



## TRENDWATCH 4Q25



February 24, 2026

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*Place Member Financial Wellbeing At The Center Of Your Growth Strategy.*

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# The Member Story Project



Have a story to share? We'd love to hear it  
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# Today's Lineup

## **Market Update**

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

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

## **2025 Credit Union Results**

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

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

## **Holistic Wellbeing for Members and Communities**

*Pam Cohen, Chief Operations Officer, Affinity Federal Credit Union*



# The Alloya Story

WE ARE A CREDIT UNION

A GREAT EXAMPLE OF THE POWER OF COOPERATION

1,300 MEMBERS WORKING TOGETHER

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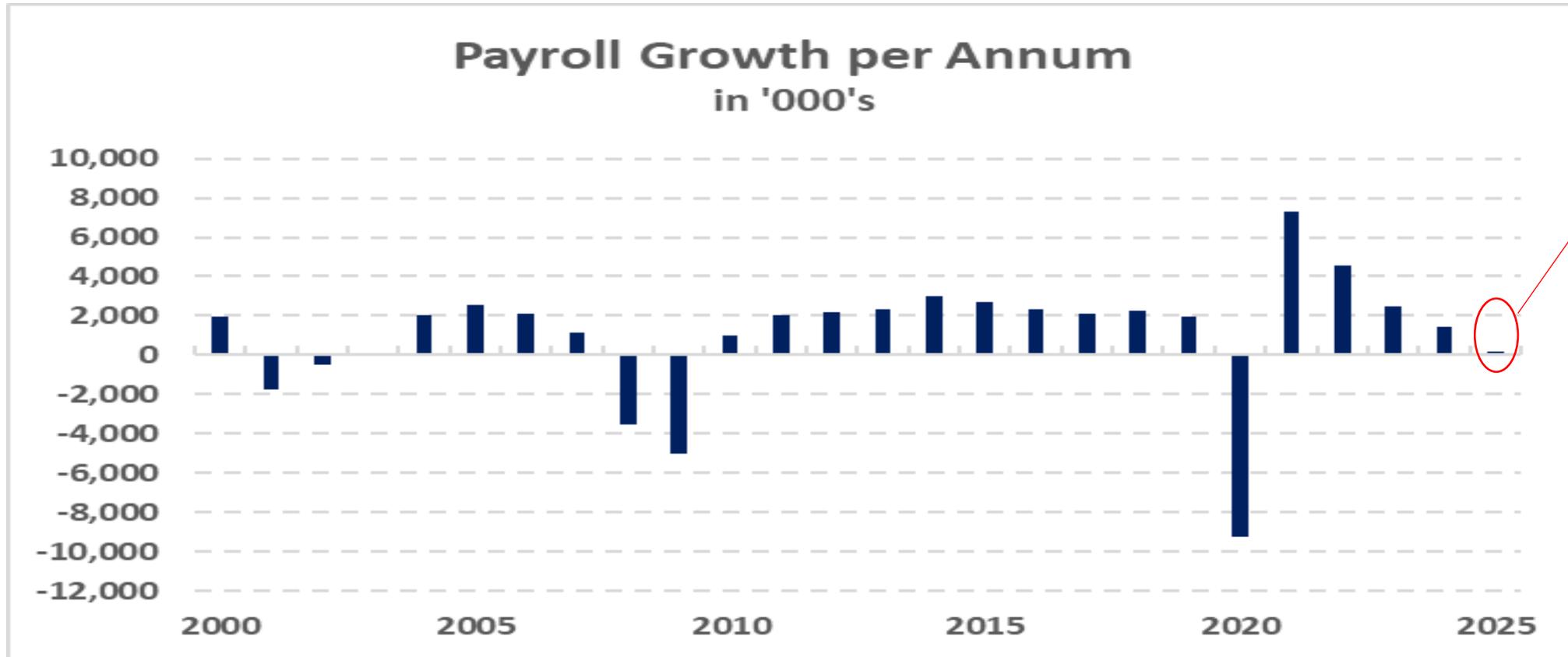
## Economic Update

**Andrew Kohl, Chief Investment Officer**

**Todd Adams, Chief Executive Officer**



# Weakening Payroll Growth

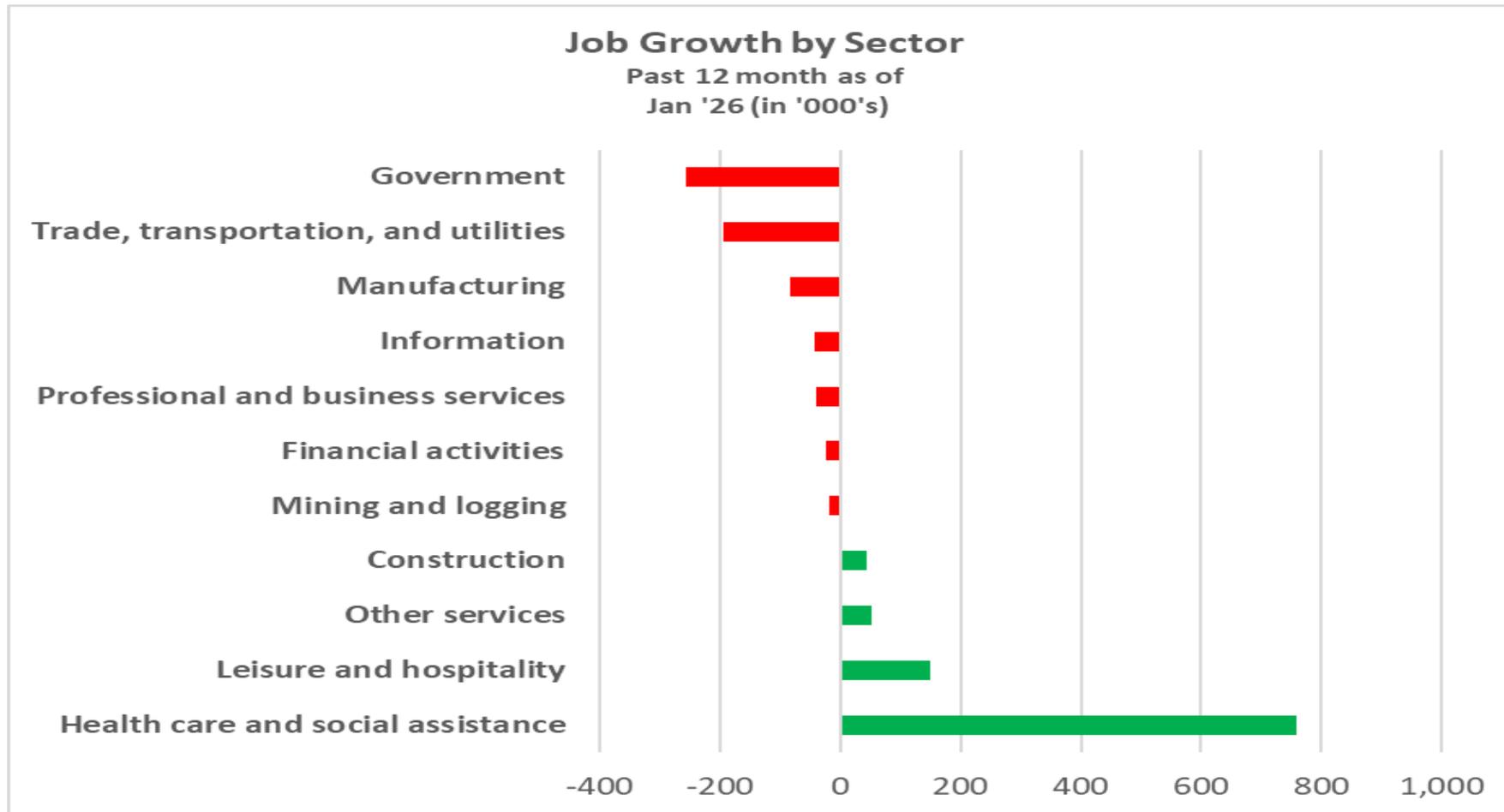


Only 180k job growth in 2025.  
One of worst years absent a recession

Source: Bureau of Labor Statistics



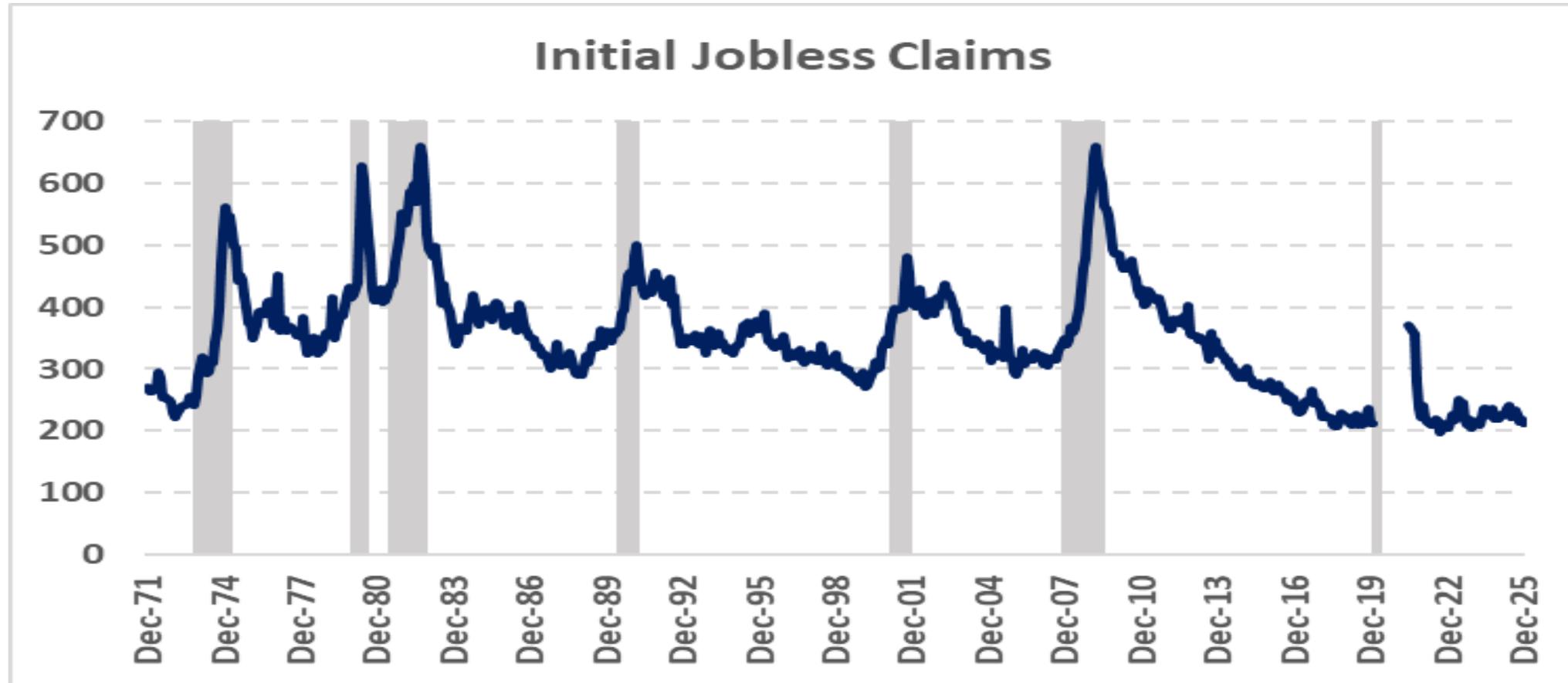
# Heavily Concentrated Job Growth



Source: Bureau of Labor Statistics



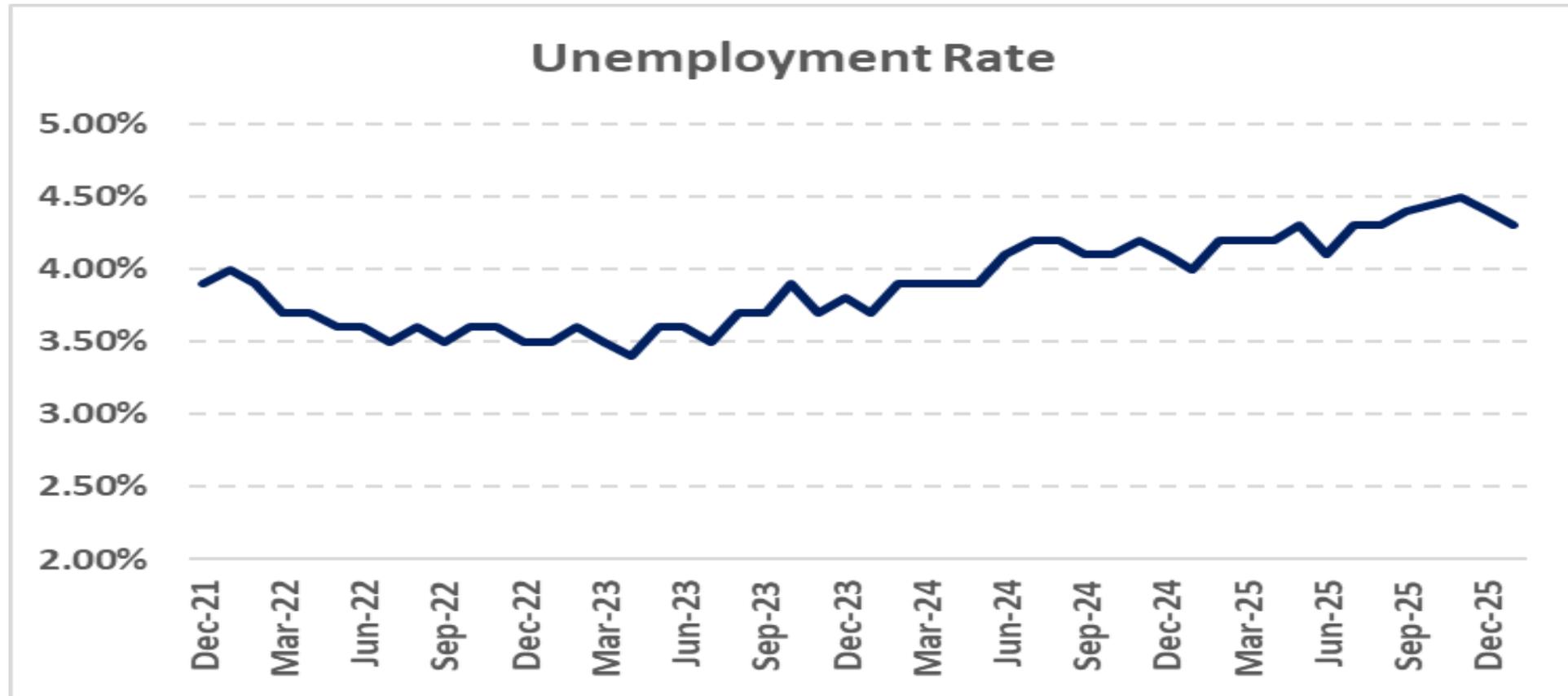
# Jobless Claims Relatively Low



Source: Bureau of Labor Statistics



# Unemployment Rate Rising Slowly



Source: Bureau of Labor Statistics



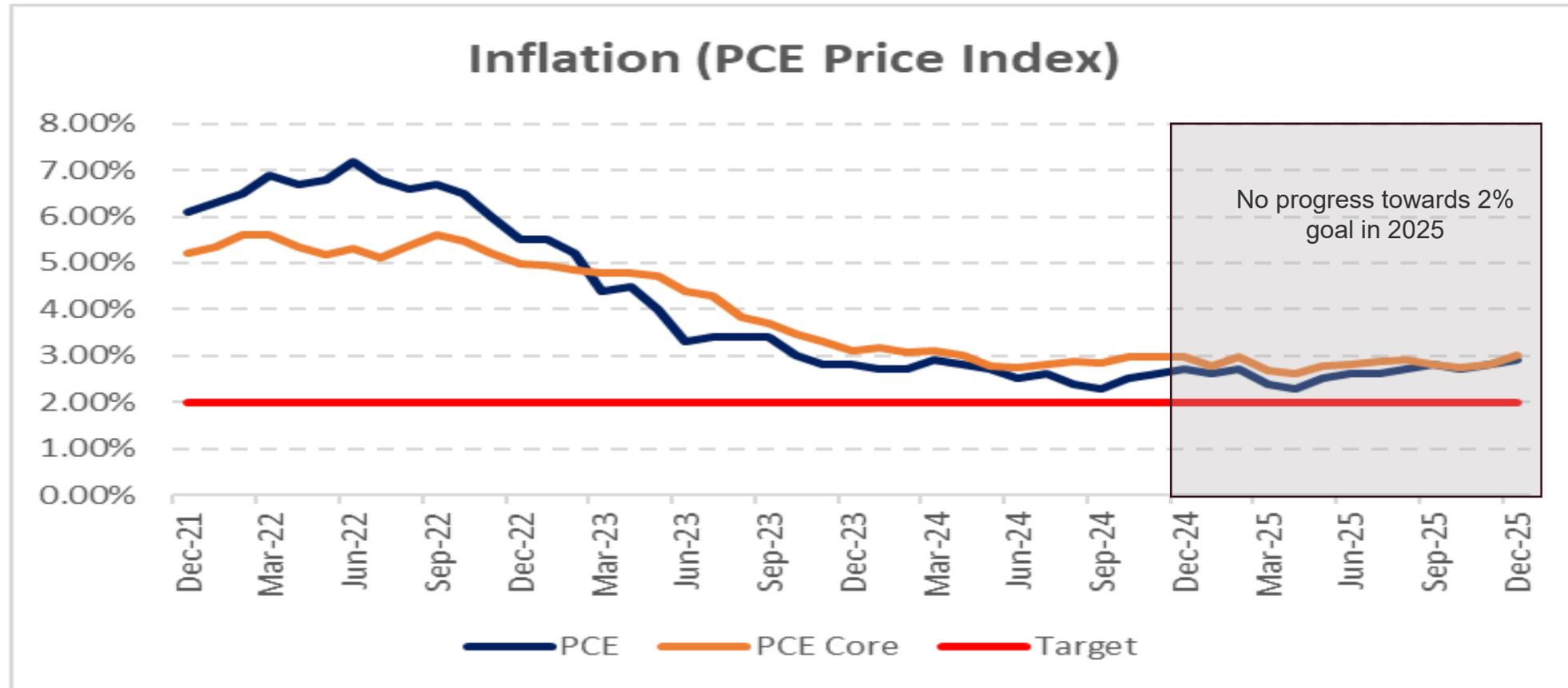
# Unemployment Remains Historically Low



Source: Bureau of Labor Statistics



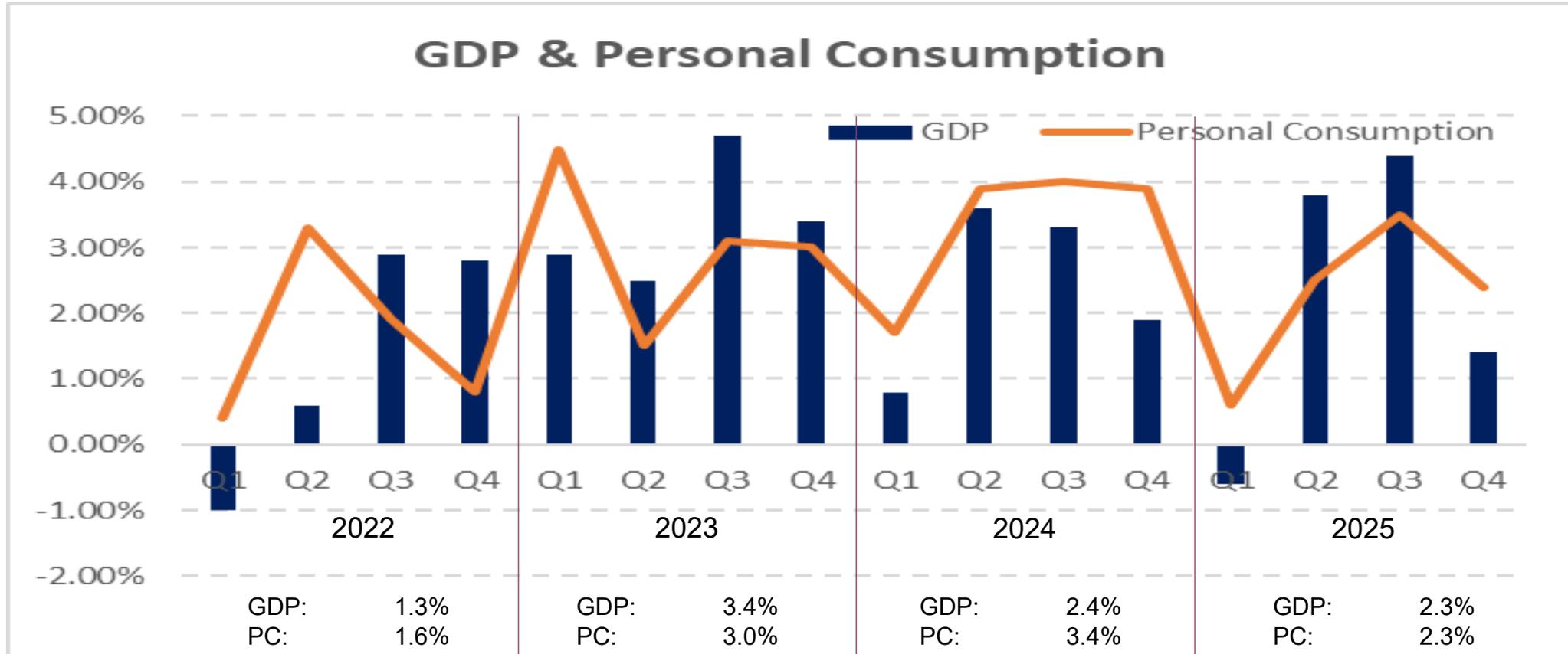
# Progress on Inflation has Stalled



Source: Bureau of Economic Analysis



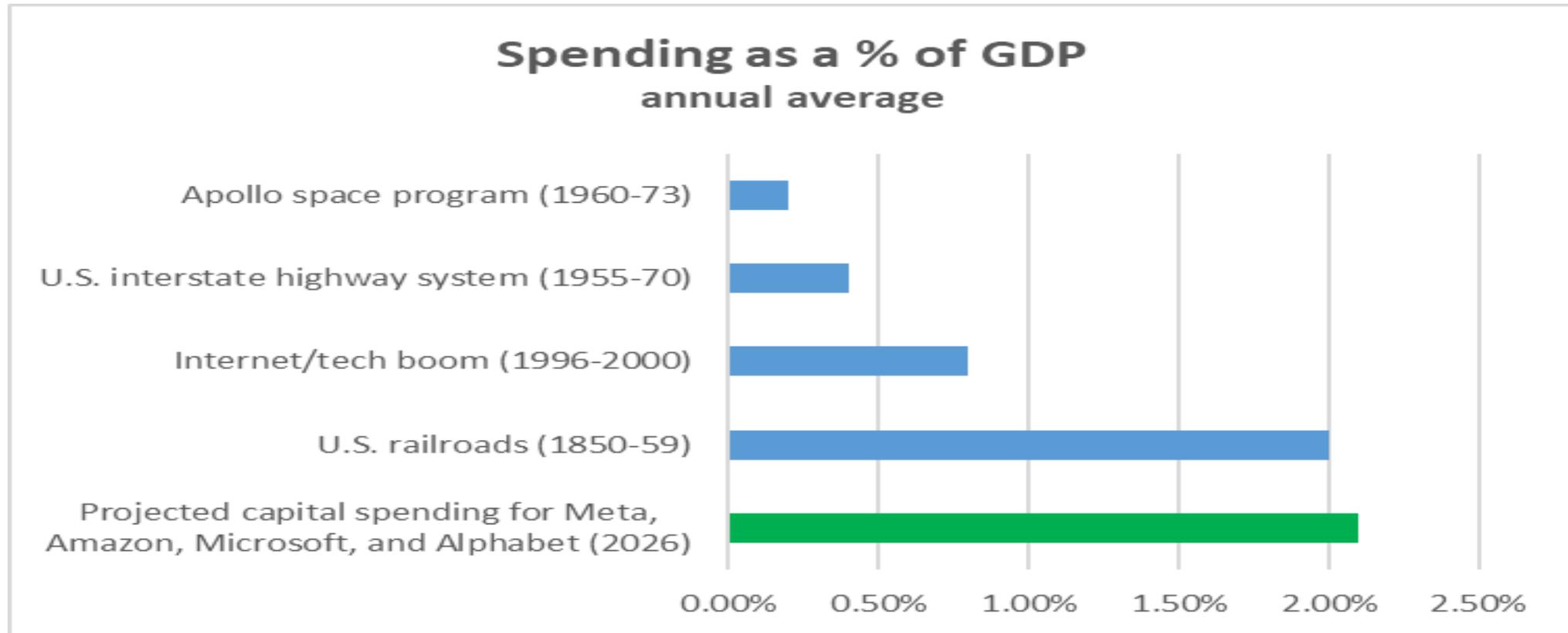
# GDP & Consumer Spending Post Solid Gains



Source: Bureau of Economic Analysis



# AI Spending – One of Largest U.S. Capital Investments



Source: Wall Street Journal



# Fed Chair Nominee: Kevin Warsh

## 3 Main Views

### 1) Lower Interest Rates



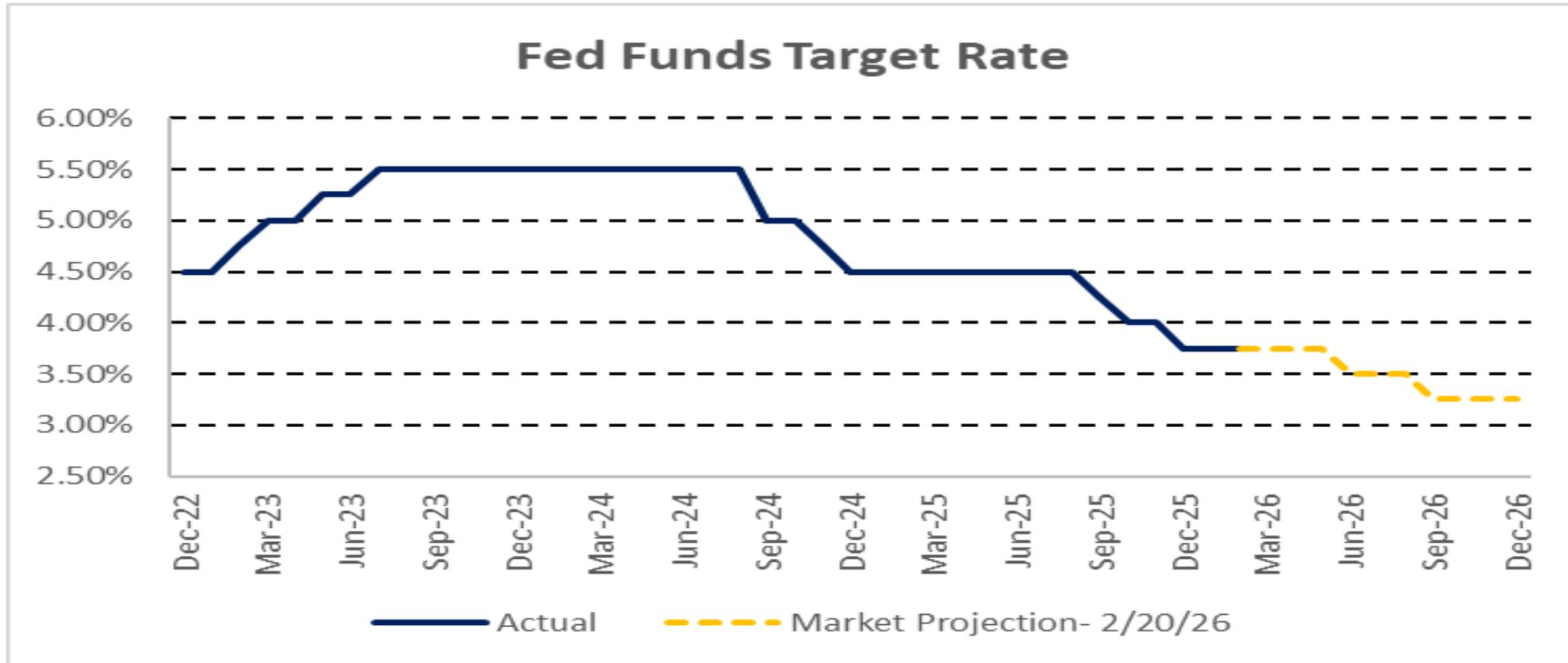
### 2) Lower Balance Sheet

- Fed should stay out of asset markets outside of a crisis
- Fed's asset purchases cause a "misallocation of capital" from the real economy to financial assets
- Fed's asset holdings "subsidize" the government's financing costs

### 3) Lower/Less Financial Regulation



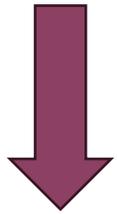
# Market Expects Fed to Cut Twice in '26



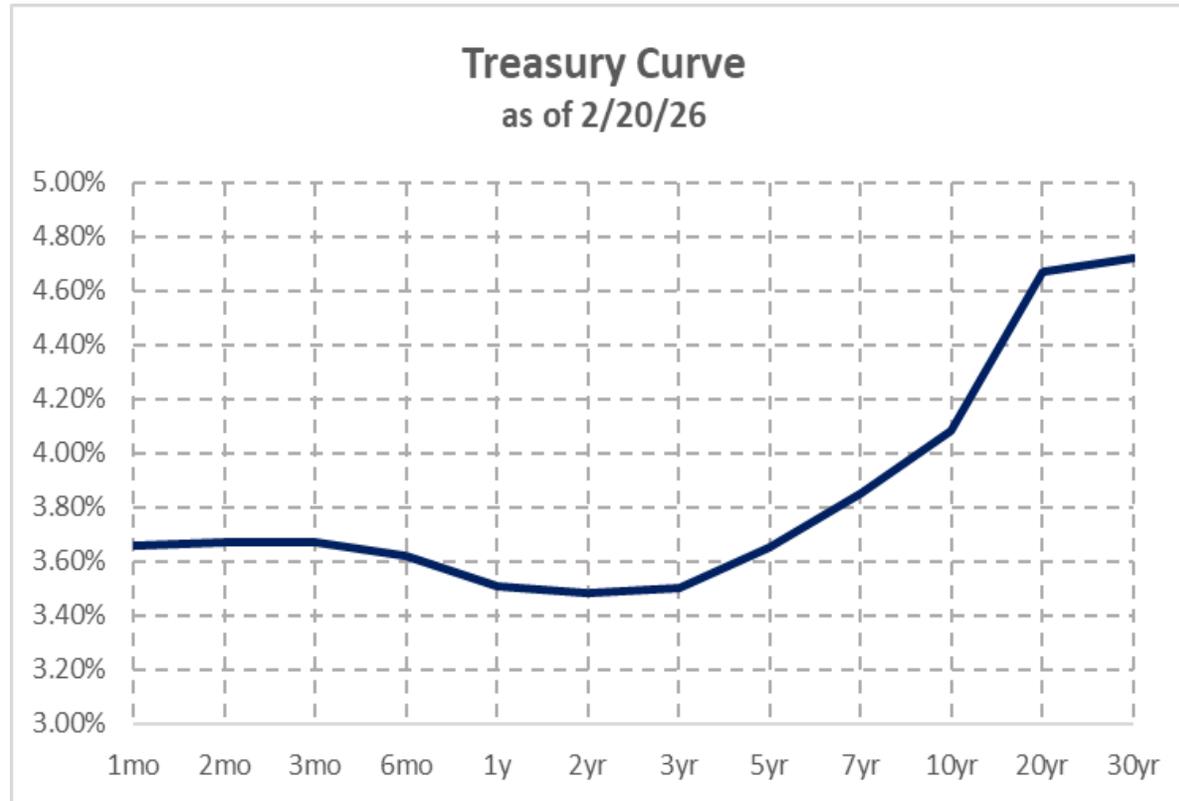
Source: Bloomberg



# Yield Curve Factors



- 1) Higher productivity
- 2) Lower inflation
- 3) Economic contraction
- 4) Asset valuation correction
- 5) Increased foreign investment

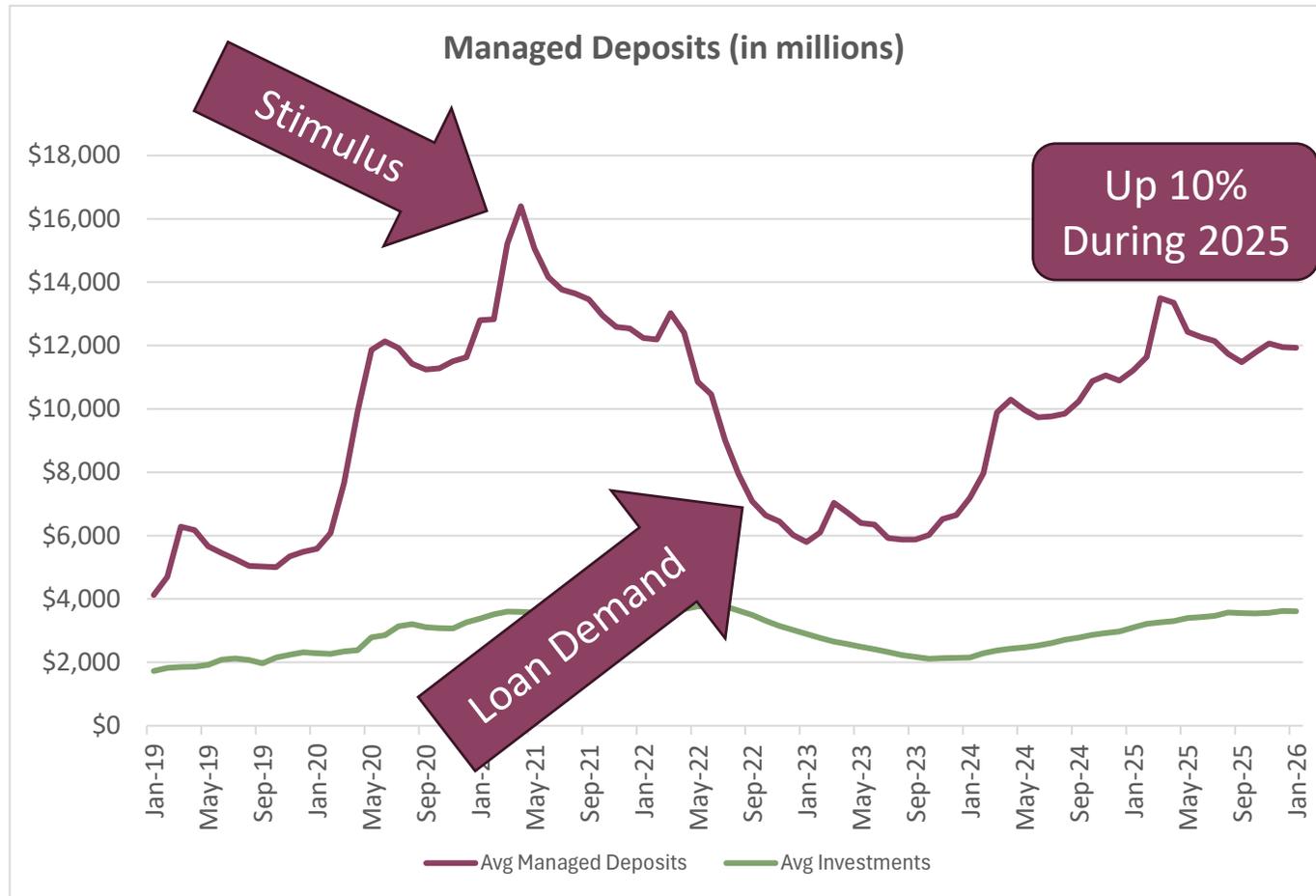


- 1) Higher US debt (higher supply)
- 2) Aging population
- 3) Higher inflation
- 4) Economic boom w/o productivity
- 5) Decreased foreign investment

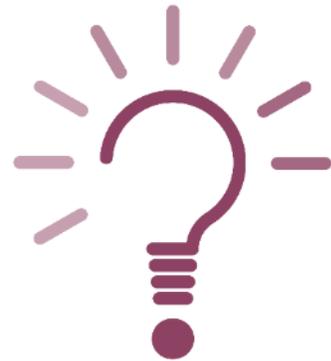


# Liquidity Impact on Managed Deposits at Alloya

## A “Roll Up” of 1,300 Member Credit Union Behaviors



# GENIUS Act Passed in July 2025 – Why?



# \$36 Trillion in Debt Outstanding (2024)

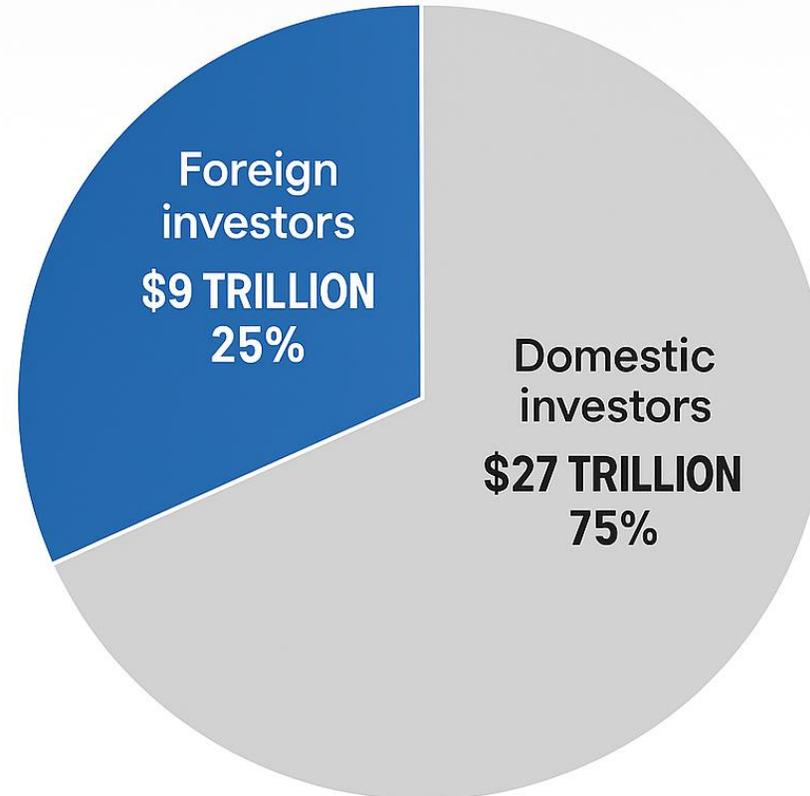
## U.S. Debt Ownership

### Largest Positions

Japan: \$1.0T

China: \$0.8T

U.K.: \$0.8T



### Largest Positions

Federal Reserve: \$5.0T

Households: \$5.7T

Mutual Funds: \$3.7T

Banks/Credit Unions: \$1.6T

Pension Funds: \$1.0T

GENIUS Act – Ensures the U.S. dollar remains in demand and serves as a reserve currency throughout the global financial markets.



# GENIUS Act & Stablecoin

## Comprehensive Regulation for Stablecoins

- The GENIUS Act introduces strict requirements and oversight for stablecoin issuers to protect consumers and markets.

## Full Reserve Requirements

- Issuers are mandated to maintain full reserves, ensuring the value of stablecoins is consistently backed and trustworthy.

- **CREATES**  
**GLOBAL**  
**DEMAND FOR**  
**U.S.**  
**TREASURIES.**

## Stablecoins in Financial Innovation

- Stablecoins bridge blockchain technology with traditional finance, reducing volatility and improving transaction efficiency.



# STABLECOIN – CONVERTING A PHYSICAL \$1 TO A DIGITAL DOLLAR

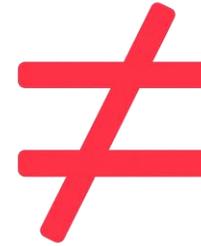


**\$1 Dollar**



**Stablecoin**

STABLECOIN  
IS NOT  
BITCOIN



1. Fully collateralized by U.S. Treasuries and/or Cash.
2. Subject to Laws and Regulations.
3. A Safe, Secure and Liquid Store of Digital Value

1. Represents a speculative investment – no collateral.

One commonality – they both represent digital value that is recorded and accounted for on an efficient global Blockchain ledger technology.

# \$3.8 Trillion Tracked in Over 50,000 Separate Cores



\$2.3T tracked in over 4,300 ledgers in the U.S. alone.

## The Global Credit Union Network

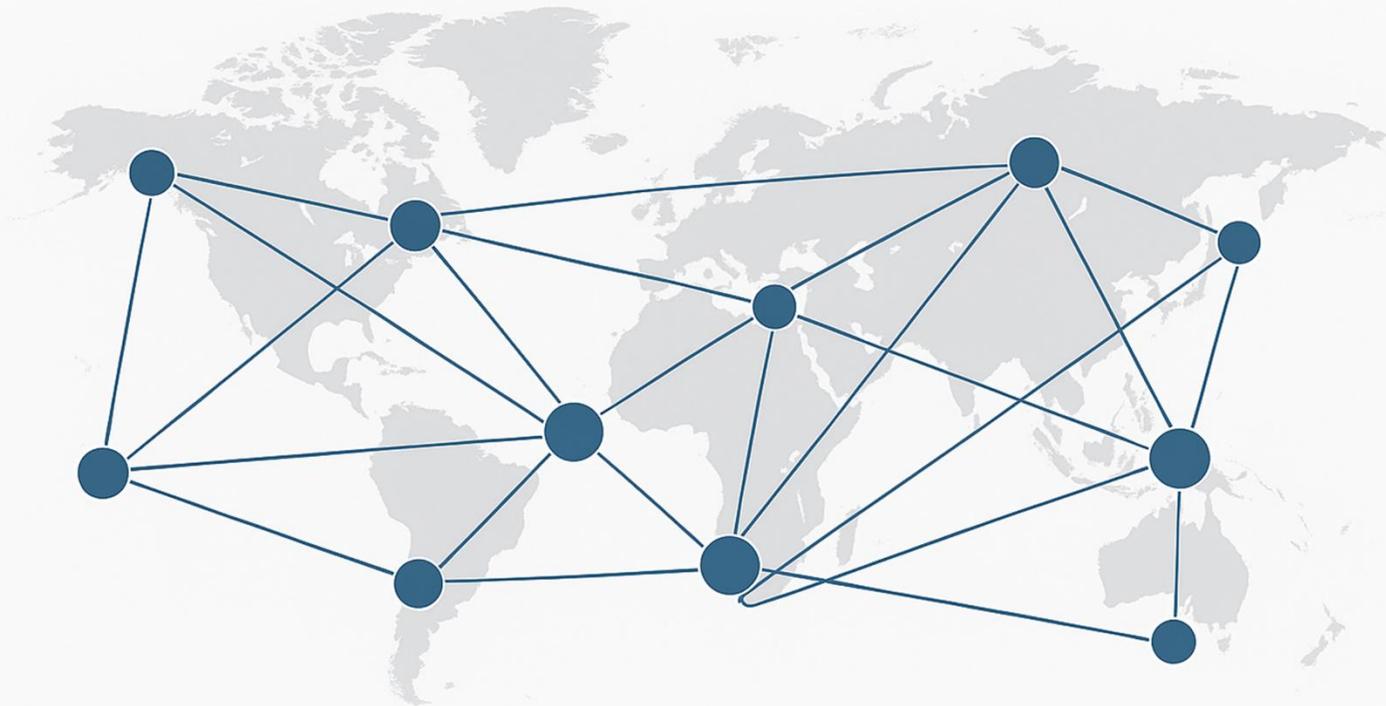
- **Worldwide Distribution**  
Credit unions (CUs) operate independently, serving members in communities across the United States and globally.
- **Decentralized Operations**  
Each CU is autonomous, ensuring localized decision-making and member-focused services.
- **Access via Branches and Digital Platforms**  
CUs provide financial services through physical branches and digital platforms, supporting members everywhere.



# \$1.5 Trillion Accounted For in One Core A Global Distributed Ledger



## The Blockchain Network



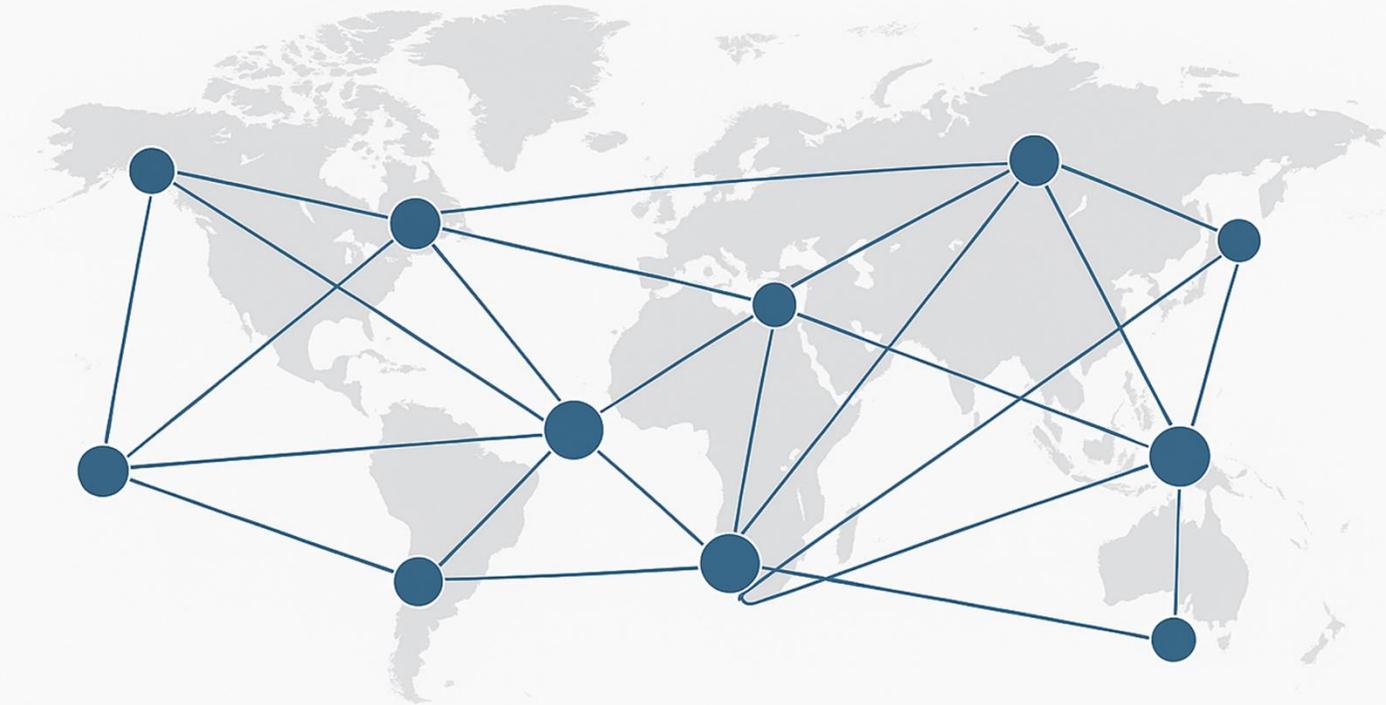
● Blockchain node



# \$0.3 Trillion Accounted For in Global Distributed Ledgers



## The Blockchain Network



● Blockchain node

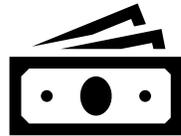
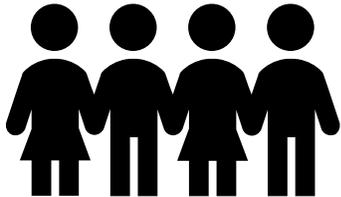


# Current Consumer Behavior – Store Stable Digital Value While Trading Speculative Cryptocurrencies

Credit union member sends money to Coinbase and opens an uninsured account.

Coinbase/Kraken/Tether, etc. onboards the member and offers a digital wallet. Cash is converted to digital value (Stablecoin).

Member purchases Bitcoin or another speculative cryptocurrency using its Stablecoin. Coinbase charges 3%-10% conversion fee.



USD (fiat) is accounted for and tracked on a traditional core system.

Stablecoins and Bitcoins are accounted for and tracked on the blockchain (a global distributed ledger/core).





# Credit Unions Deliver for Members in 2025

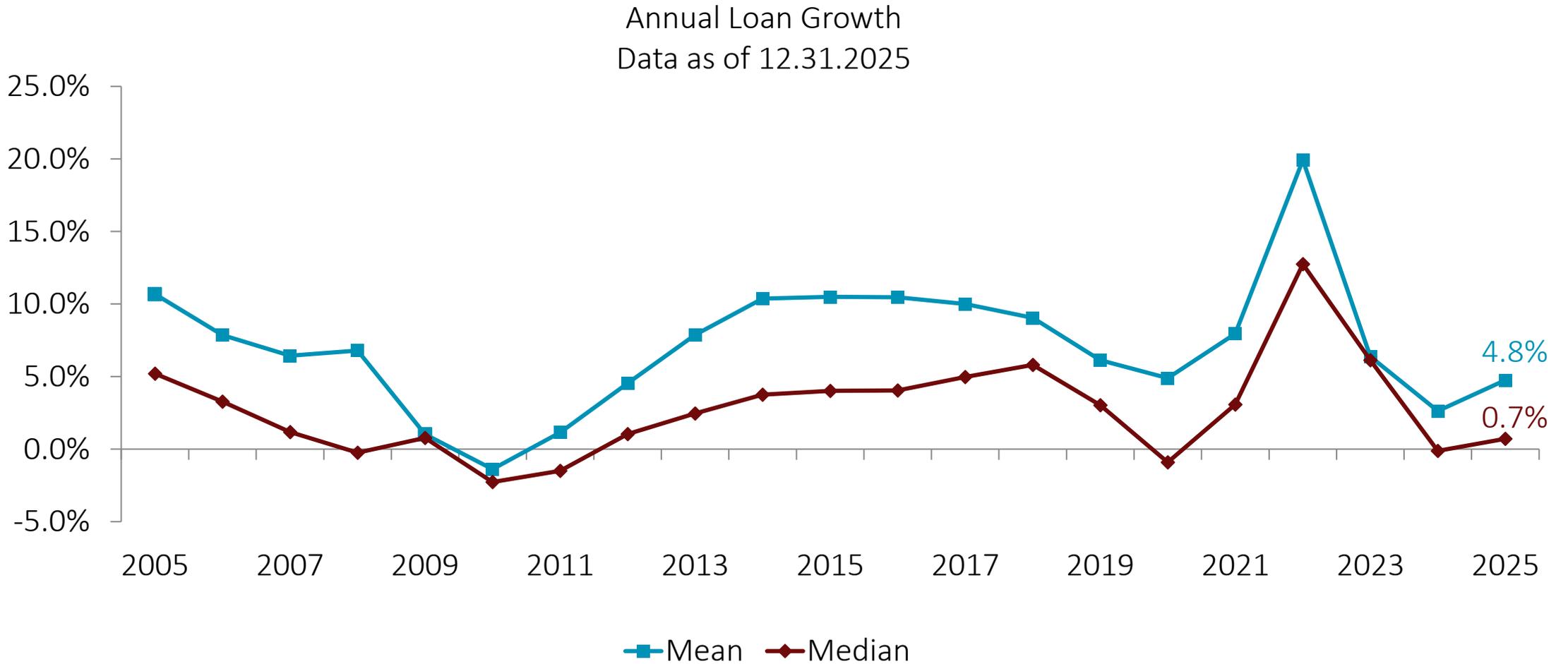
## Loan growth and share growth accelerate, member growth slows

	12/31/2025	12-Mo. Growth	12/31/2024	12-Mo. Growth
Assets	\$2,460.5B	5.6%	\$2,330.2B	2.3%
Loans	\$1,739.1B	4.8%	\$1,660.2B	2.6%
Shares	\$2,091.4B	5.7%	\$1,979.2B	4.1%
Investments (incl. Cash)	\$608.3B	6.9%	\$568.9B	0.9%
Capital	\$282.6B	12.5%	\$251.1B	8.1%
Members	146.2M	1.8%	143.7M	2.2%

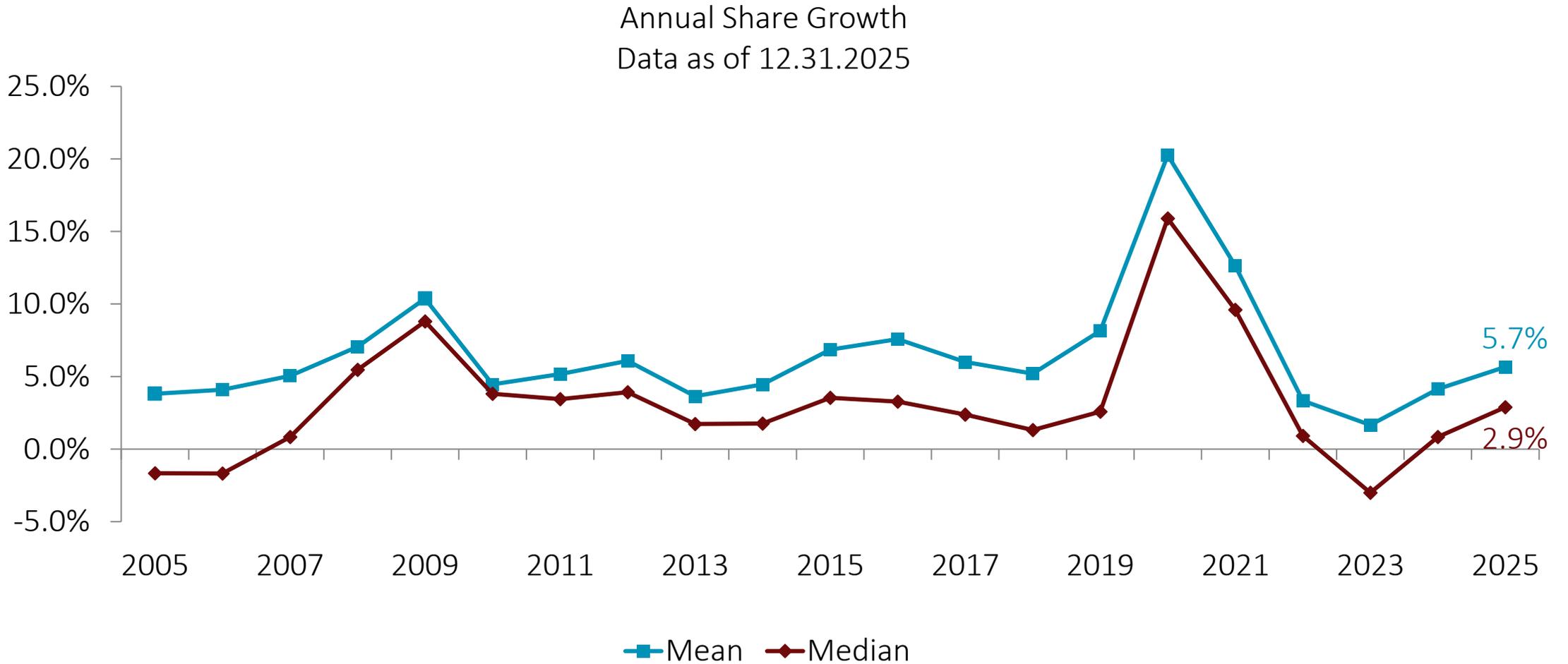
## Mean vs. Median Explained

- Mean = “average” credit union (\$ amount/# of credit unions)
- Industry averages are dominated by larger credit unions’ performance
  - 21 largest CUs (over \$10B in assets) hold **>25% of industry assets**
  - The mean credit union in the country has **~\$569M** in assets
- Median = “middle” credit union performance for each metric
- This is not always an accurate picture of performance for many CUs
  - There are **~4,300 active charters** today
  - The median credit union in the country has **~\$66M** in assets

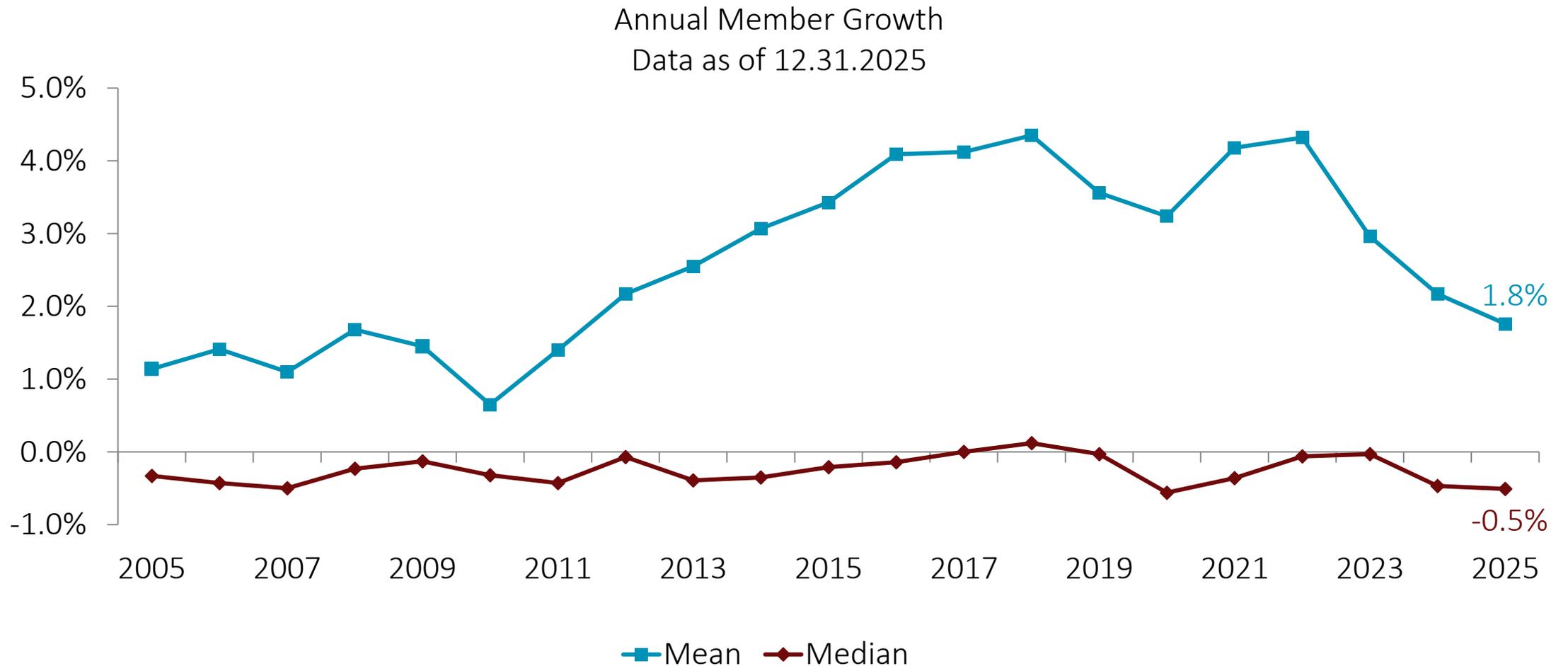
# Loan growth increases in 2025 but is below the 20-year average of 7%



# Share balances rise at the fastest pace since 2021

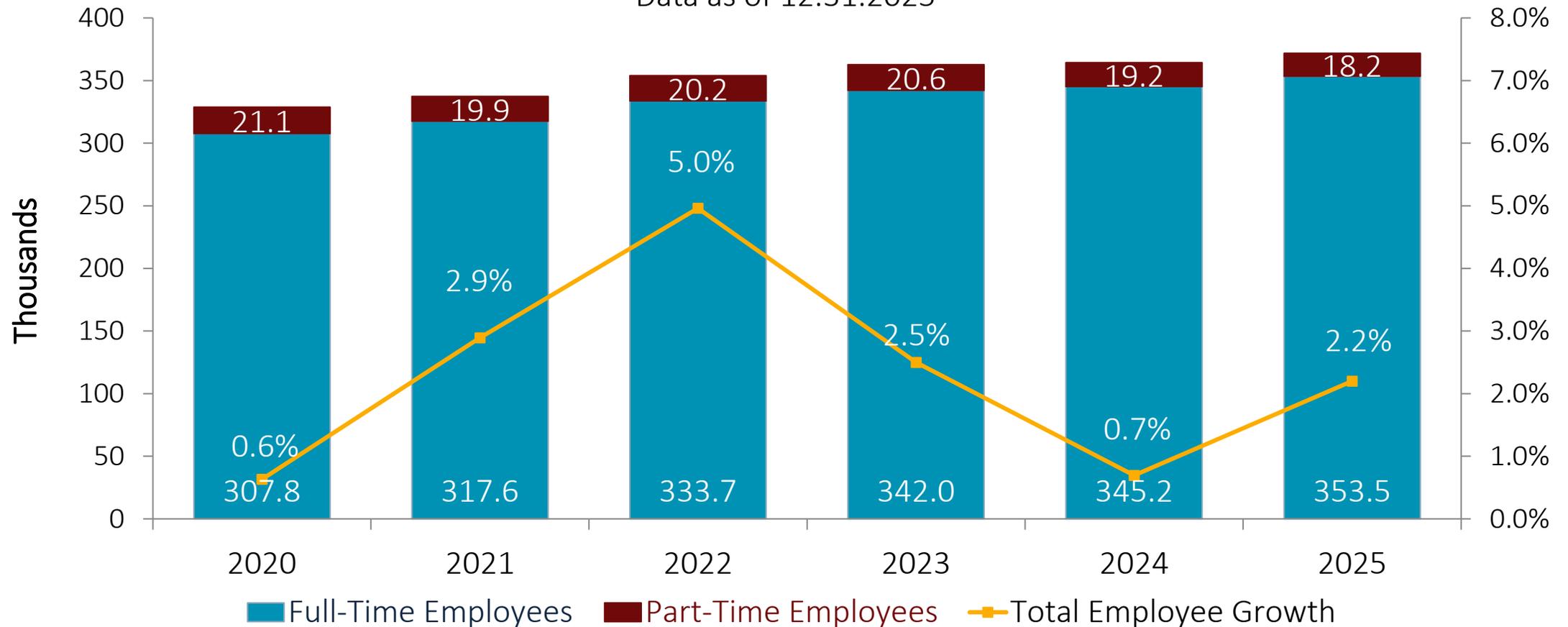


# Member growth continues to slow; lowest annual growth rate since 2011

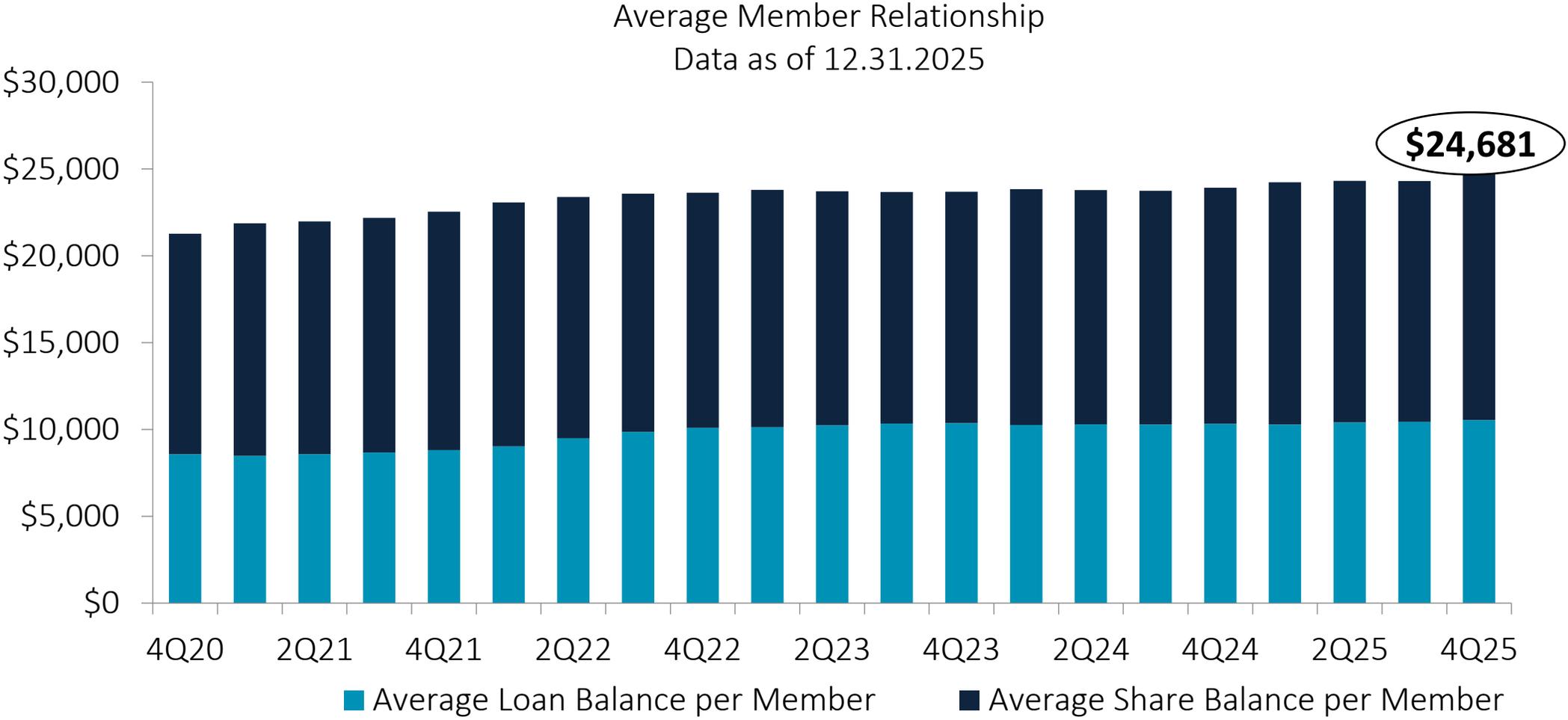


# Credit unions are adding employees to better serve members

FT & PT Employees and Annual Total Employee Growth  
Data as of 12.31.2025



# Average member loan and share balances rise in 2025 as credit unions focus on deepening relationships





# Affordability

**How bad is the affordability crisis?**

*For Many Cash-Strapped Americans, 'Basic Living Has Become a Burden'*

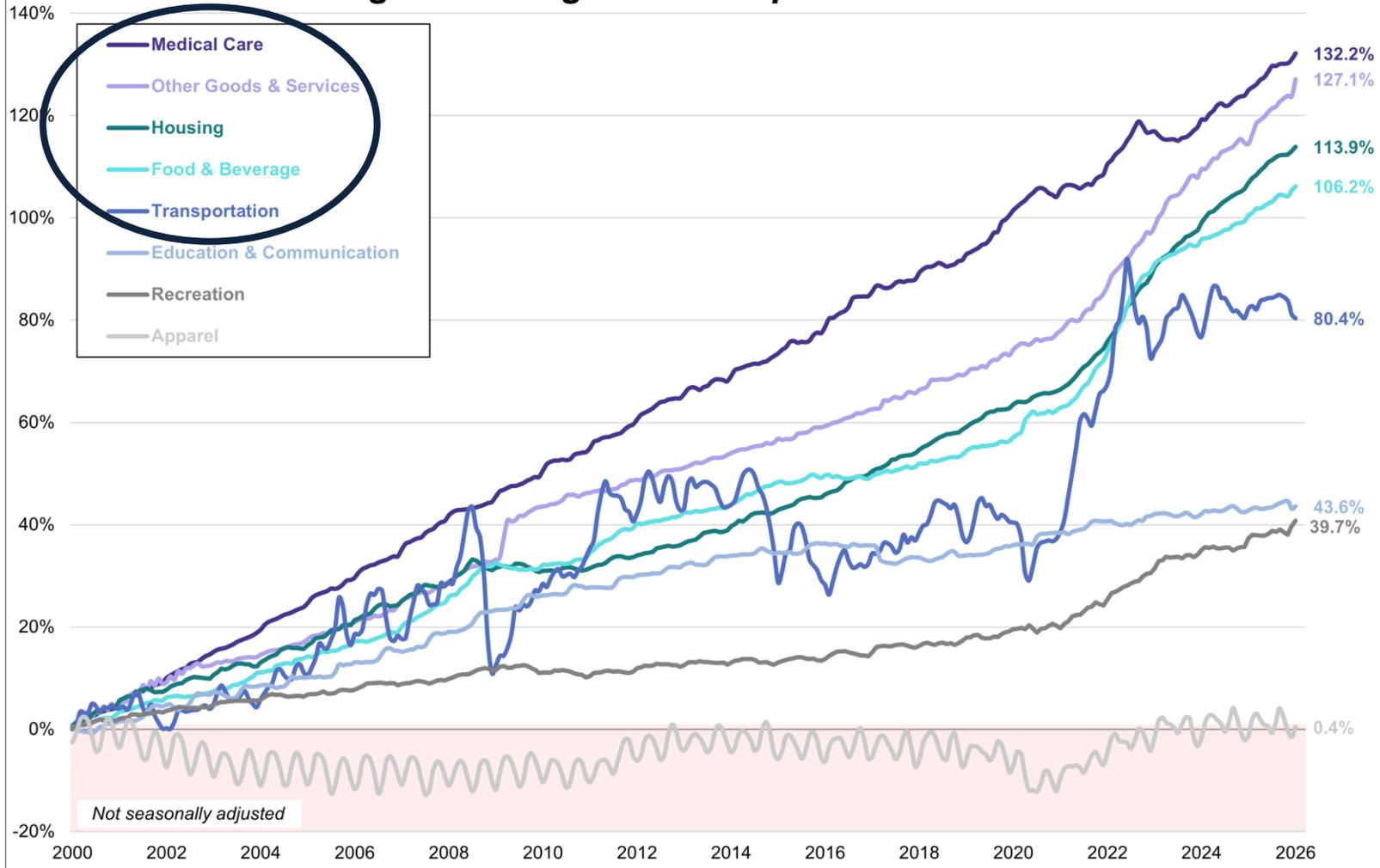
**Lawmakers to focus on affordability in 2026**

**Wealth inequality and the 'K-shaped' economy are more striking than ever, data shows**

**How affordability challenges are affecting housing trends in 2026**

# Consumer Price Index

## Change in the Eight Subcomponents Since 2000

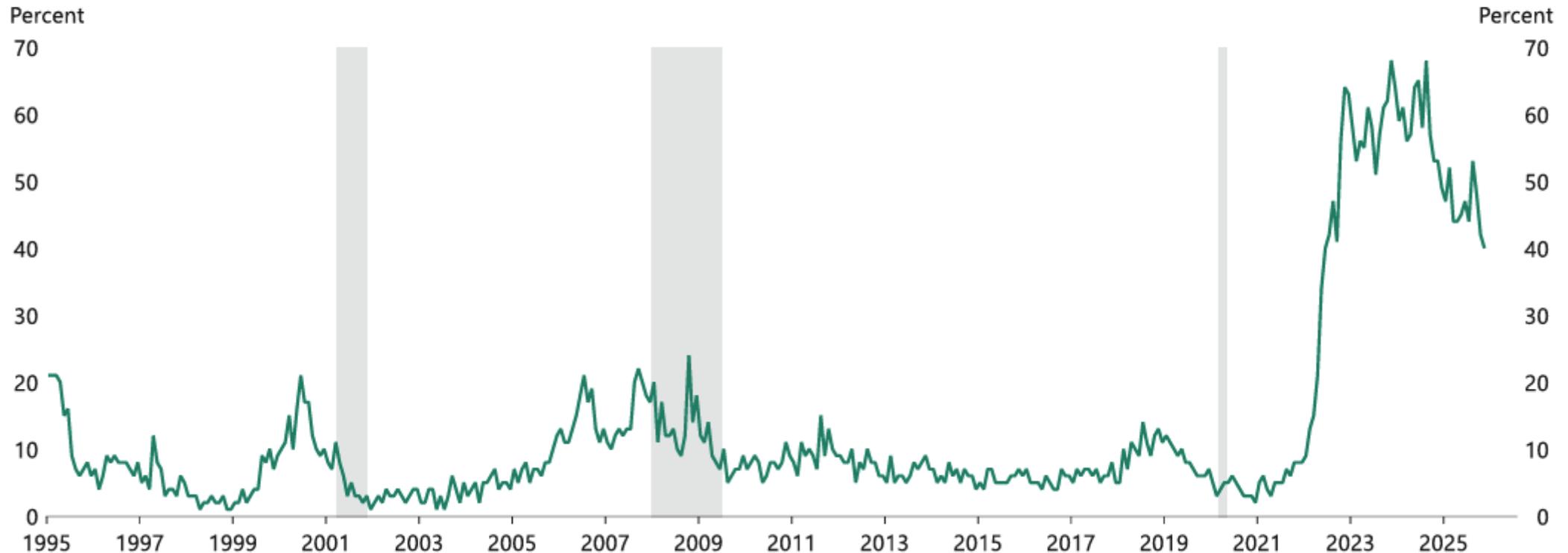


# Low housing demand due to a tough environment

APOLLO

42% of consumers are saying that this is a bad time to buy a house because of high mortgage rates and tight credit

Current Conditions for Buying Houses: Bad: High Interest/Tight Credit



Source: University of Michigan, Macrobond, Apollo Chief Economist

# Average New Car Price Topped \$50,000 in December

Americans ditch premium trims for entry-level cars as affordability takes a hit

A Record 22.4% Of New-Car Buyers Now Opt For 7-Year Auto Loans To Manage Monthly Payments

Used car inventory is improving, but 'affordable under-\$20,000 vehicles are harder to find,' expert says

Subprime auto loan borrowers are falling behind at the highest rate since 2000

Auto loan delinquencies haven't been this high since the aftermath of the Great Recession

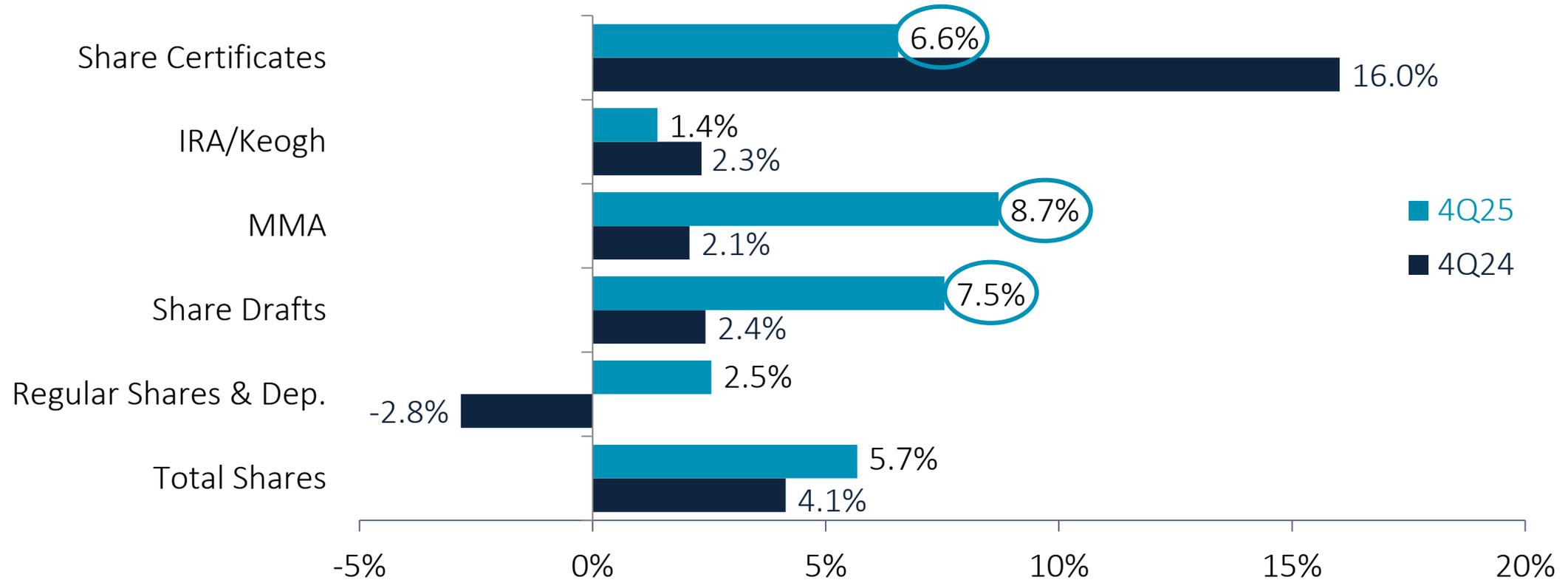


# Credit Union Members Demonstrate Resiliency in 2025



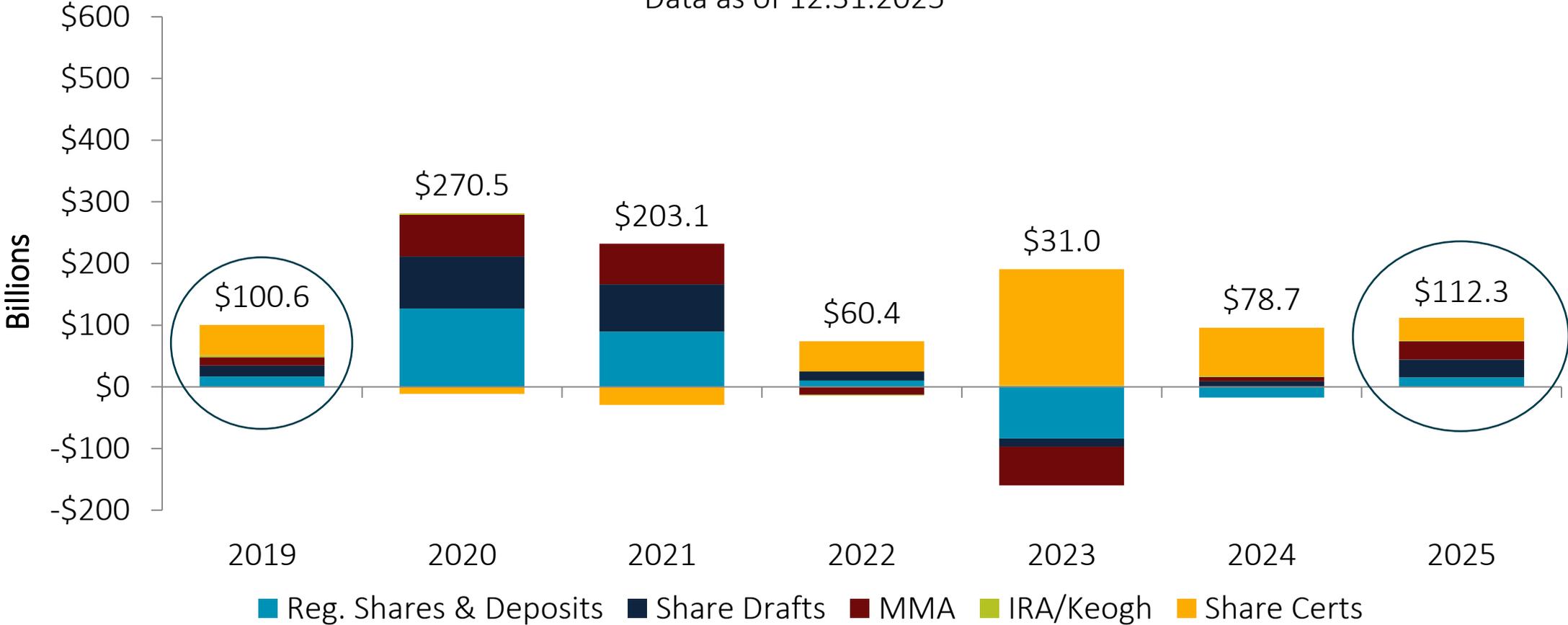
# Members shift to share drafts and money market accounts in 2025

12-Mo. Growth in Shares Segments  
Data as of 12.31.2025

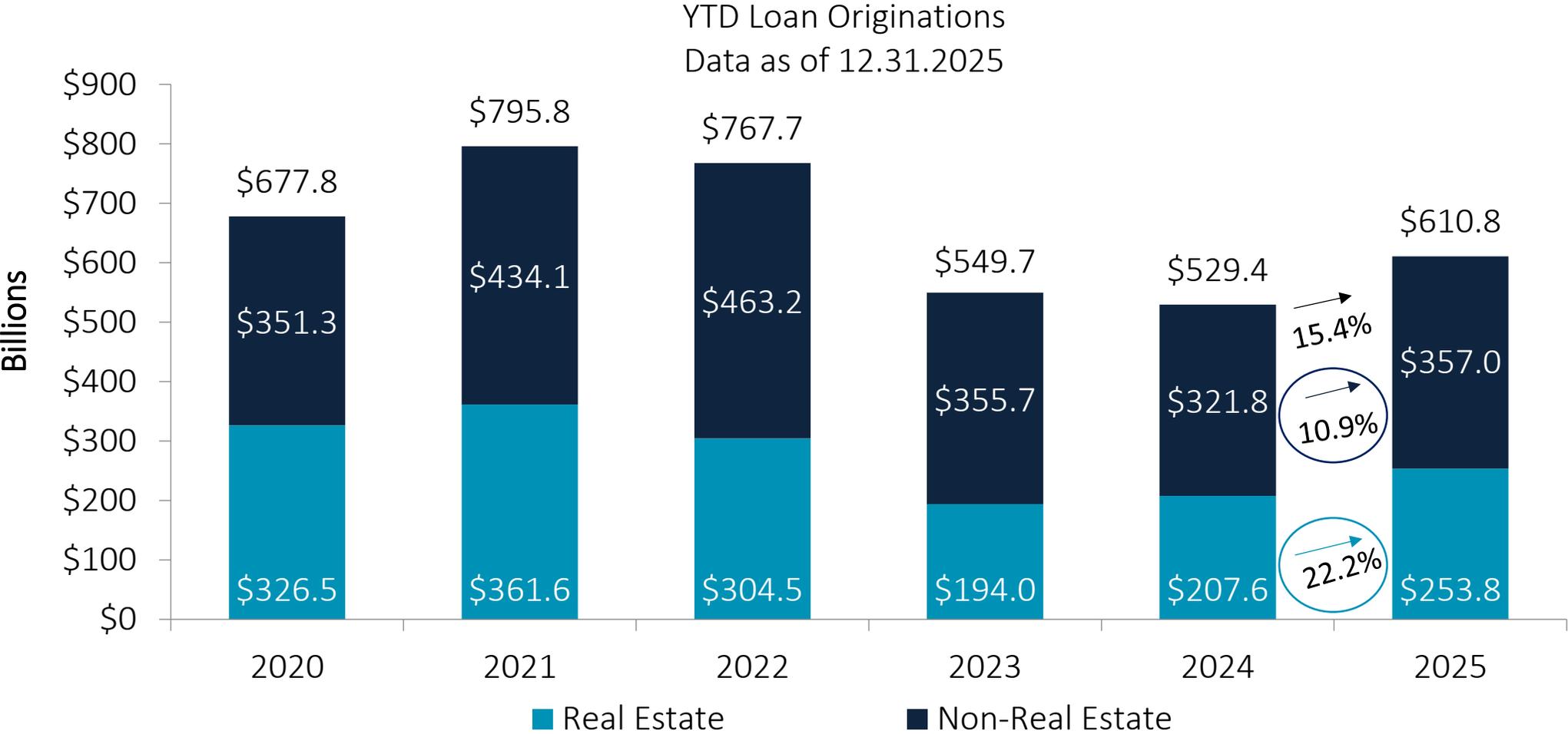


# Members increase balances in all share products for the first time since 2019

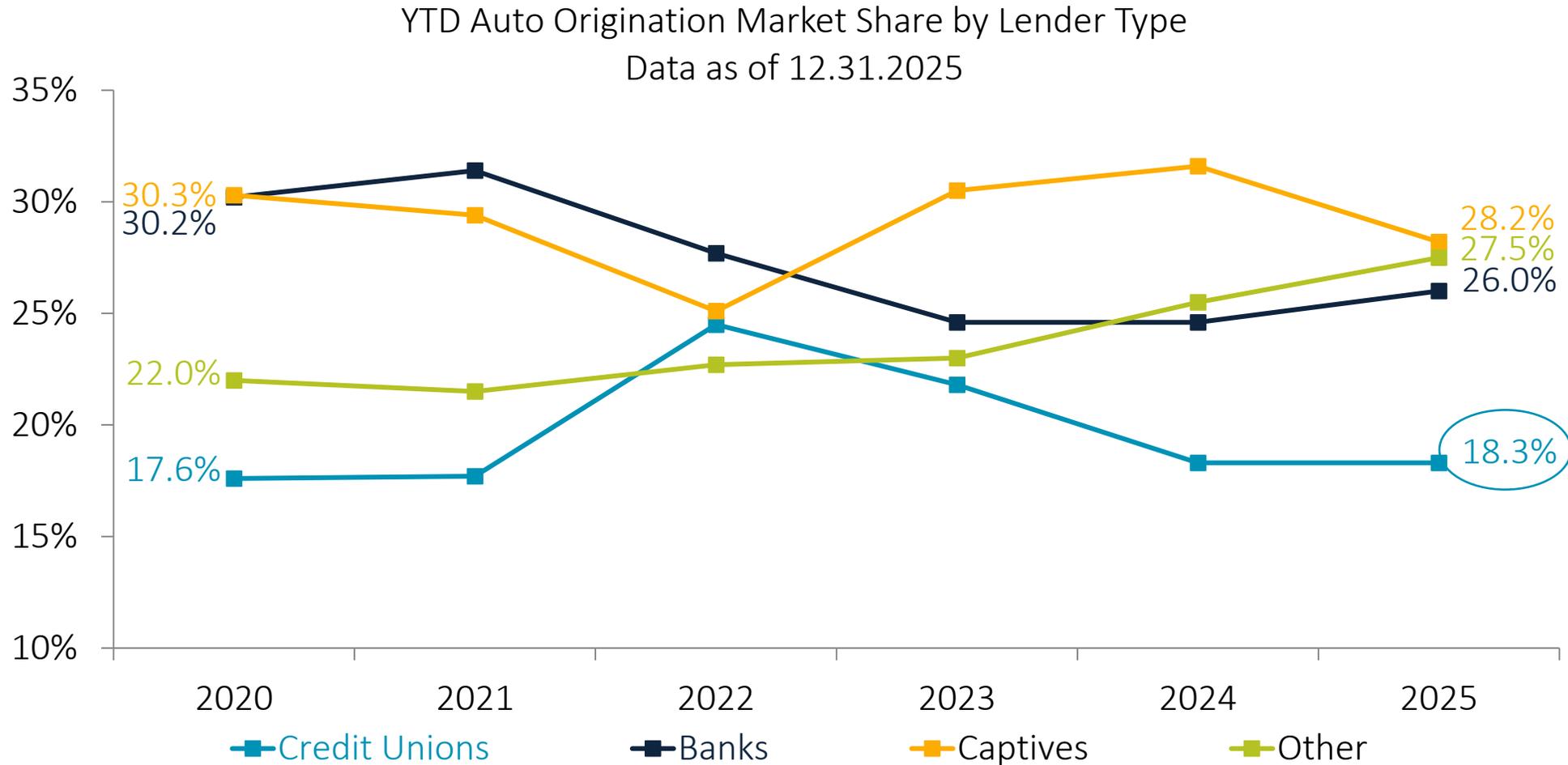
12 Mo. Share Change by Product  
Data as of 12.31.2025



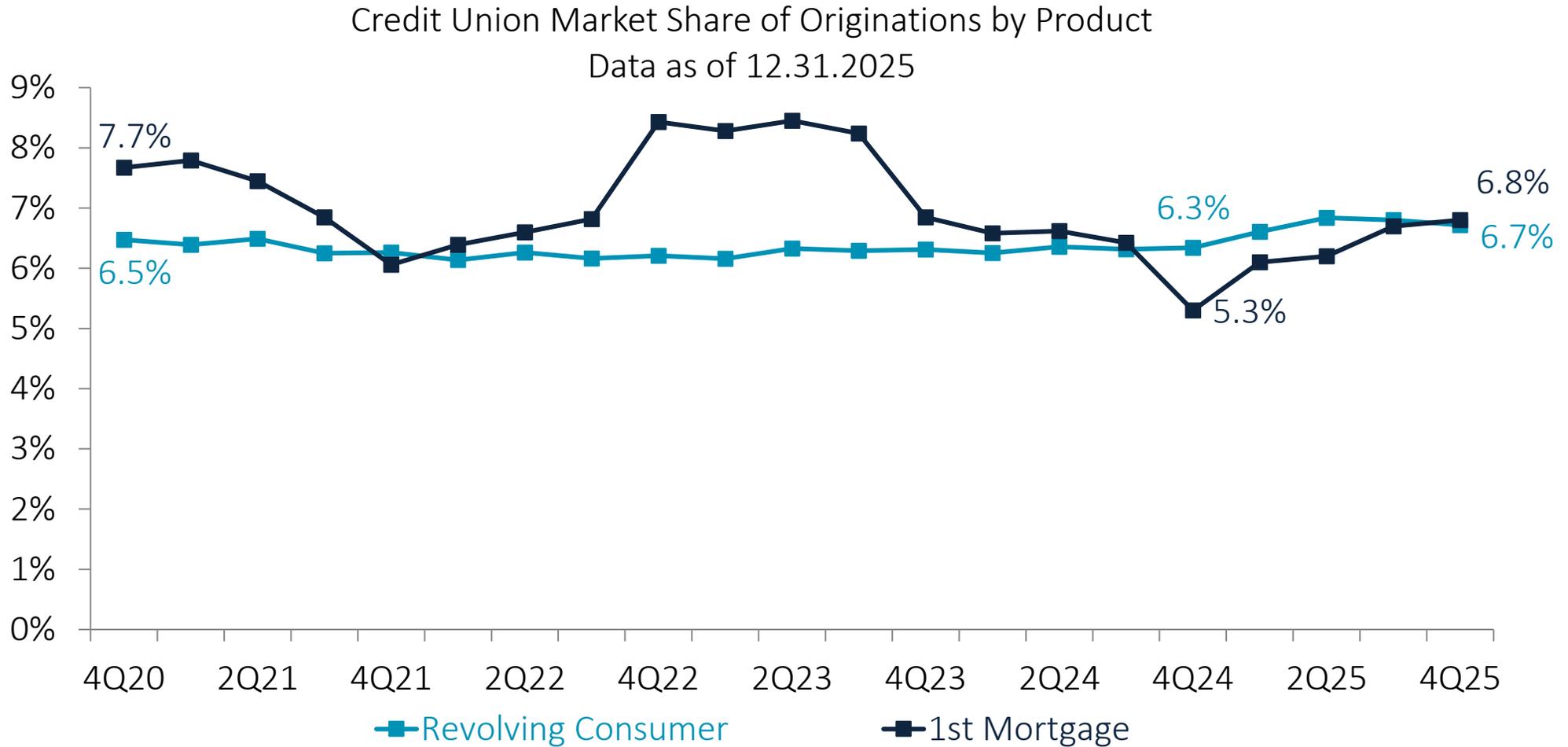
# Credit union members increase both consumer and real estate borrowing in 2025



# Credit unions' share of auto financing holds steady in 2025



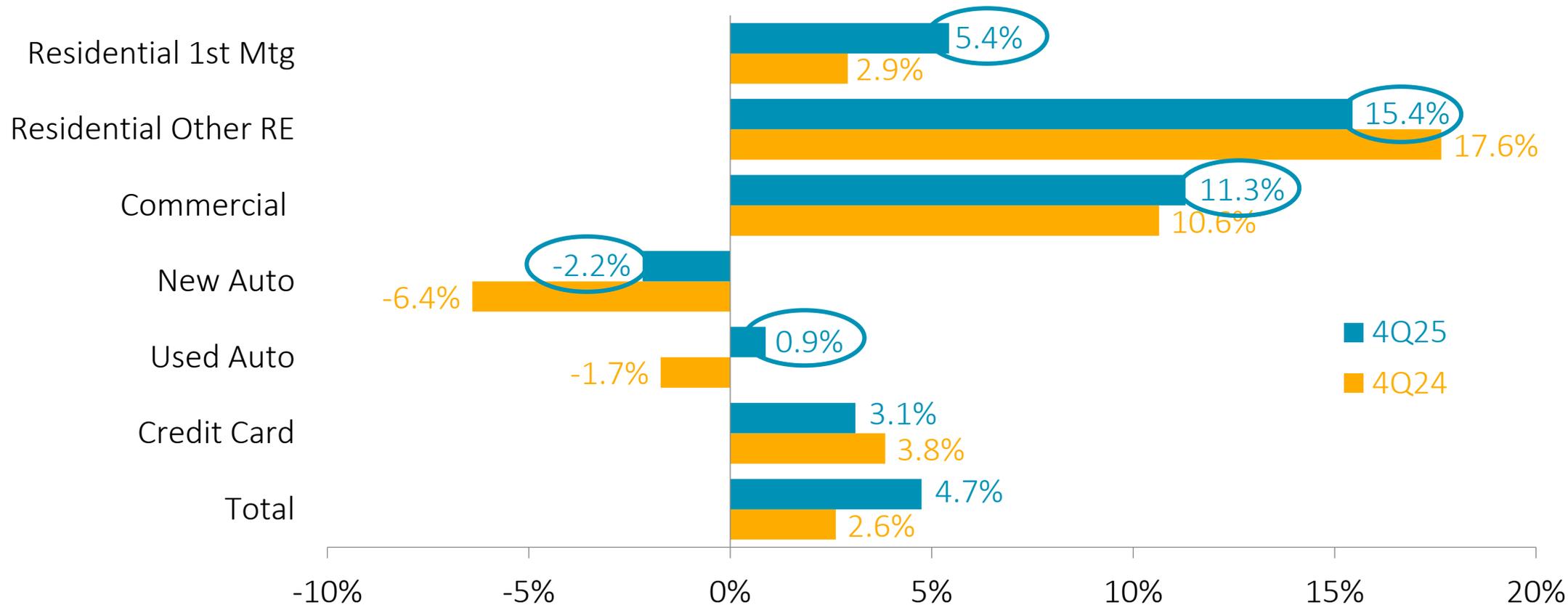
# Credit union market share of mortgages and revolving consumer increase in 2025



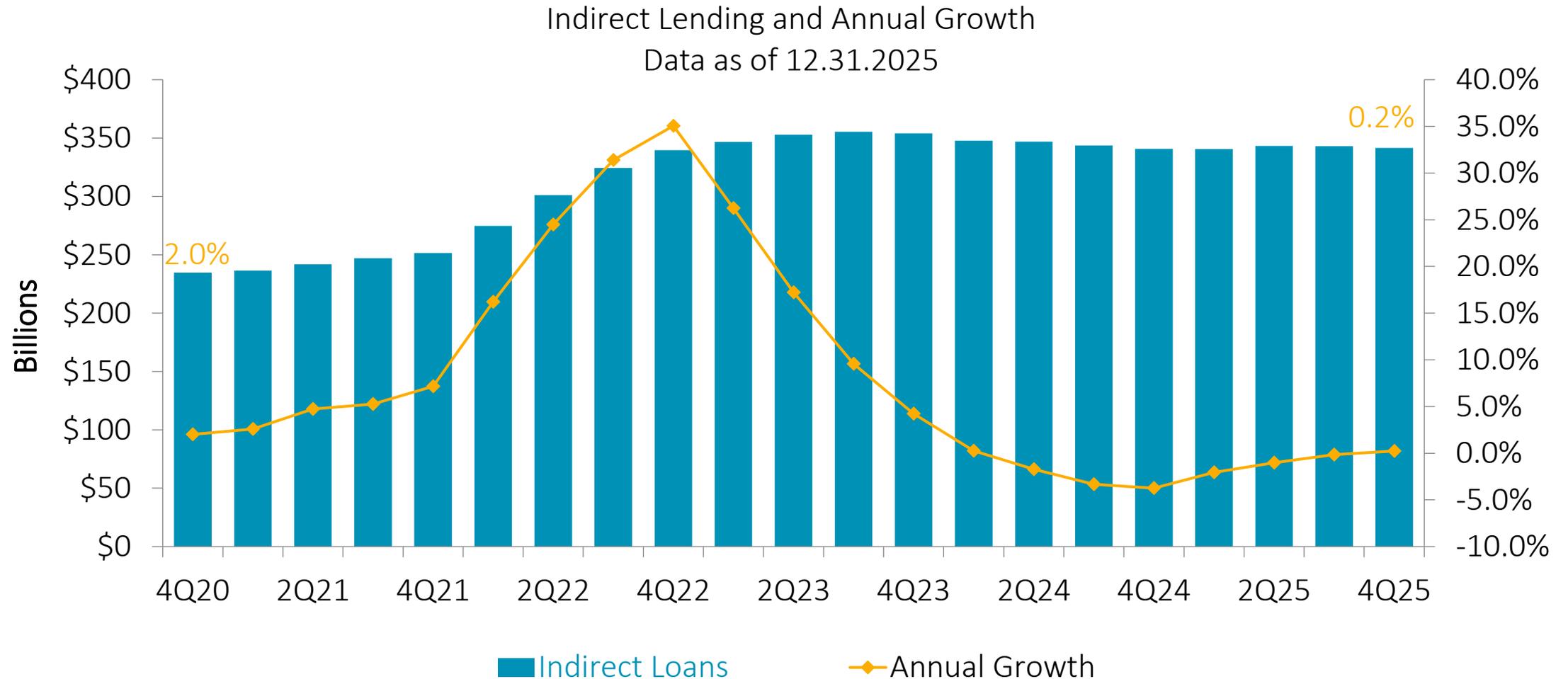
Source: The Federal Reserve, Experian

# Home equity, first mortgage, and commercial loans post highest growth

Annual Growth in Loans Outstanding  
Data as of 12.31.2025



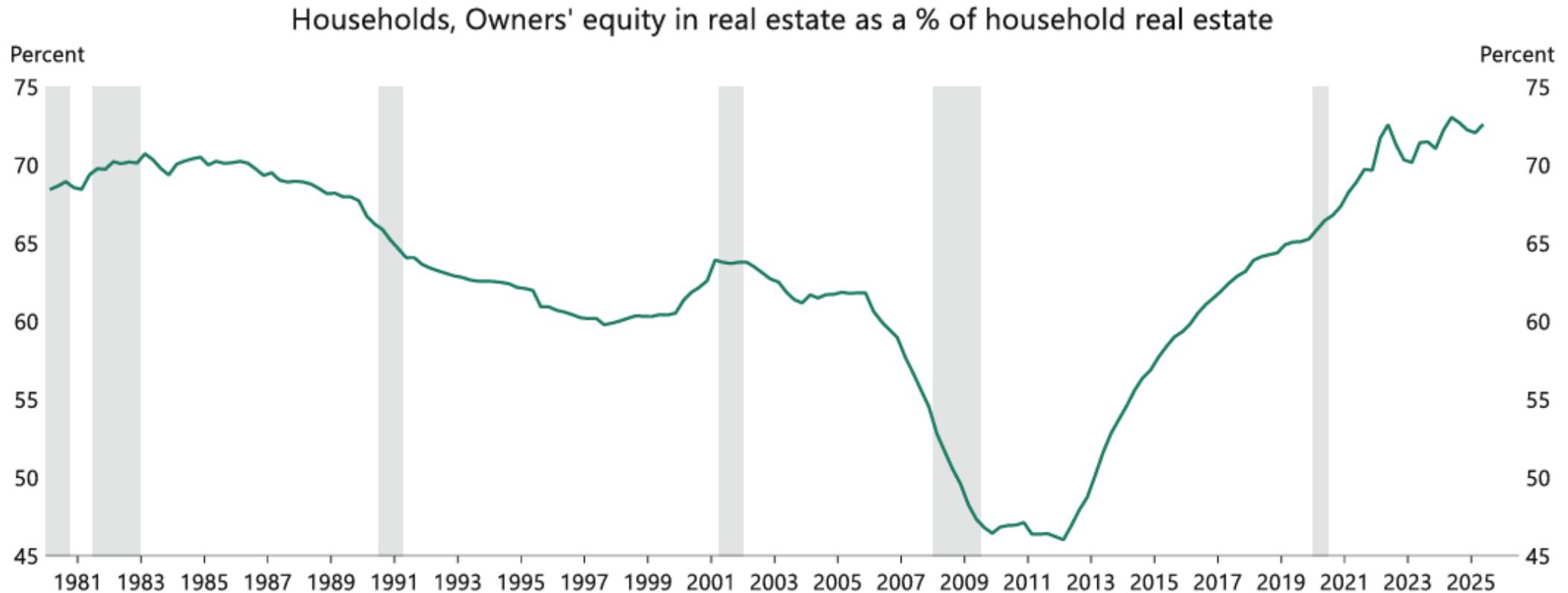
# Indirect loan balances are flat in 2025



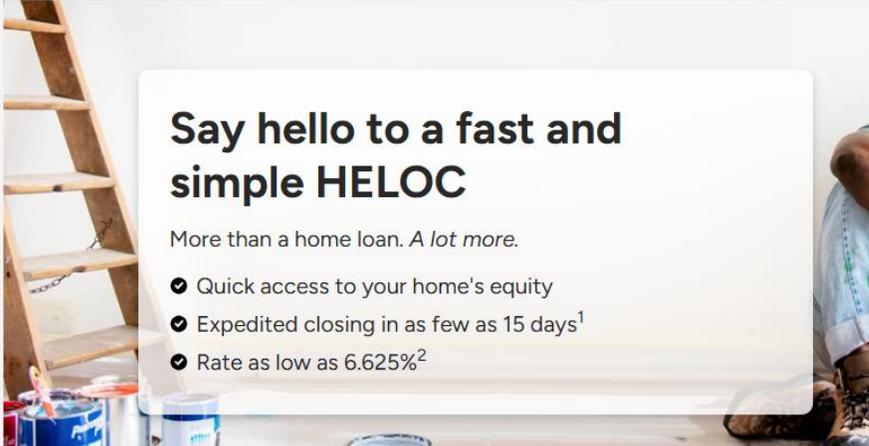
# Homeowners are choosing to stay where they are

APOLLO

Households' equity share in real estate near all-time high level of 73%



Source: Federal Reserve, Macrobond, Apollo Chief Economist



## Say hello to a fast and simple HELOC

More than a home loan. *A lot more.*

- ✔ Quick access to your home's equity
- ✔ Expedited closing in as few as 15 days<sup>1</sup>
- ✔ Rate as low as 6.625%<sup>2</sup>

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# How to Use a HELOC to Consolidate Debt

Lower HELOC rates can help you save money.

Published Wednesday, March 19, 2025 to [Advice](#)



# Put Your Home's Value to Work for You

Unlock the financial power of your house with our Home Equity Lines of Credit (HELOCs). Use the cash for renovations, vacations, or anything else you need!

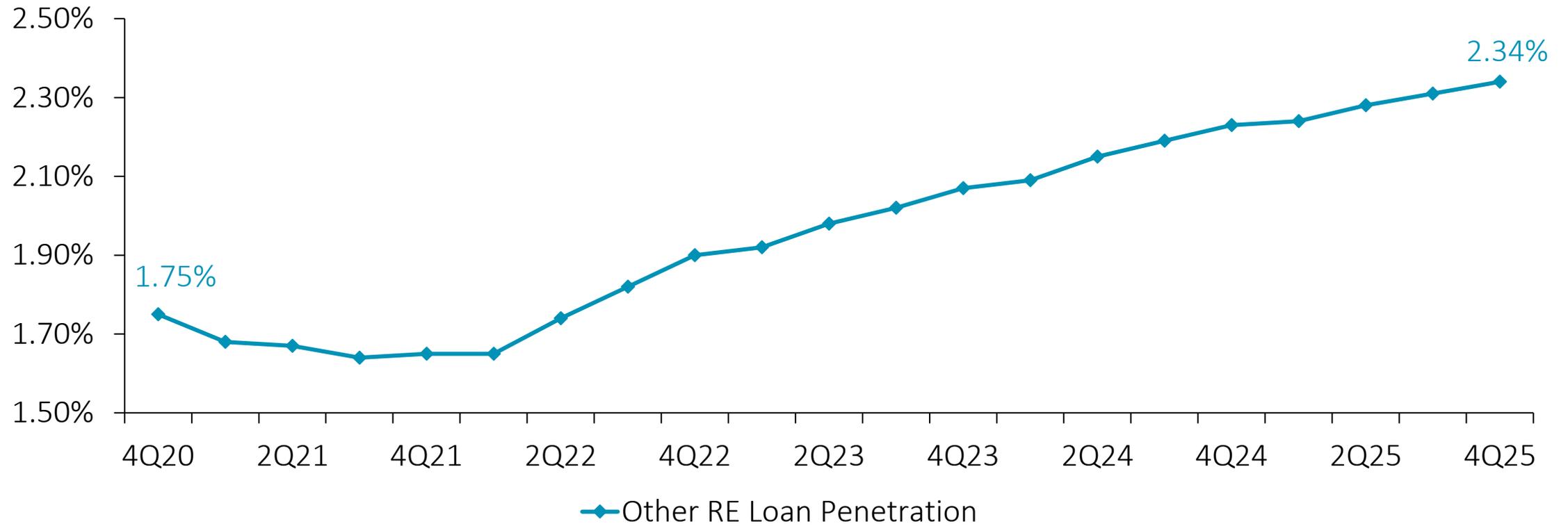
[Apply Online Now](#)

[VIEW RATES](#)

- ✔ Credit backed up by your home's value
- ✔ Low variable rates
- ✔ All loan decisions made locally by Freedom CU Staff
- ✔ No prepayment penalties

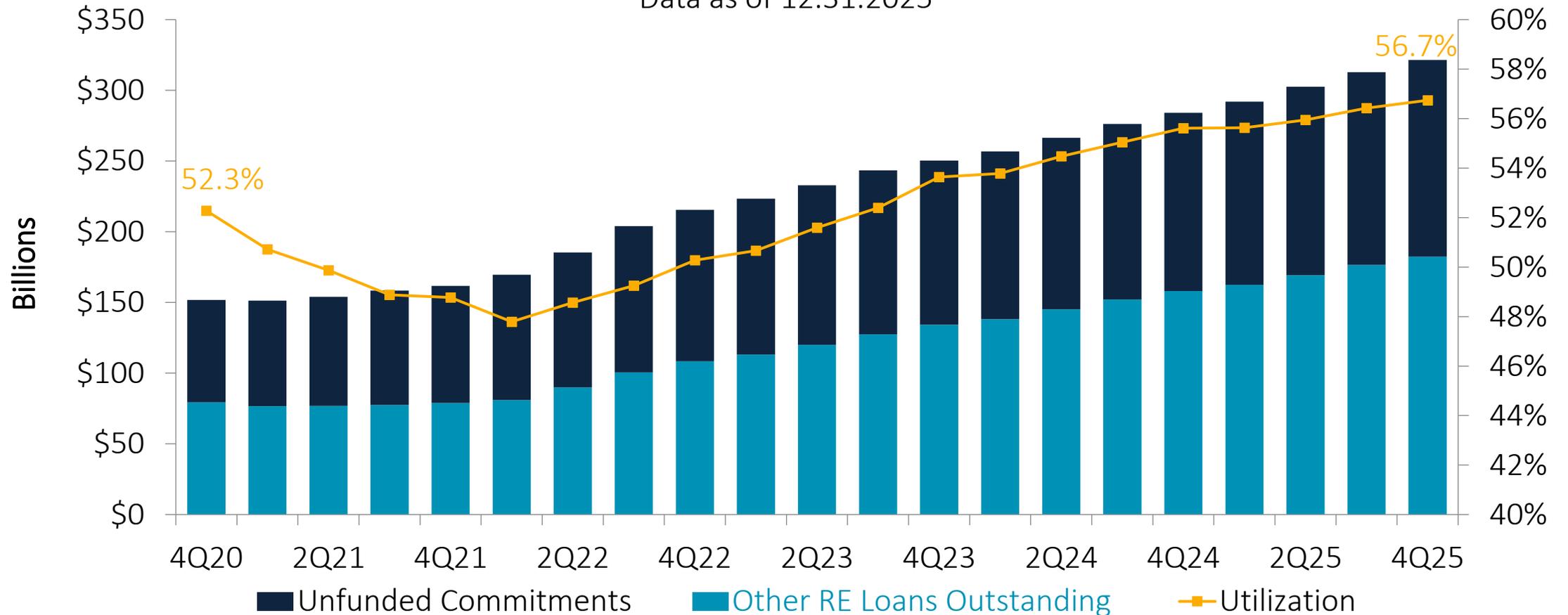
# Members are turning to HELOCs

Other RE Loan Penetration  
Data as of 12.31.2025

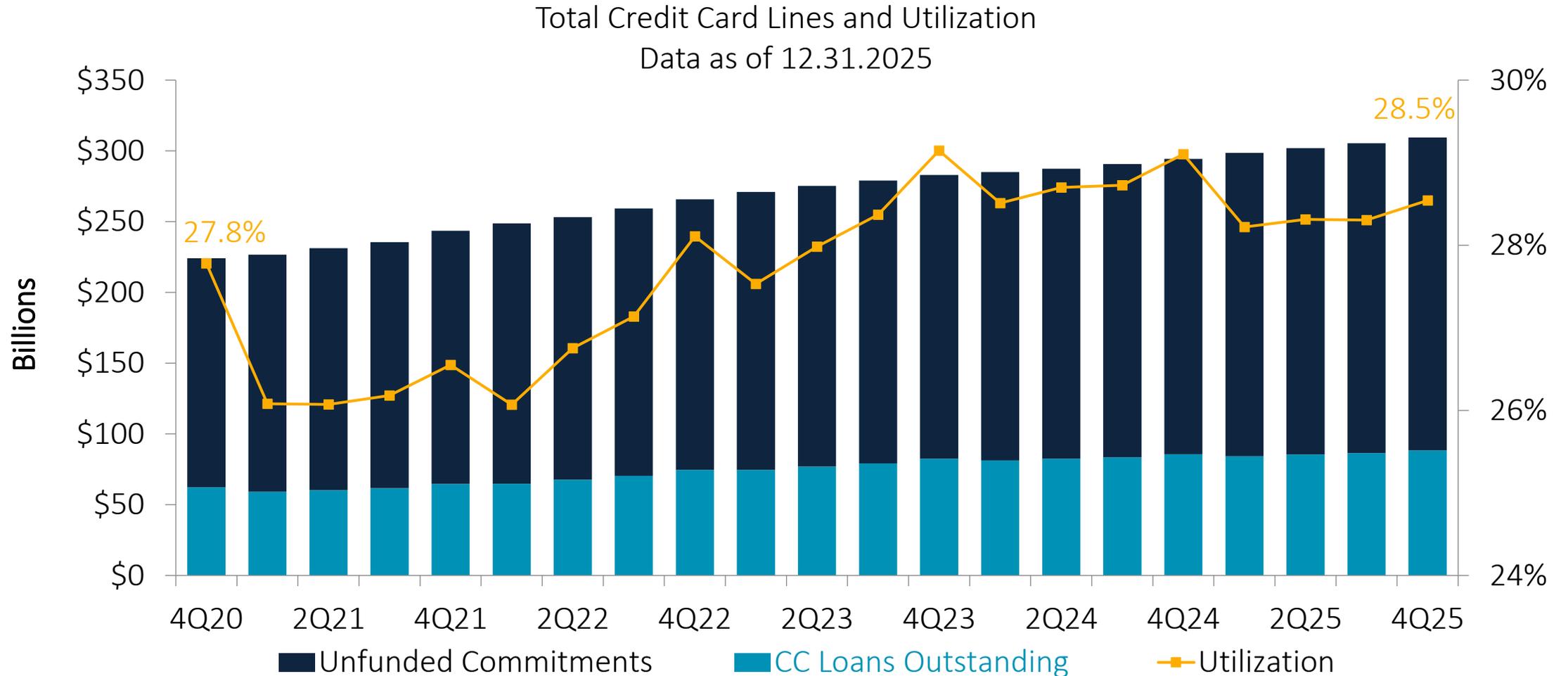


# Members are drawing on more of their available HELOC lines

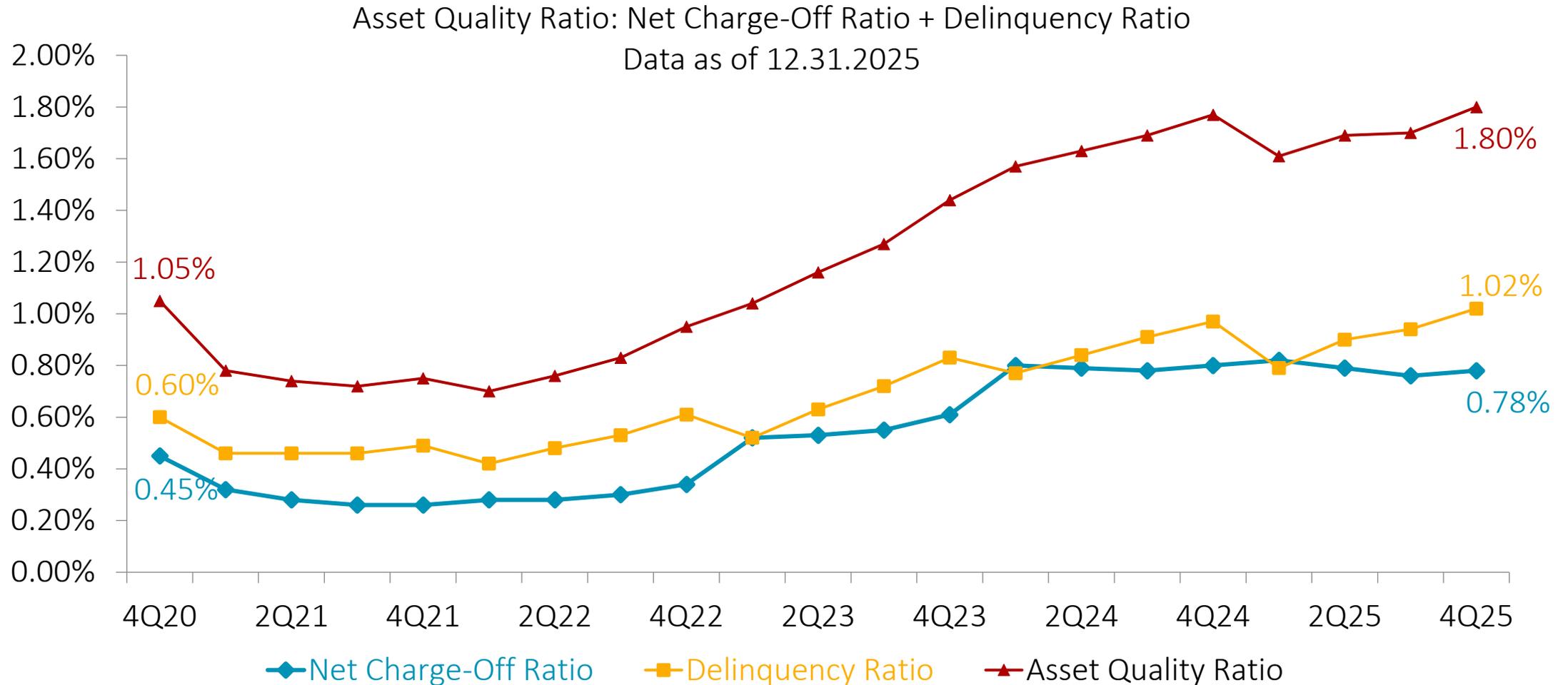
Total HELOC Balances and Utilization  
Data as of 12.31.2025



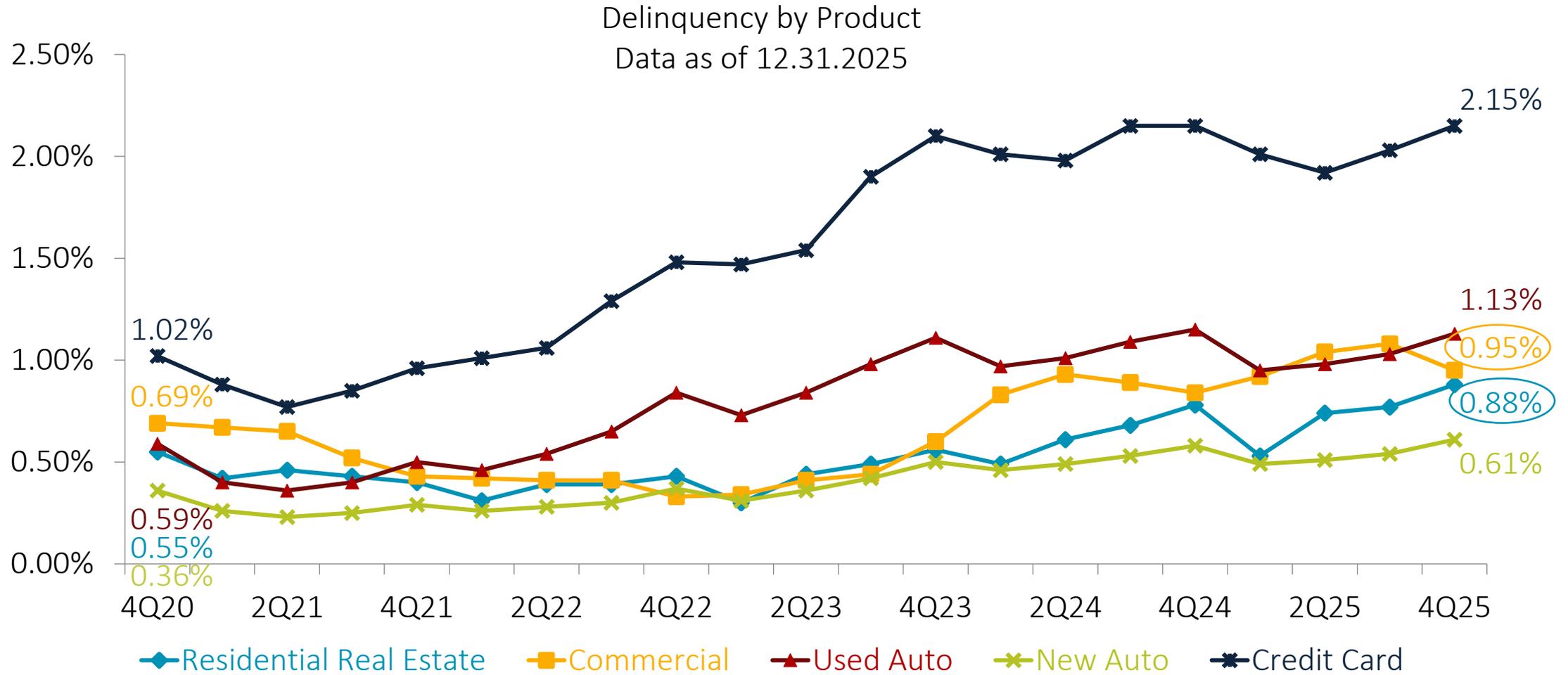
# Member utilization of credit card lines is lower in 2025 than 2024



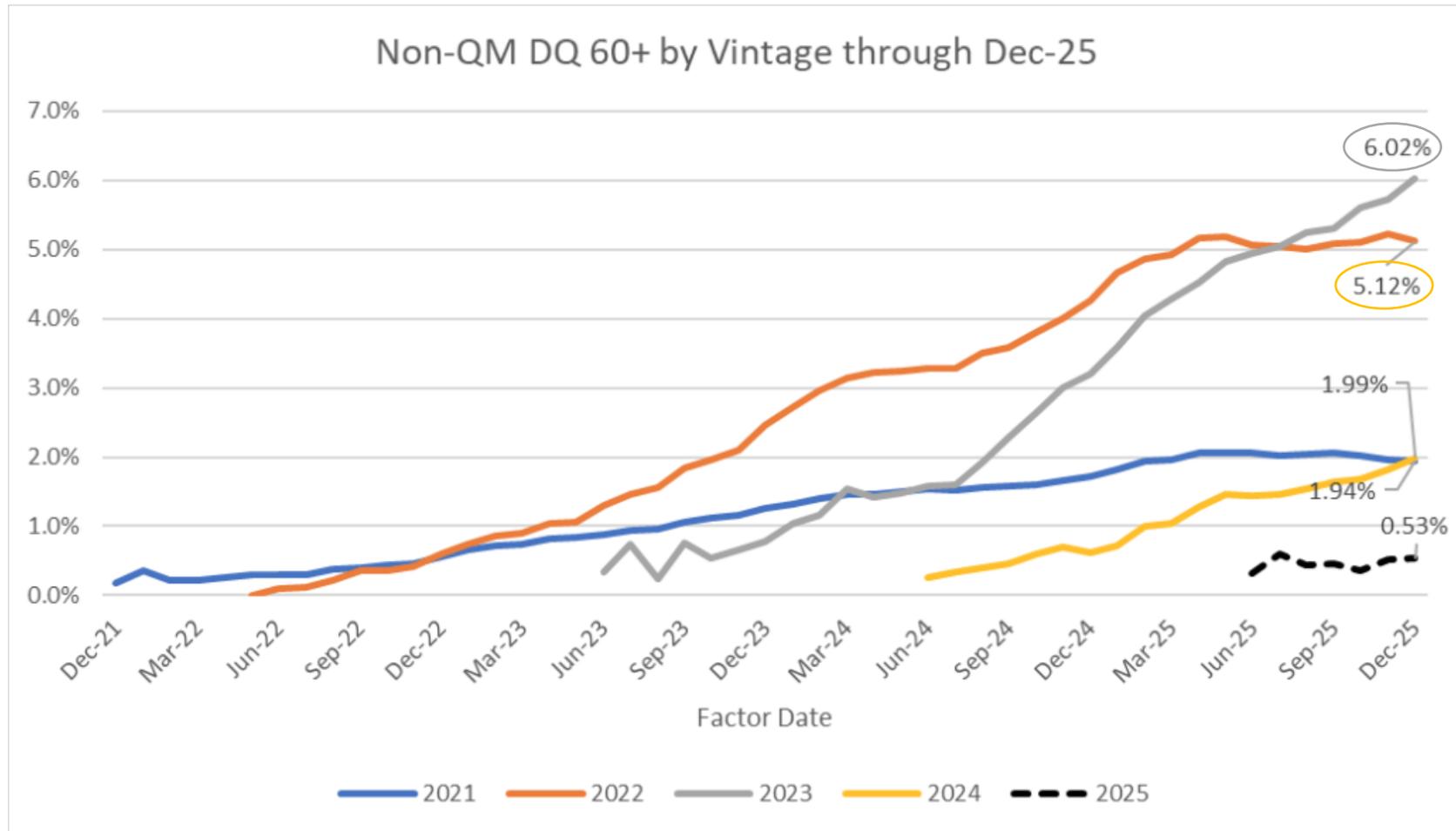
# Year-end 2025 asset quality on par with 2024



# Residential and commercial RE delinquency move higher in 2025



# Delinquency rising faster in mortgages originated in 2022 and 2023 across all lenders



Committed to

# Community & Member-Focused Approach

Pam Cohen - COO  
Affinity Federal Credit Union  
February 24, 2026



# Our 90 Year History

*Founded in 1935 as the Western Electric Credit Union. In the 1990's officially became the AT&T Federal Credit Union. We have a federal charter and are now a multi-SEG credit union.*

## MISSION STATEMENT

Affinity exists to **improve the financial wellbeing** of our members and communities we serve by making their **unique dreams** a reality!

## VISION STATEMENT

*"People helping people to realize their dreams by advocating **financial solutions** that measurably improve their **wellbeing**"*

## VALUES

Trustworthy

Passion for Service

Accountability

# Our Organizational Challenges

1

**Location:** We are in the NJ/NY metro area. Extreme competition for consumers and talent from large banks, community banks, and fin-techs.

2

**Sponsorship:** While we used to serve AT&T, with the break-up of AT&T, and the relocation of AT&T's headquarters to Dallas, we had to pivot and become a multi-SEG credit union.

3

**Member Growth:** To generate growth the initial strategy was to go broad – across the country. Doing that diluted our ability to build relationships, be known in our core markets, and make meaningful impacts in our communities.

4

**Inclusion & Community Impact:** Employees did not relate to our mission, vision and strategy. They did not feel heard and valued.

# New Direction & New CEO

1

**Break Down SILOs:** Needed to have everyone in the organization understand that they are part of one team-push concept of “win as a team and lose as a team”.

2

**Team Member Engagement:** Increase transparency by management with the whole Team to increase trust in management and increase active solicitation of new ideas from the Team to increase organizational success. Introduce “purpose” to help Team members to align individual purpose with their role and mission of the organization.

3

**Core Market Concentration:** Changed market focus from national to the core market of NJ, NY, and CT. Increasing our branch presence in the core market increases our ability to build relationships, be known in our core markets, and make meaningful impacts in our communities.

4

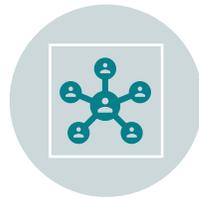
**Be a Credit Union:** Engaging our Team in a “people helping people” strategy where they make a difference in members/Team members lives, the communities we serve, and within the credit union movement. Simply increase the Team member’s purpose by being “Difference Makers”.

# Our Strategy

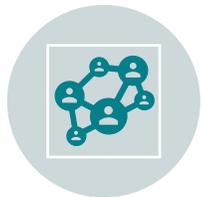
***Our strategy is to enhance the overall wellbeing of our members and community by strengthening their financial security, social connection, and long-term resilience.***



We will promote **financial wellbeing** through fair, accessible, and responsible financial services that build capability and reduce hardship.



We will foster **social and community wellbeing** by strengthening community ties, supporting local initiatives, and reinvesting in the regions we serve.



We will support **mental and emotional wellbeing** by reducing financial stress through compassionate service, clear communication, and member-focused solutions.

We will support **career wellbeing** by providing scholarships, internships and career advice webinars



We will contribute to **physical wellbeing** by enabling access to essential needs such as food for the food insecure, the member relief fund and everyday living through affordable credit and savings options.



We will provide access to education across each element of wellbeing.

# Our Employees

## Employee Wellbeing

- Began the journey 7 years ago
- Believe that if our employees aren't thriving, then they won't be able to help our members
- Spent a full year educating our employees
- Gamified the content to make it fun
- Food pantry for our team members
- Strong focus on mental health
- Continue with monthly reinforcement training

WELLBEING COUNSELORS

**107**

WELLBEING EVENTS

**1X/WEEK**

VOLUNTEER  
OPPORTUNITIES

**50+/YEAR**

CLUBS & ERGS

**5**

## Future Focus

- Purpose Program
- Financial wellbeing survey
- Reciprocal agreement with other CUs to provide financial counseling/advice
- Upskilling to meet the business needs of tomorrow

# Our Communities – A Different View

1

**Partnerships:** Building partnerships with local businesses and non-profits allows Affinity the ability to work collaboratively to help our communities thrive (blood pressure checks in branch, food insecurity outreach, reality fairs with high schools)

2

**Education:** Along with financial literacy, we have expanded our reach to include education on mental health, physical wellbeing and career wellbeing.

3

**Affinity Foundation:** Aligned our Foundation with our Community team. Member Relief Fund to help our members in the moment. Works with other non-profits in our communities to make a larger impact on our communities.

4

**Future:** Create a Wellbeing Institute that will partner with our Foundation to provide educational courses in all areas of wellbeing for our members and community.

# Why It Matters



**We are firm believers that if one element of wellbeing is suffering, then that impacts every other element of wellbeing**



**If overall wellbeing suffers then our members and our communities are not thriving**



**We have expanded our education to career and physical wellbeing**

These webinar series have been our two most attended webinar series

There is a NEED and a DESIRE so we can provide introductions to resources



**We want to be the first place that a member turns to in times of need – not only for financial wellbeing, but for every element of wellbeing**

This is what we believe will retain and engage our Affinity Team members, CU members, and communities. Relationship matters!

# Early Lessons Learned

1

**Focus Needed:** By increasing the energy in the organization with new management and Team members, led us trying to do too much at the same time. By providing focus to the organization the results were readily felt by the Team.

2

**“Right” Team Members:** When changing the mission, vision, and strategy of the organization the Team members must be aligned for organizational success. The existing and new Team members purpose needs to align with the organization’s mission.

3

**Test and Learn:** Through a partnership with Filene, participation in CUFSLP, and other CU associations the ideas uncovered need to be tested within our membership. The test and learn strategy allows management to evaluate and increase execution if the ideas are accepted by the members.

4

**Patience:** The process of strategy changes requires patience by management and the Board of Directors. There are no “silver bullets” that rocket ship success in this business. As CUs we need to understand sometimes making a difference in a members lives and communities wellbeing needs to be the ultimate goal.

**Thank You.**

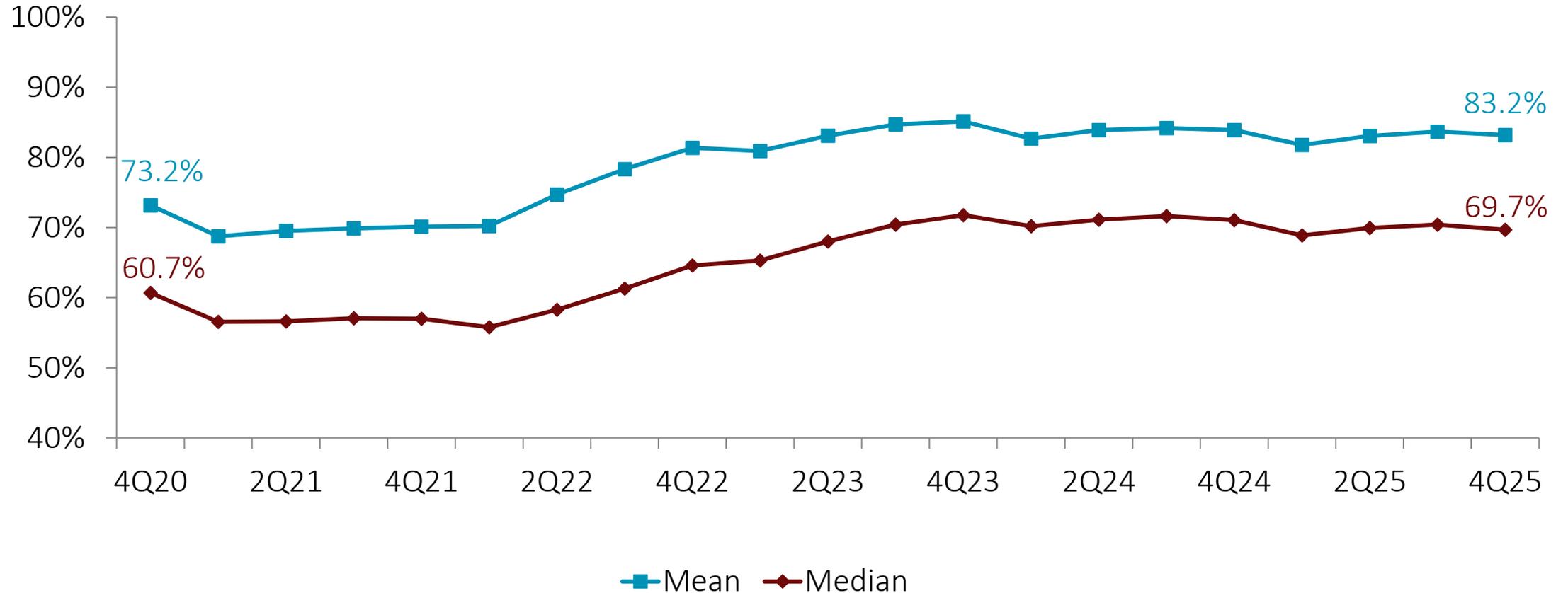




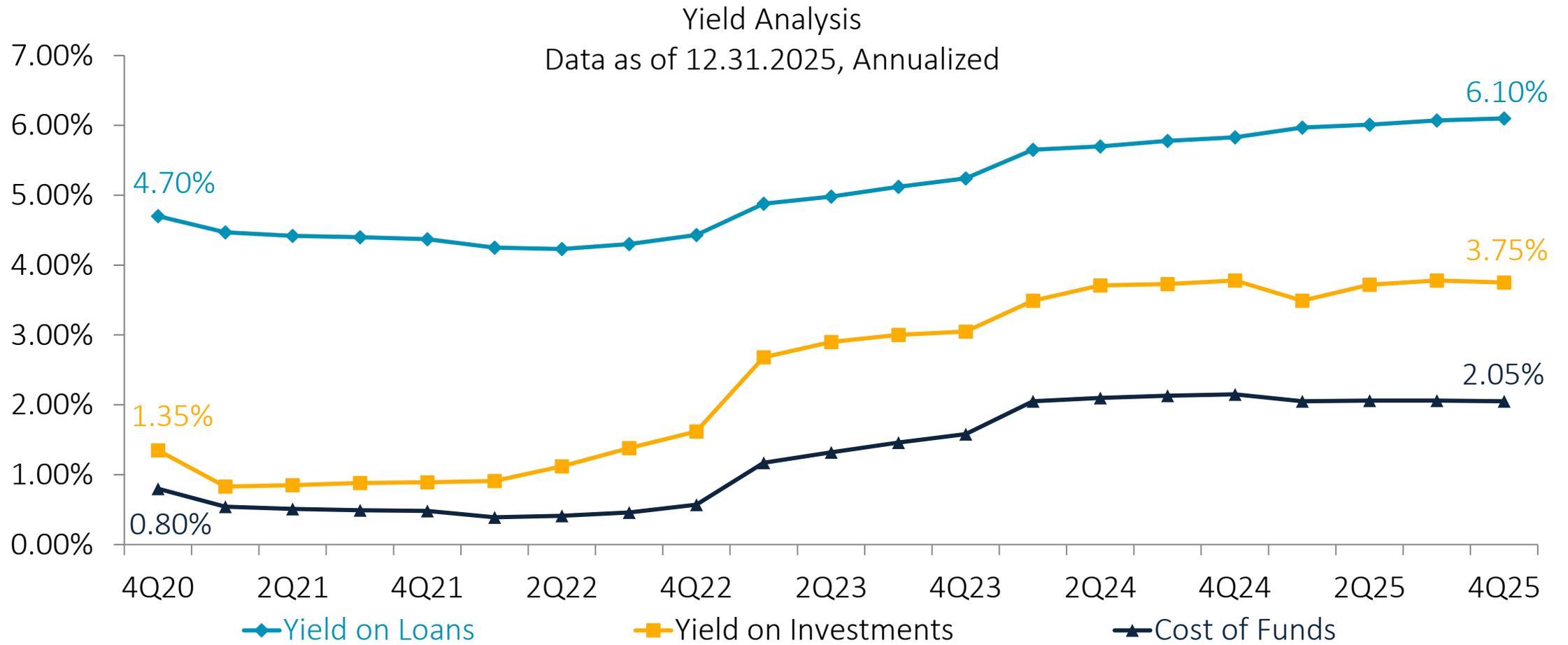
# Earnings Improve on Wider Margin

# Credit union liquidity improves slightly in 2025

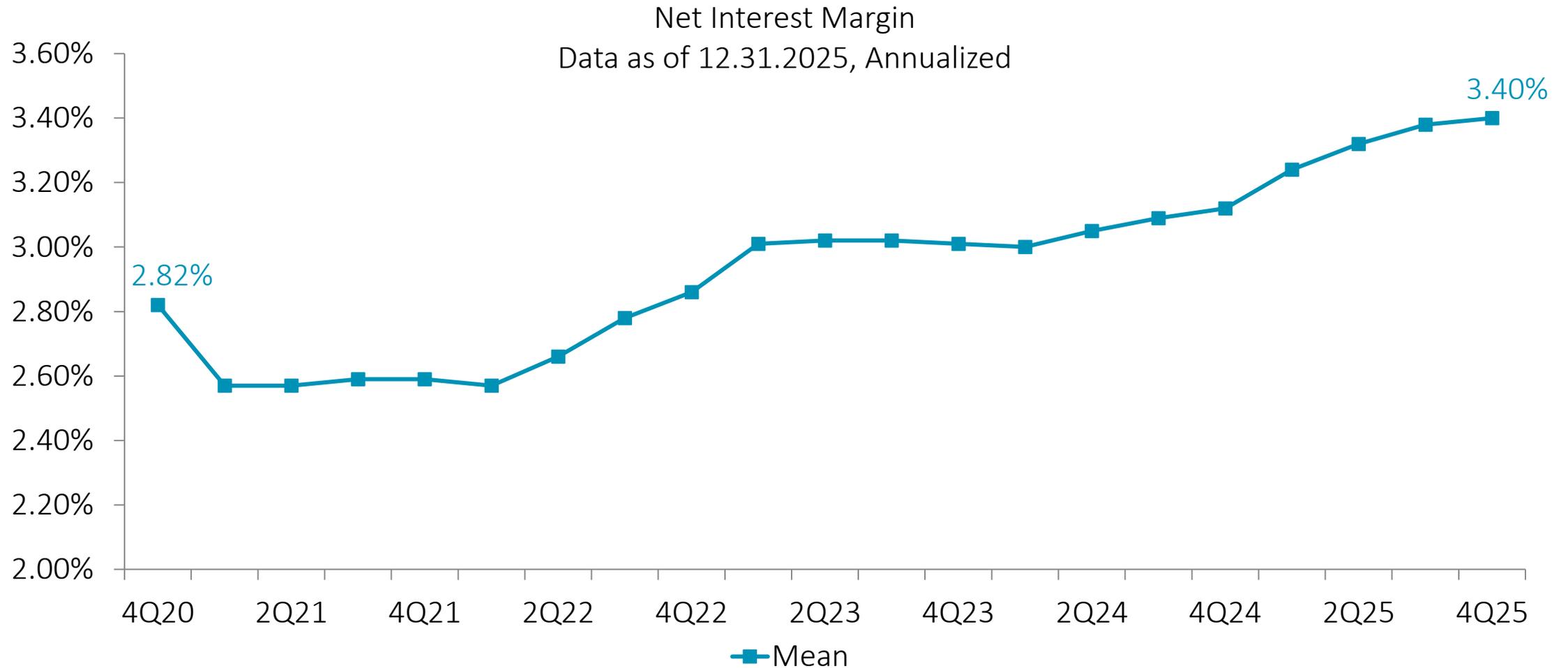
Loan-to-Share Ratio  
Data as of 12.31.2025



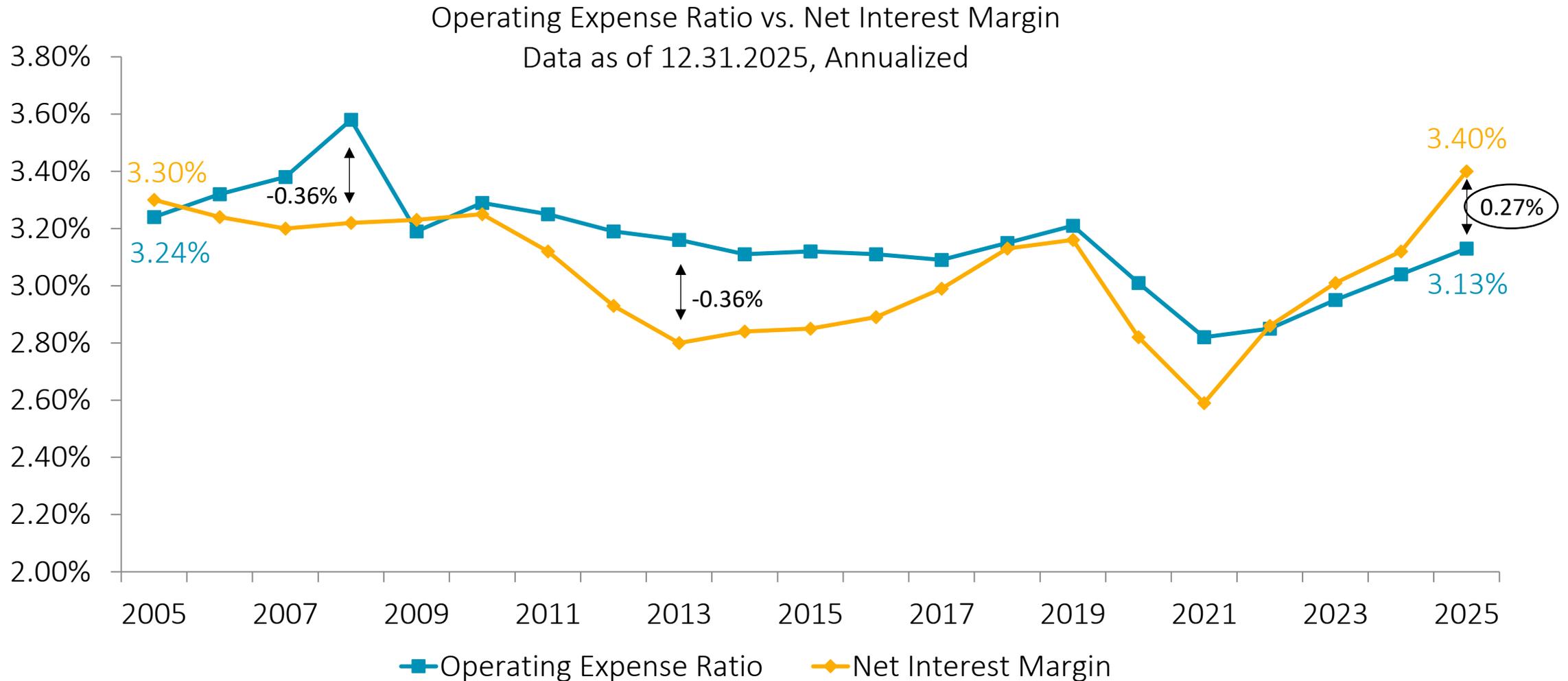
# Loan yields rise in 2025 as cost of funds declines...



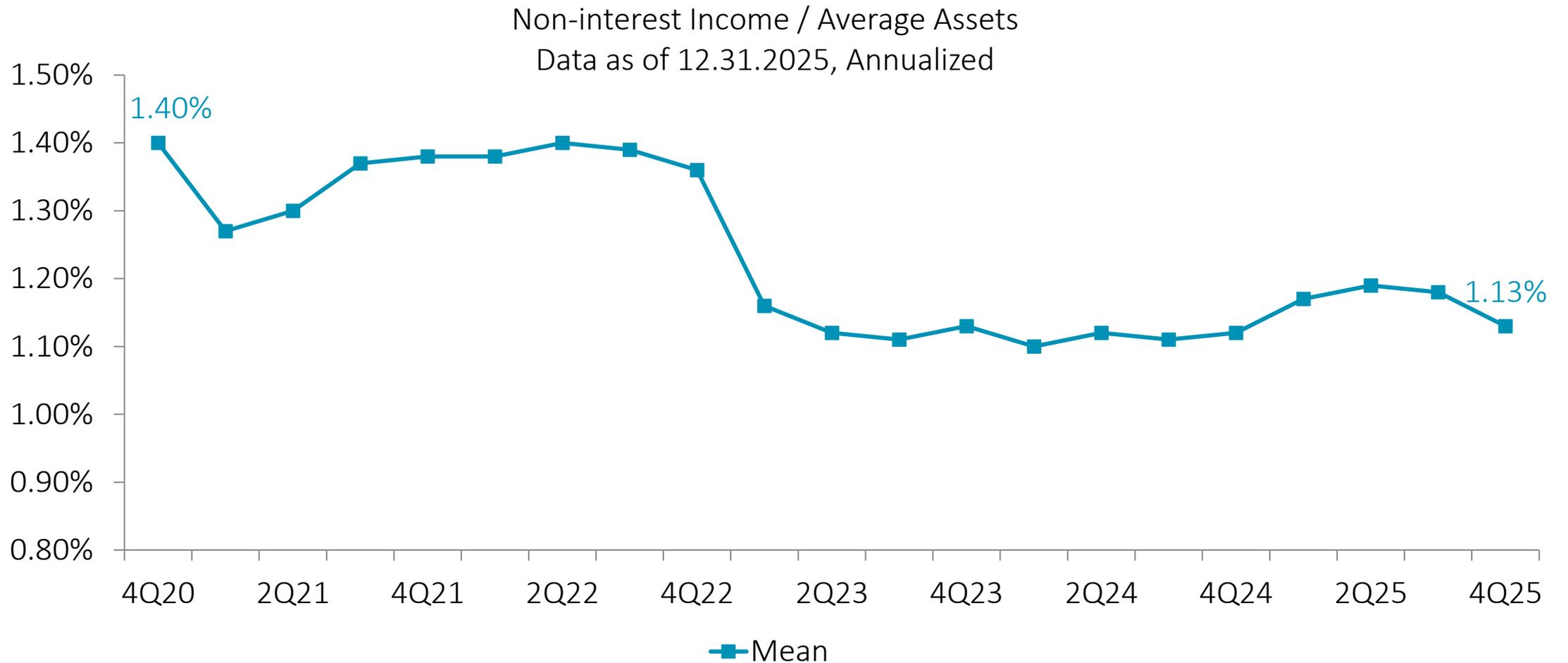
# Resulting in a wider net interest margin



# Net interest margin exceeds the operating expense ratio by the largest amount in 20 years

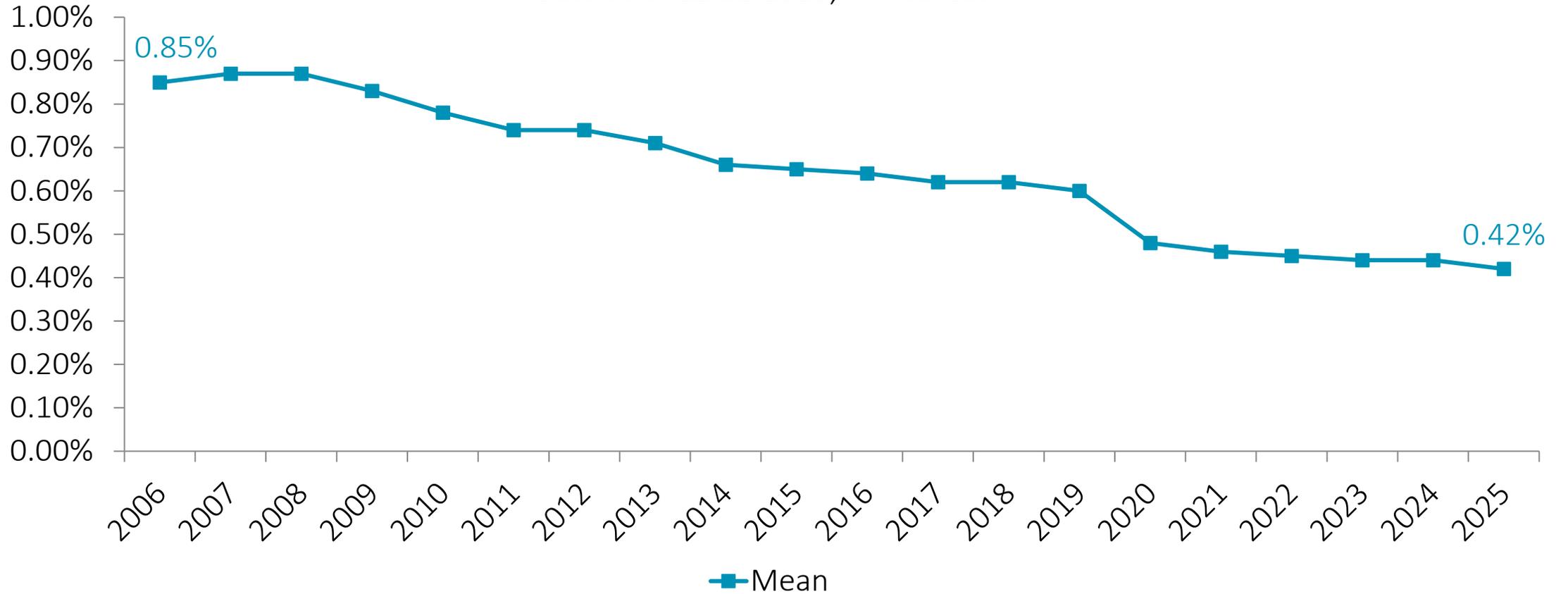


# Non-interest income is steady versus 2024

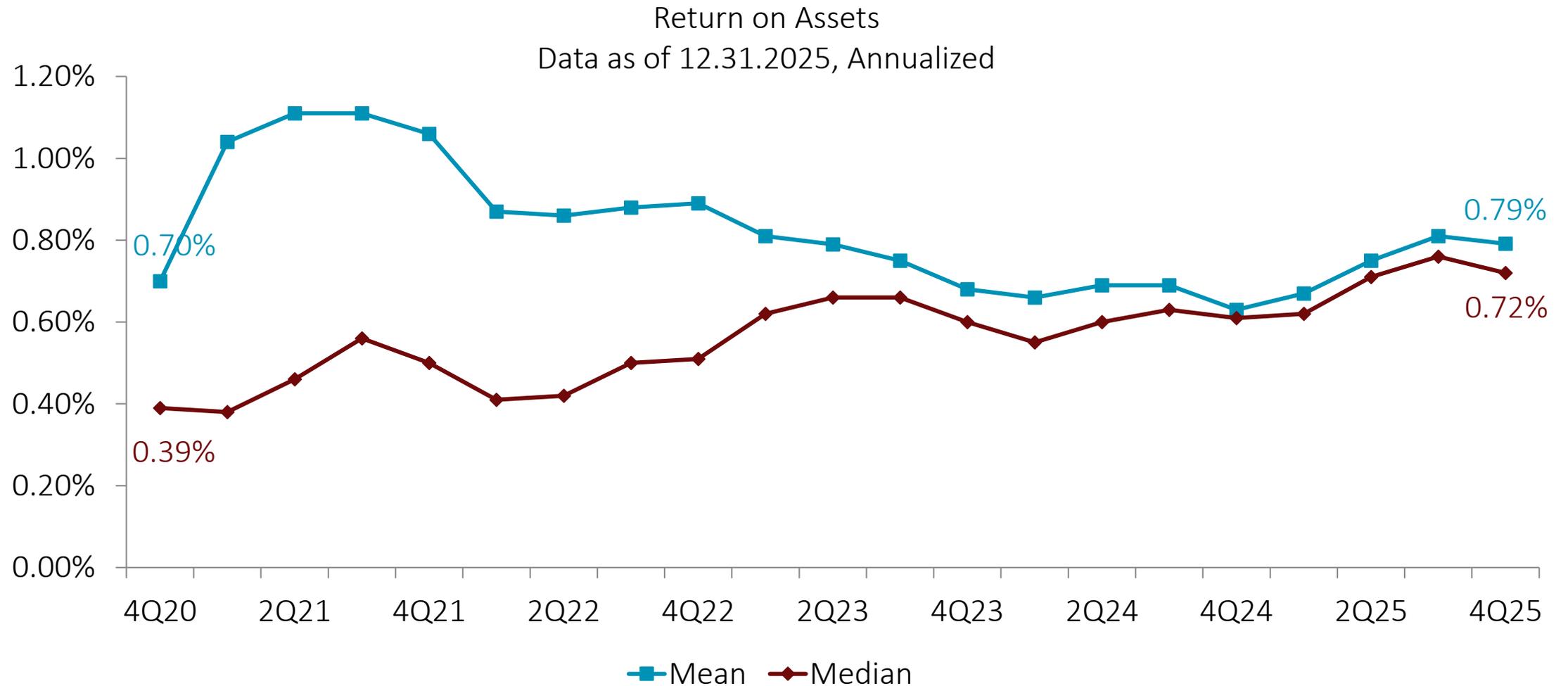


# Member-friendly policies keep fee income on the decline

Fee Income / Average Assets  
Data as of 12.31.2025, Annualized



# ROA rises on higher asset yields

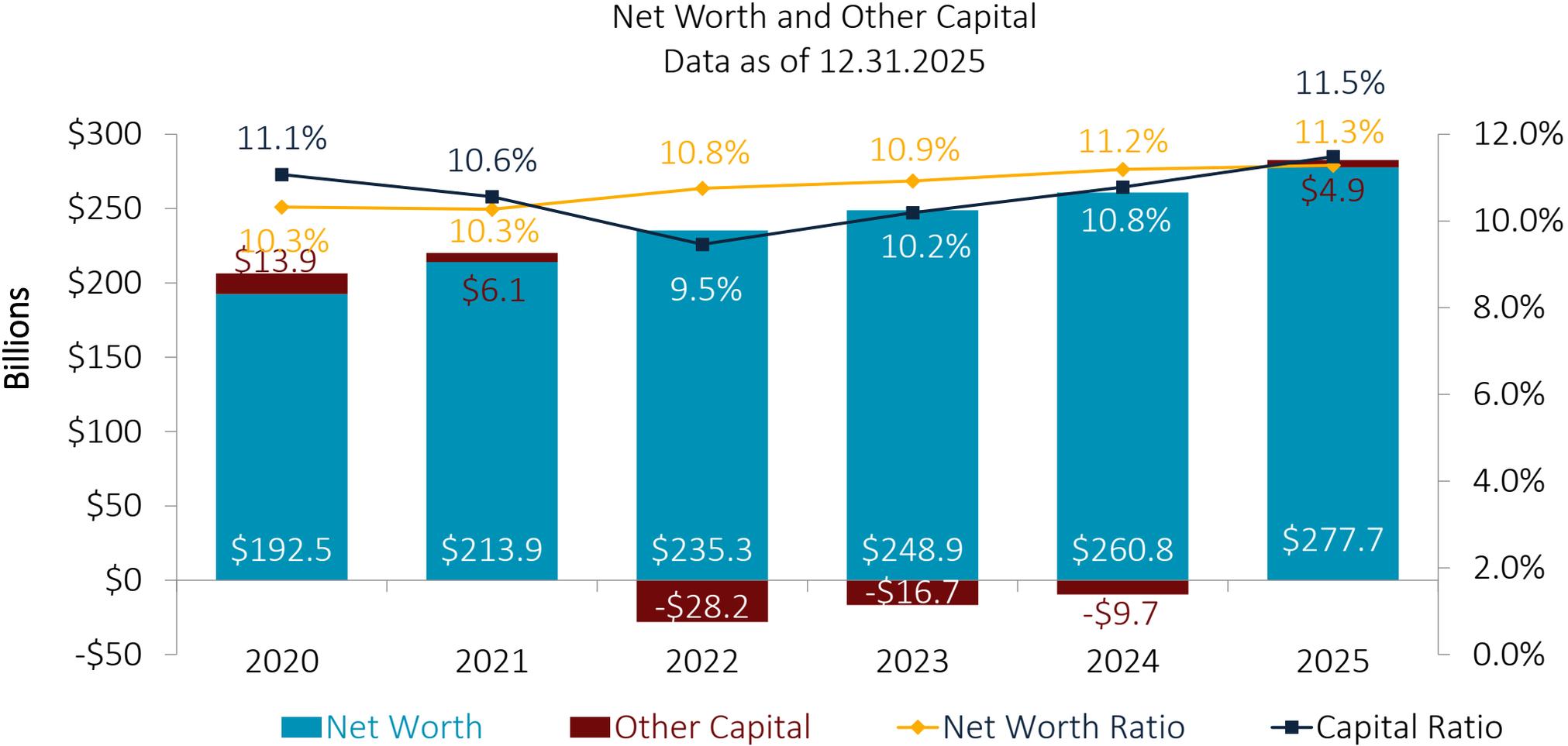


# Wider net interest margin more than offsets rise in operating expenses

	12/31/2025	12/31/2024	ROA Impact
Interest Income	5.22%	5.04%	+0.18%
Interest Expense	1.82%	1.92%	+0.10%
Net Interest Margin	3.40%	3.12%	+0.28%
Non-interest Income	1.13%	1.17%	-0.04%
Operating Expenses	3.13%	3.04%	-0.09%
Provision for Loan Losses	0.60%	0.62%	+0.02%
ROA	0.79%	0.63%	+0.16%

Expressed as a % of Avg. Assets  
 May not sum due to rounding

# Capital and net worth reach five-year highs





# Credit Unions Support Members In Challenging Times

# Credit Unions in Action



## 5 Tucson Credit Unions Join Forces For Affordable Housing

A handful of regional credit unions pair up with the GoWest Foundation to offer 100% financing for eligible borrowers.



## Financial Coaching Transforms Members' Lives At Vantage West

The Arizona-based credit union has revamped its approach to financial education and community partnerships to better serve the needs of its market.

# Credit Unions in Action



## Flex Auto Loan

Congressional's Flex Auto Loan can put you behind the wheel of your dream car today - in an affordable way. Flex Auto Loan offers the benefits of owning plus the affordability of leasing in one flexible alternative.

**JOHNS HOPKINS**  
FEDERAL CREDIT UNION

— *Built by and for the Hopkins community* —

Specialized Products Help Turn A Member's Dream Into A Reality

# Takeaways and Closing Thoughts

- Strong capital, solid earnings, and a growing balance sheet have credit unions well positioned entering 2026
- Despite asset quality concerns, growth across the loan portfolio shows credit unions continue to lend in all environments
- With an uncertain economy, credit unions have the opportunity to lean into consumers seeking peace of mind and a trusted financial partner - and to distinguish our unique role and purpose.

# THANK YOU FOR WATCHING



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