

CUNA Economic Update

April 2019

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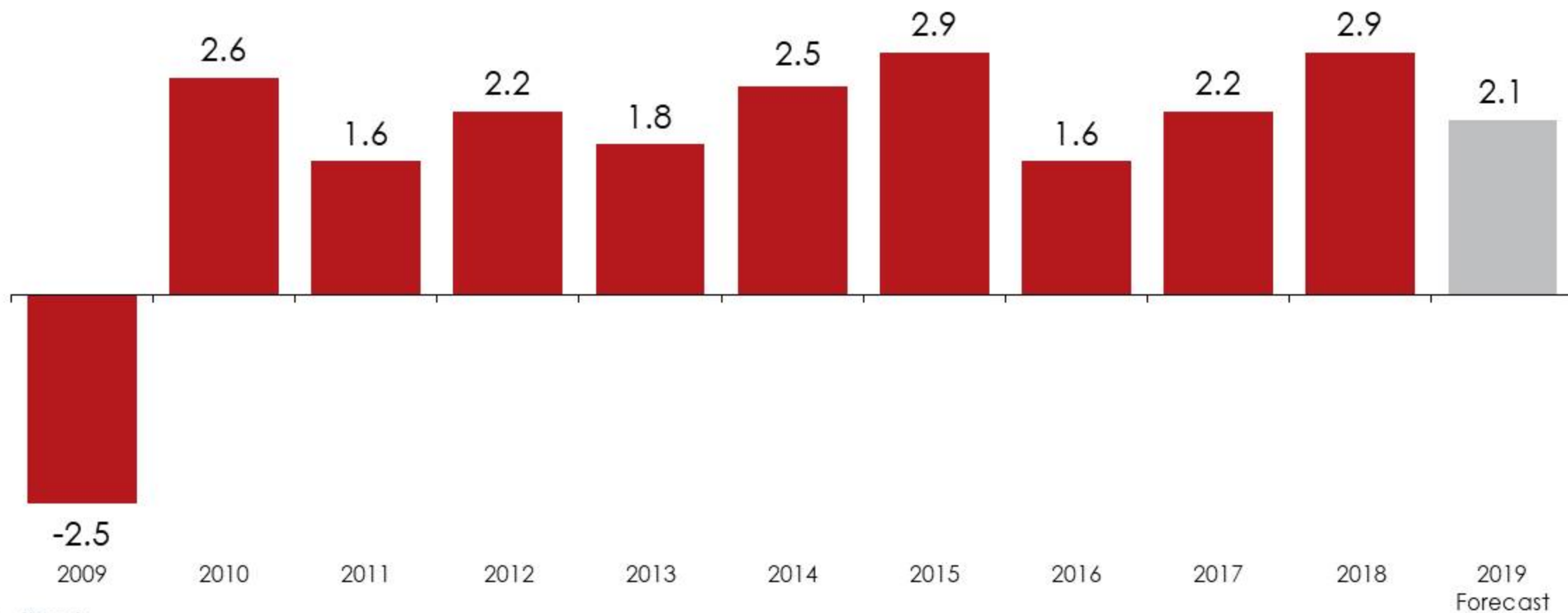
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U.S. economic growth is strong

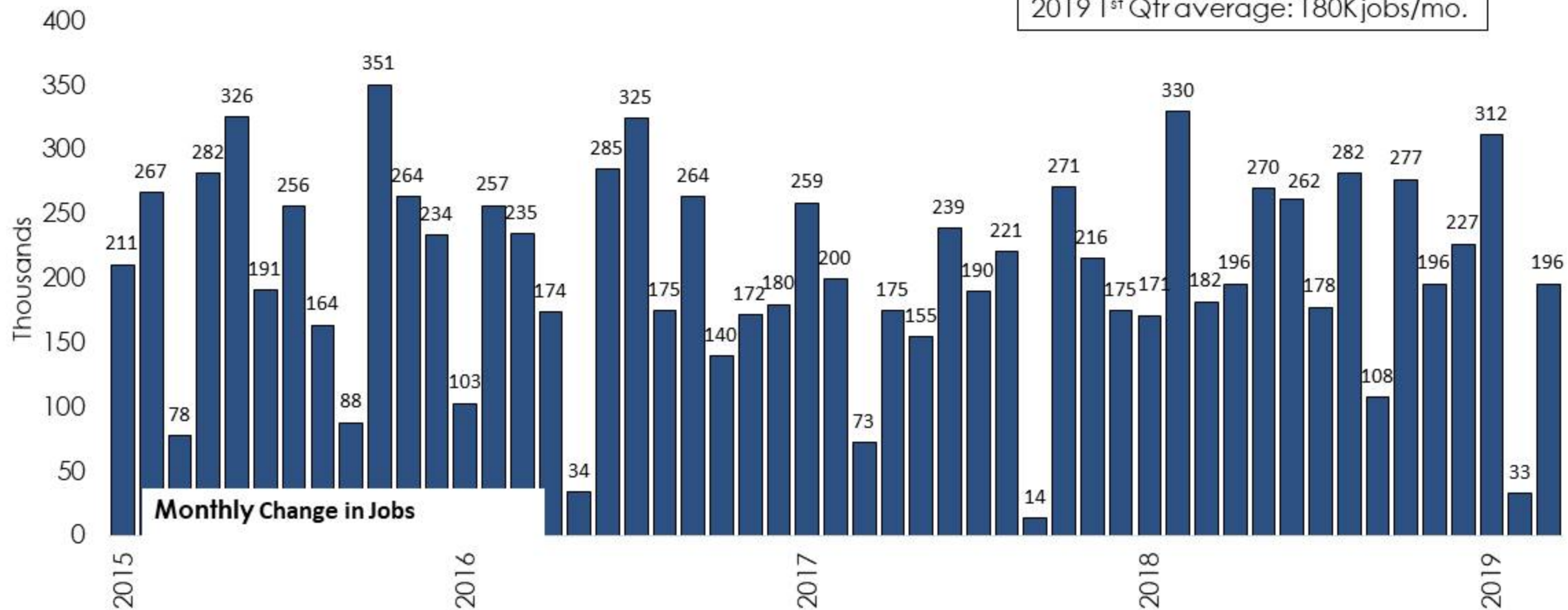
Percent changes in real GDP
Source: BEA, CUNA



U.S. job growth remains healthy

Source: Bureau of Labor Statistics

2018 average: 223K jobs/mo.
2019 1st Qtr average: 180K jobs/mo.



U.S. unemployment rate is low

Source: Bureau of Labor Statistics



Unemployment rate by race and ethnicity (%)

Source: BLS via FRED



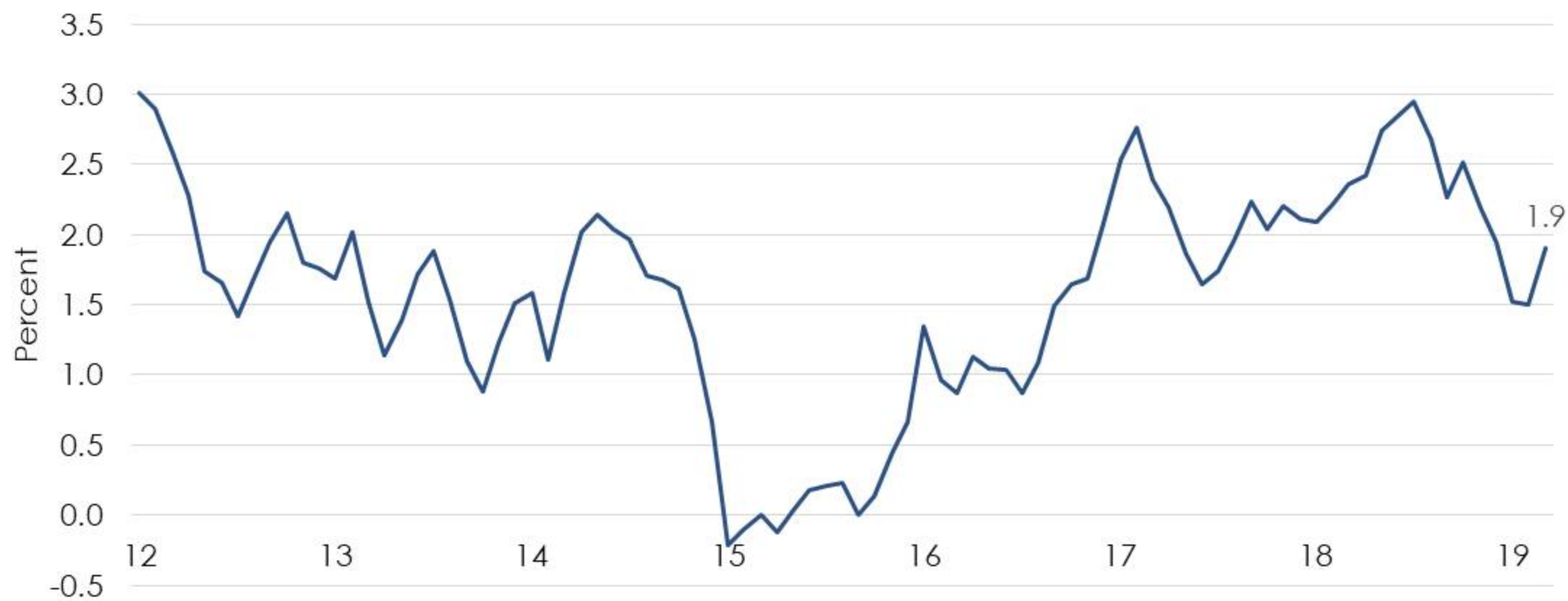
Wages are starting to pick up

Source: BLS, average hourly earnings YOY growth



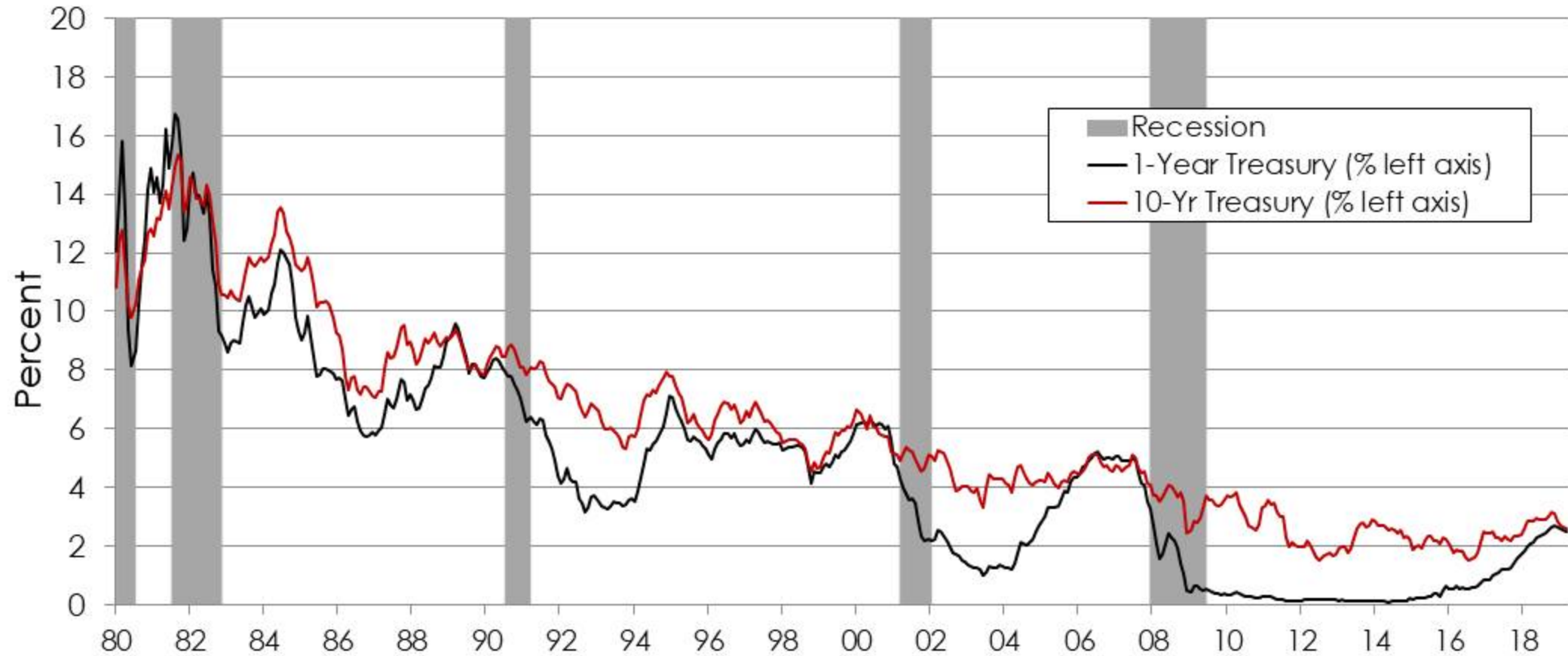
Inflation picked up a little

(CPI, YOY)



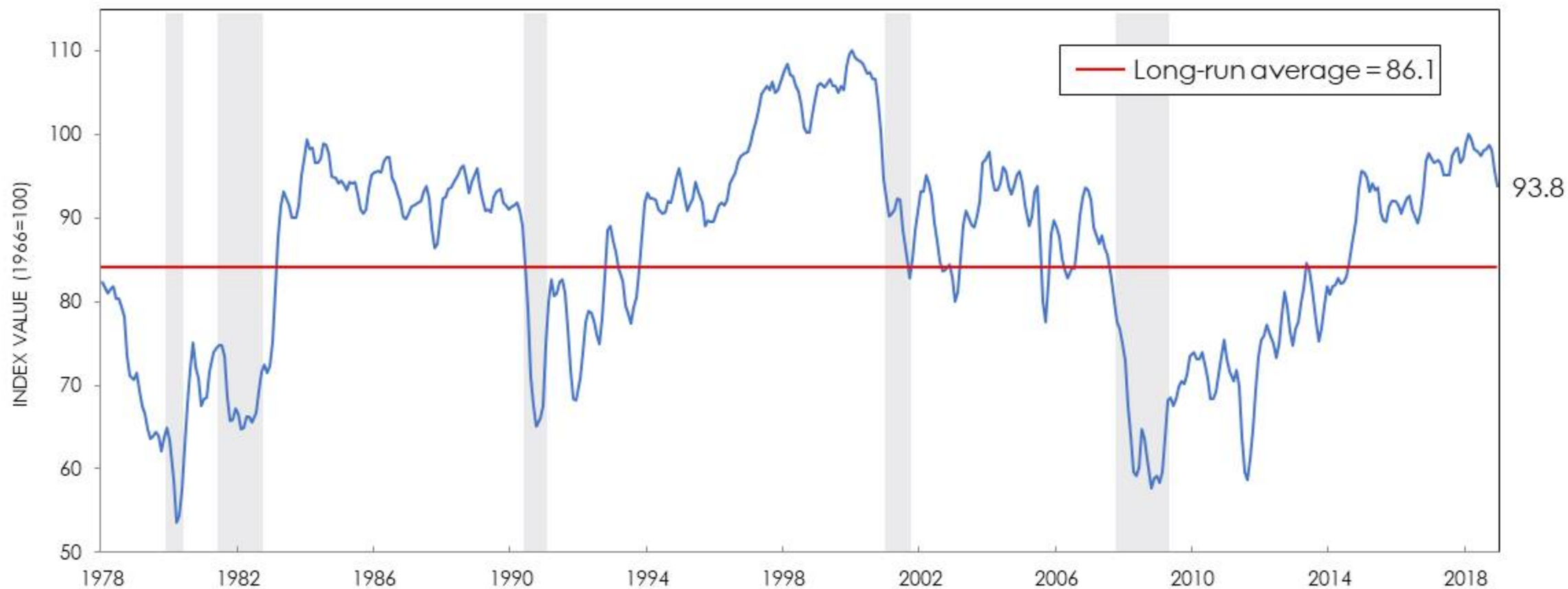
The yield curve

Source: Federal Reserve & NBER



Index of consumer sentiment

Source: University of Michigan



CUNA Economic Forecast

April 2019

	Actual Results		Quarterly Results/Forecasts				Annual Forecasts	
	5 Yr Avg	2018	2019:1	2019:2	2019:3	2019:4	2019	2020
Growth rates:								
Economic Growth (% chg GDP)*	2.42%	2.90%	1.50%	2.50%	2.50%	2.00%	2.10%	1.90%
Inflation (% chg CPI)*	1.52%	2.44%	1.63%	2.60%	2.10%	2.00%	1.95%	2.10%
Unemployment Rate	4.90%	3.90%	3.70%	3.70%	3.60%	3.60%	3.60%	3.90%
Federal Funds Rate (effective)	0.69%	1.83%	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%
10-Year Treasury Rate	2.35%	2.91%	2.65%	2.60%	2.85%	2.90%	2.75%	2.75%
10-Year-Fed Funds Spread	2.22%	1.08%	0.43%	0.38%	0.63%	0.68%	0.53%	0.53%

*% change, annual rate. All other numbers are end-of-period values.

CUNA Credit Union Forecast

April 2019

	Actual Results		Quarterly Results/Forecasts				Annual Forecasts	
	5 Yr Avg	2018	2019:1	2019:2	2019:3	2019:4	2019	2020
Growth rates:								
Savings growth	6.0%	5.2%	3.5%	0.9%	0.5%	1.1%	6.00%	6.50%
Loan growth	10.1%	8.9%	0.4%	2.8%	2.7%	1.8%	7.75%	7.00%
Asset growth	6.5%	5.4%	3.7%	0.9%	0.5%	1.1%	6.20%	6.70%
Membership growth	3.8%	4.4%	1.1%	1.0%	0.9%	0.5%	3.50%	3.00%
Liquidity:								
Loan-to-share ratio**	80.2%	85.8%	83.2%	84.8%	86.7%	87.2%	87.2%	87.6%
Asset quality:								
Delinquency rate**	0.80%	0.71%	0.77%	0.79%	0.80%	0.80%	0.80%	0.85%
Net charge-off rate*	0.54%	0.57%	0.60%	0.60%	0.60%	0.60%	0.60%	0.65%
Earnings:								
Return on average assets (ROA)*	0.80%	0.91%	0.80%	0.80%	0.80%	0.80	0.80%	0.75%
Capital adequacy:								
Net worth ratio**	11.0%	11.3%	11.1%	11.2%	11.3%	11.4%	11.4%	11.4%

*Quarterly data, annualized. **End of period ratio. Additional information and updates available on our MCUE website.

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