the past 12 months as a result of COVID-19:</b>	Furloughed or reduced hours, lost my job, reduced salary
<b>Statements this group is most agreeable to:</b>	I am worried about the economy as a result of COVID-19, I use a greater variety of payment methods than I did a few years ago, I am comfortable using my debit or check card for purchases on the internet

## Key Takeaways:

Prior to COVID-19, Gen Z consumers were set to come of age during an era of low unemployment and stable economic indicators. Now, uncertainty looms heavily on this young generation. The financial status of Gen Z workers has been severely impacted by the COVID-19 downturn. According to a [Pew Research Center](#) study, this impact is partially linked to nearly half of Gen Z workers being employed in highly susceptible industries (i.e., restaurants) at the beginning of the pandemic. Although they are just starting out, consumers in this generation have already had time to develop viewpoints on credit unions, and most agree that credit unions are good places to get advice and guidance on financial matters. This sentiment, combined with the level of financial anxiety this generation is facing, offers credit unions the opportunity to build strong relationships with Gen Z consumers. Credit unions should focus on member support and offer personalized assistance to those who are experiencing hardship.

# Final Considerations



As evidenced throughout 2020, consumer behavior is unpredictable. Now more than ever, it is important for credit unions to continue to put the “people helping people” philosophy into practice in everything they do – from providing access to legacy card programs, to ensuring members’ safety and security, to educating them on emerging payment methods.

Looking ahead to 2021, credit unions will be faced with a myriad of questions, such as:

- Will people continue to “work from anywhere” and, in turn, expect easy access to their financial institutions from wherever they are? Will hybrid branches become the way of the future?
- Will real-time payments remain as one of the leading discussions regarding innovation? What level of investment will credit unions need to set aside in order to keep pace?

- How can credit unions and financial institutions provide even more personalized experiences in a world in which personalization is no longer a nice-to-have but a must-have? How can these organizations leverage data they already collect, and when do they need to explore additional data and analytics resources?

These questions and more will determine how credit unions and other financial institutions will adapt and thrive in the next year and beyond. While this may seem daunting, partnering with a CUSO like PSCU can ensure credit unions have access to the most updated research, cutting-edge technology, innovative products and services, as well as PSCU’s Advisors Plus, its in-house team of strategic consultants and marketing experts.



## About PSCU

PSCU, the nation’s premier payments CUSO, supports the success of 1,500 credit unions representing more than 3.8 billion transactions annually. Committed to service excellence and focused on innovation, PSCU’s payment processing, risk management, data and analytics, loyalty programs, digital banking, marketing, strategic consulting and mobile platforms help deliver possibilities and seamless member experiences. Comprehensive, 24/7/365 member support is provided by contact centers located throughout the United States. The origin of PSCU’s model is collaboration and scale, and the company has leveraged its influence on behalf of credit unions and their members for more than 40 years. Today, PSCU provides an end-to-end, competitive advantage that enables credit unions to securely grow and meet evolving consumer demands. For more information, [visit pscu.com](https://www.pscu.com).