U.S. economic growth
Percent change in real GDP/
Bureau of Economic Analysis, CUNA

Credit Union National Association

© Credit Union National Association 2018. All rights reserved.
U.S. economic growth & CU loan growth

Source: BEA, NCUA, CUNA // Real GDP – Chain-weighted / % change

GDP Growth (left axis)
CU Loan Growth (right axis)
Interest rates
Source: Freddie Mac, Federal Reserve via St. Louis FRED

Fed Funds  30-Year Fixed Mortgage

© Credit Union National Association 2018. All rights reserved.
Unemployment insurance weekly claims through March 14th

Source: BLS via St. Louis FRED
Unemployment insurance weekly claims through March 21st

Source: BLS via St. Louis FRED
Unemployment insurance weekly claims through March 28th

Source: BLS via St. Louis FRED
Credit Union Loan Growth
(1992 - 2021)
Source: NCUA, CUNA
This graph shows total loans and leases of the commercial banking industry and the credit union industry, with levels normalized to 100 in 2008-Q3. Source: FL764023005 and FL474023000 from Flow of Funds.

Loan Growth by Product
12-month growth within seven key portfolios // Source: NCUA and CUNA
Credit Union Membership Growth
(1992 - 2021)
Source: NCUA, CUNA
Most economically vulnerable members and industries

**Members**

- Individuals from rural areas and people of color are vulnerable because they already face significant health disparities
- Low-income workers without paid vacation (hourly tip-dependent workers)
- Gig/independent workers
- Older adults
- Those working in affected industries

**Industries initially affected**

- Leisure and hospitality
- Restaurants
- Bakeries
- Oil production and transport-related
- Port workers
- Small businesses
Credit Union Savings
(1992 - 2021)
Source: NCUA, CUNA
Loan-Share Ratios

 Loans-to-savings ratio (%) // Source: CUNA / NCUA

<table>
<thead>
<tr>
<th>Year</th>
<th>Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>71.0</td>
</tr>
<tr>
<td>2014</td>
<td>75.1</td>
</tr>
<tr>
<td>2015</td>
<td>77.7</td>
</tr>
<tr>
<td>2016</td>
<td>79.8</td>
</tr>
<tr>
<td>2017</td>
<td>82.8</td>
</tr>
<tr>
<td>2018</td>
<td>85.8</td>
</tr>
<tr>
<td>2019</td>
<td>84.4</td>
</tr>
<tr>
<td>2020</td>
<td>76.6</td>
</tr>
<tr>
<td>2021</td>
<td>73.4</td>
</tr>
</tbody>
</table>
Credit Union Return on Average Assets (ROA)

Basis points (1991 - 2021)

Source: NCUA, CUNA
Median Loan Growth by Asset Size

Source: NCUA, CUNA
Median Membership Growth by Asset Size
Source: NCUA, CUNA
Deposit Growth by Asset Size
Source: NCUA, CUNA

Deposit Growth by Asset Size

- < $50m
- $50m - $250m
- $250m - $500m
- > $500m

Year: 1997 to 2019

- 16.3%
- 13.5%
- 16.3%
- 14.8%
- 12.4%
- 7.7%
- 7.7%
- 3.7%
- 0.9%
Median ROA by Asset Size

Source: NCUA, CUNA
Median Capital Adequacy by Asset Size (%)
Source: NCUA, CUNA

- < $50m
- $50m - $250m
- $250m - $500m
- > $500m
Credit Union Consolidation
(1998 - 2018)
Source: NCUA, CUNA

Recession  Total CUs  Annual Rate of Decline

<table>
<thead>
<tr>
<th>Year</th>
<th>Total CUs</th>
<th>Rate of Decline</th>
</tr>
</thead>
<tbody>
<tr>
<td>1998</td>
<td>11,225</td>
<td>3.2%</td>
</tr>
<tr>
<td>1999</td>
<td>11,000</td>
<td>3.0%</td>
</tr>
<tr>
<td>2000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2001</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2002</td>
<td>10,000</td>
<td>3.1%</td>
</tr>
<tr>
<td>2003</td>
<td>9,700</td>
<td>3.0%</td>
</tr>
<tr>
<td>2004</td>
<td>9,400</td>
<td>3.3%</td>
</tr>
<tr>
<td>2005</td>
<td>9,100</td>
<td>3.6%</td>
</tr>
<tr>
<td>2006</td>
<td>8,800</td>
<td>3.9%</td>
</tr>
<tr>
<td>2007</td>
<td>8,500</td>
<td>3.7%</td>
</tr>
<tr>
<td>2008</td>
<td>8,200</td>
<td>3.2%</td>
</tr>
<tr>
<td>2009</td>
<td>7,900</td>
<td>2.9%</td>
</tr>
<tr>
<td>2010</td>
<td>7,600</td>
<td>3.3%</td>
</tr>
<tr>
<td>2011</td>
<td>7,300</td>
<td>3.9%</td>
</tr>
<tr>
<td>2012</td>
<td>7,000</td>
<td>4.0%</td>
</tr>
<tr>
<td>2013</td>
<td>6,700</td>
<td>4.2%</td>
</tr>
<tr>
<td>2014</td>
<td>6,400</td>
<td>4.0%</td>
</tr>
<tr>
<td>2015</td>
<td>6,100</td>
<td>3.9%</td>
</tr>
<tr>
<td>2016</td>
<td>5,800</td>
<td>3.8%</td>
</tr>
<tr>
<td>2017</td>
<td>5,500</td>
<td>3.4%</td>
</tr>
<tr>
<td>2018</td>
<td>5,489</td>
<td></td>
</tr>
</tbody>
</table>

- Source: NCUA, CUNA
Credit Union and Bank Liquidations & Involuntary Mergers
(2000 - 2018)
Source: NCUA, CUNA, FDIC

Recession
Credit Unions
Banks
Depository Institutions more likely to fail when they have:

- Less capital.
- More delinquent loans.
- Lower return on assets (ROA).
- Smaller asset size.
- More noninterest expenses per assets.
- Very fast asset growth.
- More concentrated asset portfolios.
- Higher state unemployment rates.

However, predicting failures is very difficult and most historical failures due to idiosyncratic reasons.
What are credit unions doing so far?

- Regular communication with members, employees, board.
- Supporting members through emergency loans, skip payments, fee waivers, forbearance, etc.
- Supporting employees through bonuses, hazard pay, flexible schedules, additional paid time off.
- Reconsidering strategic plans.
- Forecasting different scenarios.
- Returning to the credit union’s mission and vision.
COVID-19 resources for credit unions

• CUNA COVID-19 Response Center https://www.cuna.org/Coronavirus-Disease-(COVID-19)/

• CUNA and AACUL COVID-19 Survey https://www.research.net/r/covidresponse

• America’s Credit Unions https://www.americascreditunions.org/

• CUNA Councils


• CUNA Policy Analysis Issues Briefs:
  • “A Looming Crisis” https://www.cuna.org/economics/
  • “Centering DEI to Support Vulnerable Members in the Time of COVID-19” https://www.cuna.org/economics/
Thank You

For more info:
custat@cuna.coop
cuna.org/economics
@Jordan_vanRijn