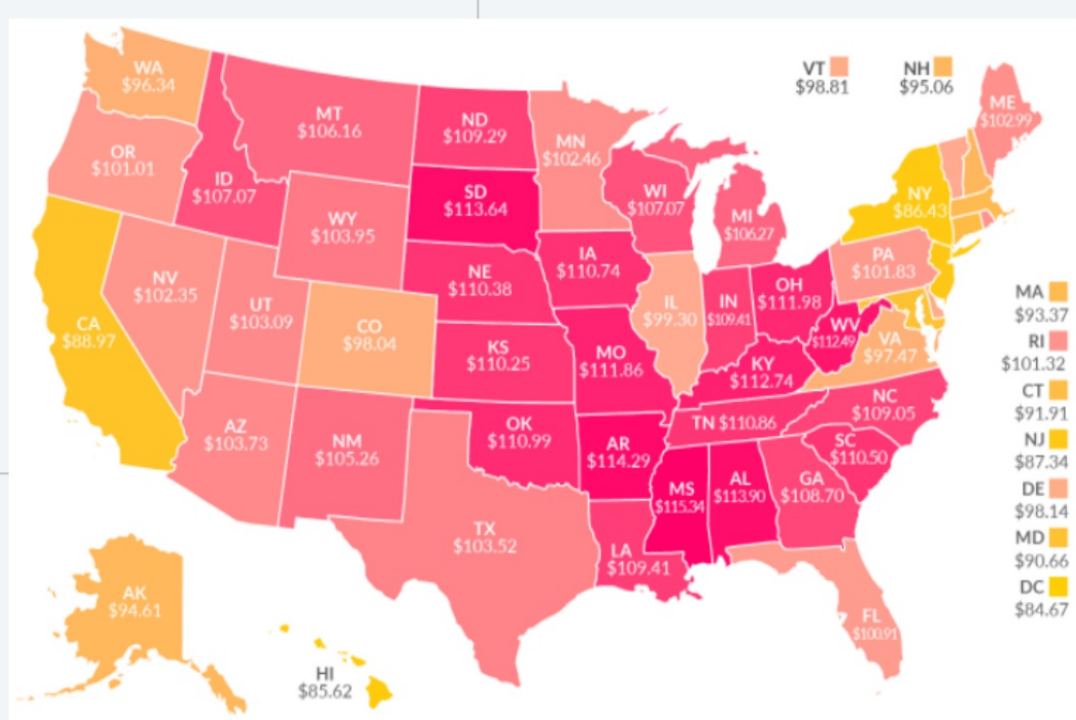
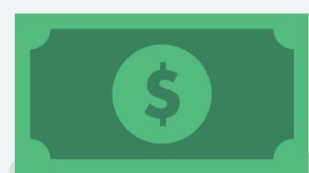


HOW DOES LOCATION AFFECT EXPENSES?

Contextualizing costs based on location can make a big difference when analyzing the bottom line.

THE RELATIVE VALUE OF \$100



The value of \$100 varies from state to state, as illustrated by this map, and purchasing power affects the credit union's bottom line.

The relative value of \$100 ranges from \$84.67 (DC) to \$115.34 (MS).



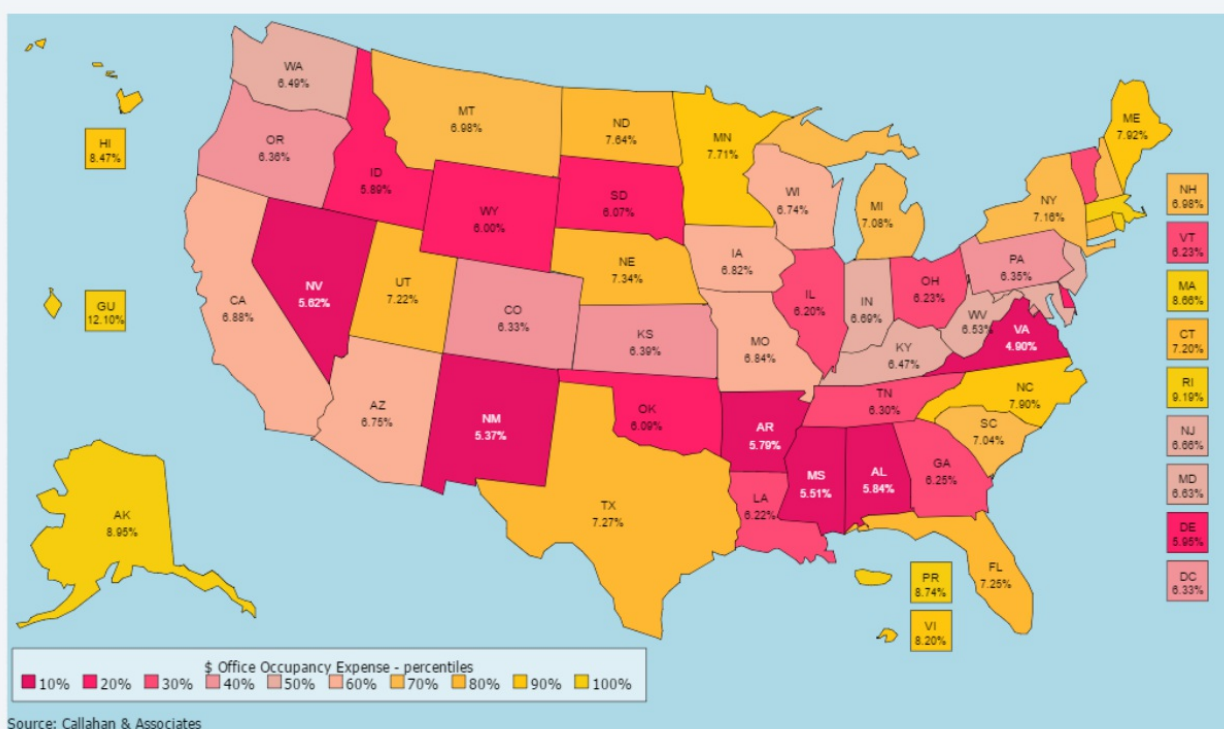
Source: <https://taxfoundation.org/real-value-100-each-state-2016/>



THE EFFECT ON OFFICE COSTS

Office costs as a percentage of total operating expenses tend to be lower in states where a dollar stretches further.

In these states, credit unions get buildings and supplies at a relatively lower cost.



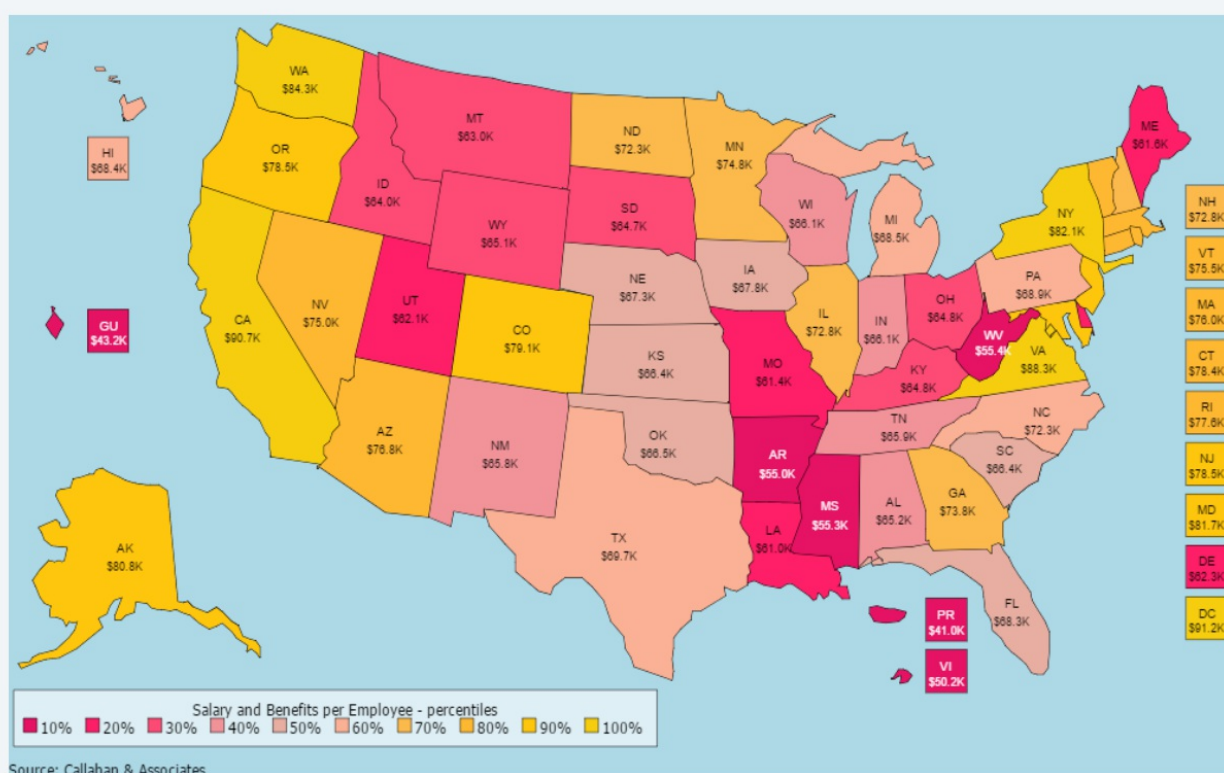
Source: Callahan & Associates

THE EFFECT ON WAGES



Average salary and benefits are higher in states where the relative value of the dollar is lower.

DC has the highest average salary and benefits per employee (\$91,219). Arkansas has the lowest (\$55,007).



Source: Callahan & Associates

Location, location, location.

When comparing a credit union's expenses against national averages, it is important to consider location. Looking at relative cost of living can help justify the price of talent acquisition, or it could raise concerns that the credit union might be overpaying for its market.