

THE PRIMAX PAYMENTS PULSE: SUMMER 2025 SPENDING REPORT

Welcome to the Summer 2025 Spending Report of the Primax Payments Pulse! This special edition report explores year-over-year, same-store financial institution comparisons and provides a view of consumer transactions and trends from April through June 2025. For the quarter, consumer spending remained consistent year over year, with growth in debit activity outpacing growth in credit activity. Part of this was supported by low unemployment and steady job growth, which aid consumer confidence. Inflation has started to impact consumer prices, as the CPI rose 0.3% in June to 2.7%. [Tariff-sensitive goods](#), including furniture, toys and clothing, posted higher prices in June. Consumer goods again provided the highest contribution to growth in June 2025 for debit purchases. For credit purchases, the Service sector had the highest contribution, with insurance premiums leading the increase.

The [Consumer Confidence Index](#) decreased in June, down 5.4 points to 93.0. Sentiment on both current and future conditions contributed to the broad decline, erasing roughly half of the sharp increase from the prior month. While sentiment on job availability remained in positive territory, it has weakened for the sixth consecutive month. The decline was noted by all age groups and most income levels. The June 2025 University of Michigan [Index of Consumer Sentiment](#) increased for the first time in six months, finishing at 60.7, but still remains well below both December 2024 (74.0) and June 2024 (68.2).

In the Labor Department's July 15 update, the [Consumer Price Index \(CPI\)](#) increased 0.3% in June, bringing the cumulative 12-month rate of inflation up to 2.7%. Shelter, which continues to account for a significant portion of the monthly increases, was up 0.2% in June. The energy index increased 0.9% in June, while the food index increased 0.3%. Core CPI, which excludes the Food and Energy sectors, increased by 0.2% in June following a 0.1% decrease in May, bringing the 12-month Core CPI to 2.9%.

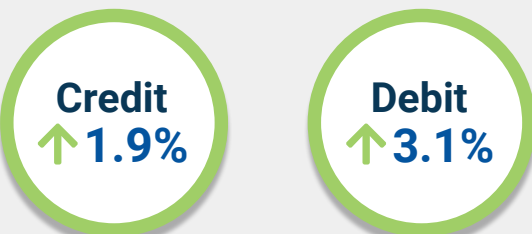
Jobs grew by 147,000 in June, with increases in state government and healthcare, contrasted by a decline in jobs with the federal government. [ADP reported](#) in June that 33,000 private sector jobs were lost — despite an anticipated increase of 100,000 new positions — marking the first decline in private sector jobs since March 2023. Reductions noted by ADP were in the professional and business services areas, as well as the education and health services areas. New job figures were upwardly revised for April and May, adding an additional 16,000 new positions for the two-month period. The U.S. Bureau of Labor Statistics (BLS) [reported](#) that the overall unemployment rate for June decreased by 0.1% to 4.2%, or 7 million people. The [labor force participation rate](#) dropped to 62.3% — its lowest since 2022 — which may be influenced by the immigration crackdown.

On July 4, 2025, President Trump signed into law the “One Big Beautiful Bill” Act, a [cornerstone piece of legislation](#). While there are [numerous provisions](#) in the new law, a few components that will impact consumers include making the expiring tax cuts from Trump's first term permanent, along with new campaign-promised tax cuts that include no tax on tips or overtime wages with a maximum \$12,500 deduction, as well as a \$6,000 tax deduction for most seniors that will deliver no taxes on Social Security benefits. The benefits of these changes will materialize over time, mainly with the filing of 2025 income taxes. The new law also includes the elimination of electric vehicle and rooftop solar panel tax credits by the

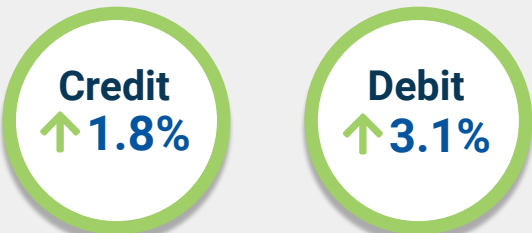
OVERALL PERFORMANCE: APRIL TO JUNE 2025

TRANSACTIONS

2025 VS. 2024

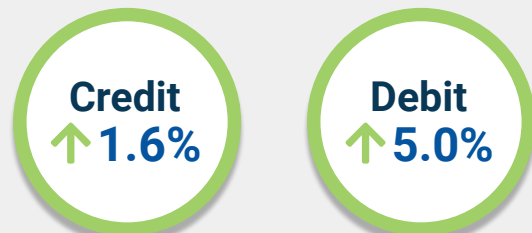


2024 VS. 2023

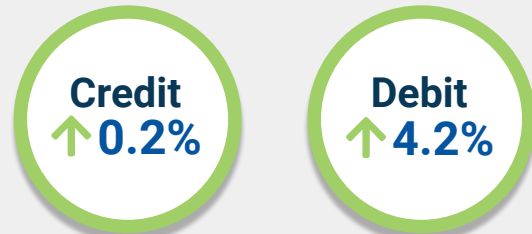


PURCHASES

2025 VS. 2024



2024 VS. 2023



end of 2025. Medicare, Supplemental Nutrition Assistance Program (SNAP) and the Affordable Care Act also have adjustments to various provisions that could cause a ripple effect on consumer spending activity. We will monitor these implications over time.

Tariffs continue to be a part of the news cycle, with [ever-shifting dates and percentages](#). Through the publishing of this edition, many of the key trade deals now have an effective date of Aug. 1, 2025. Consumer spending implications resulting from proposed trade tariffs will be better understood once more concrete dates, percentages and products are finalized.

While many economists expect interest rates to remain unchanged after the Federal Open Market Committee (FOMC) meeting that concludes on July 30, the odds of a rate cut following the Sept. 17 meeting are increasing.

We hope that the insights from the Primax Payment Pulse continue to help our financial institutions make informed, strategic decisions.

KEY TAKEAWAYS FOR SECOND QUARTER 2025

- The quarter ending in June brought continued slow growth for credit and stable growth for debit, with debit purchases up 5%. The Goods and Money sectors (P2P payments) contributed two-thirds of that growth. Credit purchases were up 1.6% with the Services and Goods sectors contributing all of the increase. The Service sector growth was fueled by insurance premiums and rent payments. During this time period, debit transactions were up 3.1% and credit transactions were up 1.9%.
- The 12-month CPI through June increased by 2.7%, up 0.3% from May. The shelter index continues to contribute significantly to the monthly increase, up 0.2% in June, while the energy index increased by 0.9%. Core inflation, which excludes food and energy, was up 0.2% at 2.9% for June.
- There were signs of shifting consumer spending influenced by economic uncertainty in the market, with discretionary spending impacted in specific Travel and Entertainment categories. At the same time, online gambling continues to grow in debit transactions and purchases.



“As we navigate a summer shaped by economic uncertainty and evolving global trade dynamics, consumers are demonstrating both caution and adaptability. The landscape may be shifting, but we’re also seeing a shift toward smarter, more intentional spending – the American consumer is still very much in the game. Primax remains committed to helping our partners understand these trends and supporting their cardholders through a rapidly changing economic landscape.”

– Bill Hampton, President, Primax

DEEP DIVE: ECONOMIC UNCERTAINTY

Since the sweeping tariff announcements by President Trump on April 2, 2025, there have been a multitude of changes to proposed rates and expected implementation dates, affecting most of the United States' largest trading partners. While the question of "when" consumers could expect to feel the impact of tariffs on their purchases is somewhat unclear, it mainly points to later months of 2025, assuming the tariffs materialize. This uncertainty has led to a period of increased consumer purchases in advance of looming tariffs, along with drops in consumer sentiment across various surveys. In this edition's deep dive, we look to changing consumer behavior in light of the current economic environment and consumers' anticipation of greater inflation on the horizon.



For the quarter ending June 2025, discretionary spending was down for credit purchases by 1.3% and up in debit spending by 4.8%. Non-discretionary spending for the quarter remained positive, with credit purchases up 2.3% and debit purchases up 5.0%. Some notable observations include:

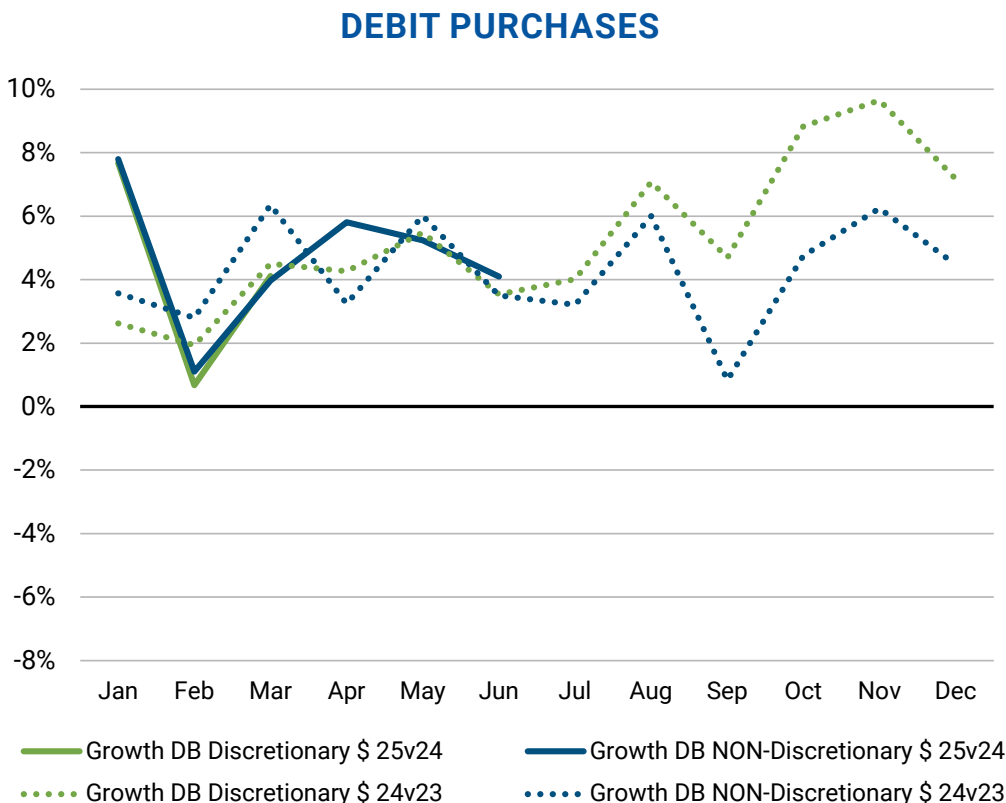
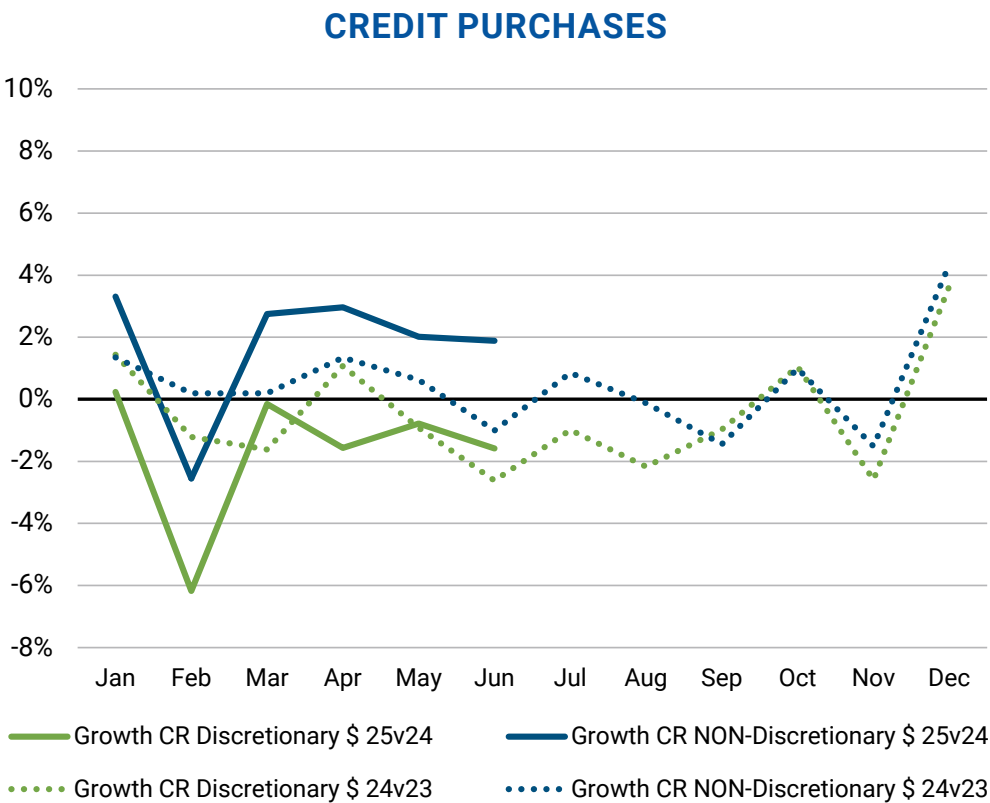
- 1. **June 2025 discretionary spending results are softer than April and May.** Credit purchases in discretionary spending in June were down 1.6%, while debit discretionary purchases were up 3.0%
- 2. **Within discretionary debit spending, growth in online gambling/betting continued to increase.** When excluding gambling, however, the growth in discretionary debit purchases drops from 4.8% to 3.3% for the quarter ending June 2025.

Additionally, specific purchase types for debit were examined within the Travel, Goods and Entertainment sectors to identify softening consumer sentiment resulting from economic uncertainty.

YEAR-OVER-YEAR GROWTH IN DISCRETIONARY/NON-DISCRETIONARY ACTIVITY: APRIL TO JUNE 2025

CREDIT					DEBIT				
	% of Overall Purchases	YoY Transaction Growth	YoY Purchase Growth	Average Purchase	% of Overall Purchases	YoY Transaction Growth	YoY Purchase Growth	Average Purchase	
Discretionary	19%	0.4%	-1.3%	\$155	9%	6.3%	4.8%	\$73	
Non-Discretionary	81%	2.0%	2.3%	\$63	91%	2.9%	5.0%	\$45	

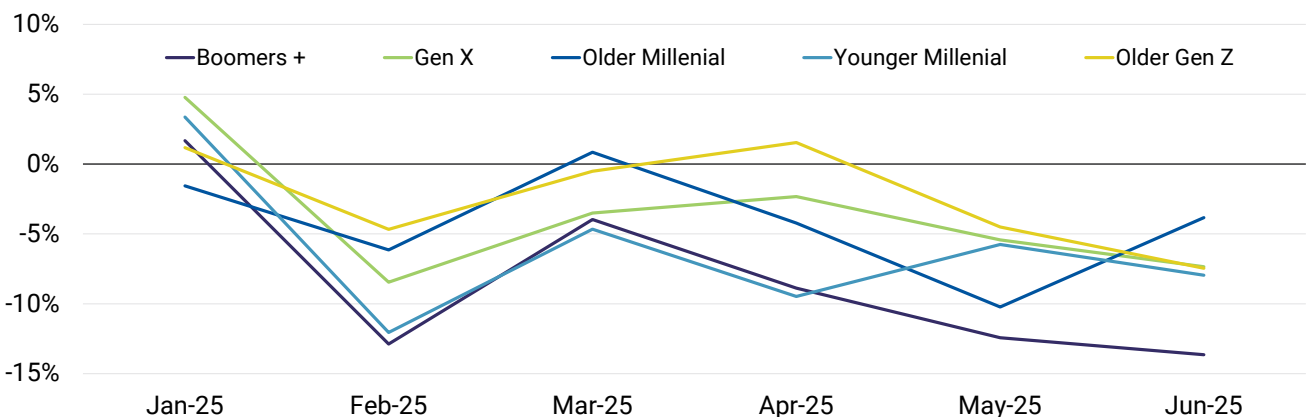
GROWTH IN OVERALL DISCRETIONARY AND NON-DISCRETIONARY PURCHASES



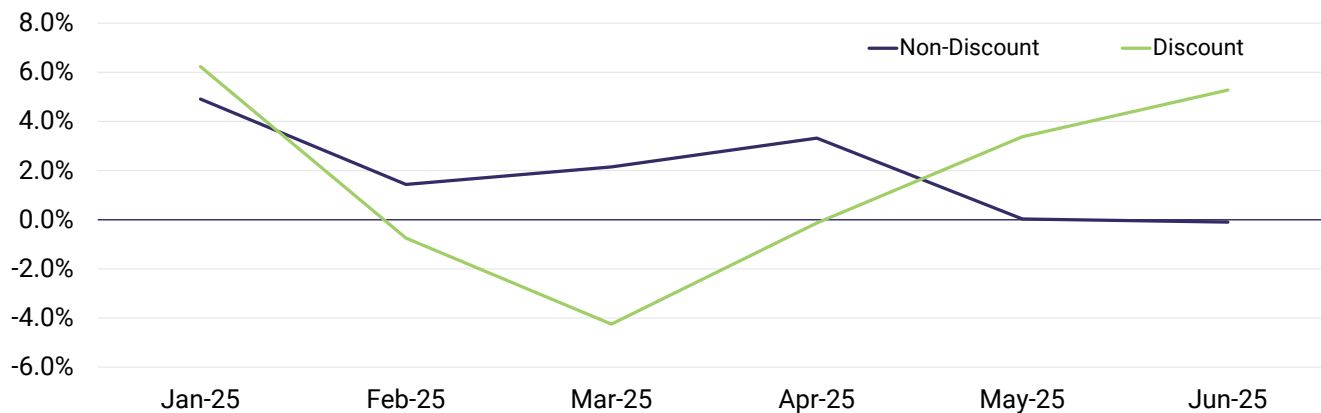
AIRLINES

- Year-over-year debit growth for Airline purchases has steadily rebounded since a year-to-date low in February of -8.7%, but remains negative. Conversely, worsening negative purchase growth has been observed for Boomers+ beginning in March 2025, with the most recent result of -13.6%.
- Discount airlines like Spirit, Frontier, JetBlue and Ryanair accounted for 9.2% of Airline debit transactions, which represents the lowest transaction share over the last 18 months.
- The 2025 year-to-date average debit purchase amounts for discount and non-discount airlines were \$181.06 and \$230.40, respectively, but the gap has been narrowing since March 2025. The move toward pricing parity between discount and full-service airlines is likely part of the reason we're seeing fewer transactions for discount airlines, as consumers opt for full-service airlines when the price difference fails to justify the service disparity.

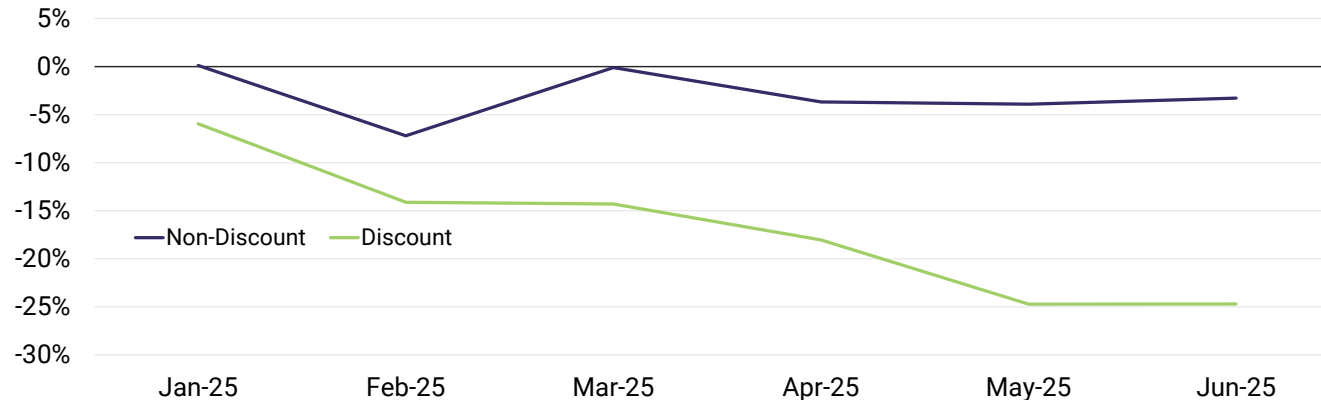
AIRLINE YEAR-OVER-YEAR PURCHASE GROWTH BY GENERATION



AIRLINE DEBIT YEAR-OVER-YEAR AVERAGE PURCHASE GROWTH BY AIRLINE TYPE



AIRLINE DEBIT YEAR-OVER-YEAR TRANSACTION GROWTH BY AIRLINE



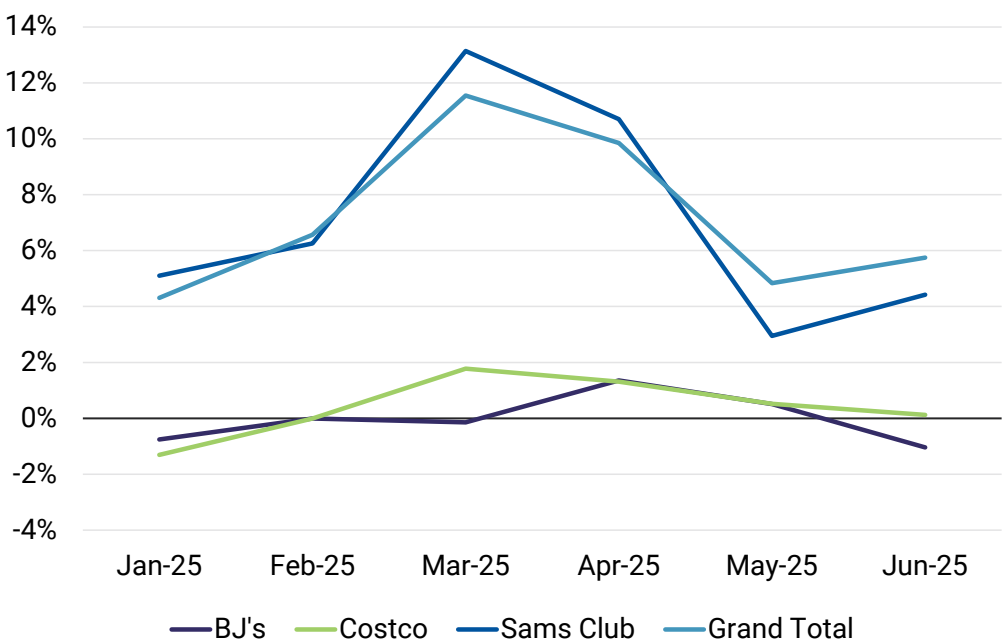
WHOLESALE CLUBS

- A surge in year-over-year debit growth for Wholesale Club transactions and purchases during March and April 2025 was likely reflective of a preemptive attempt by consumers to stock up on goods and combat inflationary concerns resulting from tariff announcements.
- Gen Z consistently demonstrated the highest year-over-year growth in debit transactions and purchases, despite representing the lowest share of Wholesale Club debit transactions and purchases year to date.
- Costco had the highest transactions per account and average purchase amount throughout 2025, meaning customers visited more often and spent more while in store than competitors.
- Sam's Club appears to be losing customers to Costco for 2025, as evidenced by the trend in account share, but remains the largest contributor to debit Wholesale Club transactions and purchases.

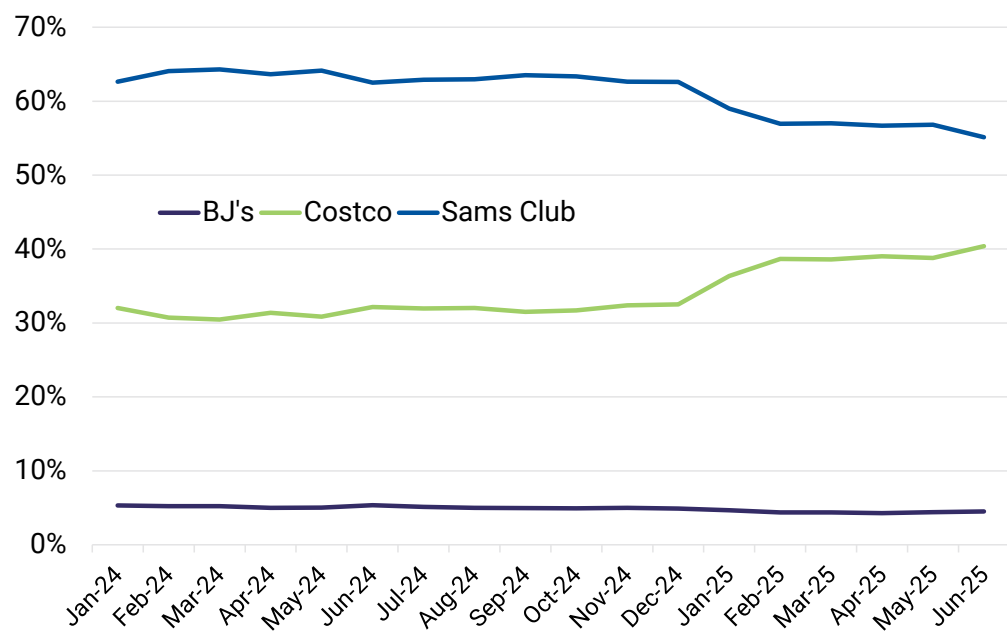
2025 YEAR-TO-DATE DEBIT PERFORMANCE METRICS BY WHOLESALE CLUB

	Monthly Transactions / Account	Monthly Purchases / Account	Average Purchase
BJ's	1.45	\$157.49	\$108.26
Costco	1.72	\$214.59	\$124.97
Sam's Club	1.36	\$160.46	\$118.24
Total	1.48	\$177.65	\$120.25

WHOLESALE CLUB YEAR-OVER-YEAR DEBIT PURCHASE GROWTH PER ACCOUNT



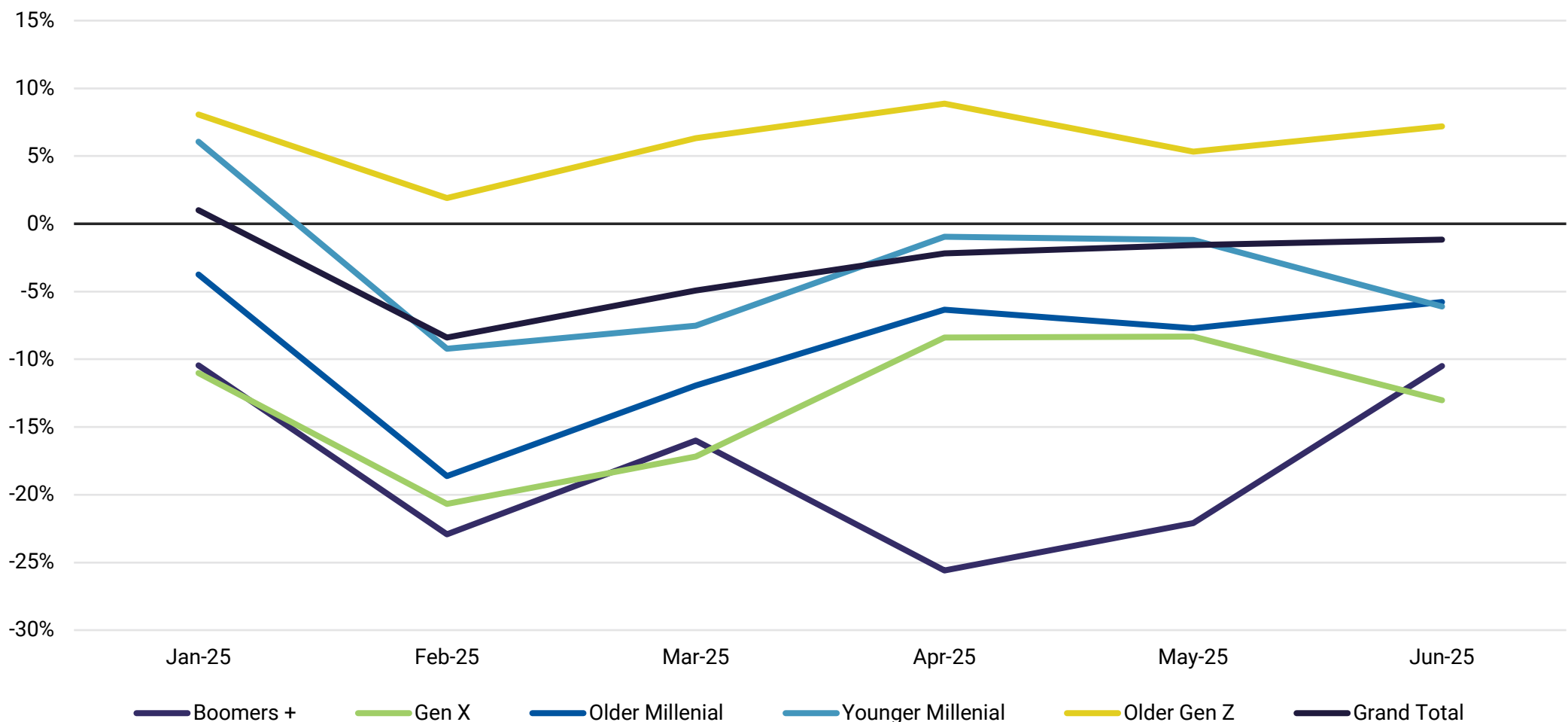
WHOLESALE CLUB DEBIT PURCHASE CONTRIBUTION



ONLINE RESELLERS

- Gen X represents the largest contribution for Online Resellers like Depop, Poshmark and Mercari in terms of debit transactions and purchases at 24.6% and 24.7%, respectively; however, growth has been steadily declining throughout 2025. Boomers+ have experienced the most significant decline in growth this year and currently represent the lowest transaction share of any generation (11.5%).
- Gen Z has seen growth above 5% since February 2025, potentially signaling a willingness by younger consumers to shop second-hand to save money amidst looming economic uncertainty.

ONLINE RESELLER DEBIT TRANSACTIONS GROWTH BY GENERATION



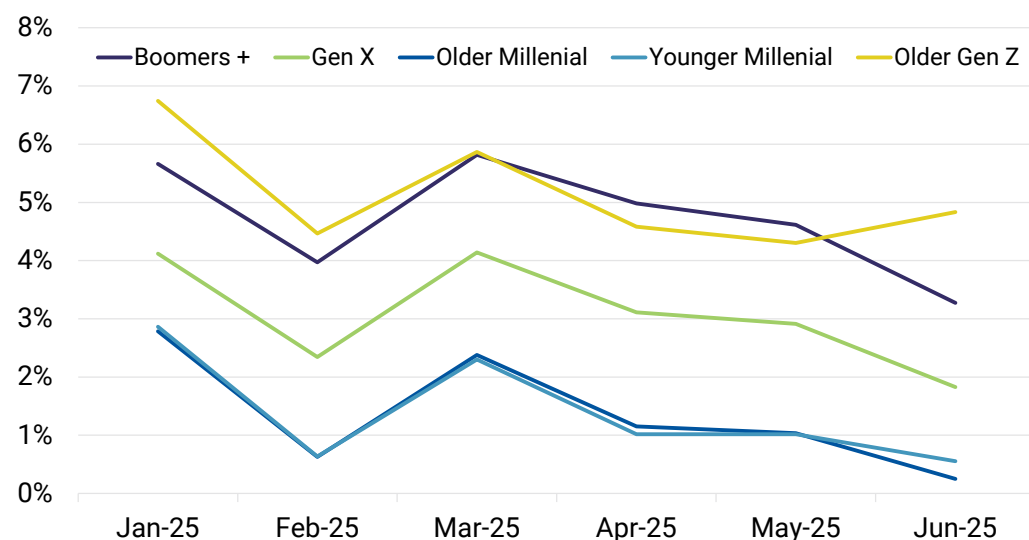
STREAMING SERVICES

- Debit transaction growth for audio and video Streaming Services remained positive, but has consistently slowed since March 2025, reflecting the challenge of retaining and attracting new customers in an environment with higher prices and economic uncertainty.
- Millennials consistently demonstrated the lowest Streaming Services account growth for 2025, with steadily declining growth – approaching zero – since March 2025.

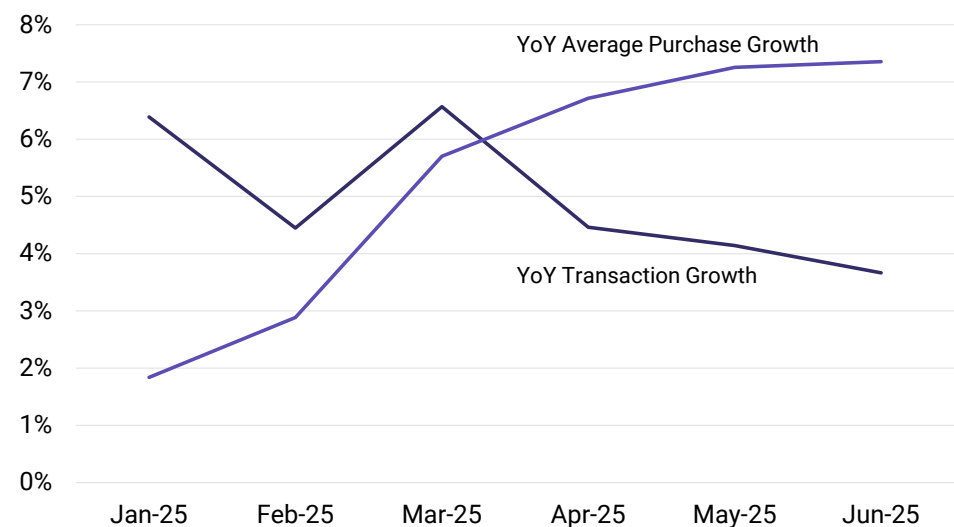
LOOKING AHEAD

While there is some evidence of shifting consumer behavior in certain discretionary spending categories, there have not been any widespread or extreme changes. U.S. consumers continue to be resilient in their purchasing activity and are making small, individualized adjustments. With June's increase in inflation partially attributable to tariff increases, we will continue to watch for changes in spending as the year unfolds.

YEAR-OVER-YEAR STREAMING SERVICES DEBIT ACCOUNT GROWTH BY GENERATION



DEBIT GROWTH FOR STREAMING SERVICES



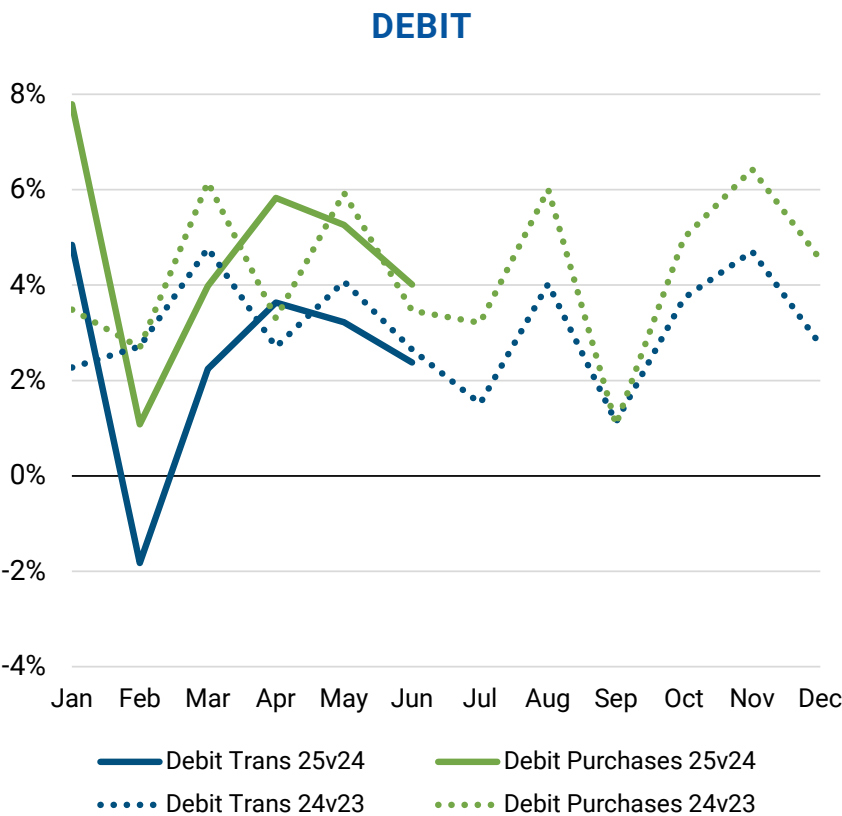
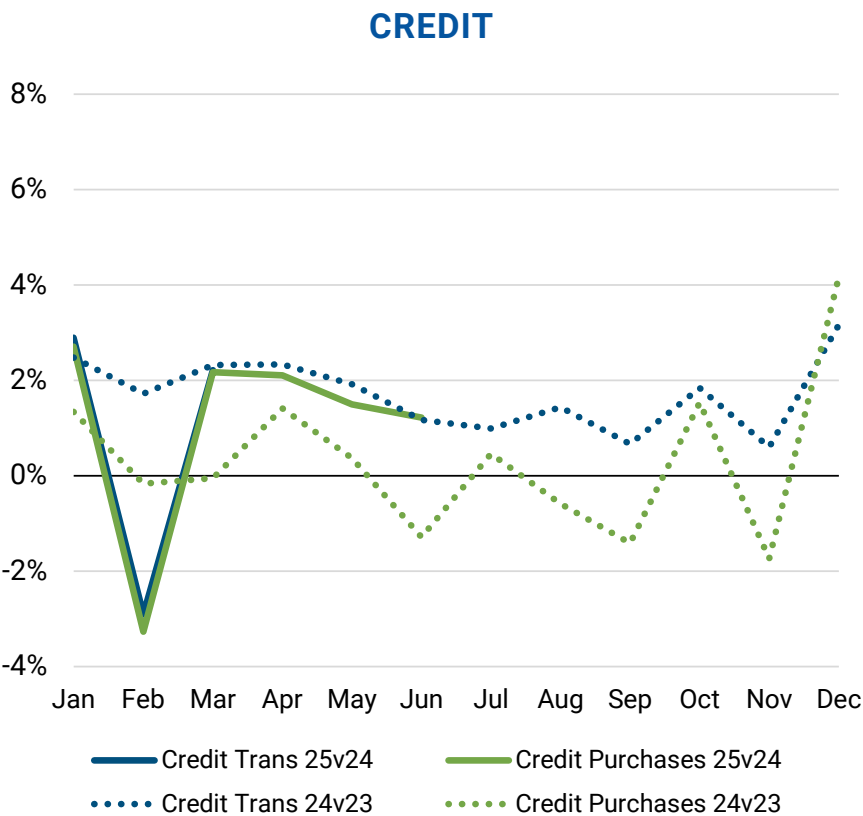
CREDIT AND DEBIT CARDS

Compared to the second quarter of 2024, growth for both credit and debit activity remained positive and consistent. Purchase growth for credit was up 1.6% and debit purchases were up 5.0% for the quarter ending June 2025. Transaction growth for the second quarter of 2025 measured 1.9% and 3.1% for credit and debit, respectively.

The Goods sector was again the lead driver for debit purchases growth, contributing over one-third of the growth. Money Services remained strong with growth in debit purchases, followed by the Services sector. Services was the top sector for growth in credit purchases, with insurance premiums and rent contributing the most.

APRIL TO JUNE 2025

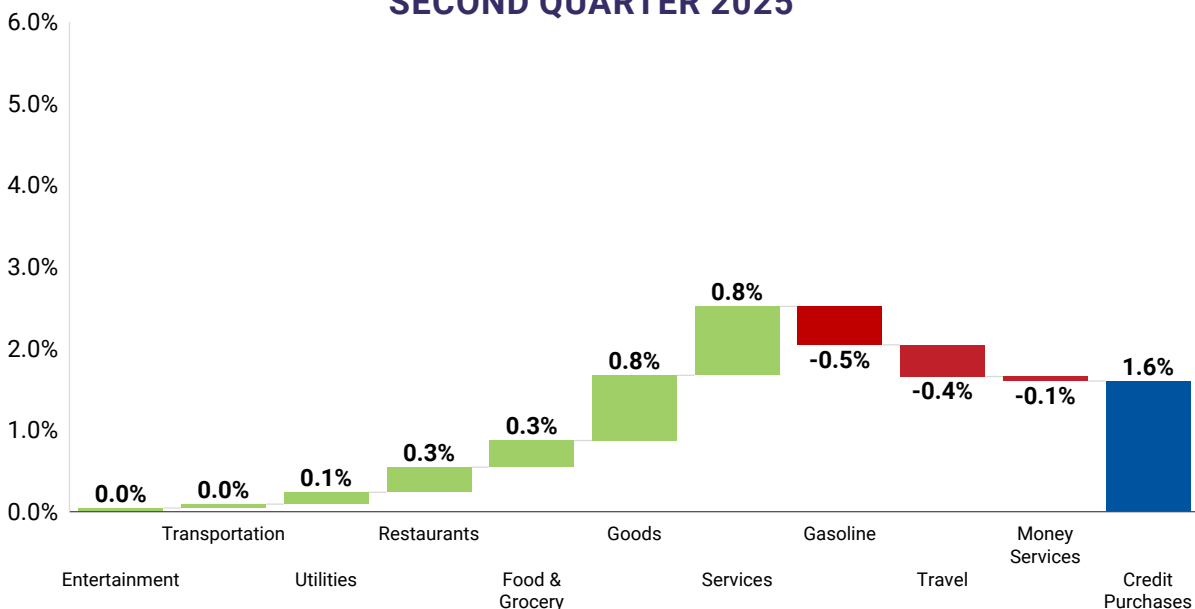
	CREDIT		DEBIT	
	Transactions	Purchases	Transactions	Purchases
2025 v 2024	1.9%	1.6%	3.1%	5.0%
2024 v 2023	1.8%	0.2%	3.1%	4.2%



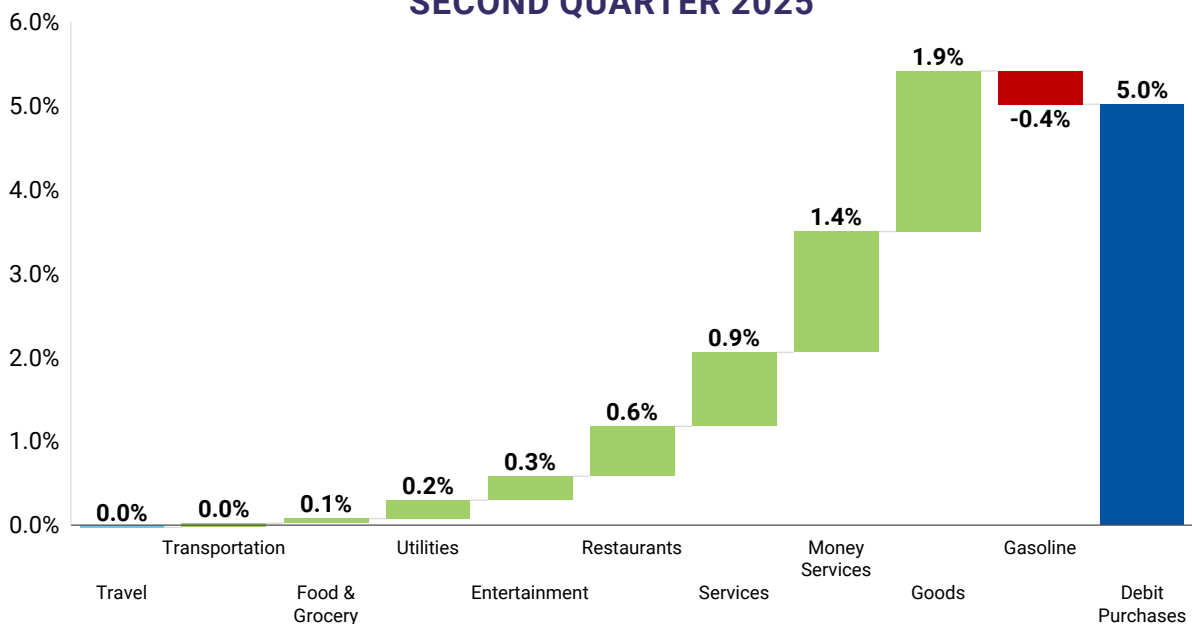
Primax Payments Pulse: Summer Report

July 2025 ■ 10

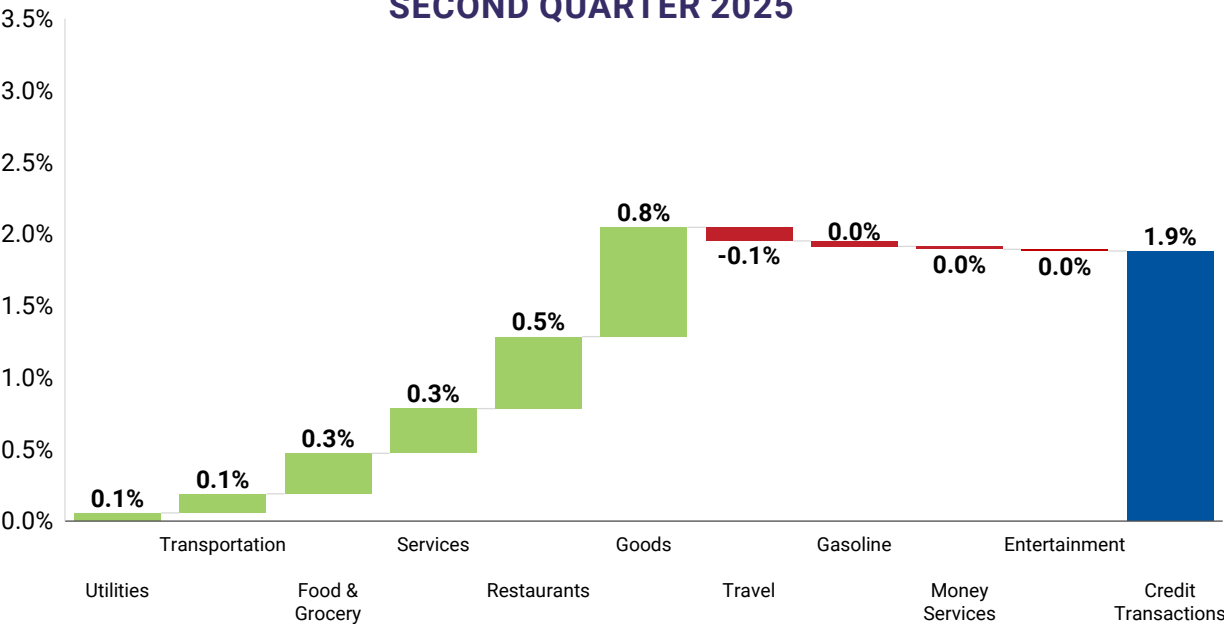
SECTOR CONTRIBUTIONS TO GROWTH IN CREDIT PURCHASES
SECOND QUARTER 2025



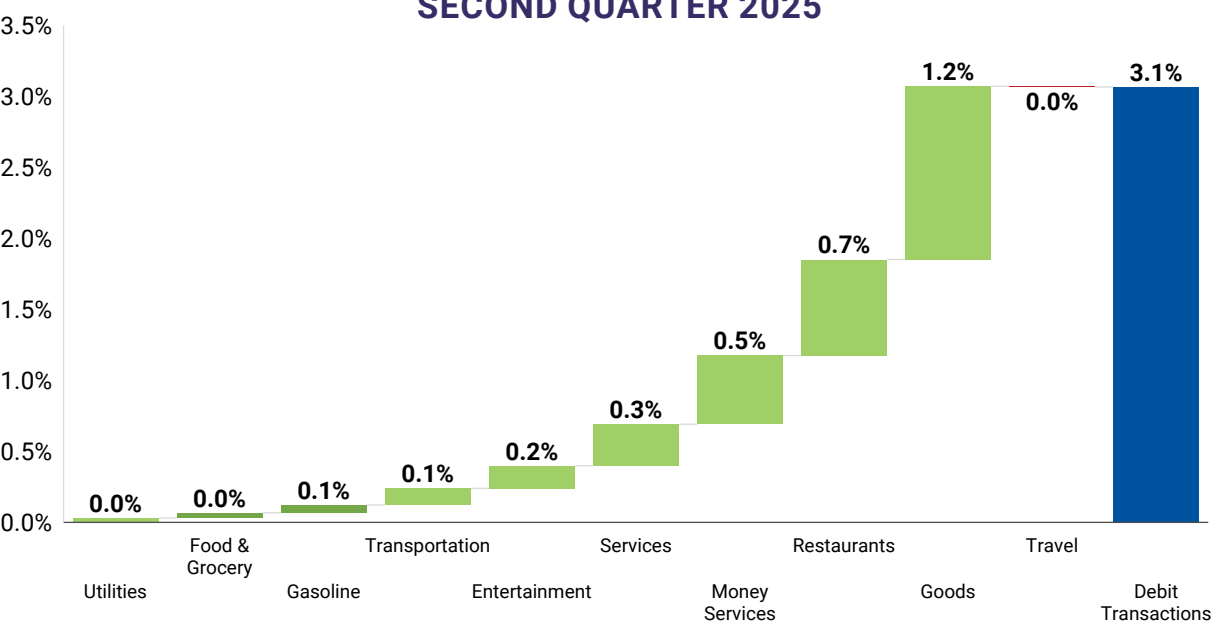
SECTOR CONTRIBUTIONS TO GROWTH IN DEBIT PURCHASES
SECOND QUARTER 2025



SECTOR CONTRIBUTIONS TO GROWTH IN CREDIT TRANSACTIONS
SECOND QUARTER 2025



SECTOR CONTRIBUTIONS TO GROWTH IN DEBIT TRANSACTIONS
SECOND QUARTER 2025



■ Increase ■ Decrease ■ Total

SECTORS/MERCHANT CATEGORIES

Stoked by the fear of looming tariff-based price increases, the Goods sector posted a 7% increase in debit purchases for the quarter and 2% increase in credit purchases. Increases were notable with big-box retailers and Amazon. With increases in insurance premiums and rent payments, the Services sector posted growth of 6% for debit purchases and 4% for credit purchases for the quarter.

The Money Services sector continued to post strong year-over-year growth for debit purchases, up 13% for the quarter ending June 30. This sector has contributed double-digit growth in debit purchases and near double-digit growth in debit transactions since the start of 2024. The primary driver in this sector is peer-to-peer (P2P) payments for Cash App, PayPal, Venmo and Zelle.

In the discretionary spend category of Travel, growth was negative for both credit and debit for the quarter, down 4% and 1%, respectively.

Gasoline purchases saw the sharpest decline in purchase growth with the ongoing reductions in fuel prices. For the quarter, year-over-year credit gasoline purchases were down 9% and debit purchases were down 5%. The national average price per gallon of gasoline finished at [\\$3.13](#) for the week ending July 14, down 10.5% or \$0.37 year over year.



ENTERTAINMENT

April to June 2025 V 2024

	Credit	Debit
YoY Purchases	1%	7%
YoY Transactions	-0.3%	4%



FOOD & GROCERIES

April to June 2025 V 2024

	Credit	Debit
YoY Purchases	3%	0.3%
YoY Transactions	2%	0.2%



GASOLINE

April to June 2025 V 2024

	Credit	Debit
YoY Purchases	-9%	-5%
YoY Transactions	-0.3%	0.4%



GOODS

April to June 2025 V 2024

	Credit	Debit
YoY Purchases	2%	7%
YoY Transactions	2%	5%



MONEY SERVICES

April to June 2025 V 2024

	Credit	Debit
YoY Purchases	-6%	13%
YoY Transactions	-7%	10%



RESTAURANTS

April to June 2025 V 2024

	Credit	Debit
YoY Purchases	4%	5%
YoY Transactions	2%	3%



SERVICES

April to June 2025 V 2024

	Credit	Debit
YoY Purchases	4%	6%
YoY Transactions	3%	5%



TRANSPORTATION

April to June 2025 V 2024

	Credit	Debit
YoY Purchases	6%	13%
YoY Transactions	6%	12%



TRAVEL

April to June 2025 V 2024

	Credit	Debit
YoY Purchases	-4%	-1%
YoY Transactions	-5%	-1%



UTILITIES

April to June 2025 V 2024

	Credit	Debit
YoY Purchases	6%	5%
YoY Transactions	4%	2%



ABOUT PRIMAX

Primax provides banks with payment processing services and an expansive array of value-added technology and solutions. Primax's customizable solutions, including risk management, mobile and online card management, data and analytics, loyalty programs, marketing, strategic consulting, delinquency management and contact center services, help banks profitably grow their portfolios and deliver an unparalleled experience to their accountholders. With a longstanding commitment to service excellence, Primax has been designing and providing support services for banks throughout the U.S. and the Caribbean for over 40 years. For more information, visit www.primax.us.