



# TRENDWATCH YEAR-END 2024



February 19, 2025

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February 20<sup>th</sup>

**Member Experience**

February 25<sup>th</sup>

**Lending**

February 27<sup>th</sup>

**Digital / Member Growth**

March 13<sup>th</sup>

**Analytics**

March 18<sup>th</sup>

**Member Engagement**

March 20<sup>th</sup>

[CreditUnions.com/Innovation](https://CreditUnions.com/Innovation)

YOUR CREDIT UNION (SIMPLIFIED)

Are you ready for easier?  
We are.



Our job is to make your job easier.





# Today's Lineup

## **Market Update**

*Andrew Kohl, Chief Investment Officer, Alloya Corporate FCU*

*Todd Adams, Chief Executive Officer, Alloya Corporate FCU*

## **Year-End 2024 Credit Union Results**

*Jon Jeffreys, Chief Executive Officer, Callahan & Associates*

*Jay Johnson, Chief Collaboration Officer, Callahan & Associates*

## **How A Purpose-Driven Strategy Shapes Decisions**

*Michael Crowl, President/CEO, UFCU*



# The Alloya Story

WE ARE A CREDIT UNION

A GREAT EXAMPLE OF THE POWER OF COOPERATION

1,400 MEMBERS WORKING TOGETHER

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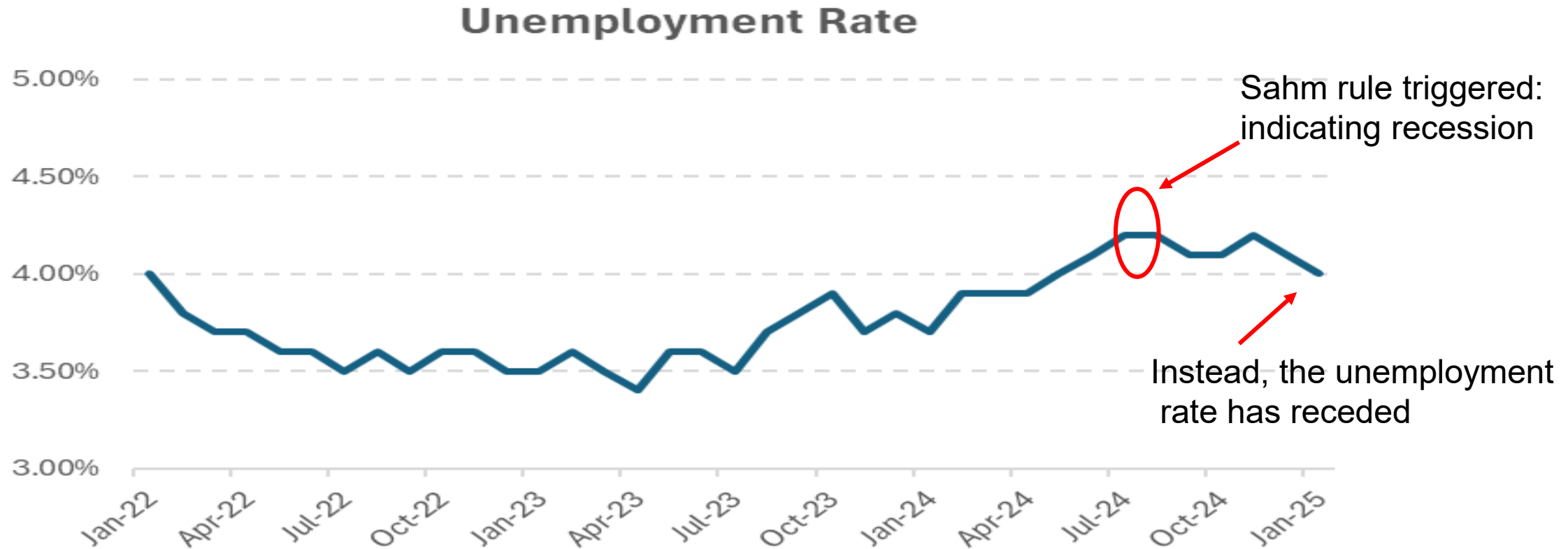
## Economic Update

**Andrew Kohl, Chief Investment Officer**

**Todd Adams, Chief Executive Officer**



# Labor Market Fears Have Subsided

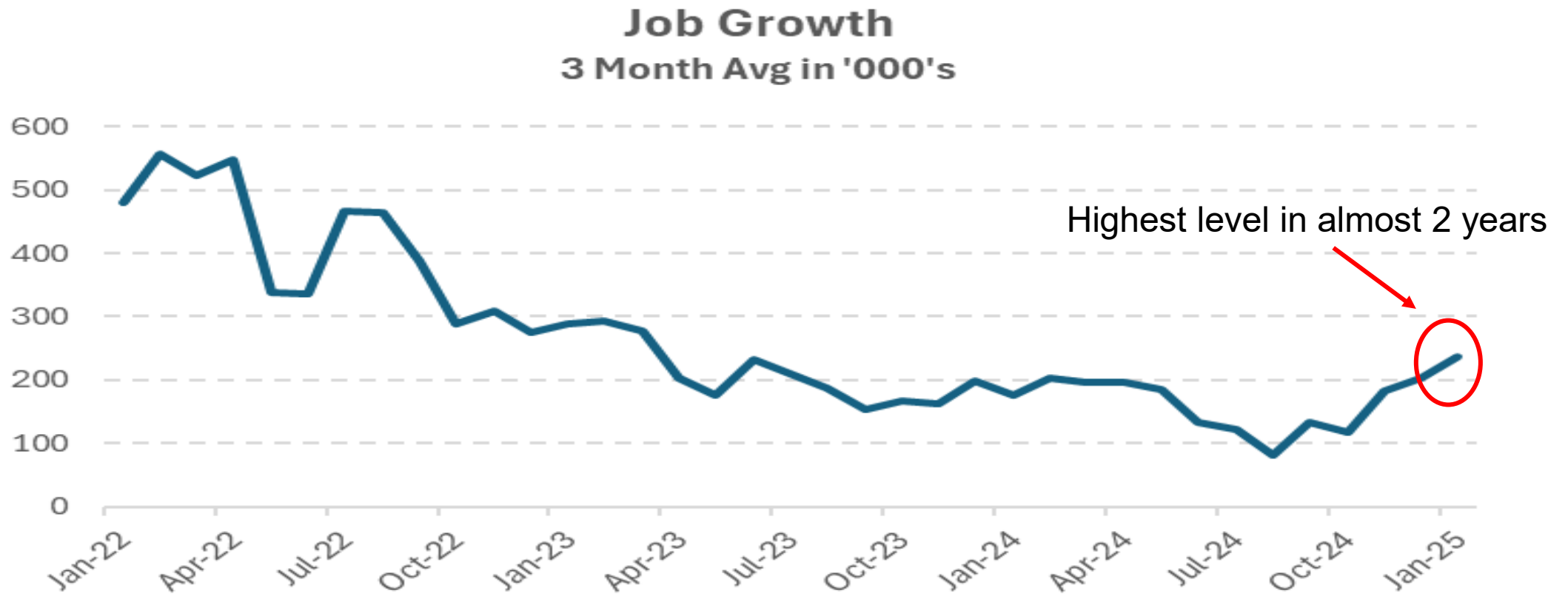


Source: Bureau of Labor Statistics





# Labor Market Fears Have Subsided



Source: Bureau of Labor Statistics



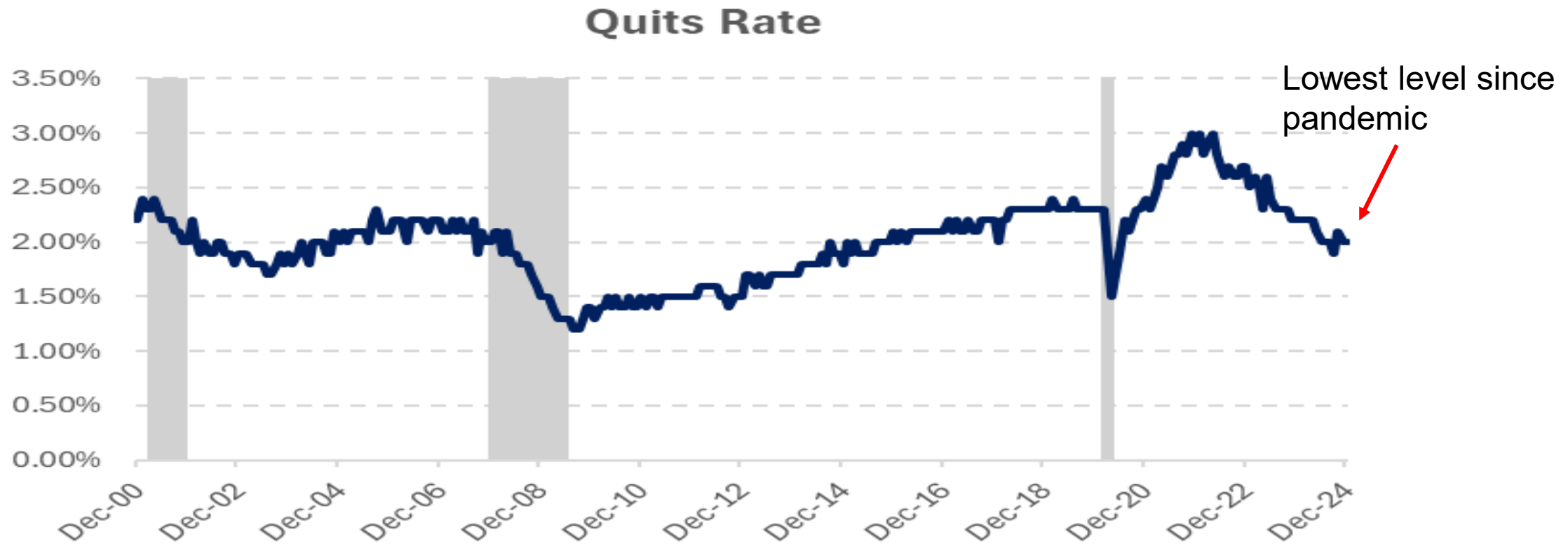
# Labor Market Mobility Has Declined



Source: Bureau of Labor Statistics



# Labor Market Mobility Has Declined

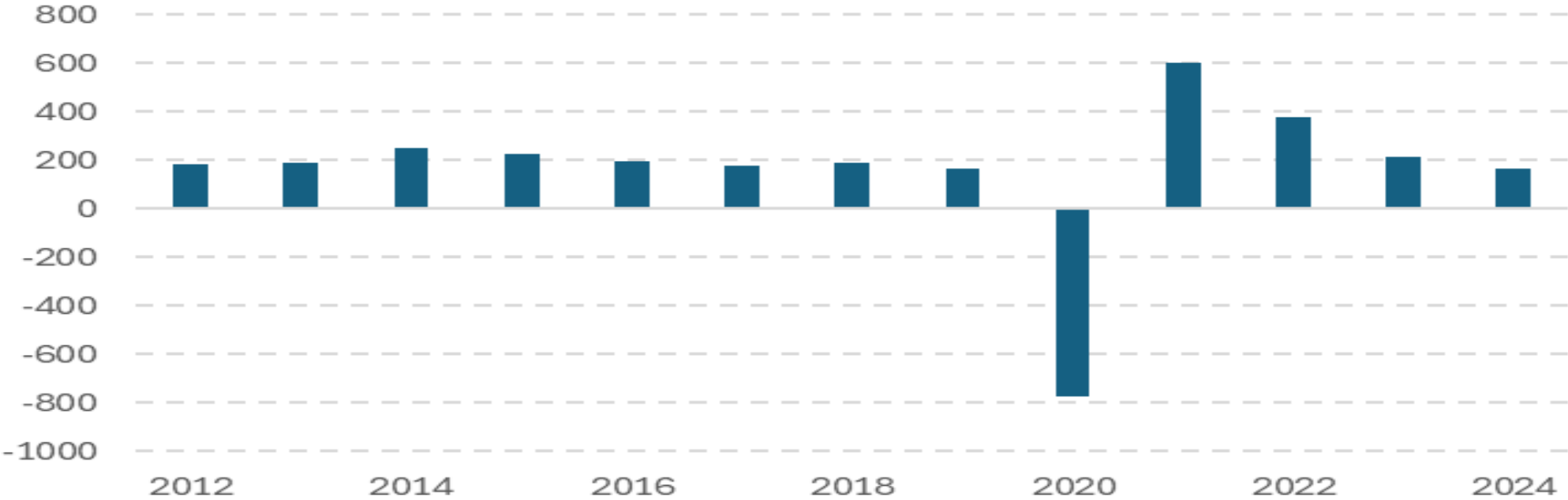


Source: Bureau of Labor Statistics



# Significant Slowdown in Payroll Growth Since 2021

### Avg Monthly Payroll Change by Year in Thousands

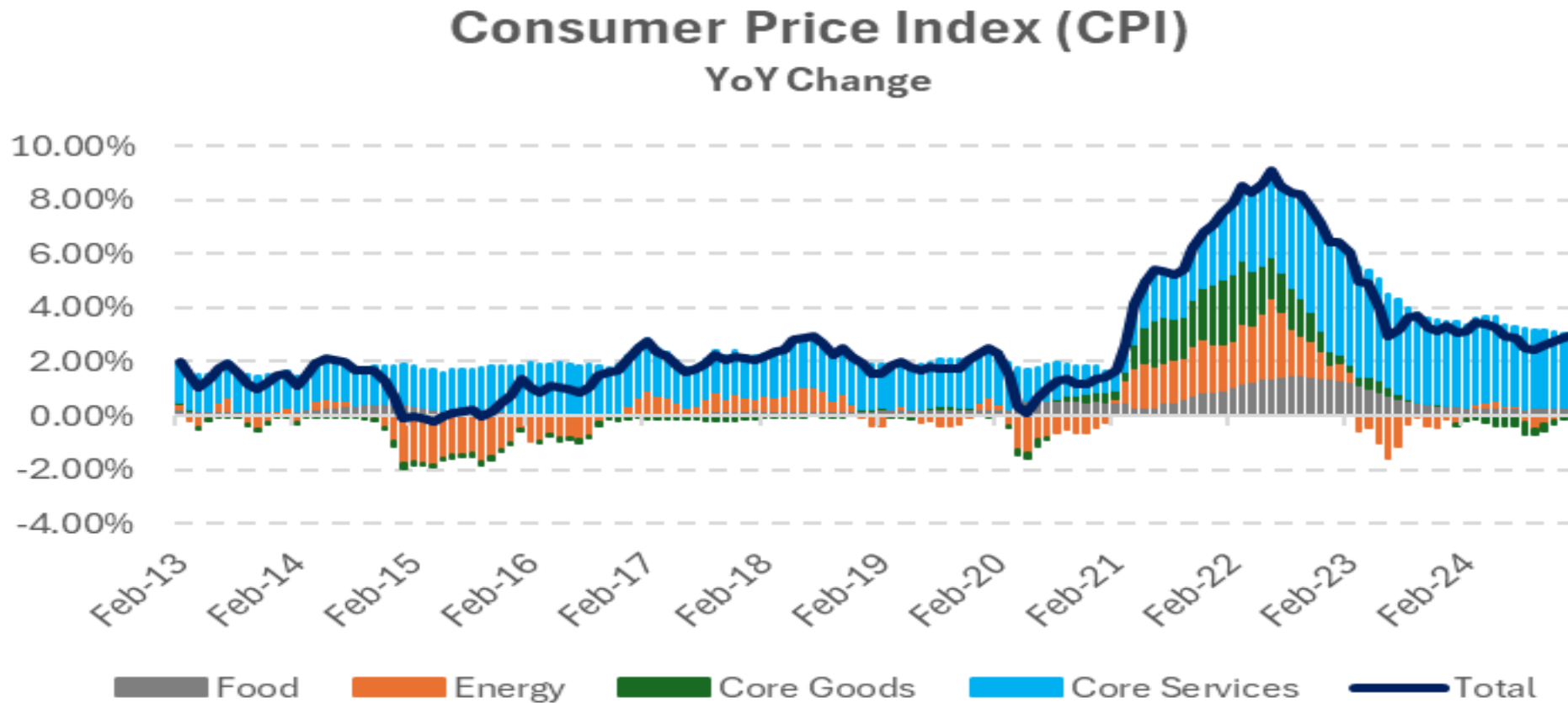


Source: Bureau of Labor Statistics





# Inflation Progress Has Stalled



Source: Bureau of Labor Statistics



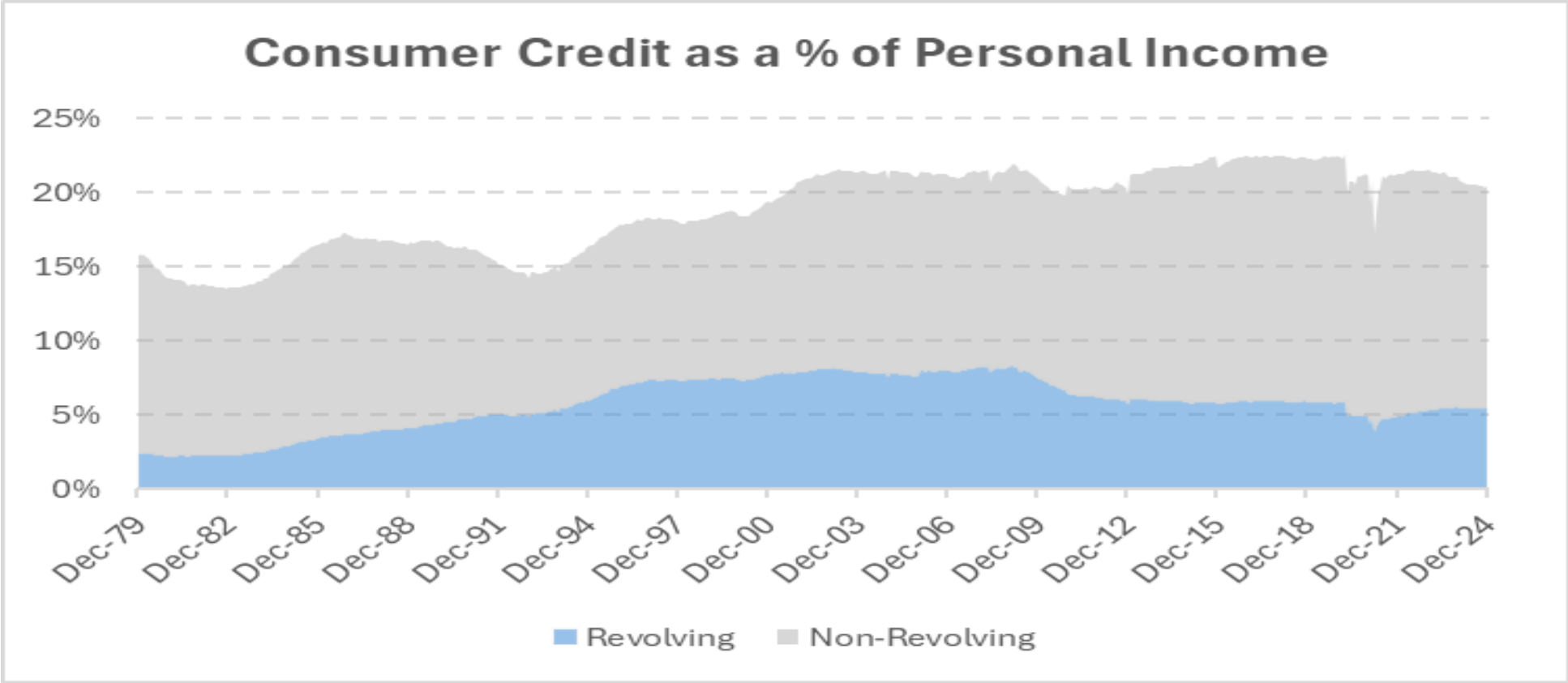
# Economic Growth Has Been Resilient



Source: Bloomberg



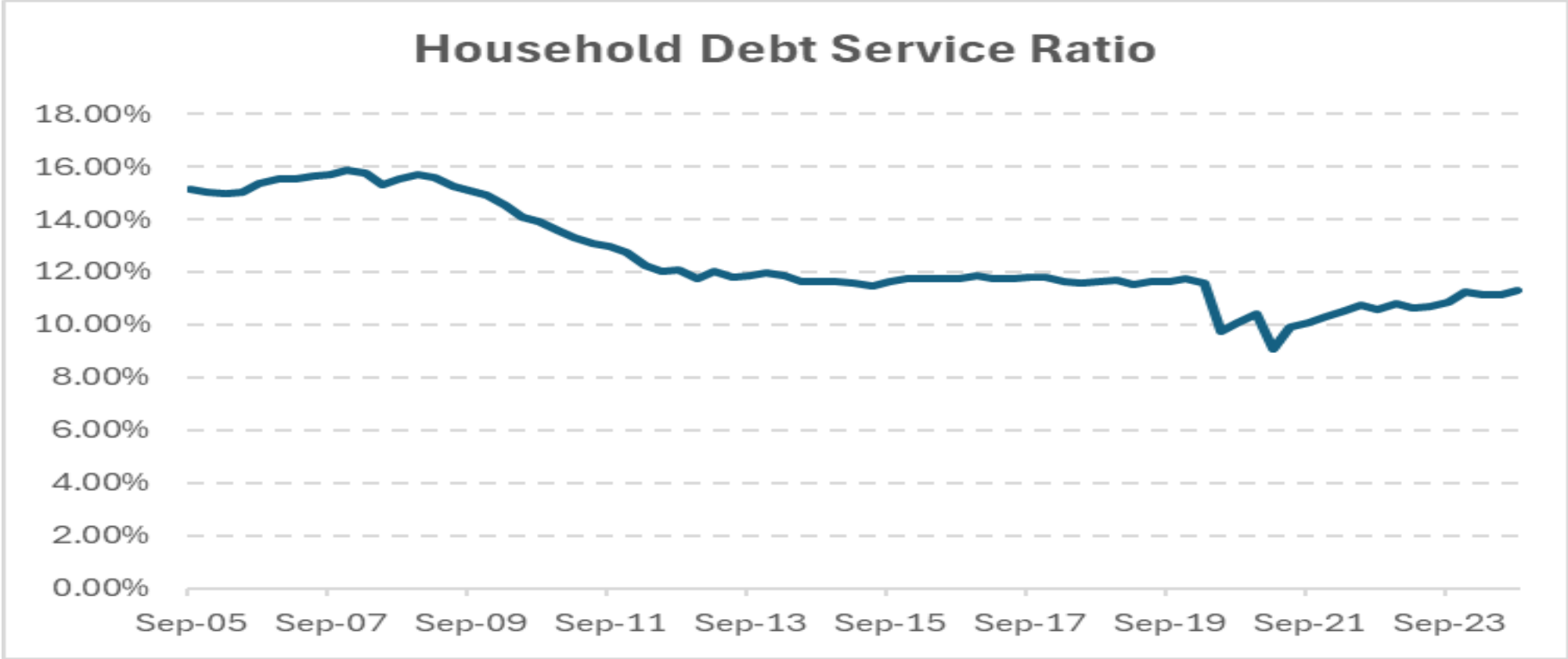
# Household Sector Remains Relatively Healthy



Source: Bloomberg



# Household Sector Remains Relatively Healthy

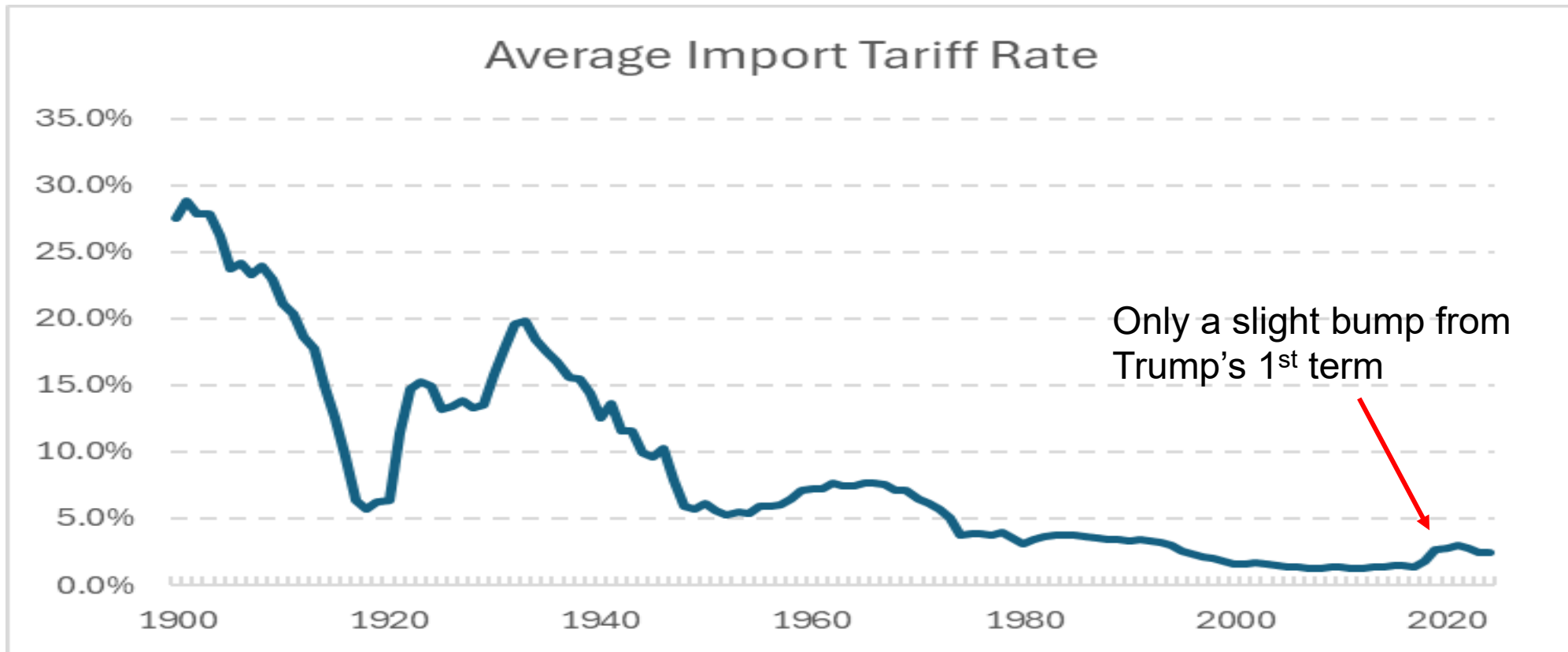


Source: Bloomberg





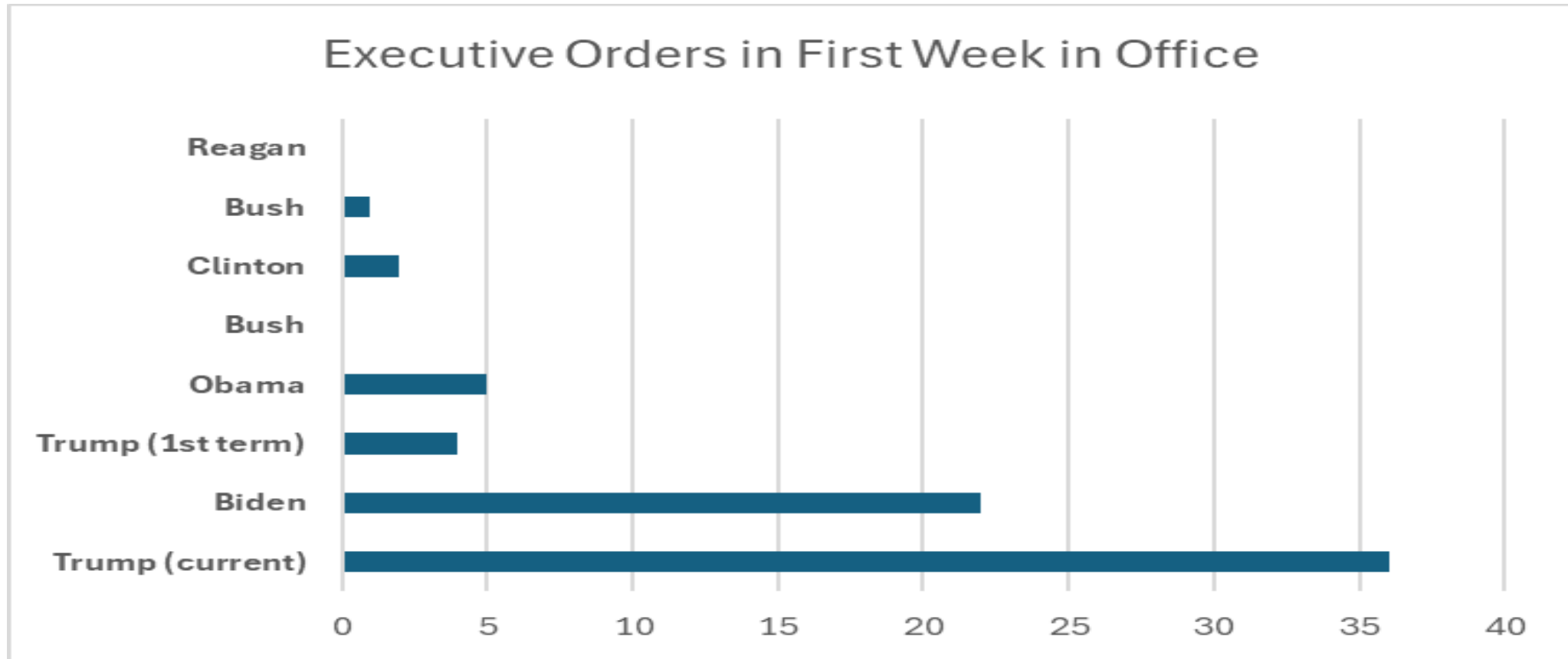
# Tariffs: Headed Higher, But How High?



Source: Tax Foundation



# Trump Agenda: Full Steam Ahead

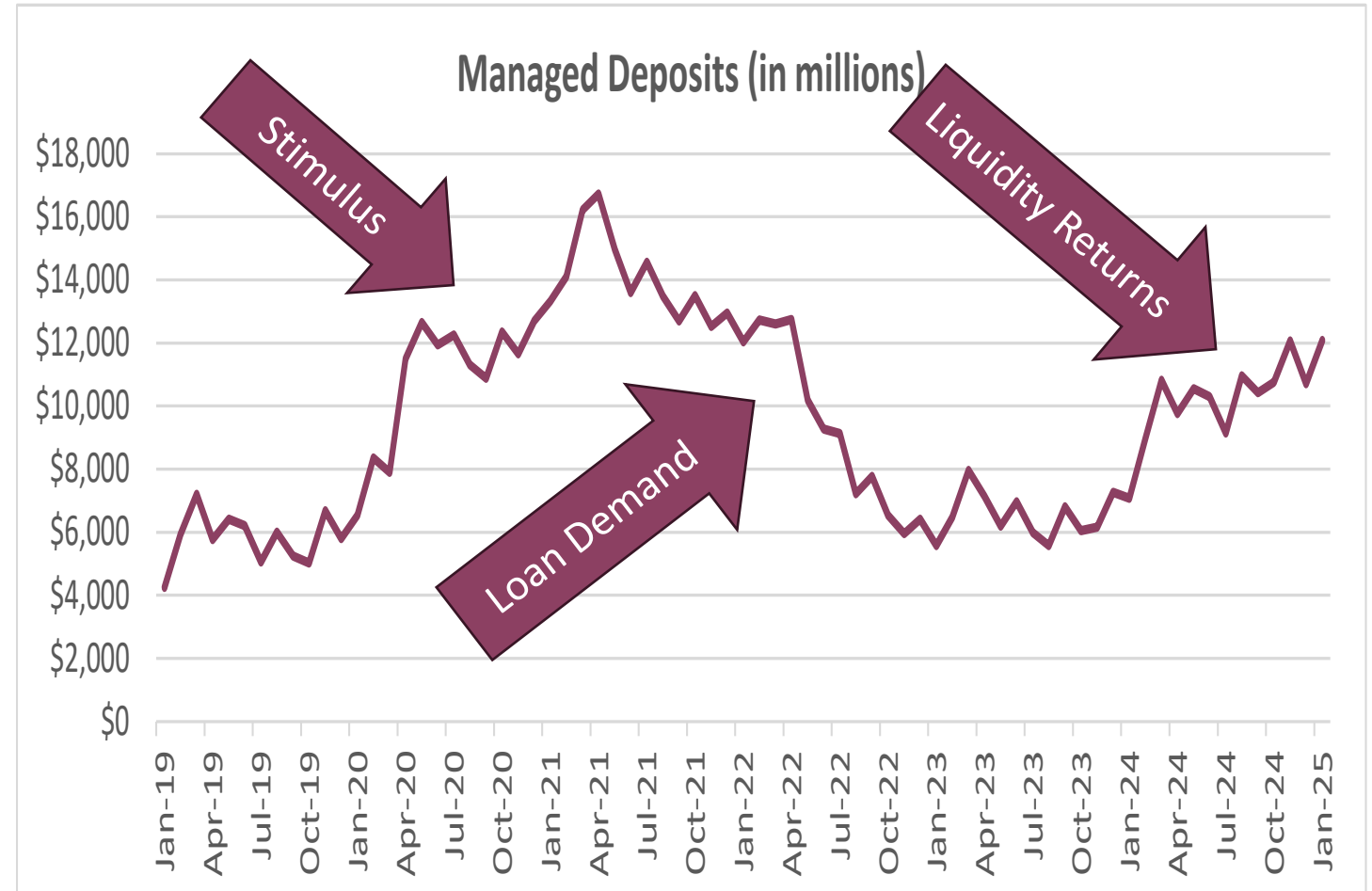


Source: Office of Federal Registrar



# Alloya Balance Sheet Trends - Managed Deposits

- Pandemic stimulus funds flooded into credit unions in 2020-2021
- Credit unions used excess funds to support 3-years worth of loan growth in 2022-2023.
- Liquidity returns in 2024-2025. Why? Recession indicator?

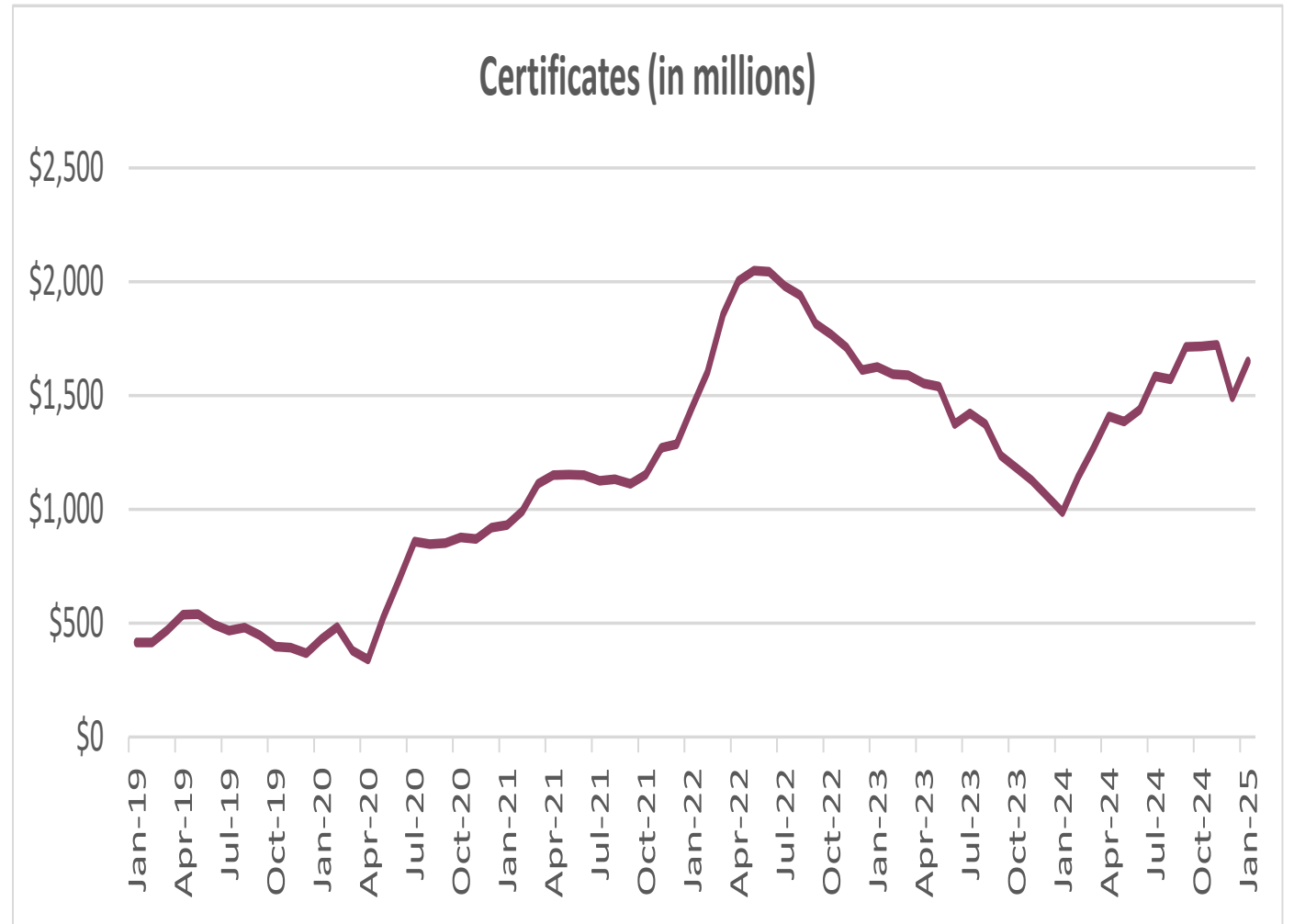


# Alloya Balance Sheet Trends - Certificates

There is a high demand for fixed-rate term certificates.

Alloya has strategically increased the number of special offers to enhance member value.

This addresses the need for investments that provide specific cash flows such as fixed interest rates, no optionality, and no mark to market requirements.



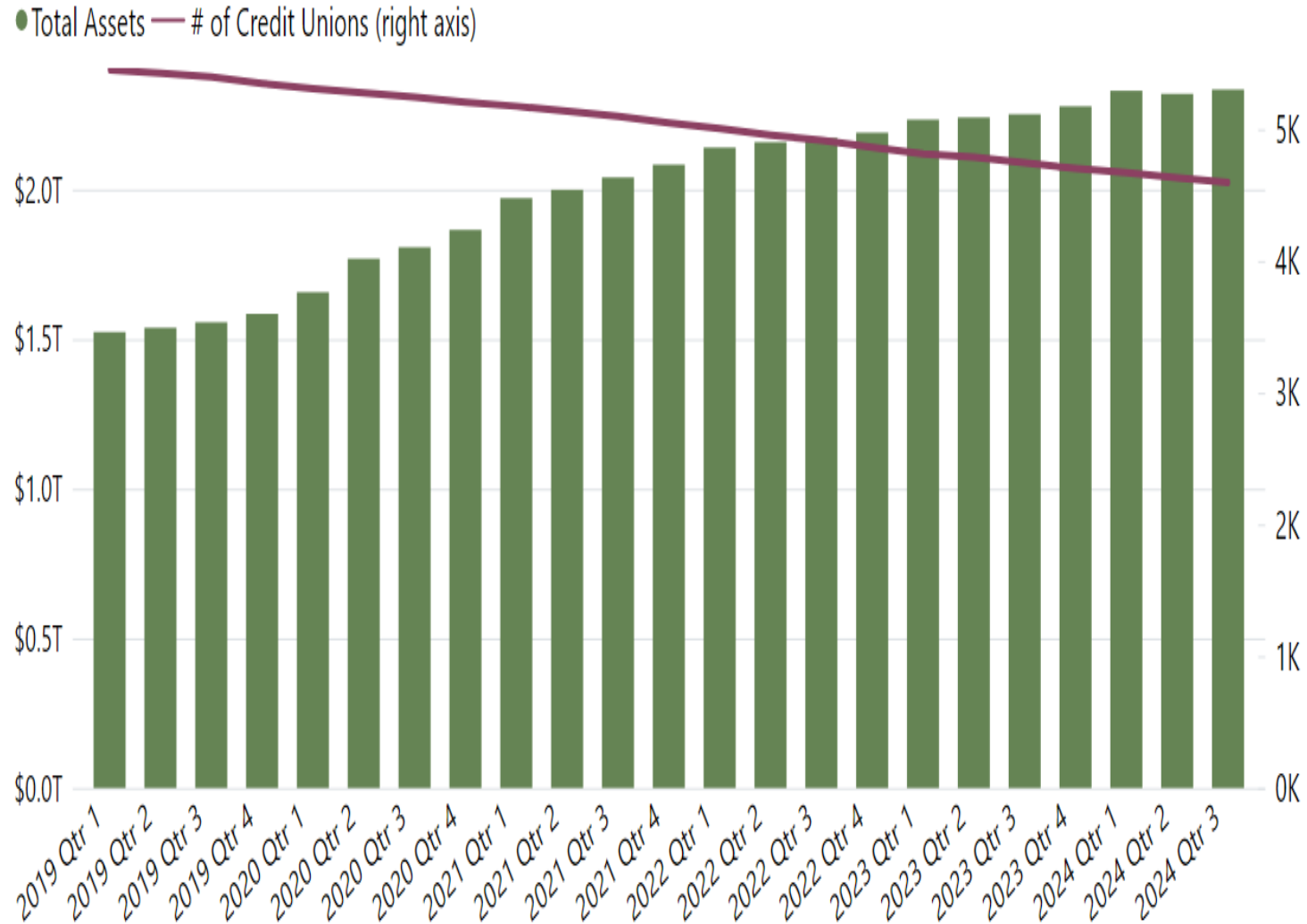


## Longer Term Trends –

### Fewer but Larger Credit Unions

- The number of credit unions have declined by 829 in just the past 5 years (15%) and total 4,500.
- Total assets have increased by \$800 billion (52%) during the same time period and stand at \$2.3 trillion.
- By 2032, current trend lines project 3,000 credit unions managing over \$4 trillion in assets.

Total Assets and Number of Credit Unions



Thank you for your continued support!



## Loan growth slows in 2024 while shares post highest annual growth since 2021

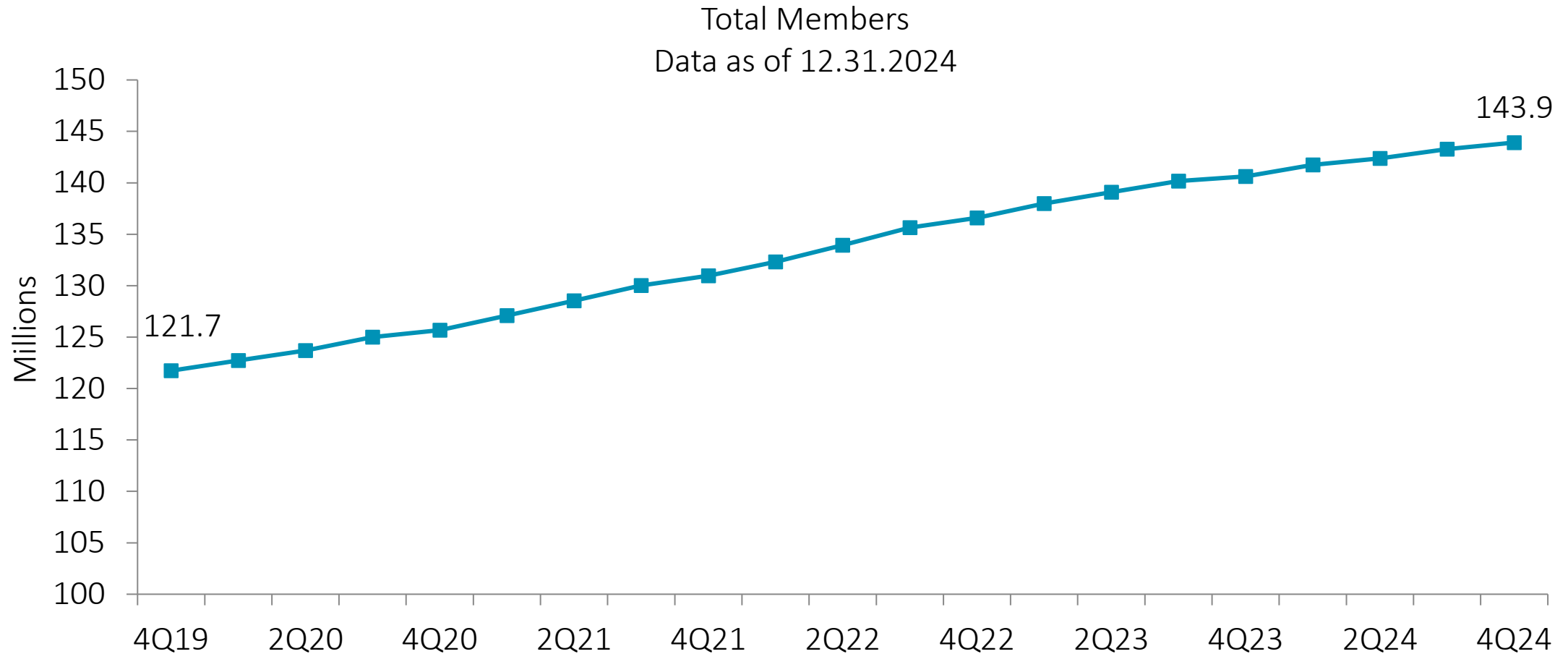
	12/31/2024	12-Mo. Growth	12/31/2023	12-Mo. Growth
Assets	\$2,333.9B	2.4%	\$2,278.3B	4.0%
Loans	\$1,662.8B	2.8%	\$1,617.9B	6.4%
Shares	\$1,982.5B	4.3%	\$1,900.4B	1.7%
Investments (incl. Cash)	\$569.6B	1.0%	\$564.2B	-1.5%
Capital	\$251.6B	8.3%	\$232.2B	12.1%
Members	143.9M	2.3%	140.6M	3.0%



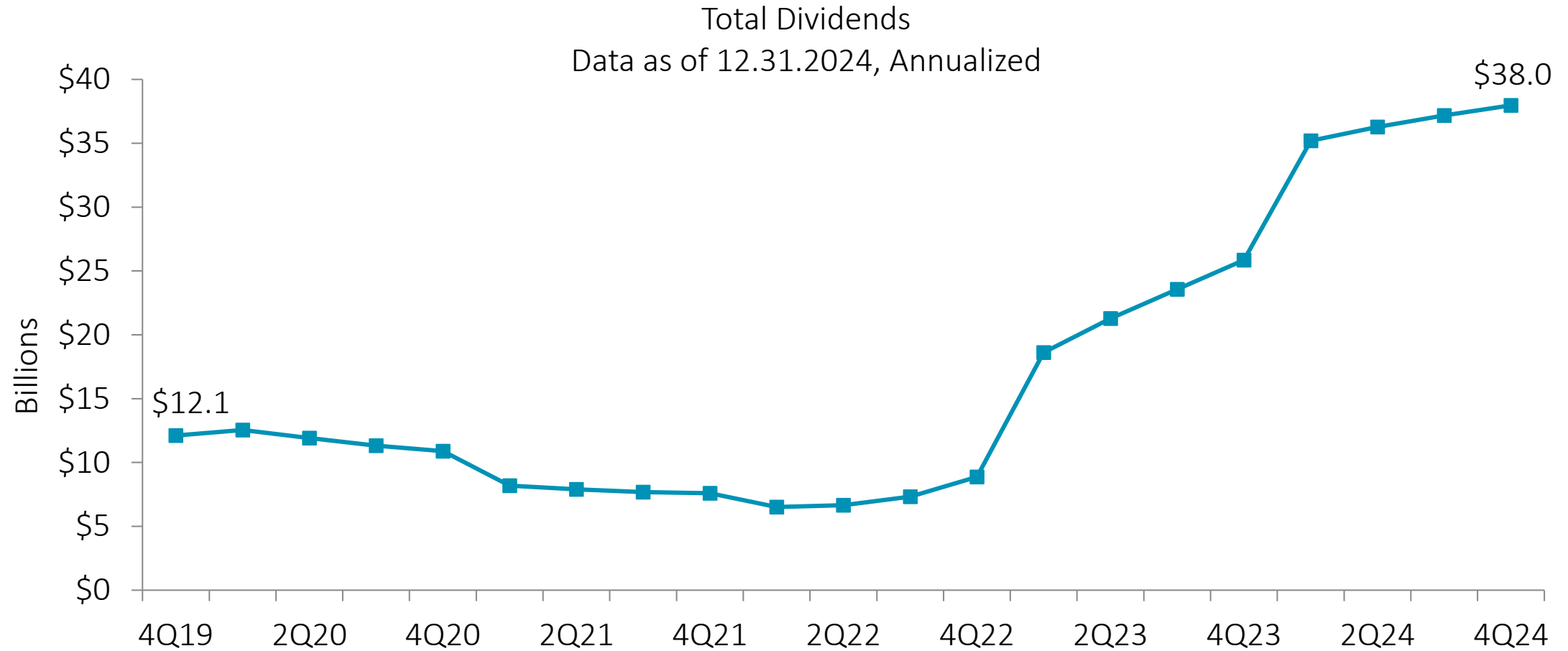
# Credit Unions' Impact on Members and the Economy



# 144 million Americans choose a credit union as their financial partner today, 22 million more than in 2019

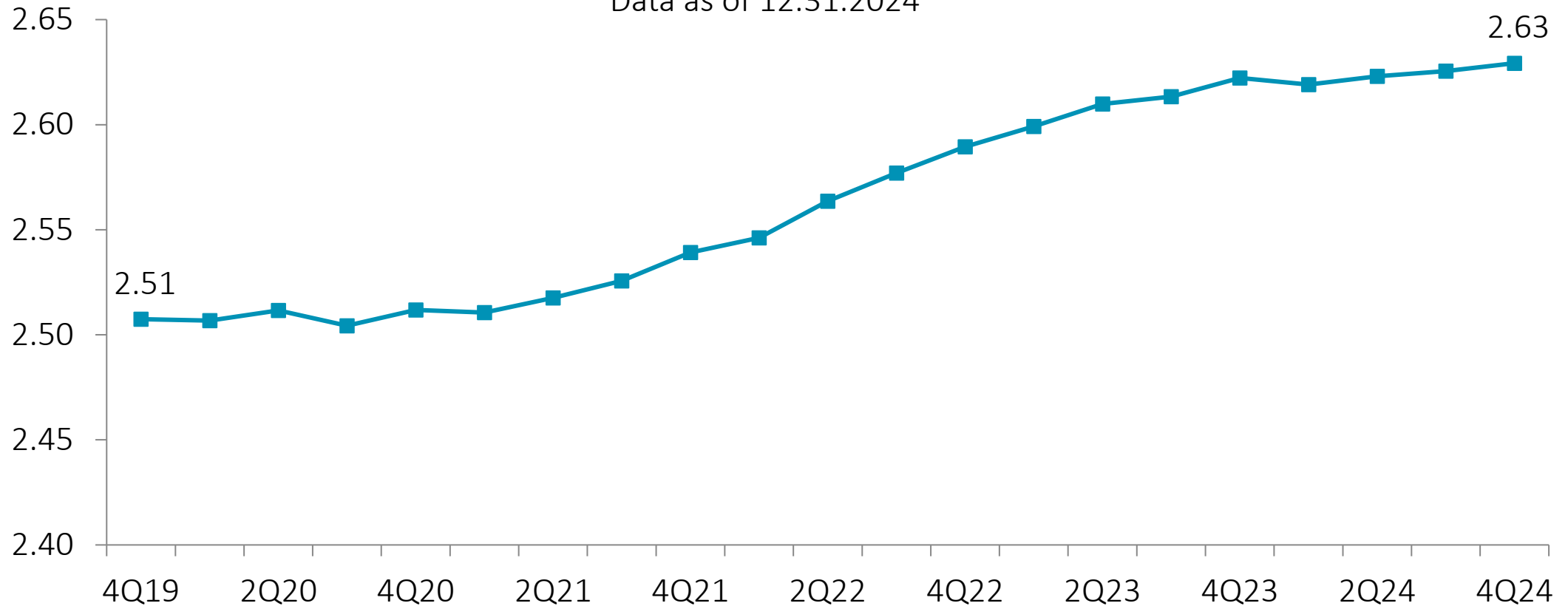


# Member-owners earned \$38.0 billion in dividends from their credit union in 2024

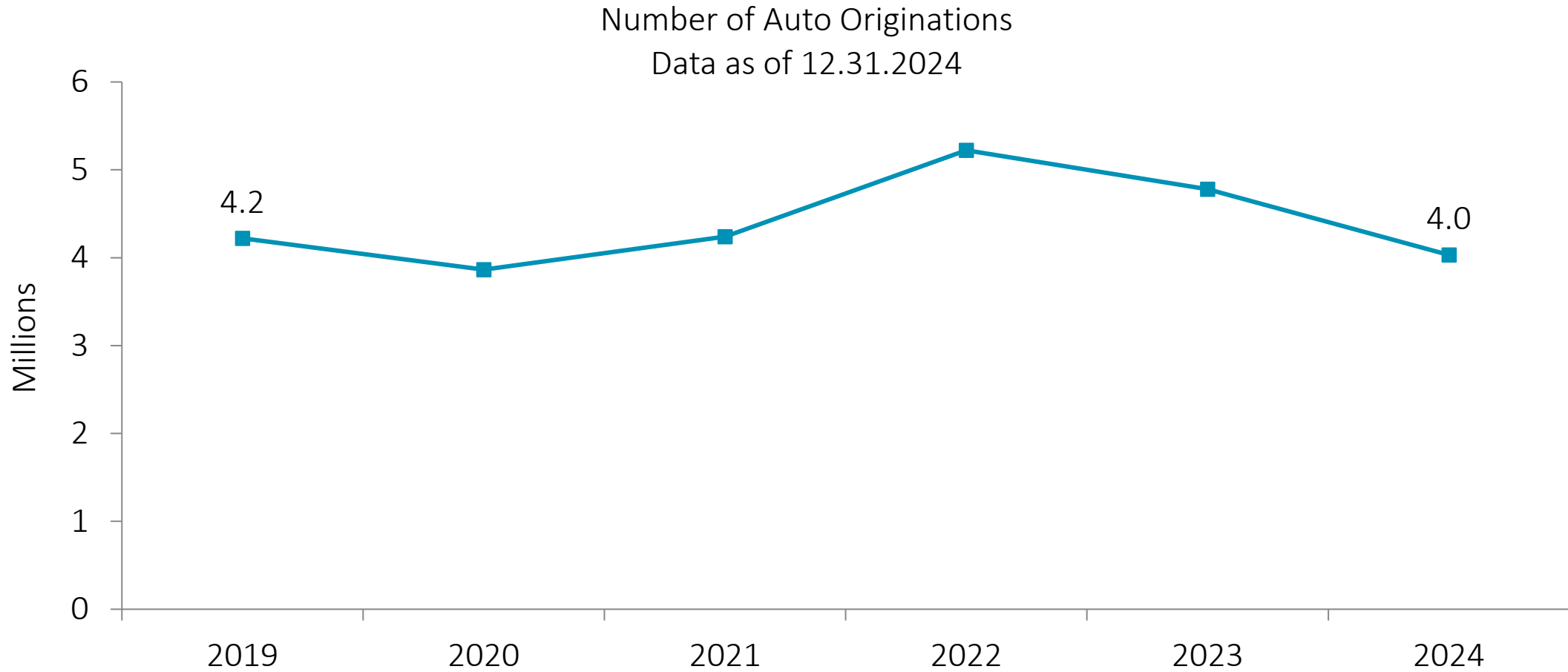


Members are growing their credit union relationship. The average member has 2.63 loan and share accounts at year-end 2024.

Total Loan and Share Accounts Per Member  
Data as of 12.31.2024



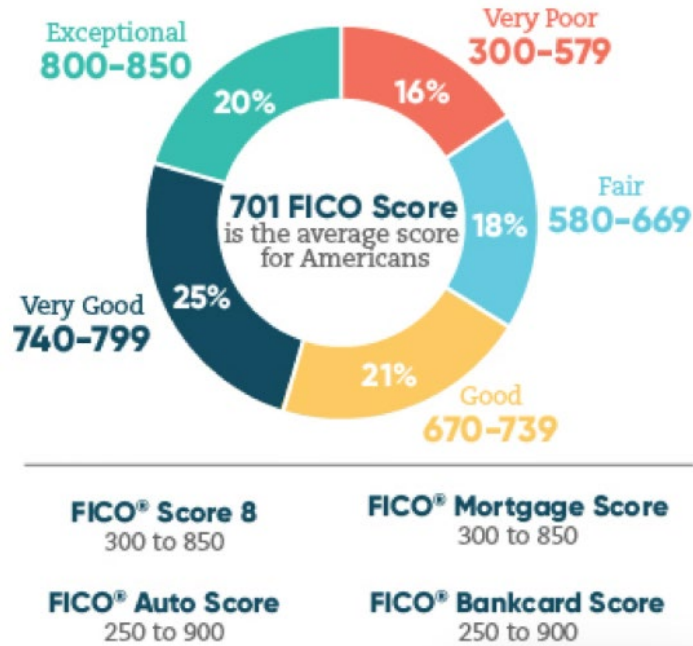
# Credit unions helped 4 million members buy a car in 2024



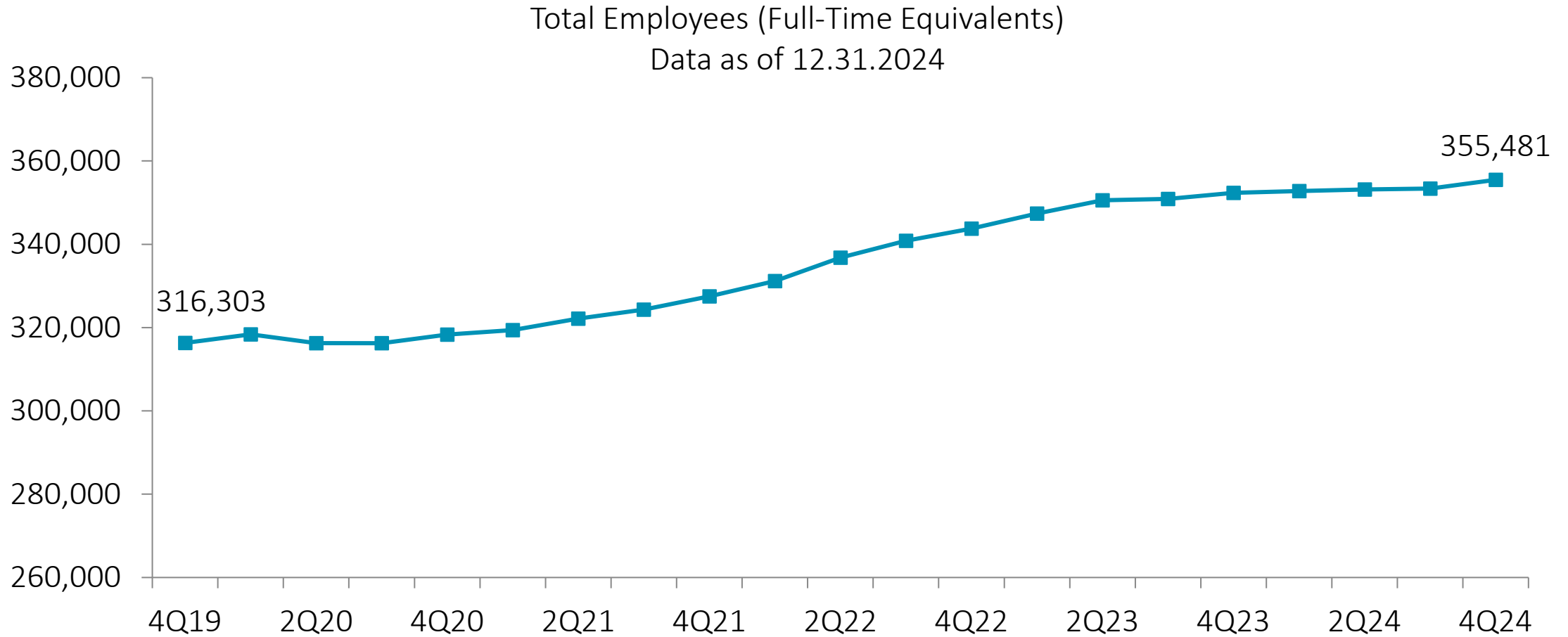


# Wright-Patt's 'Wheels For Work' Keeps Rolling Along

For more than five years, a second-chance auto loan program has helped credit- and income-challenged members buy a car, even when they don't qualify via traditional underwriting.



# Credit union employment continues to expand, topping 355,000 at year-end



## Mean vs. Median Explained

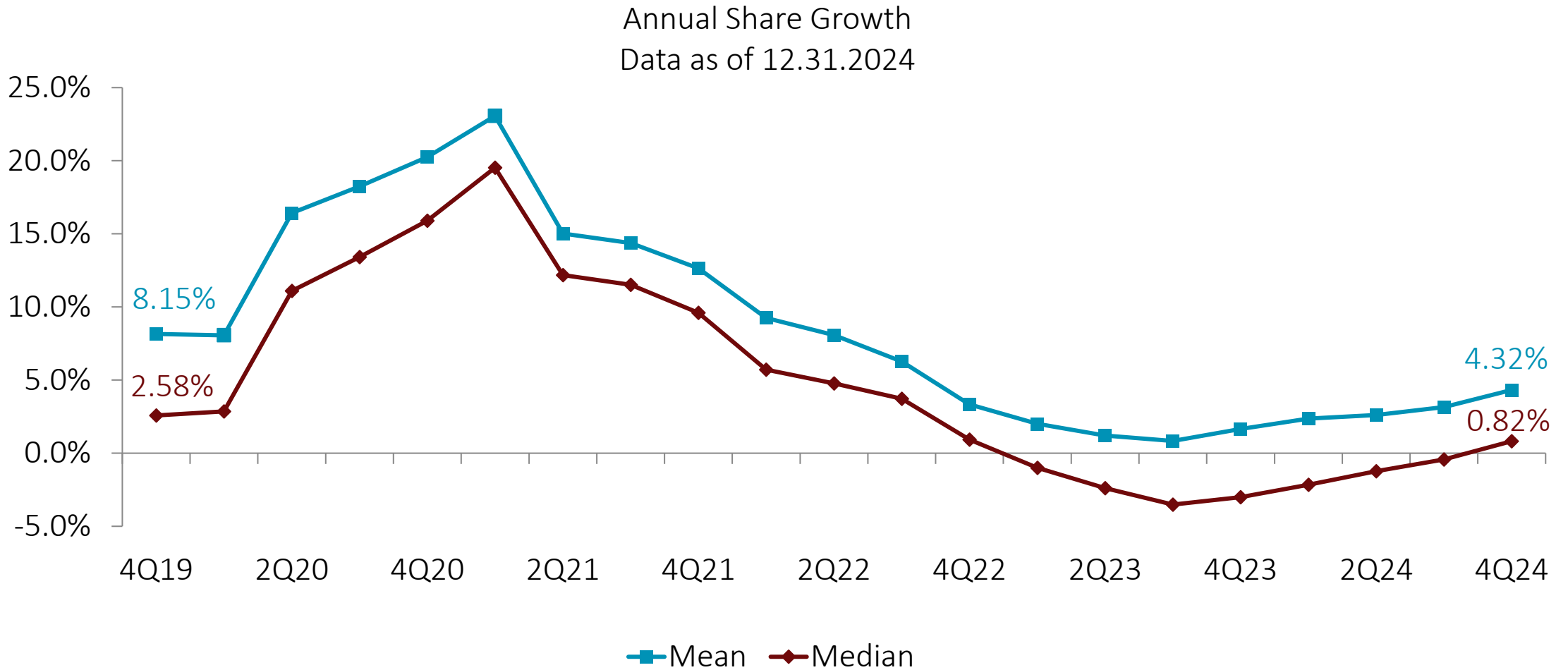
- Mean = “average” credit union (\$ amount/# of credit unions)
- Industry averages are dominated by larger credit unions’ performance
  - 20 largest CUs (over \$10B in assets) hold **>25% of industry assets**
  - The mean credit union in the country has **~\$525M** in assets
- Median = “middle” credit union performance for each metric
- This is not always an accurate picture of performance for many CUs
  - There are **4,500 active charters** today
  - The median credit union in the country has **~\$60M** in assets



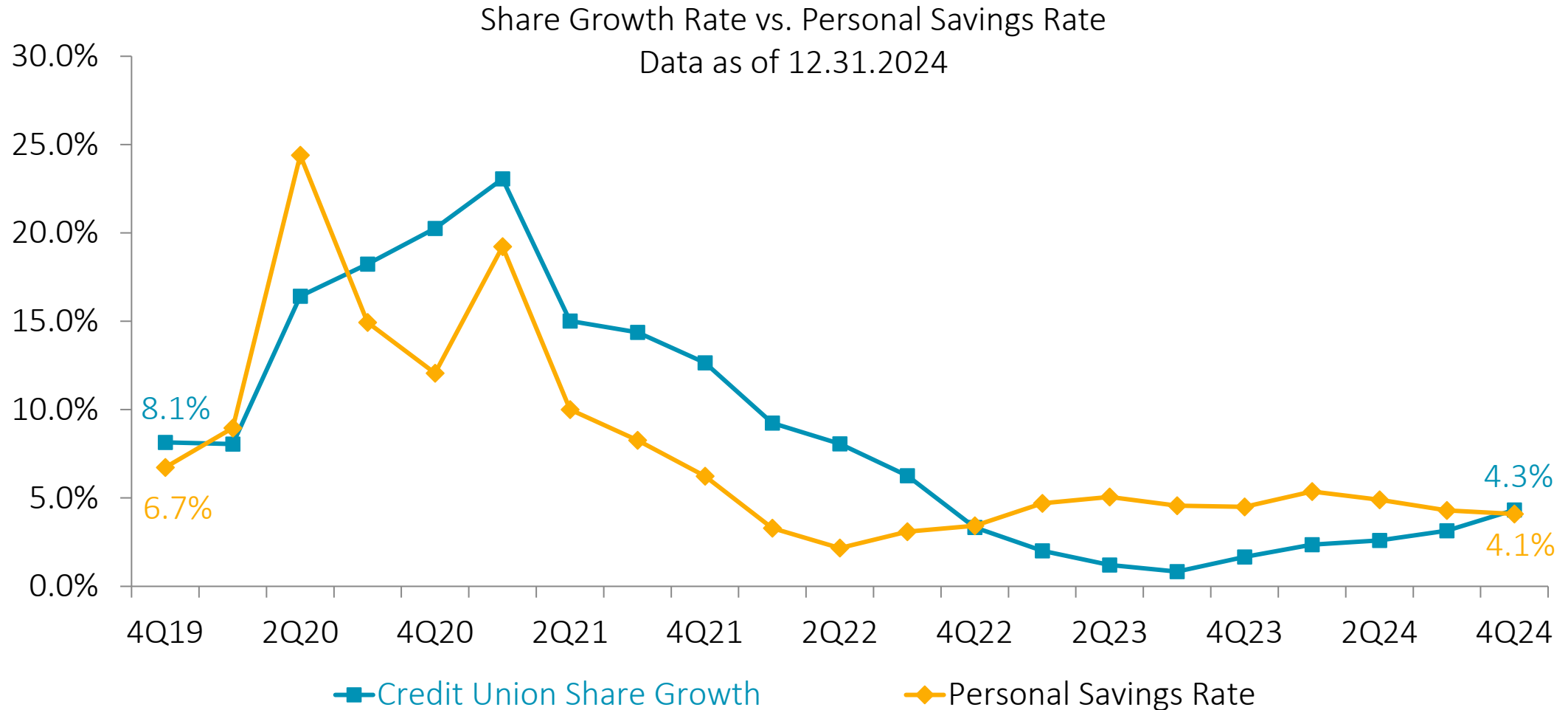


# Supporting Member Saving and Borrowing Needs

# Share growth trends higher in 2024



# Credit union member share balances grow slightly faster than the national savings rate in 2024





# Langley FCU: MyDesign Checking

## Break Free From Generic Banking

**MyDesign Checking** allows you to bank the way that you want by customizing your account, **saving over \$800 annually** when you bundle all the options.

**MyDesign Checking**  
*Steady Saver*

**Steady Saver Option** Free

Grow Your Savings

[Add Steady Saver](#)

- ✓ All Features of MyDesign Checking

+

- ✓ **Earn 4.25% APY** on High-Yield Savings balances up to \$25,000\*
- ✓ Exclusive access to the MyDesign Savings account\*

**MyDesign Checking**  
*Worry-Free*

**Worry-Free Option** Free

Avoid unwanted fees

[Add Worry-Free](#)

- ✓ All Features of MyDesign Checking

+

- ✓ **2 Complimentary** NSF or Courtesy Pay Fees
- ✓ Get reimbursed for 2 ATM surcharges each month (valued at \$700/year)
- ✓ Free automatic transfers to prevent overdrafts

**MyDesign Checking**  
*Ride Rebate*

**Ride Rebate Option** Free

Benefit from Your Car Loan

[Add Ride Rebate](#)

- ✓ All Features of MyDesign Checking

+

- ✓ **Earn 10% of the interest paid** on your Langley auto loan each month. Members earn an average of \$180 a year\*

**MyDesign Checking**  
*All-IN*

**All-In Bundle** \$9.95 / Month

Maximize Your Benefits

[Add All-In Bundle](#)

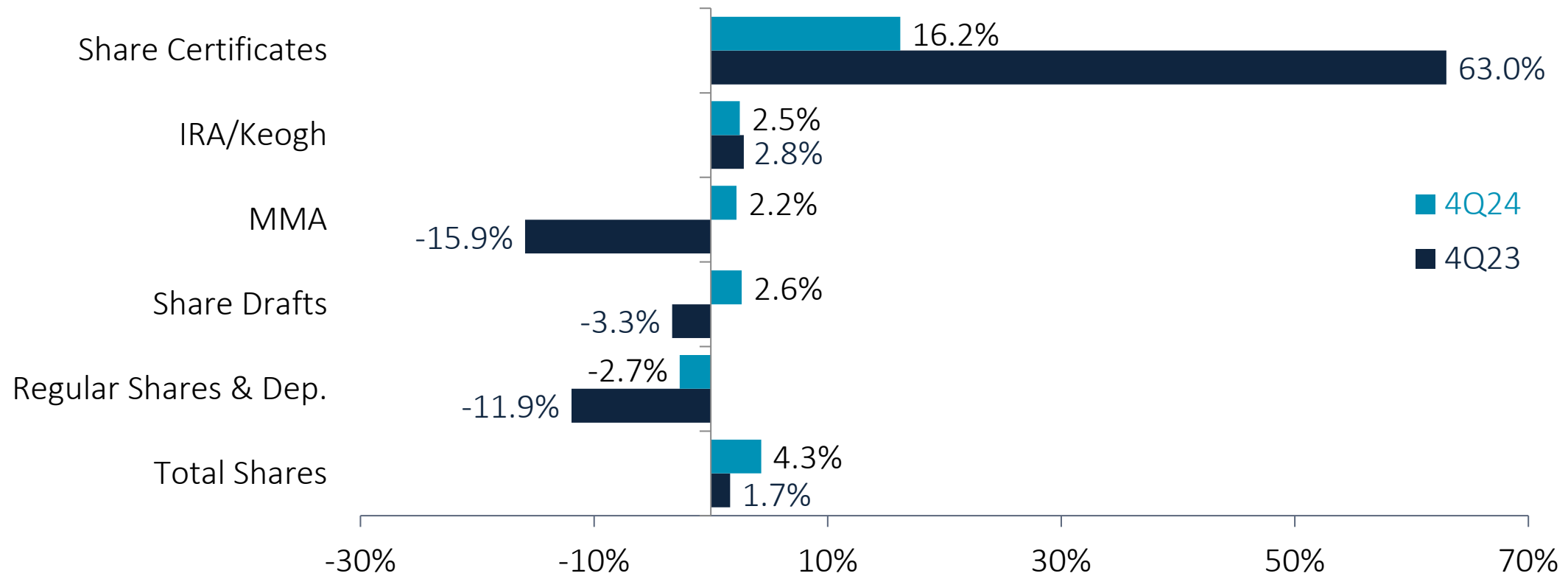
- ✓ All Features of MyDesign Checking

+

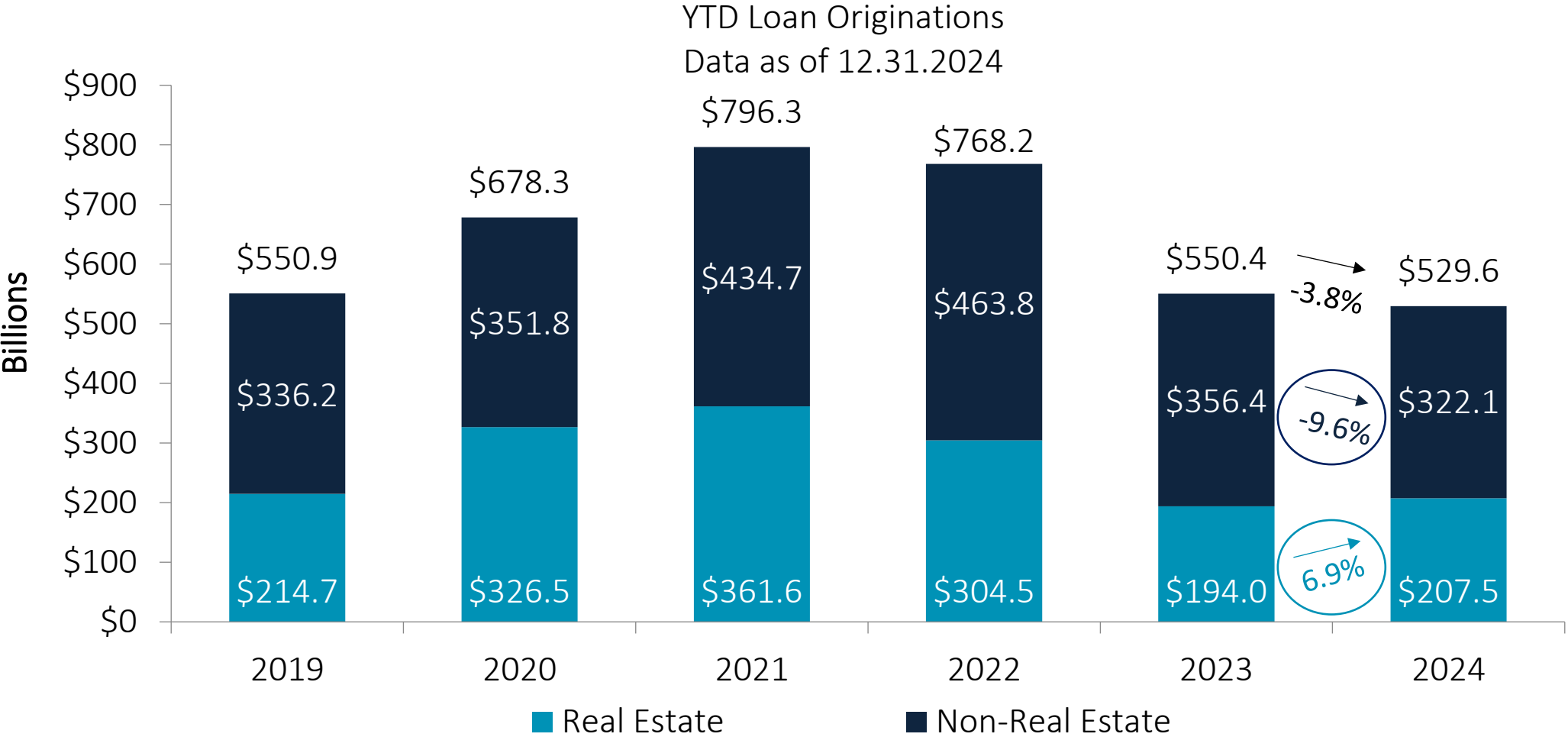
- ✓ All Features of the Worry-Free Option, Ride Rebate Option, and Steady Saver Option
- ✓ Members **save over \$800 annually** by bundling all options

# Share growth was more balanced across the portfolio in 2024

12-Mo. Growth in Shares Segments  
Data as of 12.31.2024



# Member real estate borrowings increase in 2024 but consumer lending is the lowest since 2017







**HERITAGE  
FAMILY**  
CREDIT UNION

## From State Funds To Affordable Homes

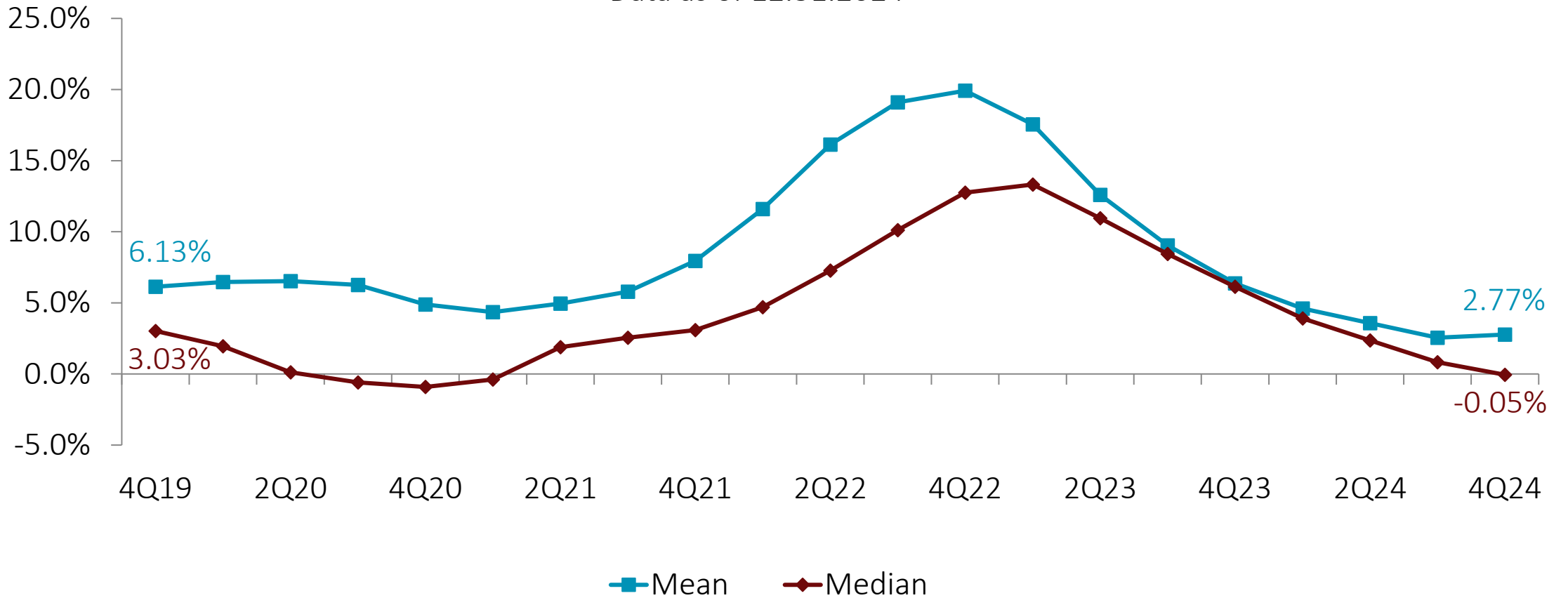
Heritage Family Credit Union launches a low-rate lending program to increase the availability of area affordable housing.





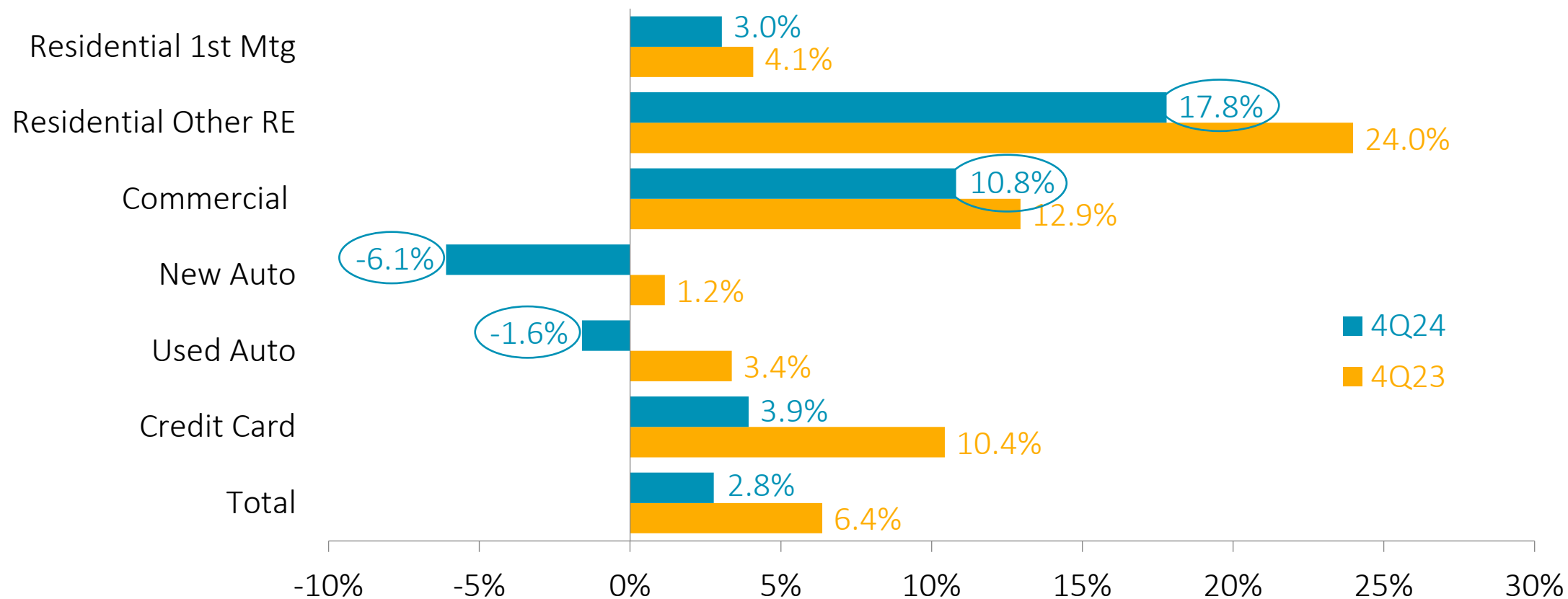
# Loan growth slows in 2024

Annual Loan Growth  
Data as of 12.31.2024



# Growth slows across the loan portfolio in 2024

Annual Growth in Loans Outstanding  
Data as of 12.31.2024





## CDFI Certification Powers Up Community Impact In Florida And Beyond

As the nation's largest community development credit union, Suncoast is a force for development, collaboration, and innovation.

### Microloan Details

Microloans are available from \$500 up to \$50,000.

Funds can be used for:

- Purchasing new equipment or upgrading equipment
- Funding for new vehicles
- Working capital or lines of credit to support daily operations
- Helping to buy or expand inventory

*Loan Limit*

**\$50,000**

*Term Limit*

**7 Yrs**

*Prepayment Penalty*

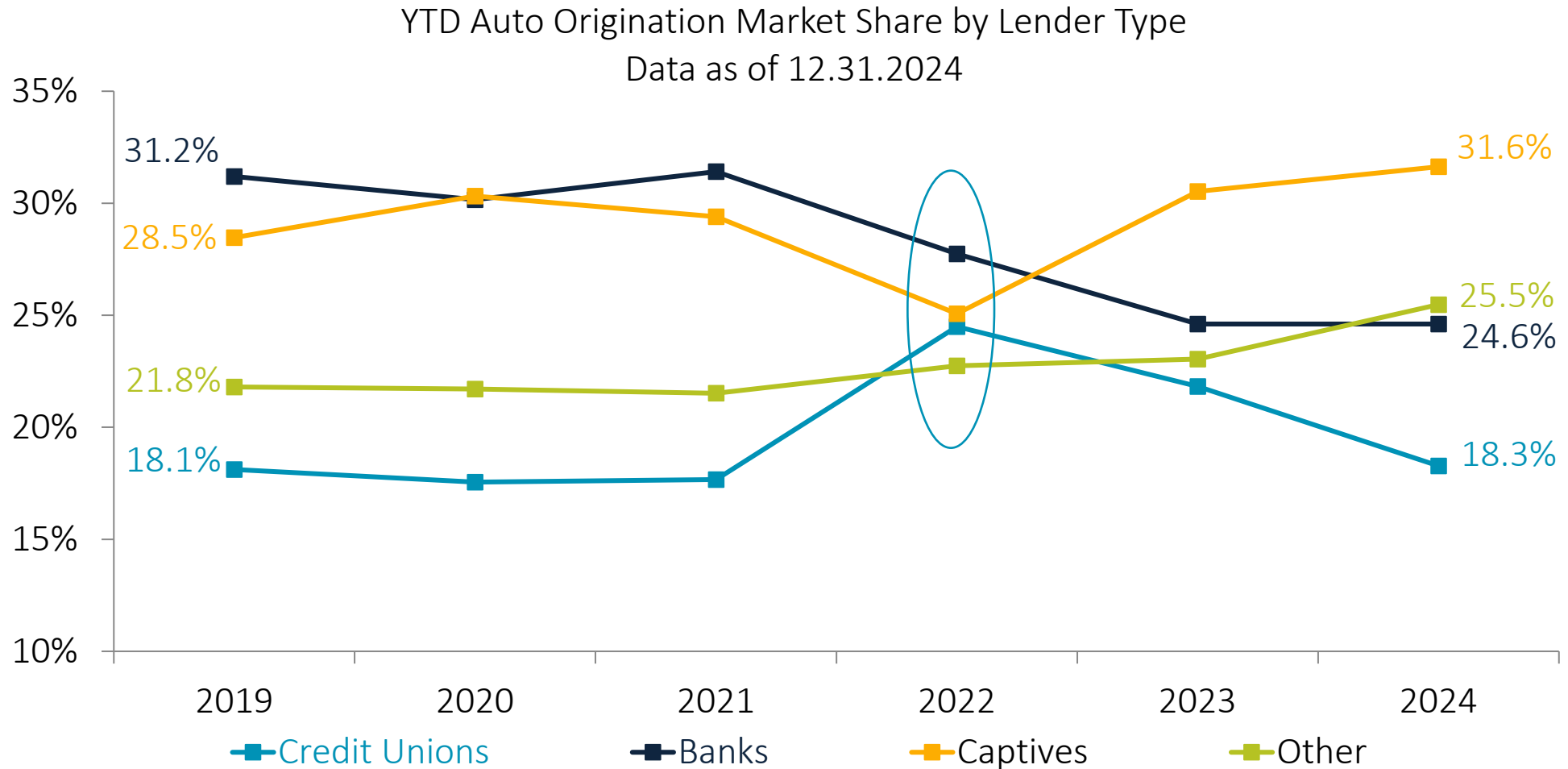
**\$0**

### Get Support as Your Business Grows

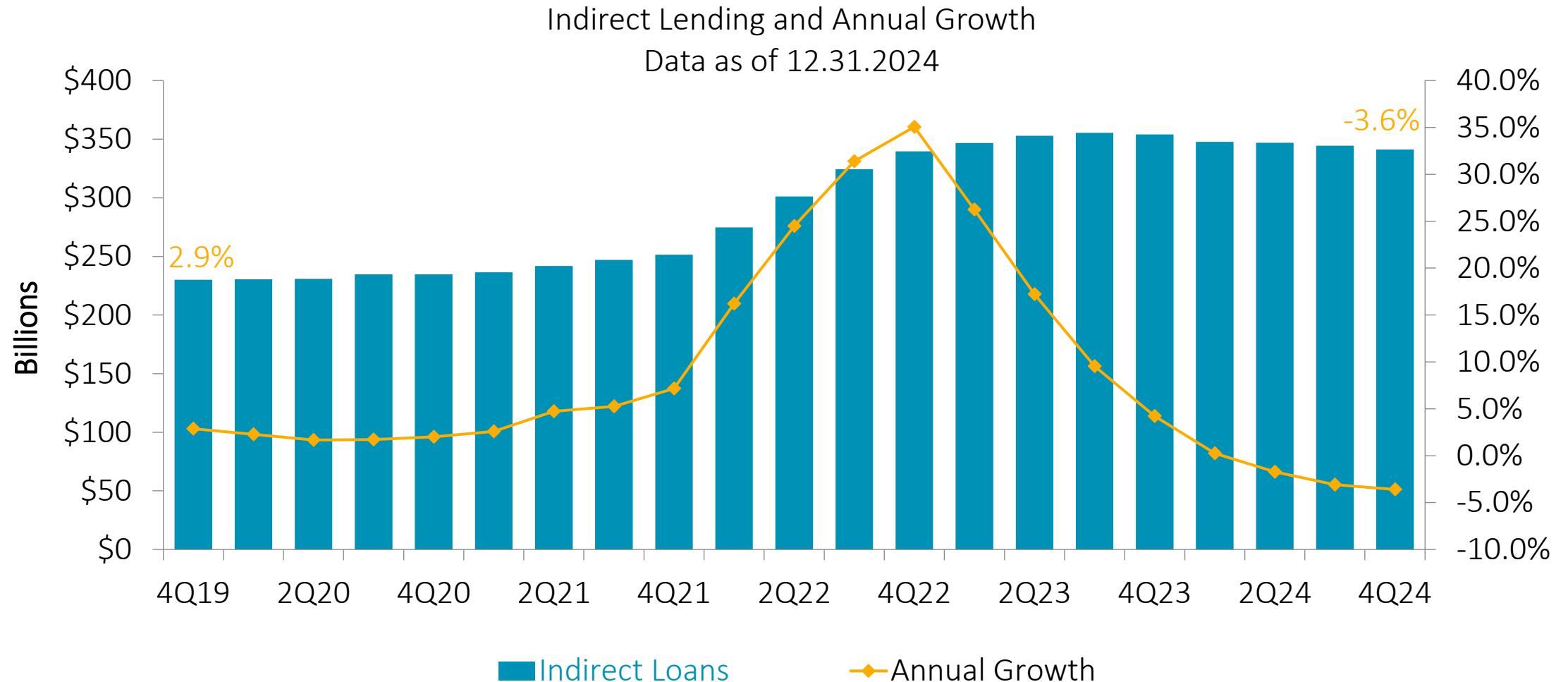
You started your business with an idea and a dream. You're building your business with hard work. Let us help you take your business to the next level.

Gain expertise with technical assistance from Suncoast at little to no cost to you. We offer a number of free events to help business owners get skills training, learn from expert speakers and network with their peers.

# Captives and finance companies capture the largest share of the auto loan market in 2024

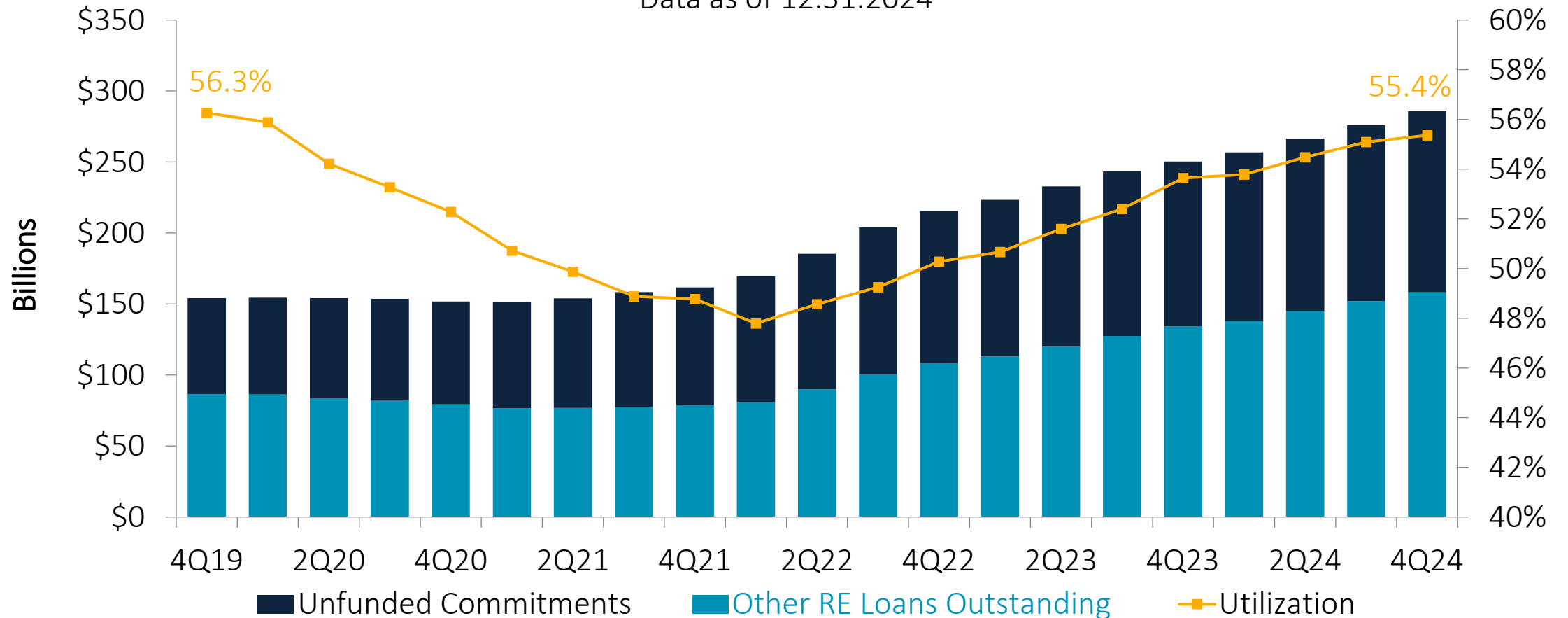


# Indirect loan balances record two years of slowing growth as credit unions focus on lending to their core members



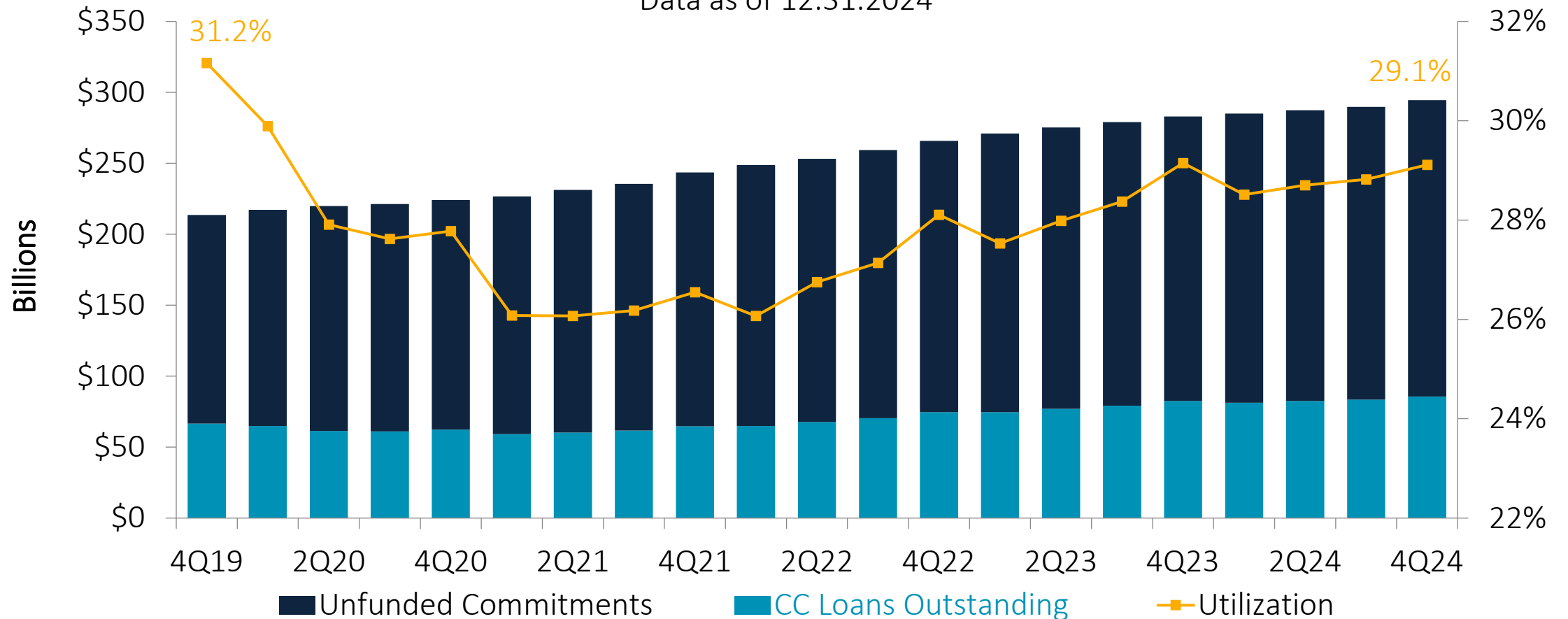
# HELOC utilization continues to tick up

Total HELOC Balances and Utilization  
Data as of 12.31.2024



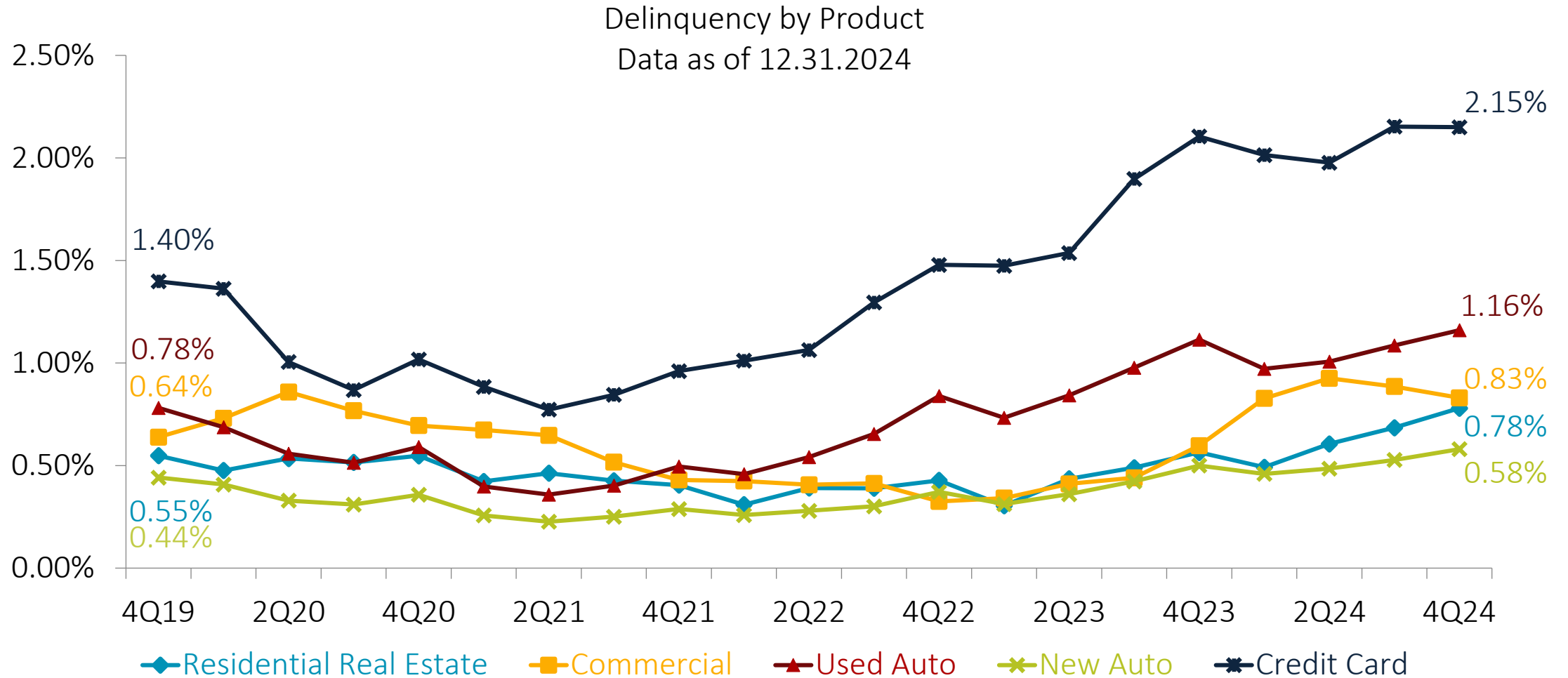
# Member credit card usage remains below pre-pandemic levels

Total Credit Card Lines and Utilization  
Data as of 12.31.2024

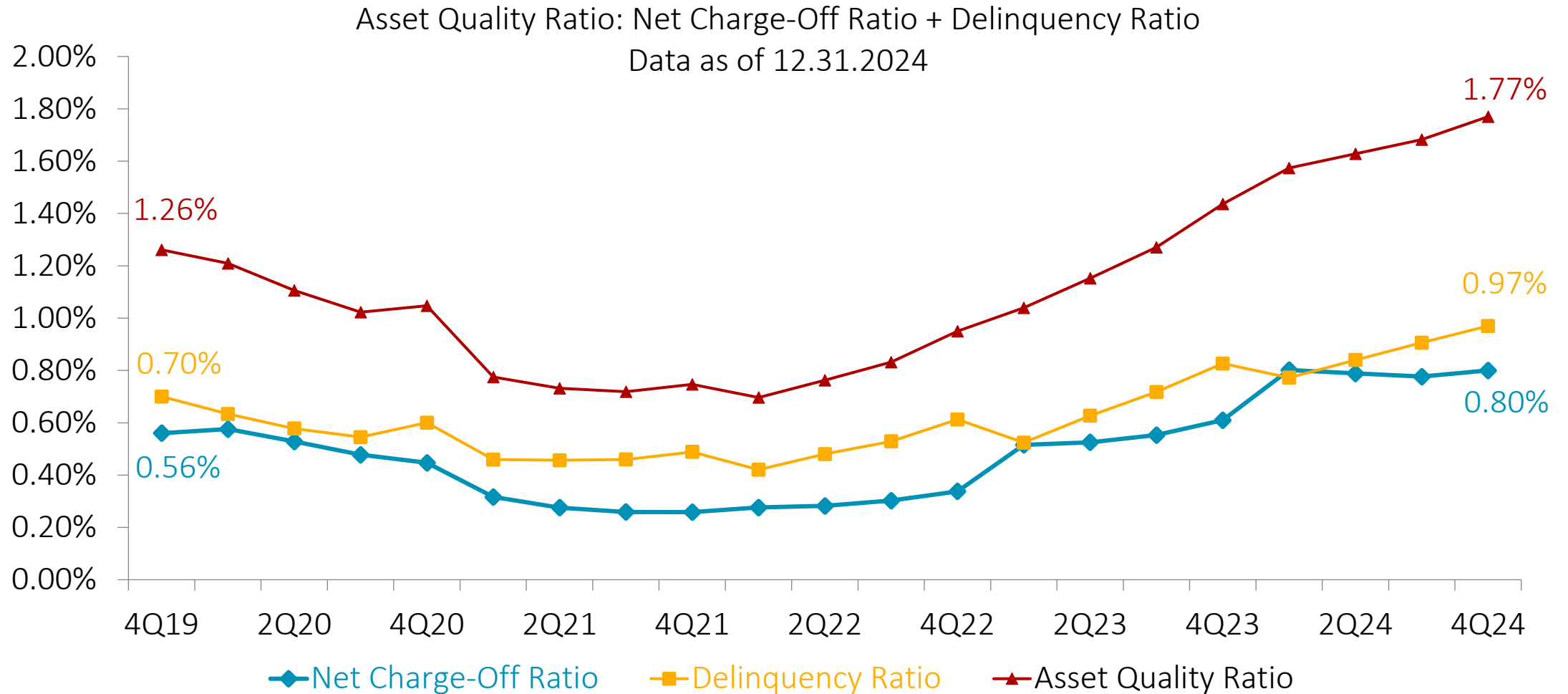




# Delinquency rises across the portfolio in 2024



# Both delinquency and charge-offs are higher in 2024



# UFCU

Austin, TX

\$4 Billion in Assets

396,000 Members

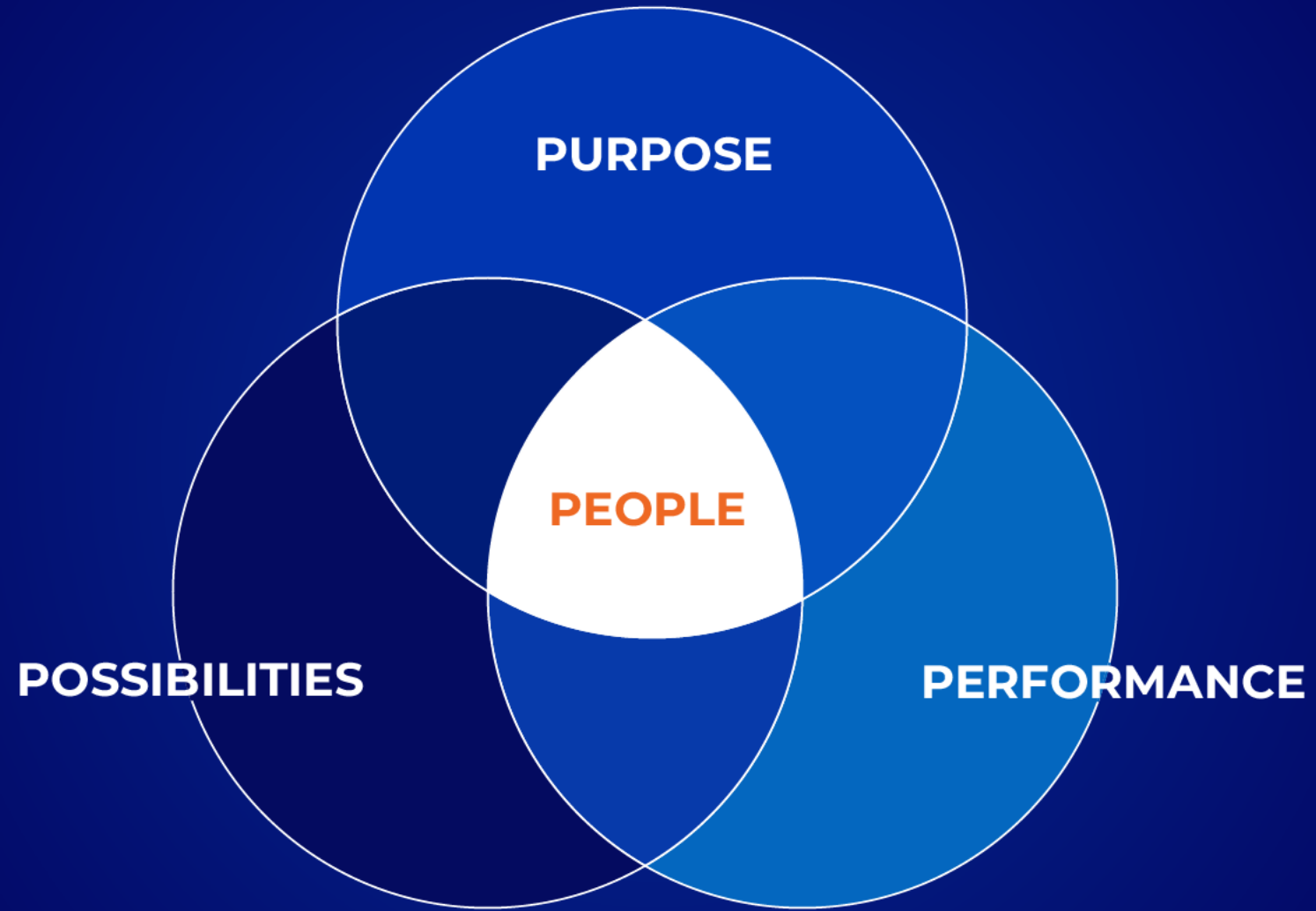
27 Branches

Austin's #1 Credit Union\*



It all starts with **U**

[ufcu.org](http://ufcu.org)





# UFCU Strategic Framework

## Our Purpose

Empowering our Members to achieve financial success and brighter futures

## Our Values

Purposefully Member-obsessed  
Possibilities reimagined  
Performance excellence rooted in unwavering integrity

## Our Aspiration

UFCU is loved by millions of Members and built to thrive for generations

## Strategic Imperatives

Designed for Digital  
Exceptional Member Experiences

Operational Excellence  
Financial Strength

## Strategic Measures

Net Promoter Score  
Total Members

Digitally Engaged Members  
Net Worth Ratio

## Strategic Choices

Core market is Central Texas with a statewide lens  
Strategic growth archetype is "Community"  
Targeted Member segments

Principal business lines  
Omni-Channel approach of digital, phone, and branch  
Actively pursue strategic mergers and acquisitions

## Operating Plan

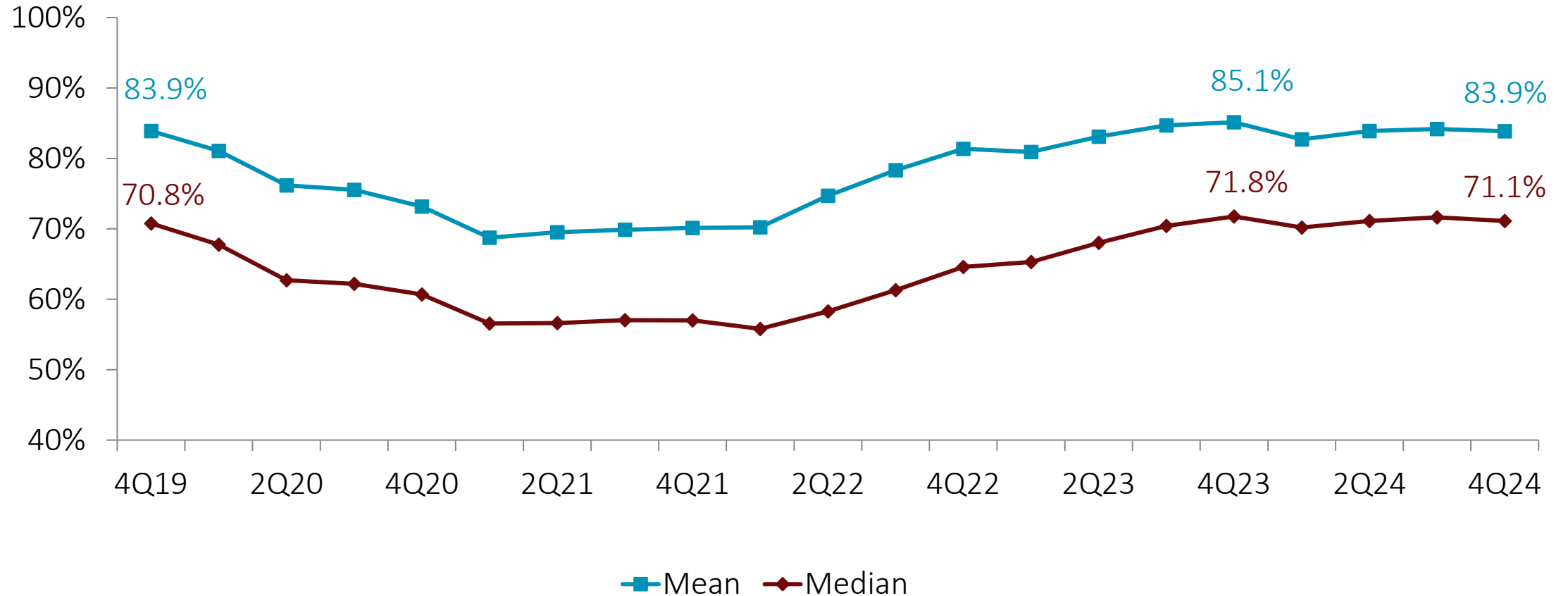
Annual Budget  
Key Performance Indicators  
Longer-term forecasts



# Managing the Balance Sheet

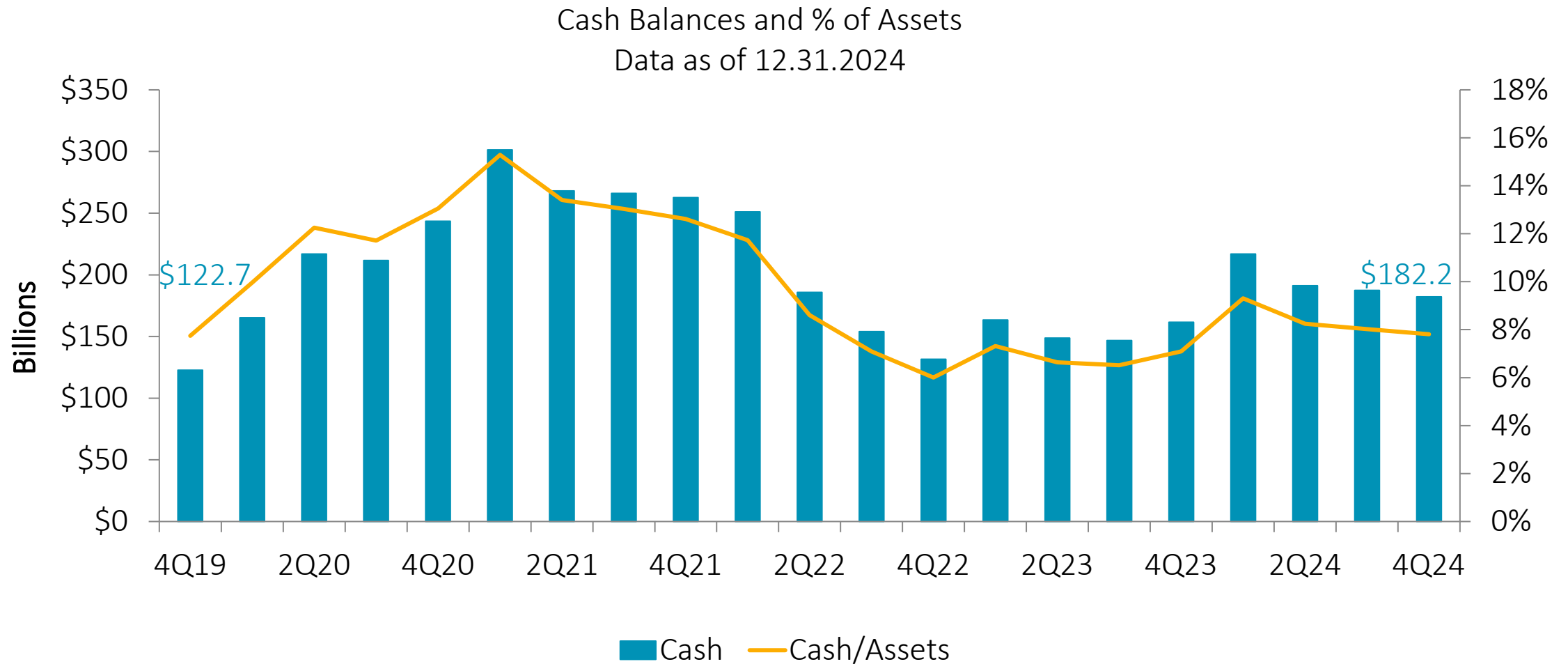
# The loan-to-share ratio declines slightly in 2024

Loan-to-Share Ratio  
Data as of 12.31.2024





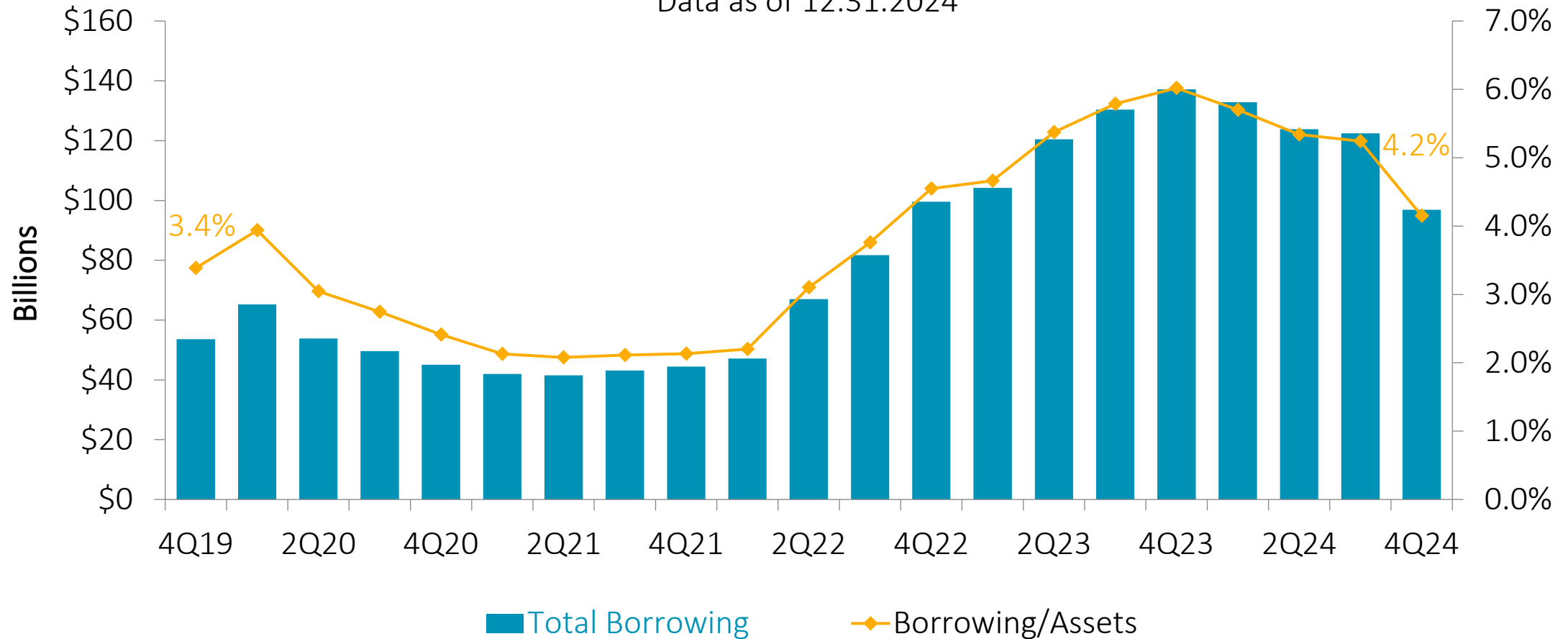
# Cash balances rise in amount and as a percentage of assets in 2024



# Borrowings fall throughout 2024

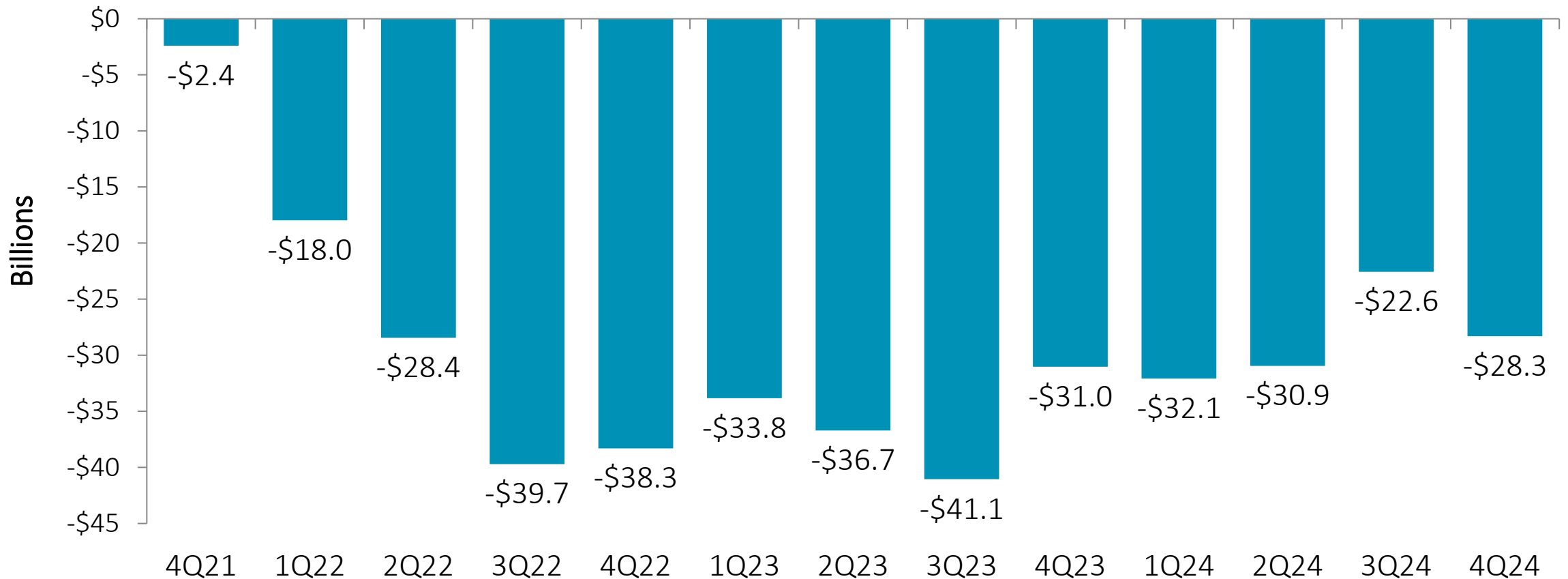
Total Borrowing and as a Percentage of Assets

Data as of 12.31.2024



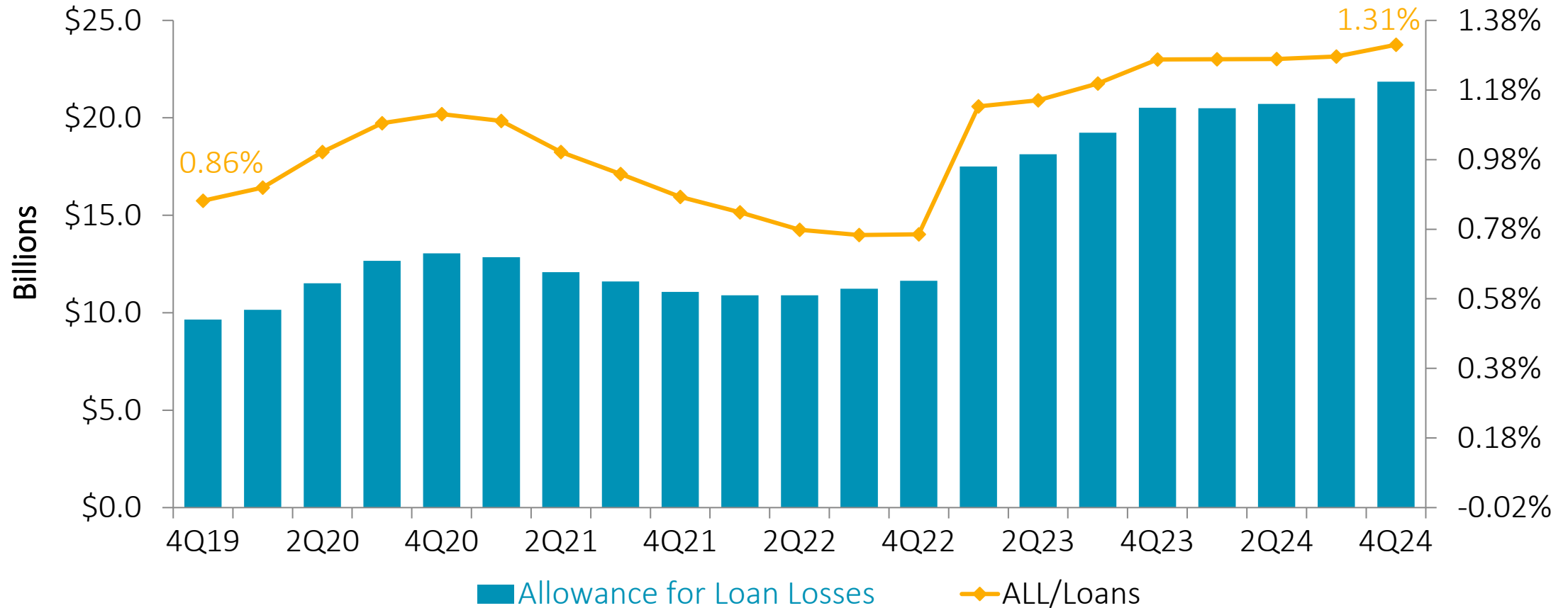
# Interest rate movement results in unrealized losses increasing between the third quarter and year-end

Accumulated Unrealized Gain (Loss) on Available for Sale Securities  
Data as of 12.31.2024



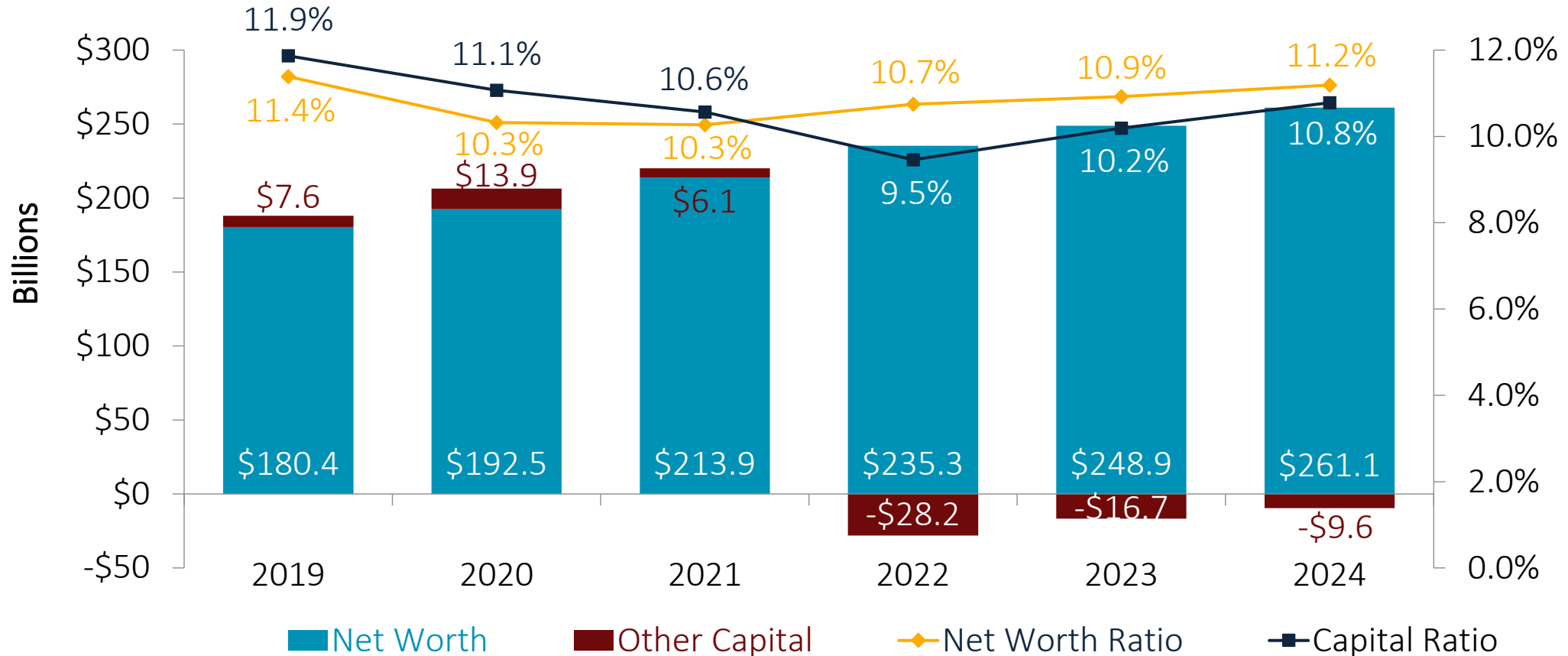
# Credit unions continue to set aside more for loan losses

Allowance for Loan Losses and % of Total Loans  
Data as of 12.31.2024



# Both the net worth and capital ratios rise in 2024

Net Worth and Other Capital  
Data as of 12.31.2024

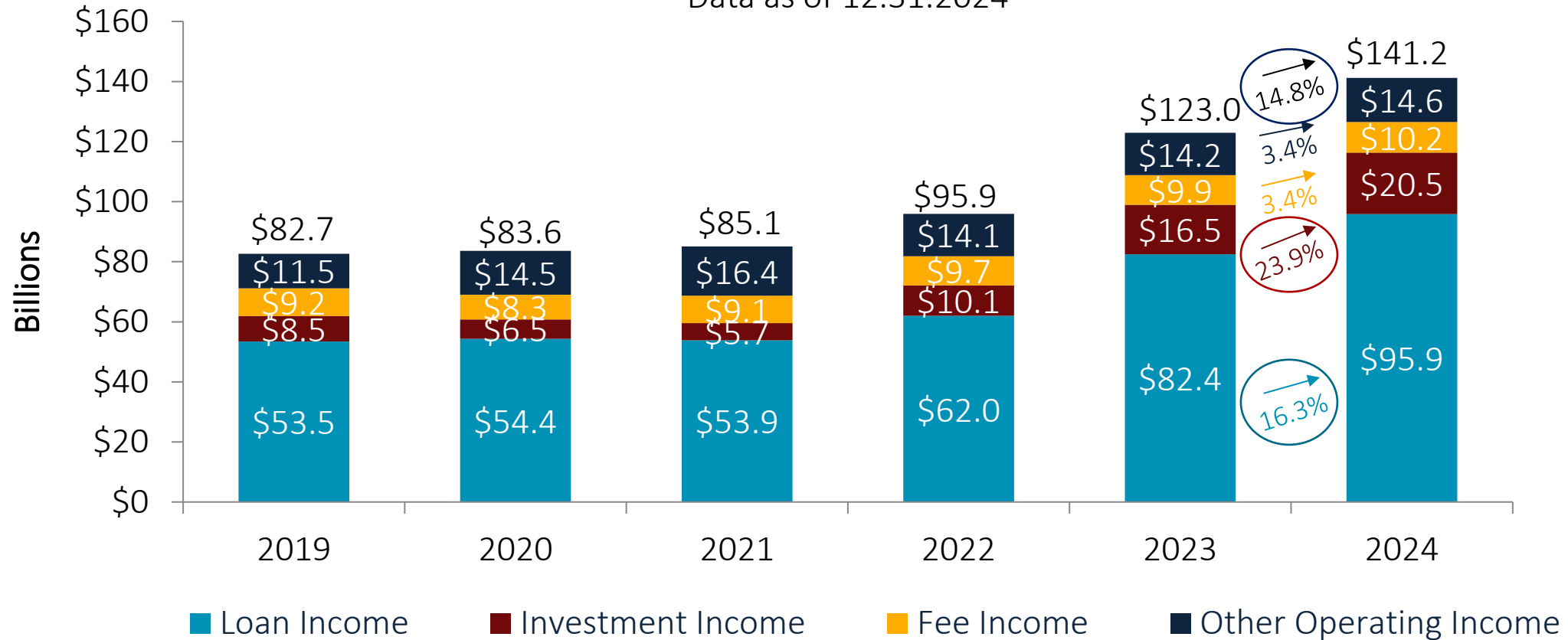




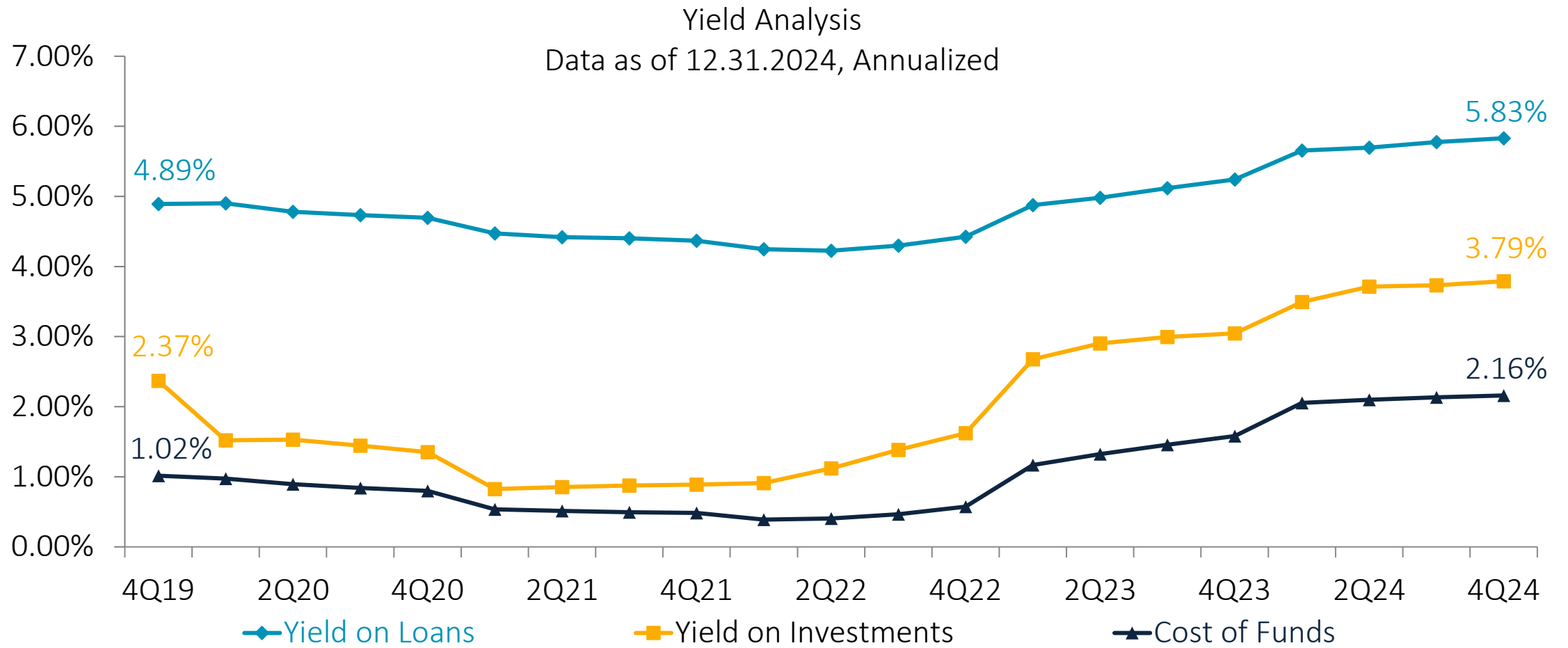
# A Different Earnings Environment

# Higher interest rates drive income growth

YTD Total Revenue  
Data as of 12.31.2024

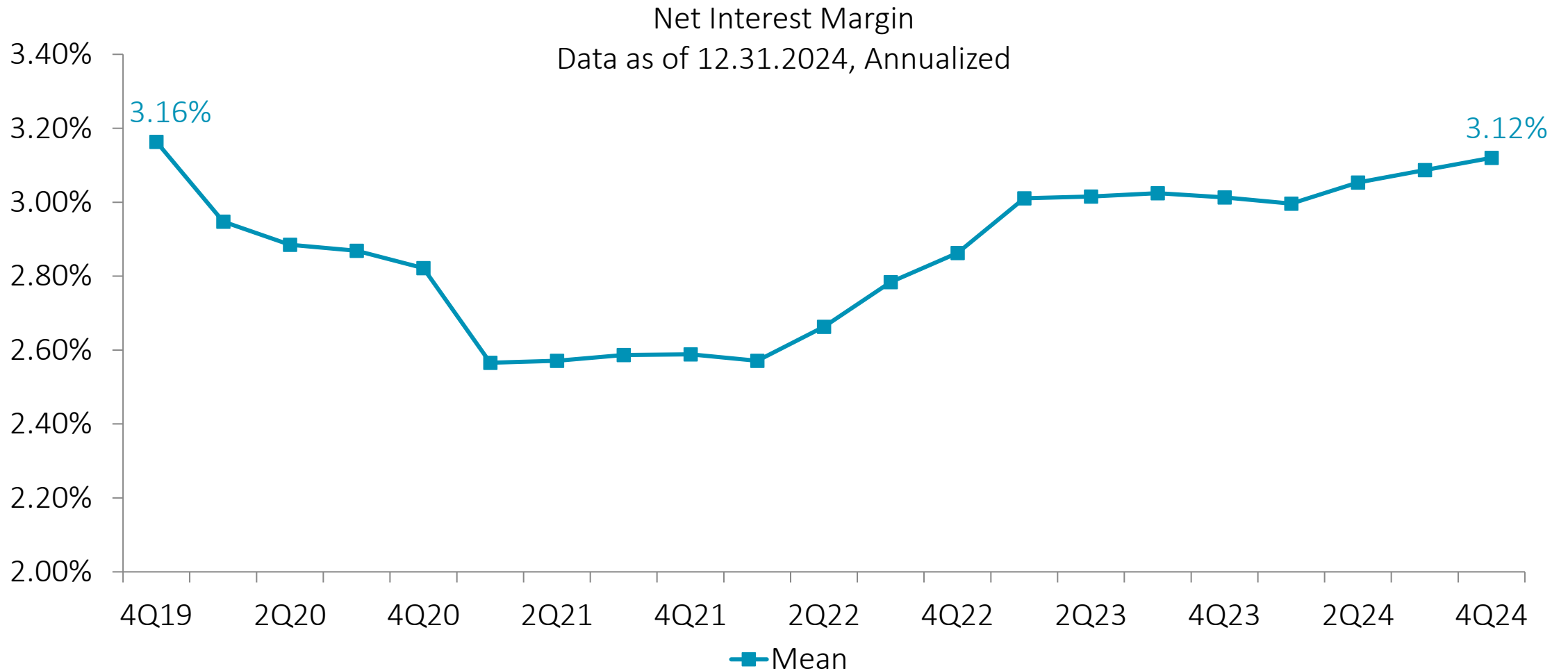


# Loan yield and cost of funds move in tandem in 2024

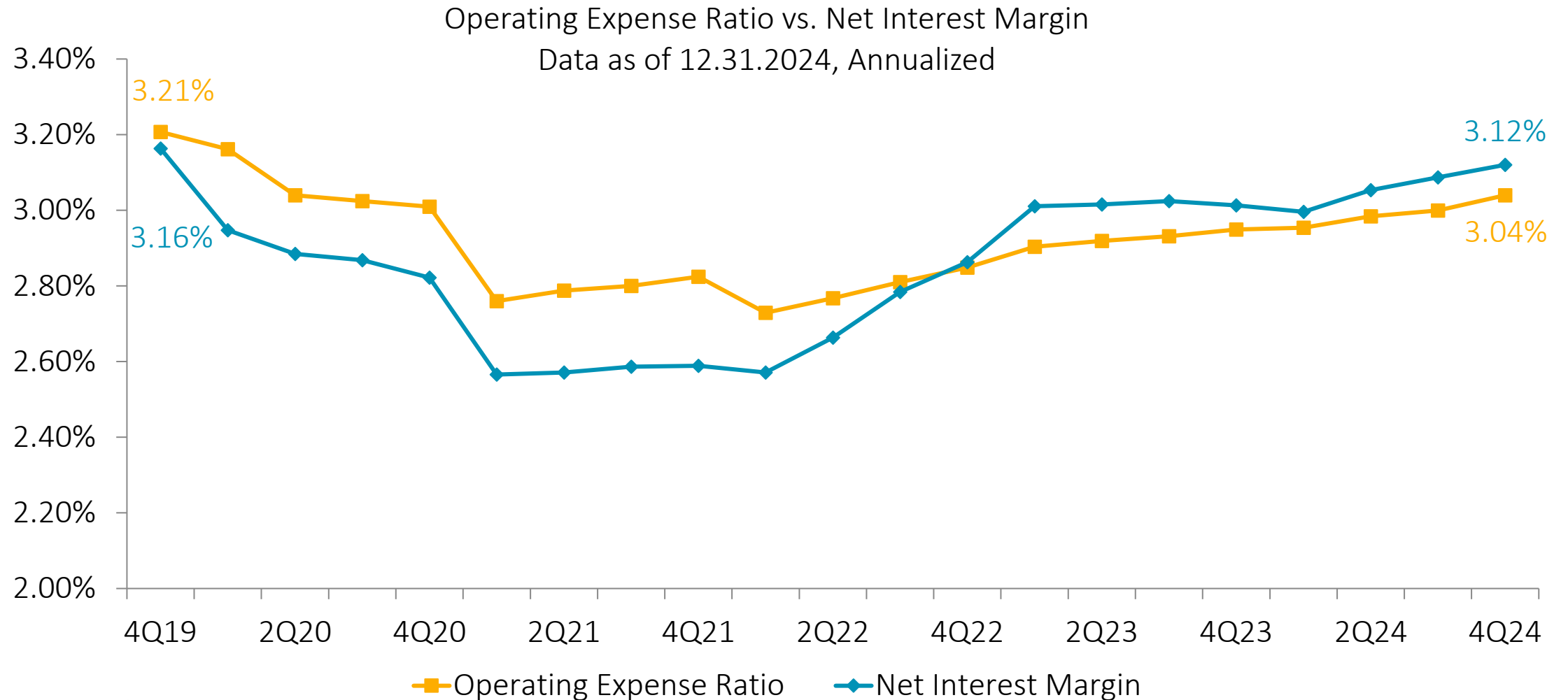




# Net interest margin widens as loans and investments reprice

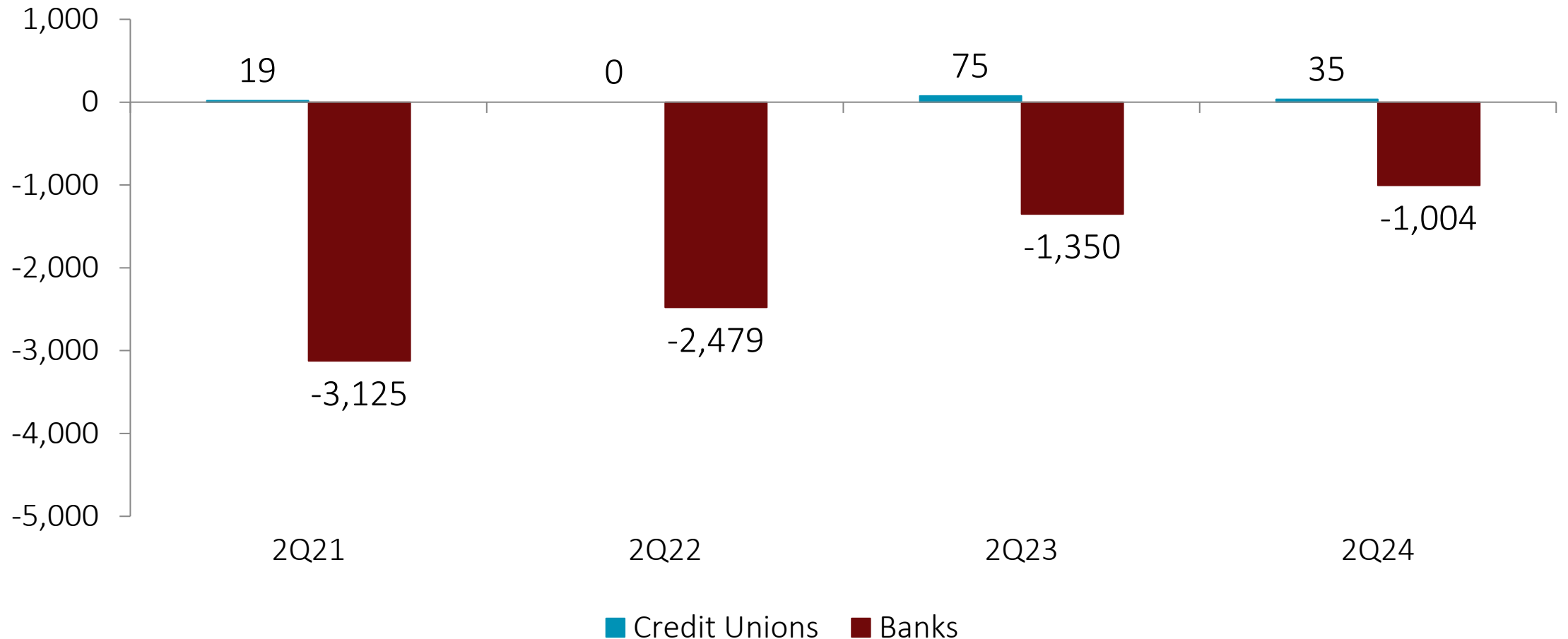


# Net interest margin remains above operating expenses



# Banks consistently close branches as credit unions add to their service footprint

Year-Over-Year Change in Branches





# Tongass

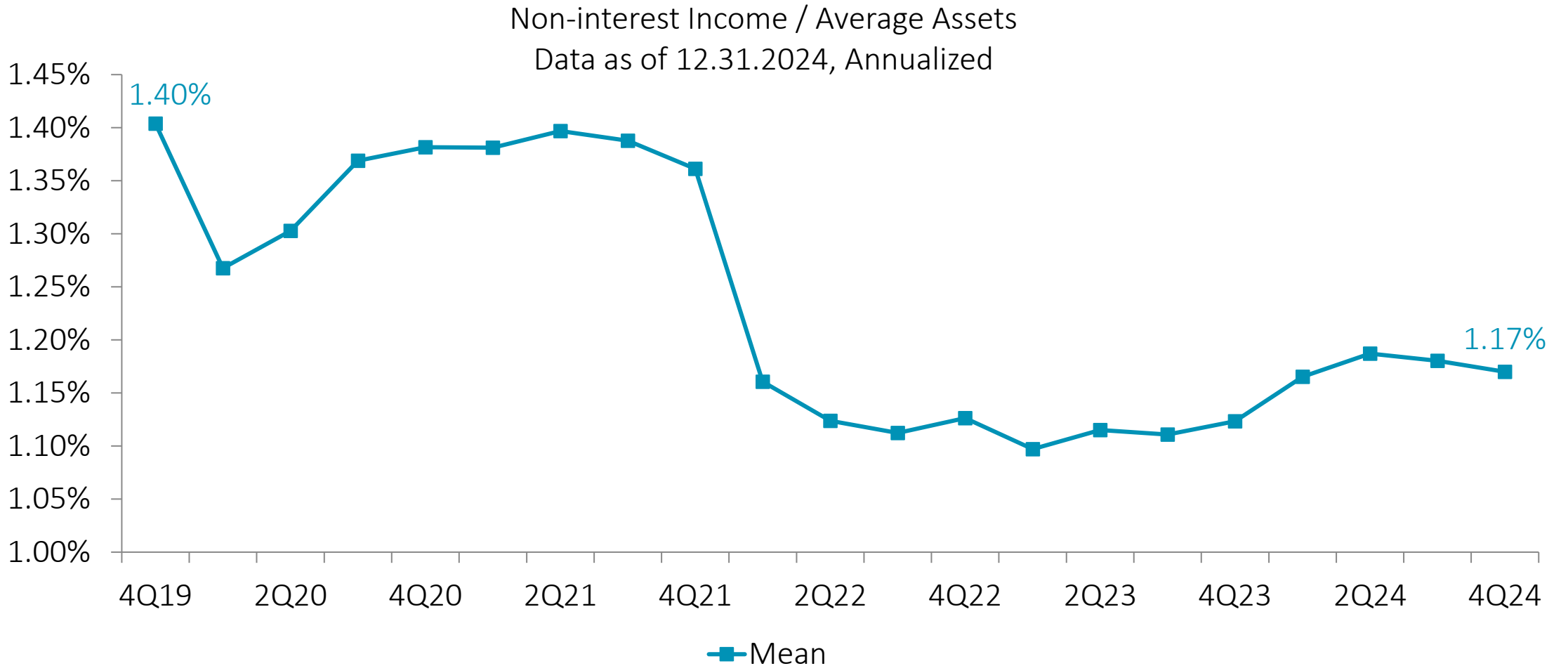
Federal Credit Union

## Credit Union Microbranches Serve Far-Flung Communities

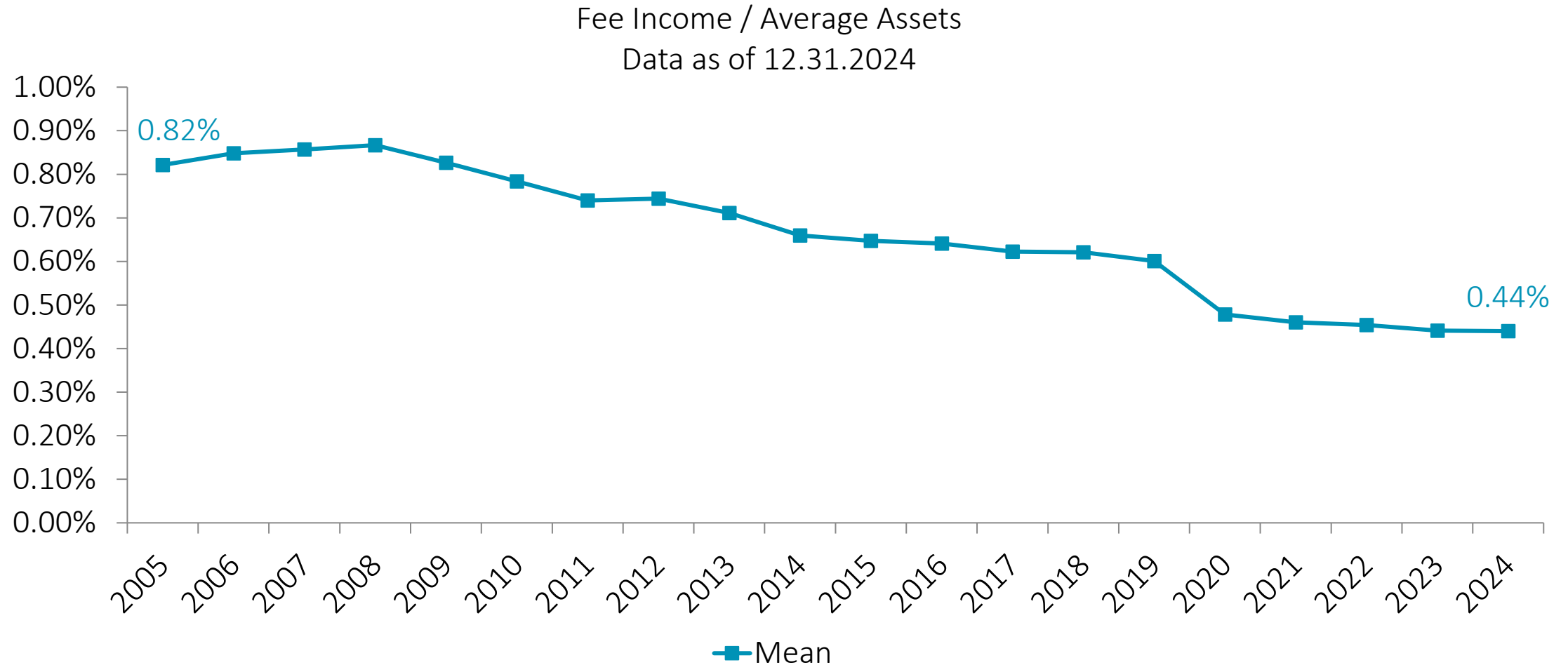
For some members of Tongass FCU, the nearest branch can be a plane ride away. Local “microsites” have improved service for those remote locations.



# Non-interest income is up slightly versus 2023, even as...

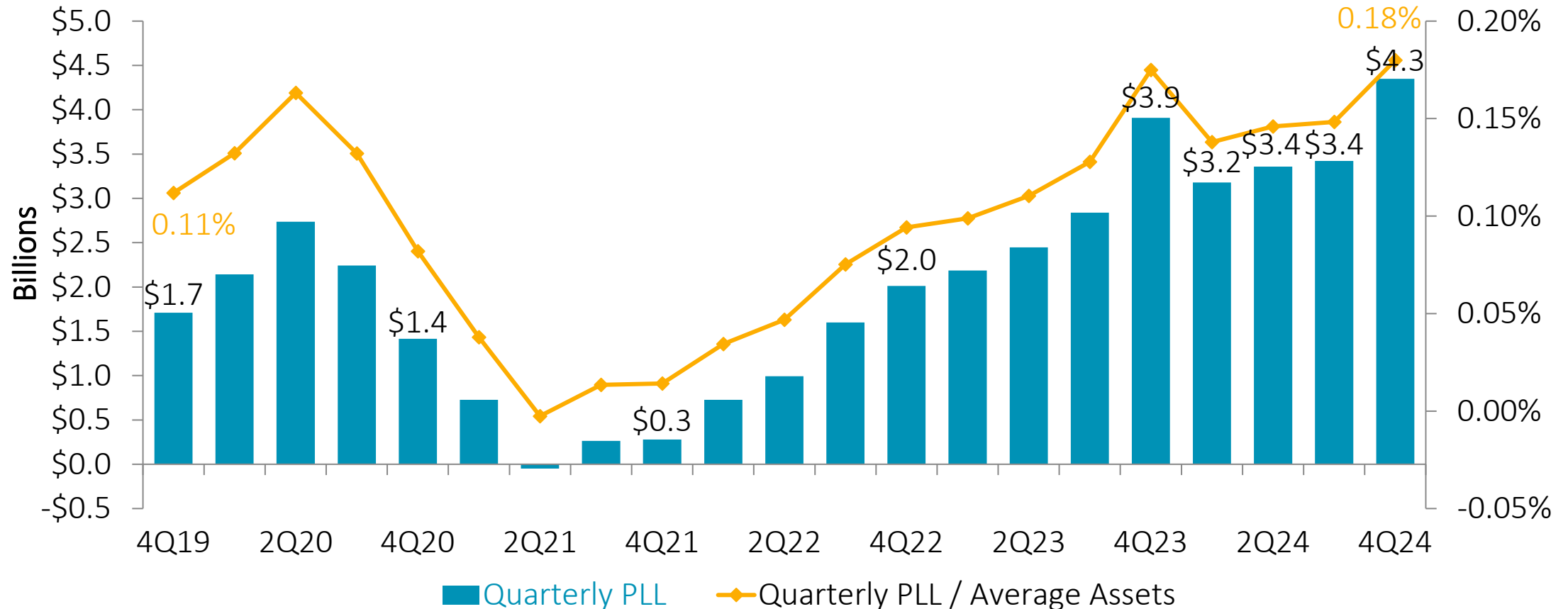


# Fee income continues to trend down across credit unions

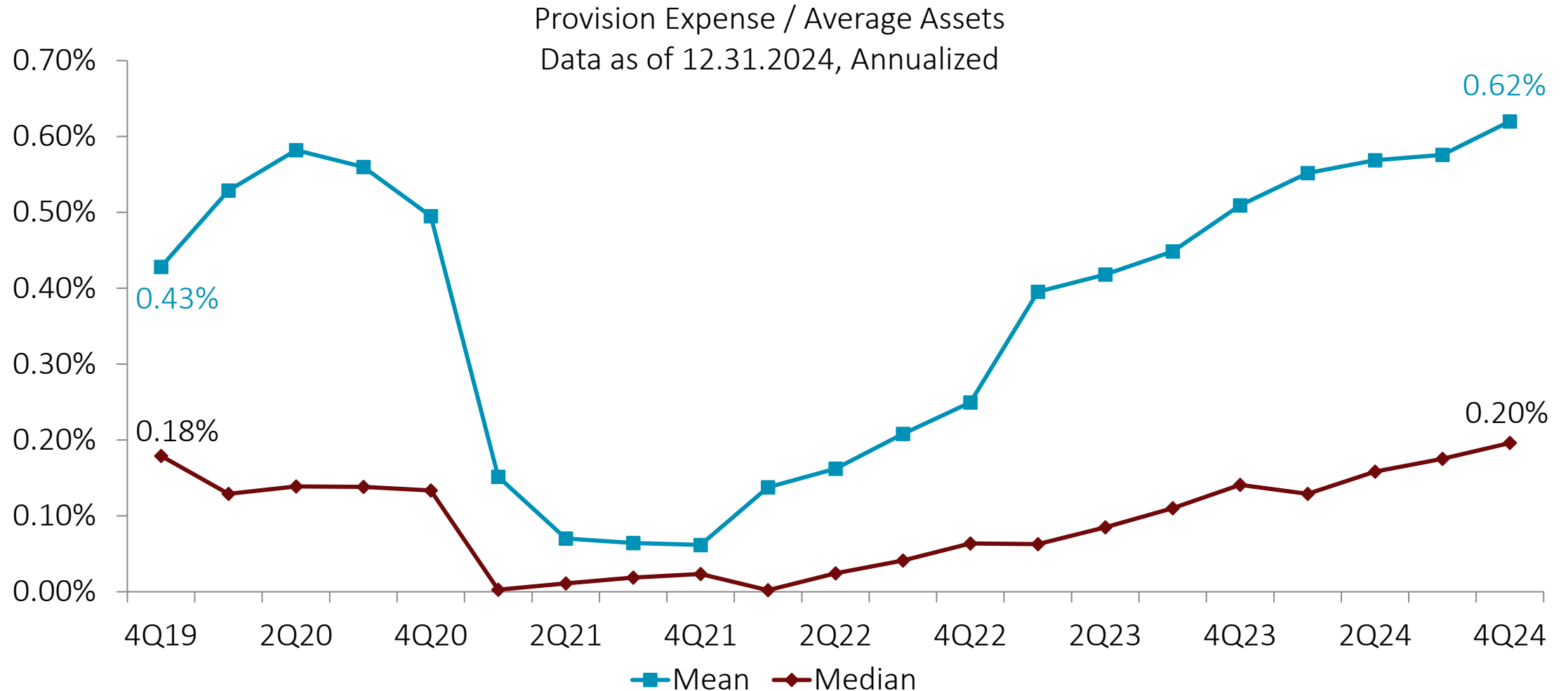


# Credit unions increase provisions as a percent of average assets

Quarterly Provision for Loan & Lease Losses and % of Avg Assets  
Data as of 12.31.2024

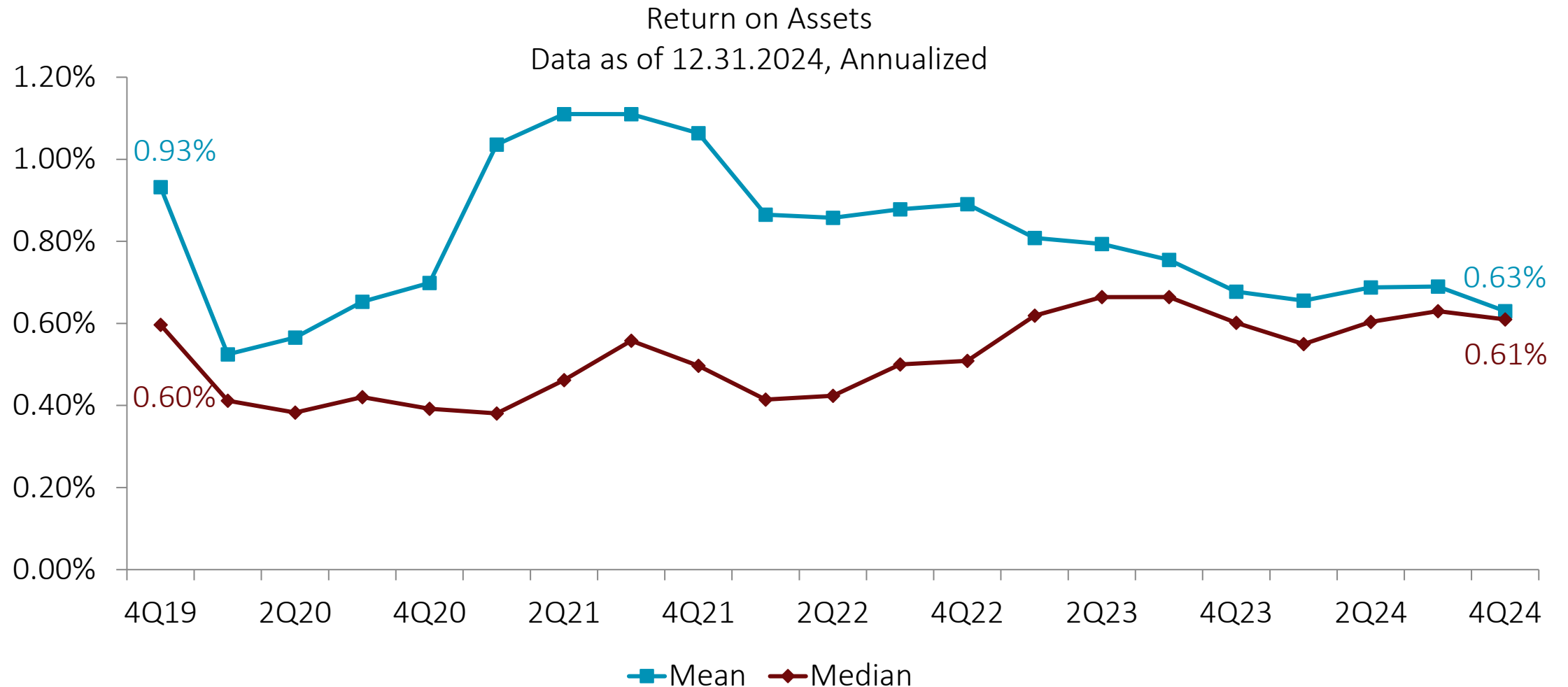


# Larger credit unions are reserving for loan losses at 3 times the rate of smaller credit unions





# As a result, the mean and median ROA are almost equal



# Takeaways and Closing Thoughts

- Credit union performance in 2024 was strong despite a challenging environment. Membership, loans, shares, and capital grew.
- As cooperatives, credit unions are different by design. This means credit unions offer more support to members and communities.
- Before coming to GAC, ask a front-line staff member, “What is the most recent example of helping a member that made you proud to work at the credit union?” Share those stories!
- Members need their credit union to provide hope and stability in uncertain times.



## A Family Resource Center Gives Its Wyoming Community A Boost

The Boost Center by Blue combines the work of local non-profits and Blue FCU to promote health, wealth, and happiness.



# THANK YOU FOR WATCHING



1001 Connecticut Ave NW  
Ste. 1001  
Washington, DC 20036



[support@callahan.com](mailto:support@callahan.com)  
[www.callahan.com](http://www.callahan.com)



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