

CUNA Economic Update

October 2019

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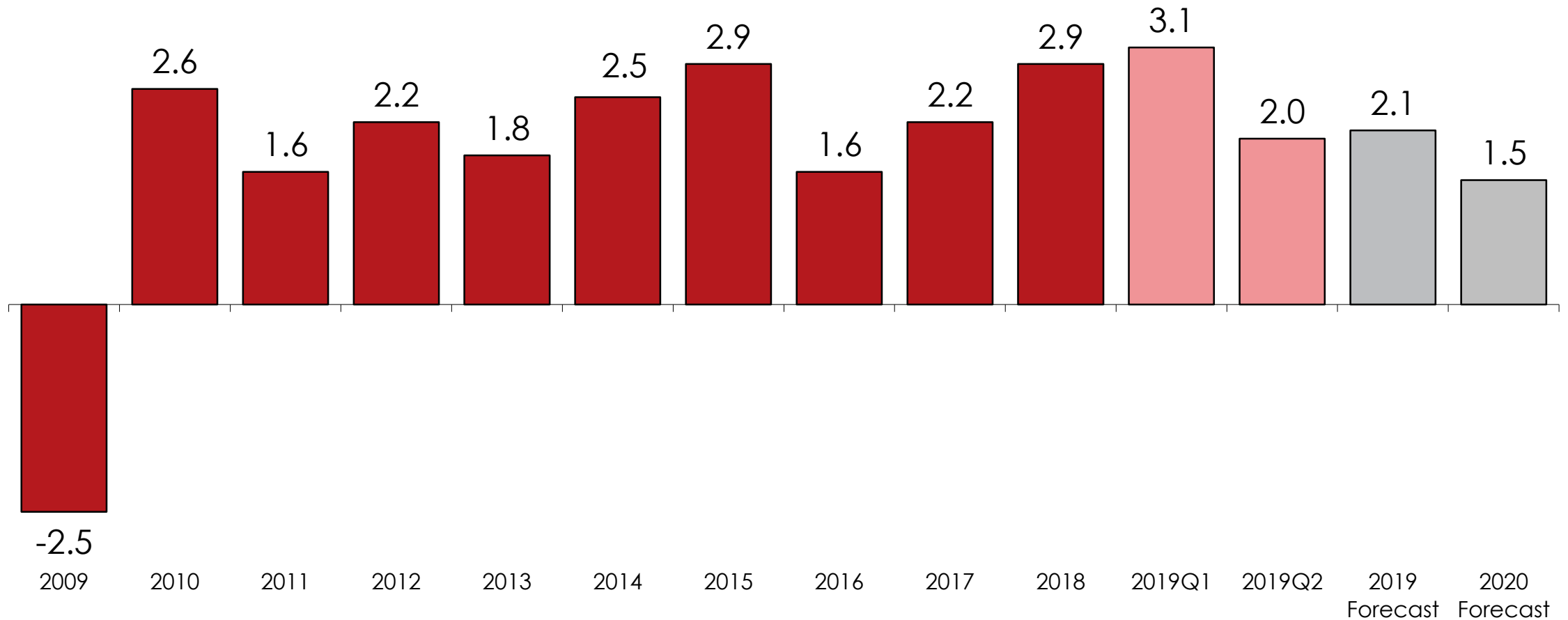
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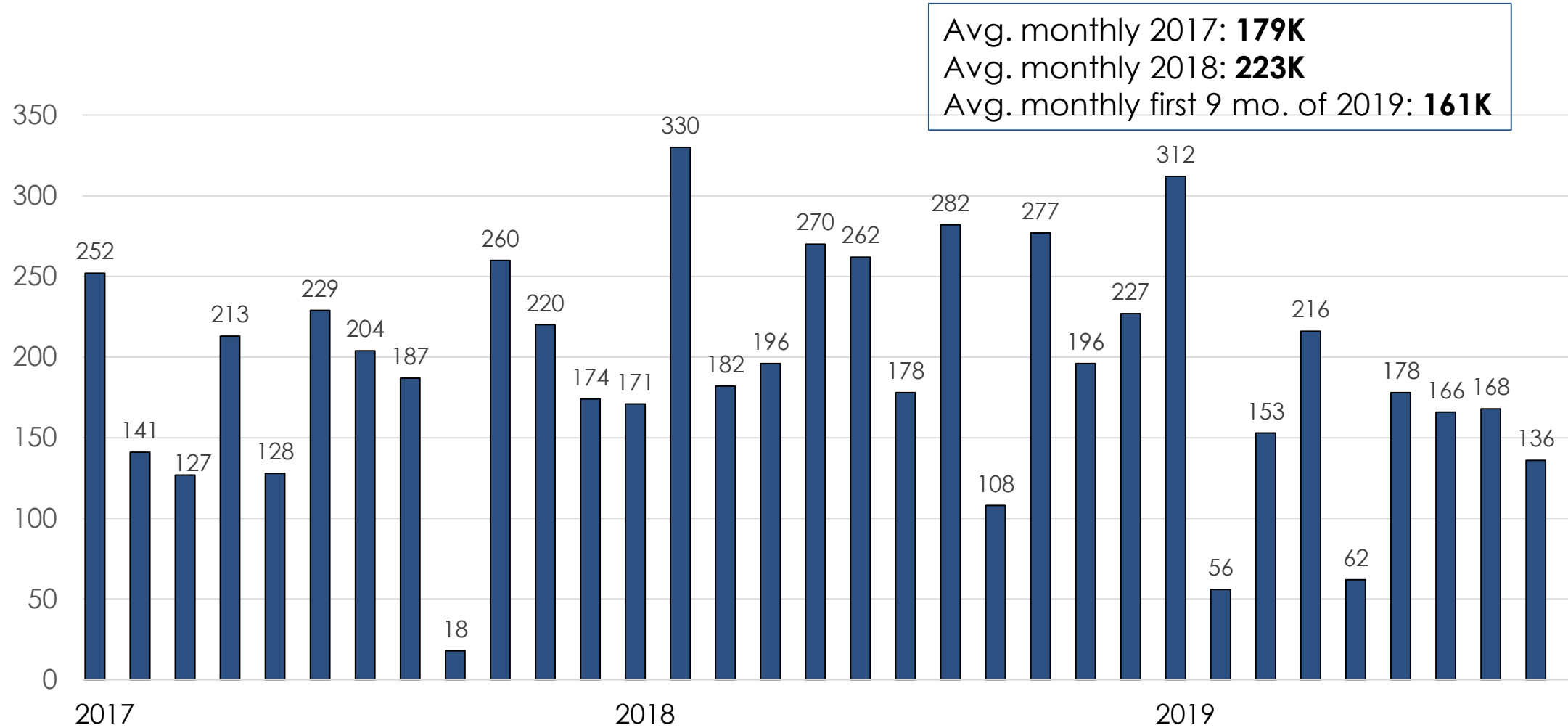
U.S. economic growth

Percent Changes in Real GDP // Source: BEA, CUNA



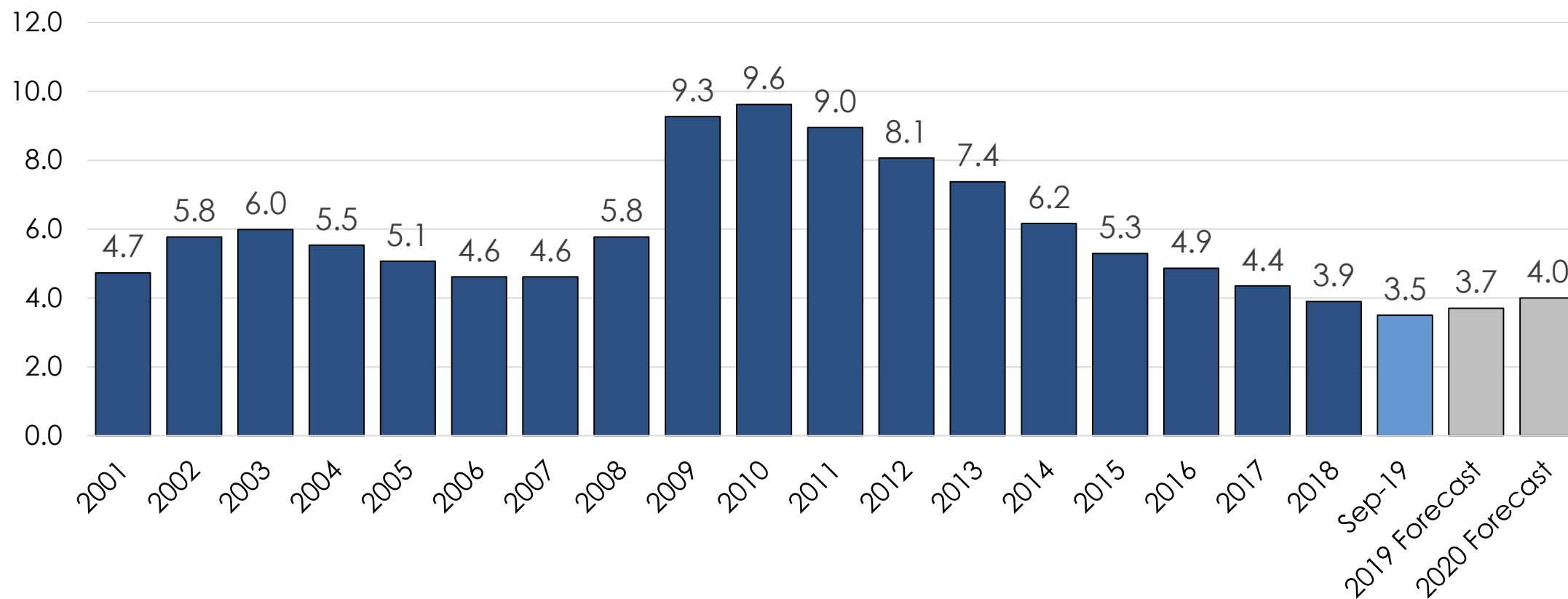
U.S. job creation

Source: Bureau of Labor Statistics via FRED



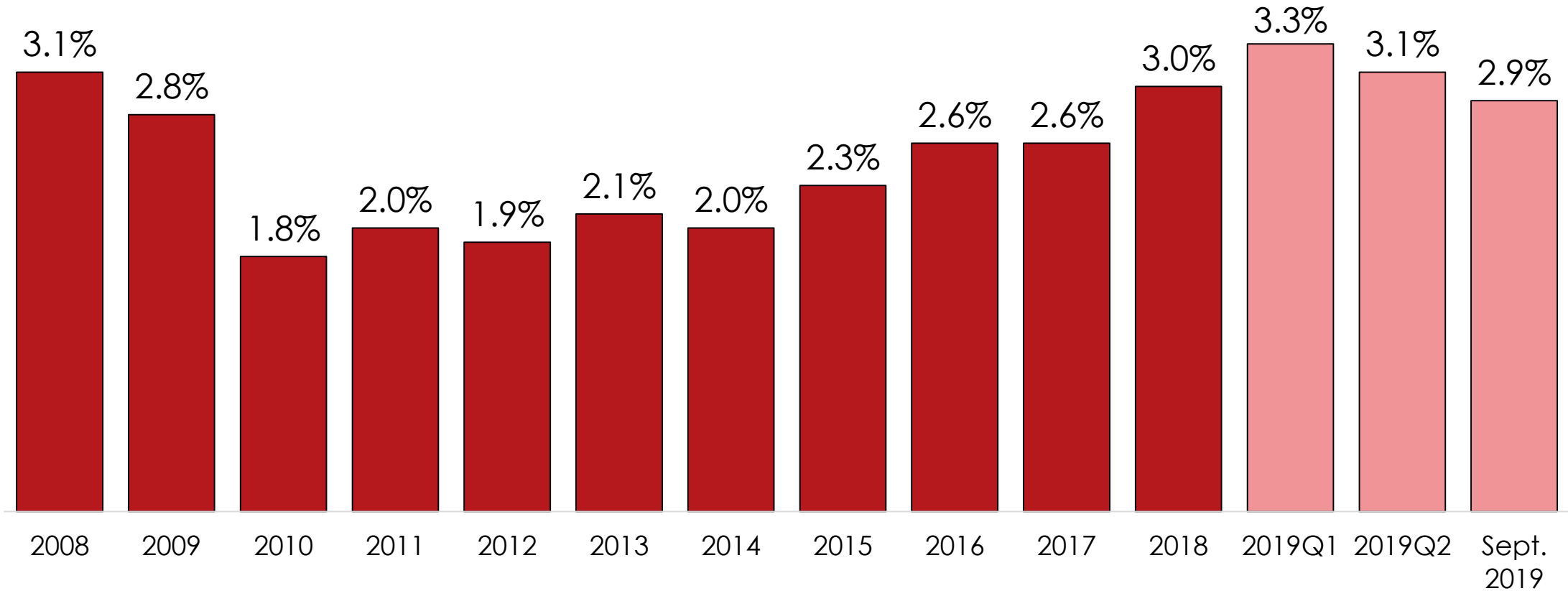
U.S. unemployment rate

Source: Bureau of Labor Statistics via FRED



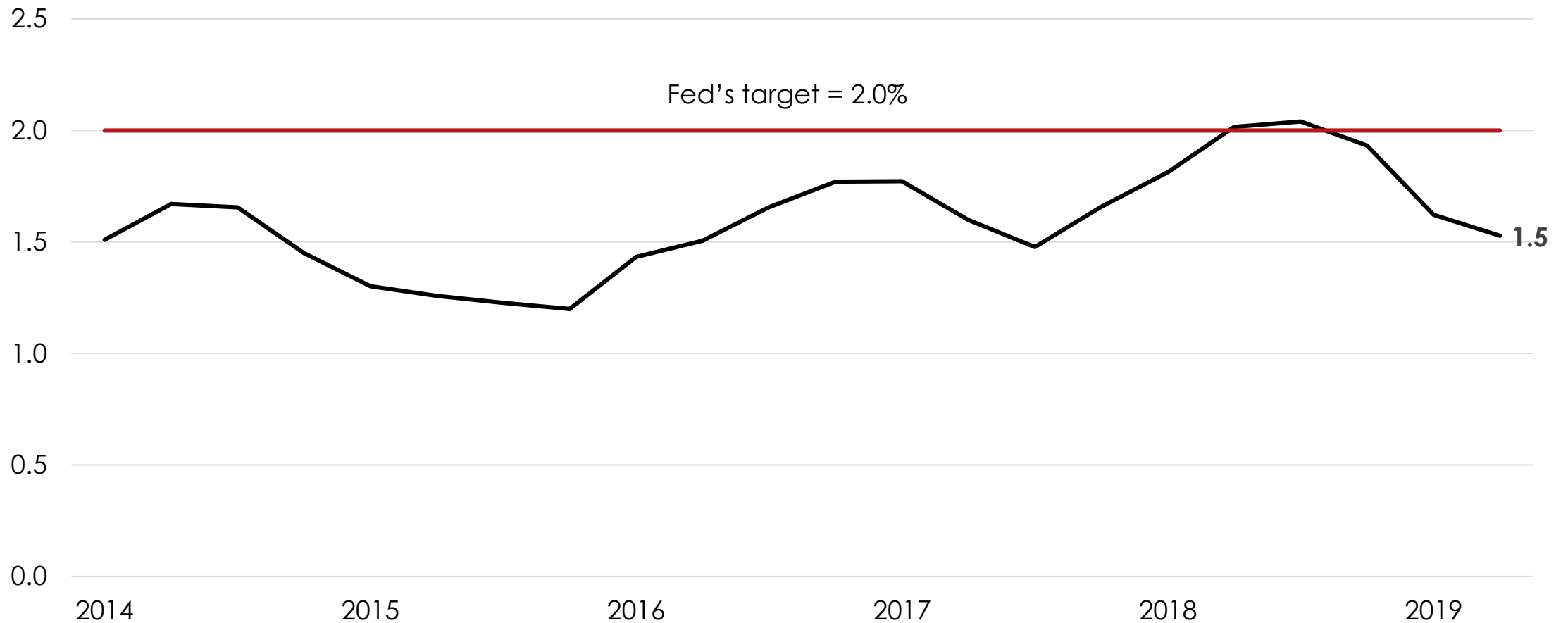
Weak wage gains

Source: BLS, average hourly earnings YOY growth



Inflation – Core PCE index

Percent change from a year ago // Bureau of Economic Analysis



CUNA Economic Forecast

September 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%	3.10%	2.00%	1.80%	1.60%	2.10%	1.50%
Inflation (% chg CPI)*	1.52%	2.44%	1.63%	1.82%	1.76%	2.20%	1.85%	1.75%
Unemployment Rate	4.90%	3.90%	3.87%	3.63%	3.50%	3.70%	3.70%	4.00%
Federal Funds Rate (effective)	0.69%	1.83%	2.40%	2.40%	1.90%	1.65%	1.65%	1.15%
10-Year Treasury Rate	2.35%	2.91%	2.65%	2.34%	1.68%	1.70%	1.70%	1.75%
10-Year-Fed Funds Spread	2.22%	1.08%	0.25%	-0.06%	-0.22%	0.05%	0.05%	0.60%

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

CUNA Credit Union Forecast

September 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%	4.5%	0.6%	1.3%	0.6%	7.0%	8.0%
Loan growth	10.1%	8.9%	0.6%	1.8%	2.5%	1.6%	6.5%	5.5%
Asset growth	6.5%	5.4%	3.6%	0.9%	0.5%	1.6%	6.7%	7.5%
Membership growth	3.8%	4.4%	1.1%	1.0%	0.7%	0.2%	3.0%	2.5%
Liquidity:								
Loan-to-share ratio**	80.2%	85.8%	82.3%	83.3%	84.8%	85.6%	85.6%	83.8%
Asset quality:								
Delinquency rate**	0.80%	0.71%	0.63%	0.63%	0.65%	0.70%	0.70%	0.80%
Net charge-off rate*	0.54%	0.57%	0.57%	0.54%	0.60%	0.60%	0.58%	0.65%
Earnings:								
Return on average assets (ROA)*	0.80%	0.91%	0.95%	0.97%	0.90%	0.85%	0.92%	0.75%
Capital adequacy:								
Net worth ratio**	11.0%	11.3%	11.1%	11.3%	11.5%	11.5%	11.4%	11.4%

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



Credit Union Diversity, Equity, and Inclusion Summit, November 6, 2019



What: Gathering of credit union and industry professionals committed to advancing diversity, equity, and inclusion within the credit union system.

When: November 6th, 8:00 AM to 5:00 PM

Where: *The Westin Alexandria Old Town, Alexandria, VA*

The event is free, seating is limited so register on the NCUA website to reserve a spot.

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