



America's
Credit
Unions

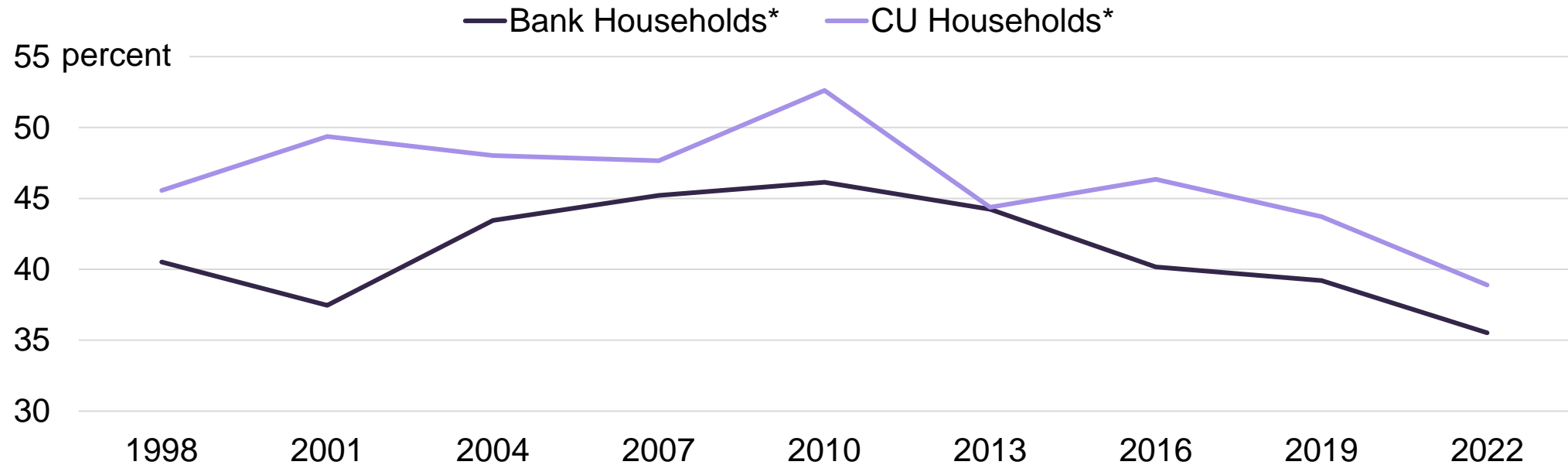
Economic Update – June 2024

Presentation



“Hand-to-Mouth” Households

Share of Households Living Hand-to-Mouth



Hand-to-Mouth (HTM) households are those with net liquid assets of less than 2 weeks of income.

* Bank households are those where a bank is the sole or primary financial institution for the household; CU households are those where a credit union is the sole or primary financial institution.

Sources: Kaplan, Greg and Violante, Giovanni L. and Weidner, Justin, The Wealthy Hand-to-Mouth (April 2014). NBER Working Paper No. w20073, Available at SSRN: <https://ssrn.com/abstract=2430068>; America's Credit Unions calculations using data from Survey of Consumer



Banking Deserts

Institution Type	Total Branches (%)	Closed a Branch that Created a Banking Desert (%)	Opened a Branch in a Banking Desert (%)	Net Rating
Very Large Banks	34.4	45.2	15.5	-29.7
Large Banks	10.9	16.9	3.9	-13.0
Community Banks	33.6	29.9	45.0	+15.1
Credit Unions	21.1	8.0	35.7	+27.7

Notes: Branch data as of mid-2023; banking desert figures reflect changes between December 2019 and mid-2023. Very large banks: \$50B+; Large Banks: \$10B-\$50B; Community Banks: <\$10B. Net rating is the share of opened branches in former banking deserts minus the share of closed branches creating a banking desert.

Source: "U.S. Bank Branch Closures and Banking Deserts," Federal Reserve Bank of Philadelphia (Feb. 2024)



Fee Income: Cumulative Impact

Projected Change in Non-Interest Income Resulting from Cumulative Impact of Regulatory Proposals



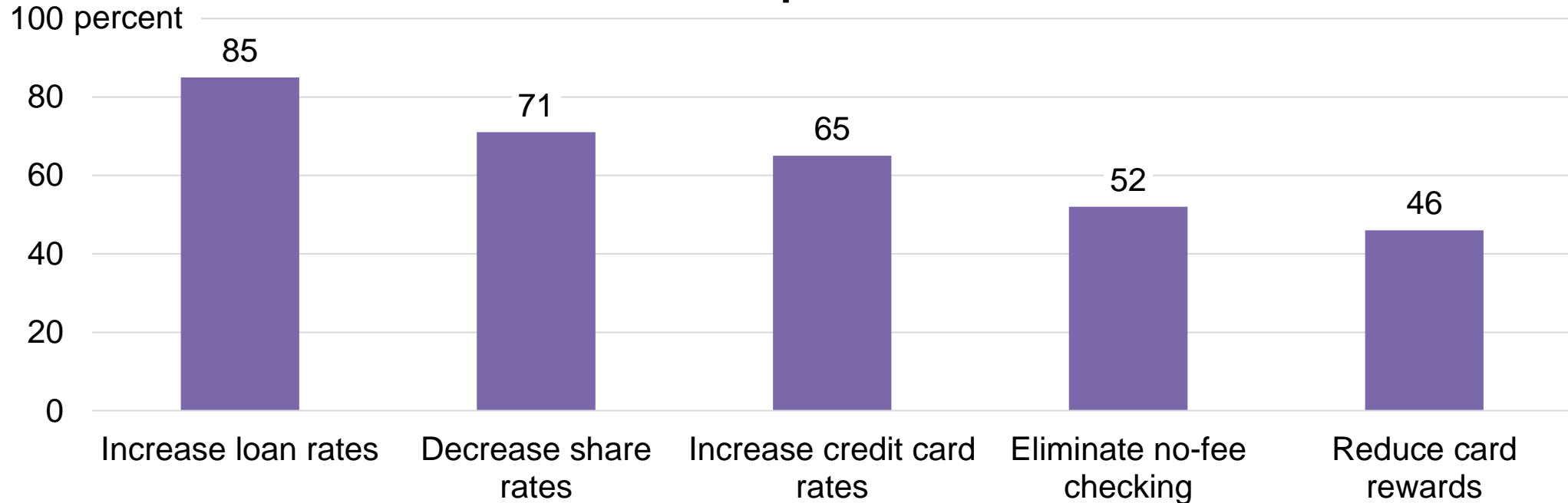
Question: "Assuming the CFPB's proposals targeting so-called "junk fees" (e.g., credit card late fees, nonsufficient funds fees, overdraft) and the Federal Reserve's separate proposal to lower the debit interchange rate cap are all finalized, and considering the effect of current regulatory guidance addressing the potential for "surprise fees" to trigger enforcement actions, what is your credit union's forecast for future non-interest income in the face of cumulative regulatory change absent any changes taken by your credit union in response?"

Source: America's Credit Unions Monthly Advocacy Survey (April 2024)



Fee Income: Cumulative Impact

Actions Taken in Response to Cumulative Impact of Regulatory Proposals*



* Question: In response to cumulative regulatory actions targeting fees and interchange, what actions would your credit union most likely take to mitigate a material decline in non-interest income?

Source: America's Credit Unions Monthly Advocacy Survey (April 2024)



Monthly Advocacy Survey

www.nafcu.org/participate