

CREDIT CARD FEES VS. PRETAX PROFIT

The high price of gasoline has driven more consumers to use a credit card when buying motor fuel. Credit card expenses in 2013 rose by only 1.2% as fuel gallons rose 0.8%, while the selling price per gallon dropped 2.9%. However, volume of payments by cards rose by 2.9 percentage points for all transactions at convenience stores. Ultimately, the gap between credit card fees and pretax profit widened slightly to \$4.1 billion in 2013 from \$4.0 billion in 2012.

Swipe fees, or interchange fees, are the largest component of credit card fees for retailers and the second highest source of direct store operating expenses. NACS continues to advocate for consumers' and retailers' rights to a fairly priced and competitive card payments system. Card volume in our industry is now more than 65% of payments and represents an \$11.2 billion industry expense — more than 1.6% of industry sales — that is largely passed on to the consumer in the form of higher

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