

CUNA Economic Update

May 2018

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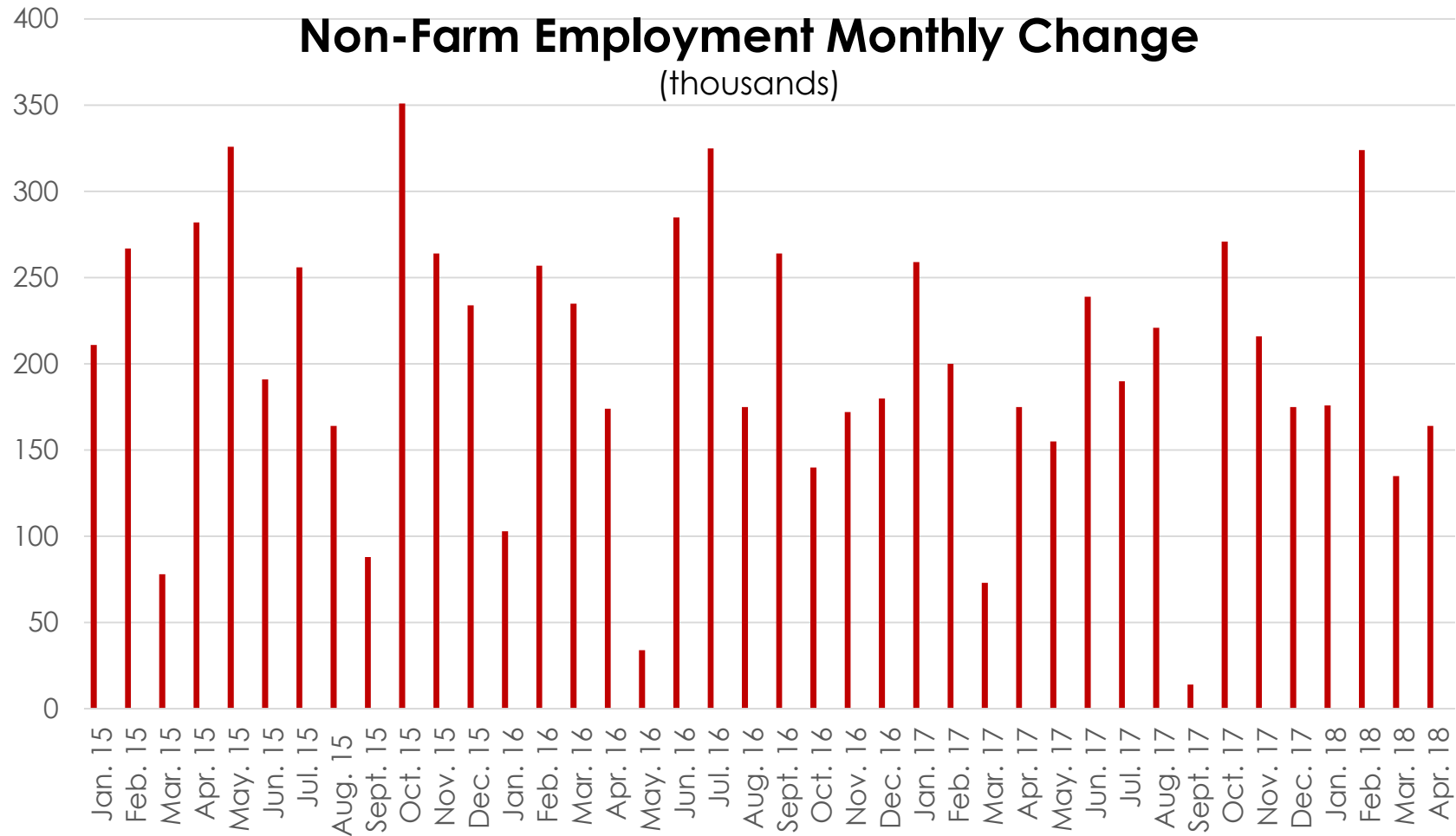
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Recent Economic Developments

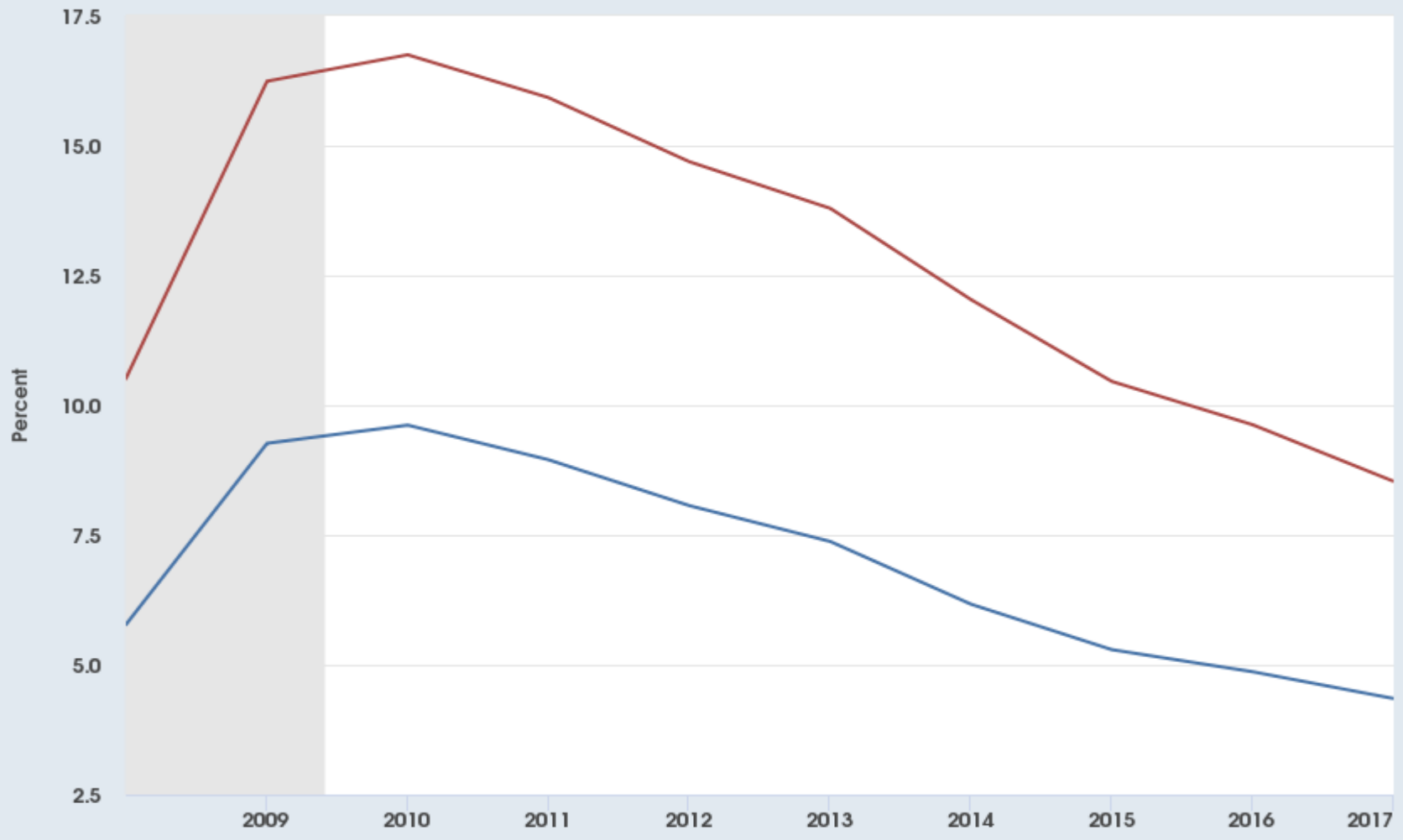
- U.S. economic growth is solid at 2.3% in 2018 Q1
- Core inflation increased by 1.9% in April
- Interest rate on the 10-year Treasury Note increased to 3%
- Continued uncertainty due to trade war risk
- The labor market is near full employment, but wage growth is lagging



Source: BLS, Current Employment Statistics.
Most recent two months are preliminary.

FRED

— Civilian Unemployment Rate
— Total unemployed, plus all marginally attached workers plus total employed part time for economic reasons



Shaded areas indicate U.S. recessions

Source: U.S. Bureau of Labor Statistics

[myf.fred/g/jQYP](https://myf.fred.stlouisfed.org/g/jQYP)

U.S. Private Sector Wage Growth (%)

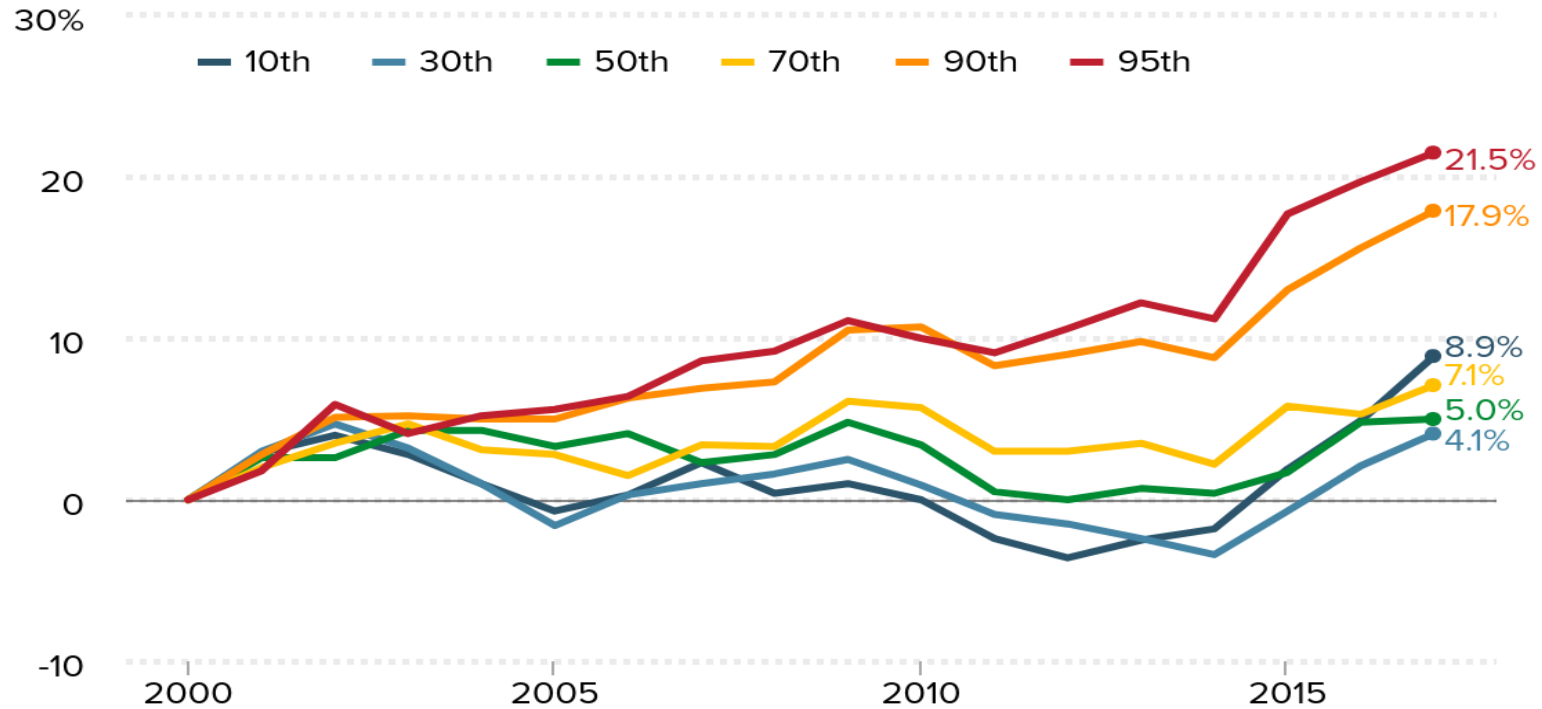


Six Possible Factors of Weak Wage Growth

1. Increasing use of noncompete clauses in employment contracts
2. Low and decreasing levels of unionization
3. Demographic changes
4. Stagnant and low federal minimum wage
5. Rising corporate concentration
6. Contract employment is more prevalent

High-wage earners have continued to pull away from everyone else since 2000

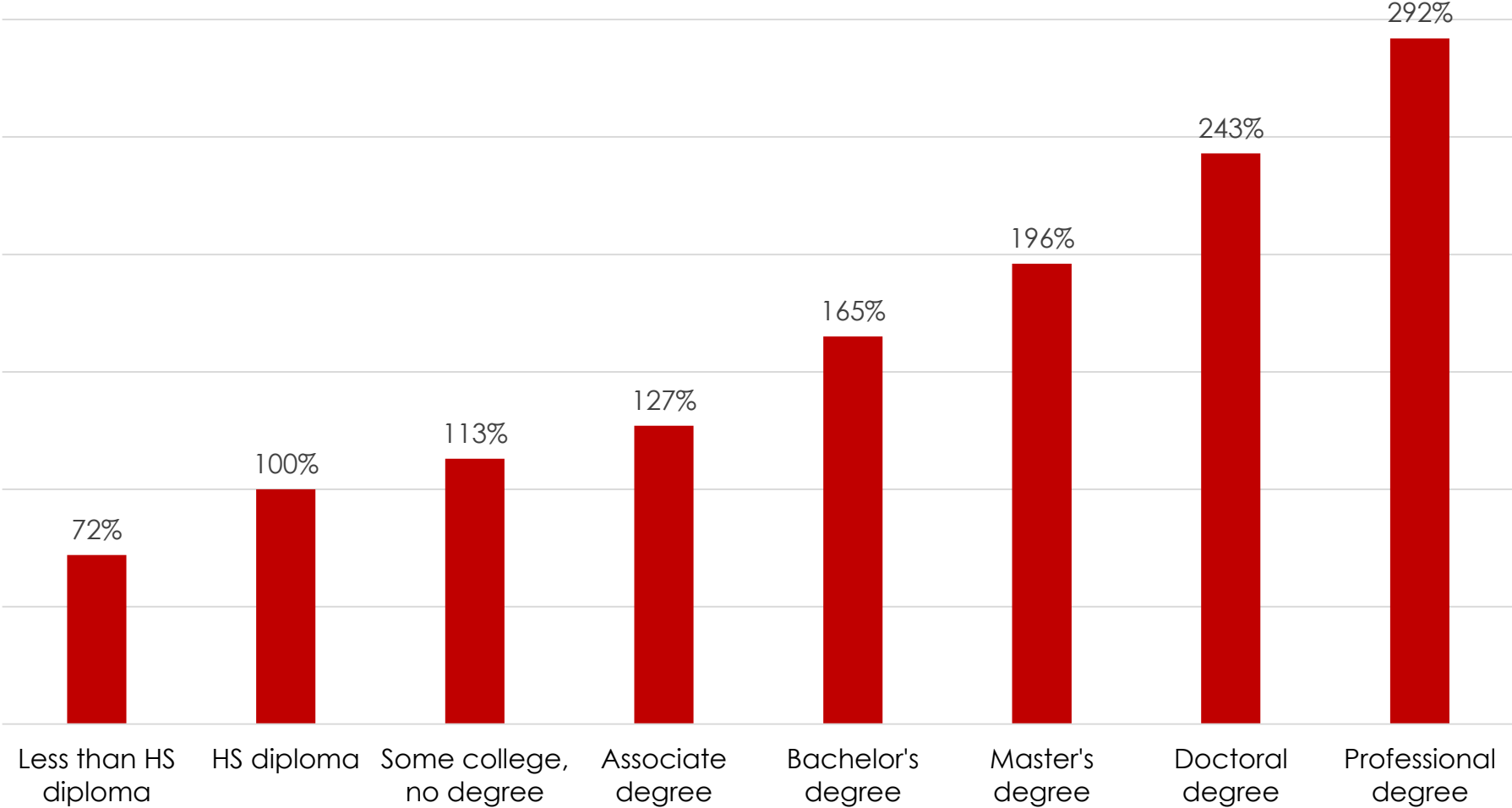
Cumulative percent change in real hourly wages, by wage percentile, 2000–2017



Notes: Sample based on all workers ages 18–64. The xth-percentile wage is the wage at which x% of wage earners earn less and (100 – x)% earn more.

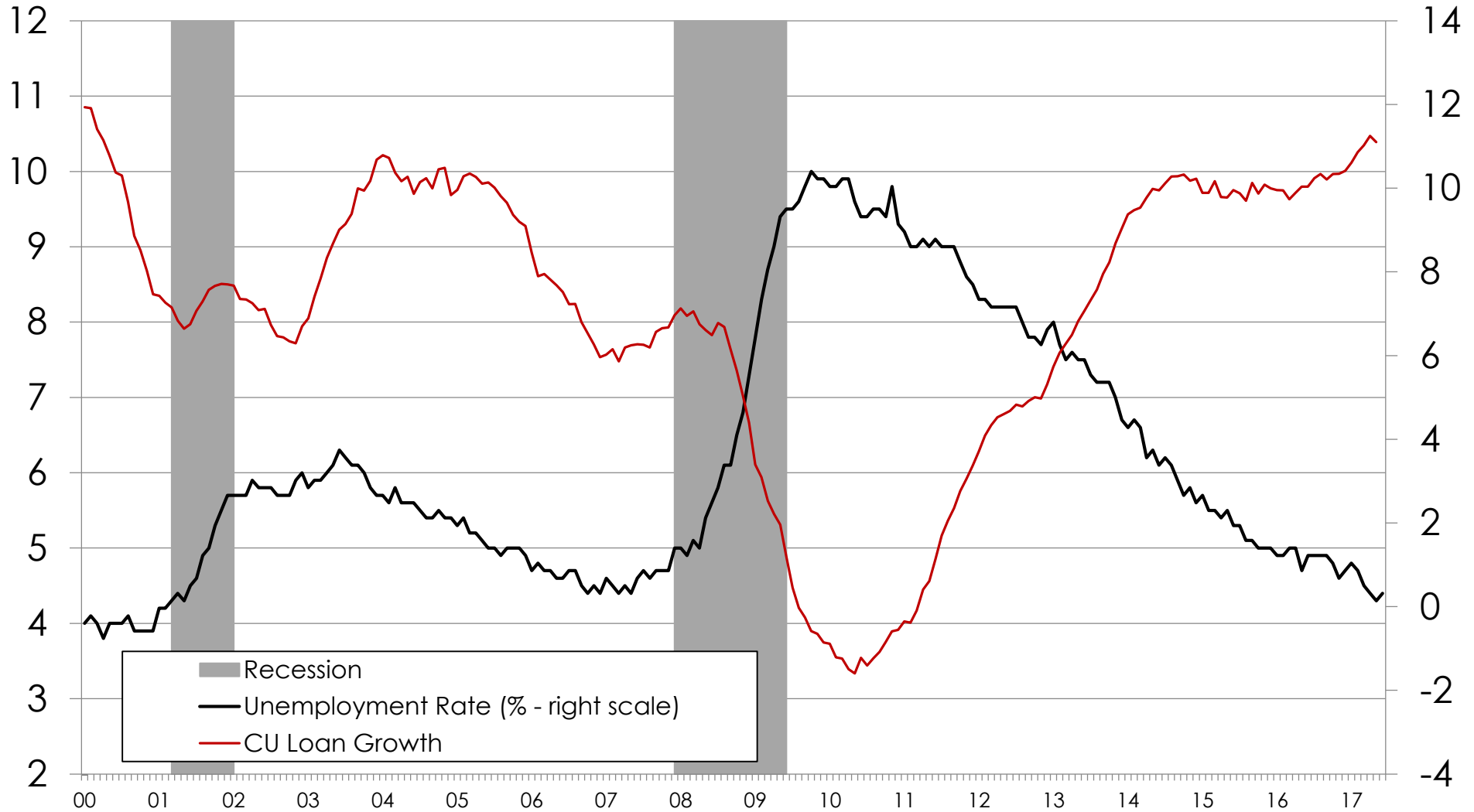
Expected Lifetime Earnings Ratio Full-time Earnings Relative to High School Graduates By Education Level

(Source: NAICU)



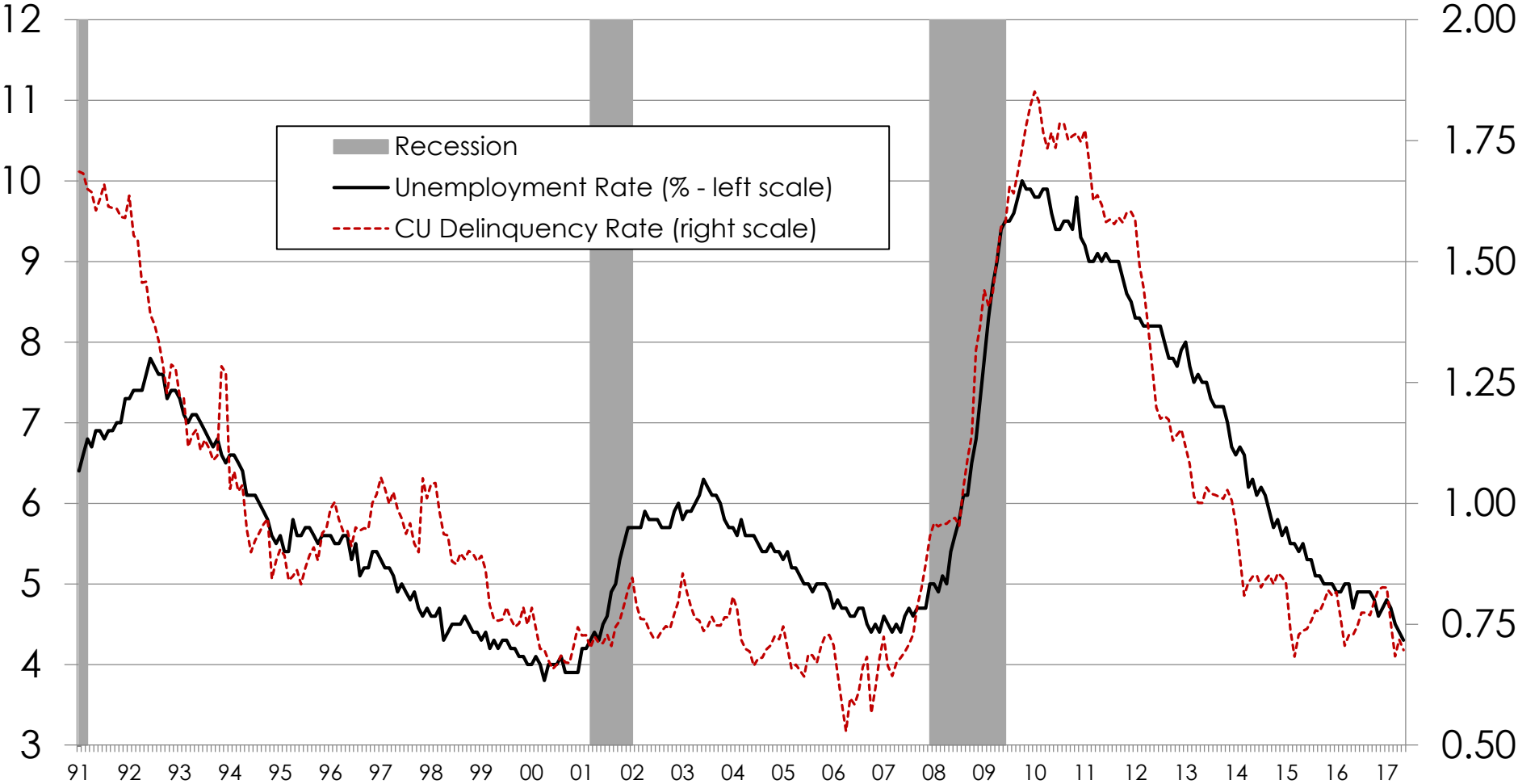
U.S. Unemployment and CU Loan Growth Rates (%)

(Source: BLS and CUNA)



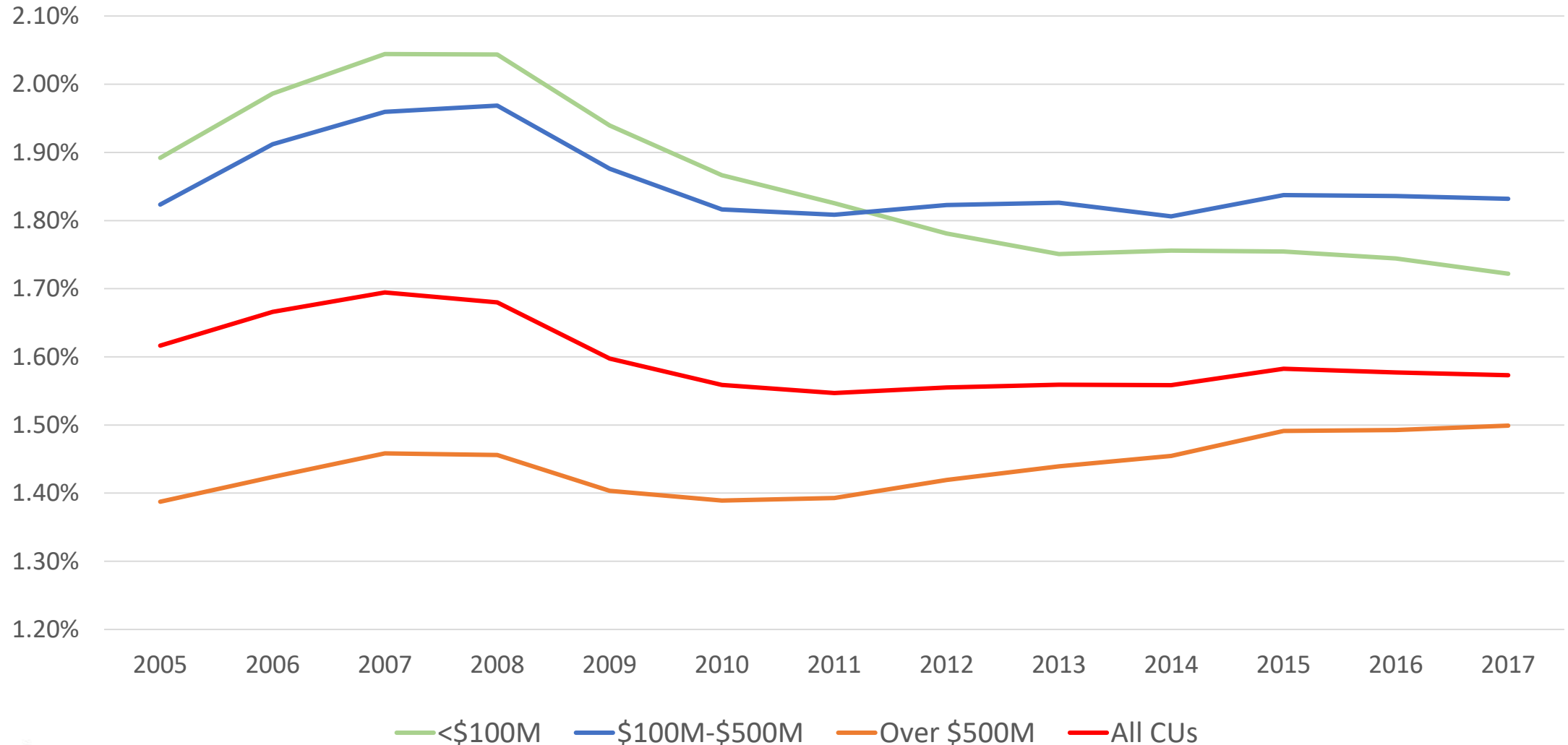
U.S. Unemployment and CU Delinquency Rates (%)

(Source: BLS and CUNA)



Credit Union Employee Expenses -- % Average Assets

(Source: NCUA and CUNA)



March Monthly Credit Union Estimates

Sources: NCUA and CUNA

		% Change
Savings	Share Draft	6.4
	Regular Shares	3.1
Loans	Credit Card	-2.5
	Unsecured	-0.7
	New Auto	1.7
	Used Auto	1.7
Loan-to-Share Ratio		81.50%

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