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Record Surge in Credit Union Member Deposits and Borrowing Kicks off 2021

WASHINGTON, DC – The nation’s credit unions continued to adapt to unusual circumstances for the movement and its members during the first quarter of 2021 as the pandemic lingered. A record surge in deposits and borrowing show the trust members and communities have in their credit unions.

Driven by government stimulus and muted economic activity due to the pandemic, members have directed a record \$322 billion in savings to credit unions in the 12 months ending March 31. This translates to credit union members adding over \$880 million every day to their savings over the past year.

More than 60% of members have a credit union checking account as more turn to their credit union as their primary financial institution. As checking account usage rises, fee income at credit unions is declining, highlighting the value credit unions are providing.

Those were among takeaways for the more than 1,200 attendees who dialed in for Callahan & Associates’ quarterly Trendwatch webinar on Wednesday, May 12.

Callahan analysts parsed 1Q21 data from the industry’s 5300 Call Reports to spot trends and key changes, including:

- Credit union members are taking advantage of historically low rates for purchases and to refinance homes, cars, and credit card balances as the amount of loans originated surged over 30% from the first quarter of 2020, topping \$181 billion in the first three months of 2021.
- 14.5 million consumers and small businesses received a loan from a credit union in the first quarter of 2021 – one million more than in the first quarter of 2020.
- The average credit union member relationship, comprising savings and loan balances, reached a record high of \$21,859
- Credit unions remained financially strong, with earnings reaching levels not seen in nearly 20 years. Although return on assets reached 1.03%, the surge in member deposits resulted in the industry’s net worth ratio falling to 10.0% but continuing to reflect its financial strength.

“Members adding so much to their core deposit accounts creates valuable additional liquidity for the movement and is a healthy indicator of financial wellness for those members themselves,” said Trendwatch presenter Jay Johnson, Callahan’s chief collaboration officer. “Credit unions are well positioned to support members as they navigate 2021, with strong balance sheets that have ample capacity to meet their borrowing needs and deliver cooperative value.”

The webinar also included a presentation from Josh Garrison, VP, Consumer Lending & Card and Kipp Riesland, Sr. Program Manager, Financial Wellbeing of [Patelco Credit Union](#) (\$8.7B, Dublin, CA) about the credit union’s ScoreUp Credit Builder program.

A recording of the May 12 Trendwatch can be viewed [here](#). Click [here](#) for more takeaways from a Callahan analyst.

To learn more about data trends, contact Callahan at support@callahan.com or visit [CreditUnions.com](https://www.creditunions.com) for commentary and industry insights.

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