Credit Union Trends Report

Executive Summary June 2025

TruStage's Chief Economist, Steven Rick, shares trends of lending volume and credit quality. Additional highlights this month include:

Economy

- Credit union yield on asset ratios rose to 5.06% in the first quarter of 2025, the highest since 2008 (see figure below) and above the 4.5% long run average.
- Credit union yield on asset ratios are highly correlated to the 10-year Treasury interest rate.
- This rise in interest earnings as a percent of assets is good news for credit unions since 72% of their total revenues come from interest revenues.
- Expect the yield on asset ratio to approach 5% by the end of the year as the Federal Reserve lowers the Fed Funds interest rate from 4.33% today to 3.83% in December.

Lending

- Credit union loan growth has accelerated in 2025 compared to 2024.
- During the first quarter of 2025, loan balances rose 0.6%, above the 30-year average growth rate of 0.4%.
- We expect new vehicle sales for all of 2025 to be 15.9 million, only slightly better than the 15.8 million recorded in 2024 and below the 17 million considered to be a healthy new-auto market.
- Expect credit union loan balances to rise only 5% in 2025, and 6% in 2026 which will be below the long run average rate of 7.2%.

Members/Assets

- Credit union savings balances rose 2% in the first quarter, less than the 2.8% set in 2024 and below the 4% long run average.
- Up to 59% of full year deposit growth takes place in the first 3 months of the year due to tax refunds and bonus checks being deposited in checking and savings accounts.
- Expect savings balances growth to slowly rise this year to 6.5% full year growth as consumers return to a more normal pace of spending and saving following the atypical spending/savings patterns experienced during the COVID-19 pandemic and its aftermath.

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Source: June 2025, CUNA Economics & Statistics and TruStage Economics. This report on key CU indicators is based on data from TruStage E&S's Monthly Credit Union Estimates, the Federal Reserve Board, and TruStage – Economics