Credit Union Trends Report

Executive Summary September 2025

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

Economy

- We expect real GDP to expand 1.5% in 2026, below the 1.8% pace for 2025 and lower than the 2% long run trend growth rate.
- Inflation is expected to be 3% in 2026, only falling slightly from the 3.1% pace this year.
- The unemployment rate is expected to rise to 4.5% by the end of 2025 and remain there for all of 2026.
- We expect the Federal Reserve to lower the Federal Funds interest rate 50 basis points in the 4th quarter of 2025 and another 50 basis points during 2026.

Lending

- Credit union loan balances are forecasted to rise only 4.5% in 2025, below the long run average of 7% per annum.
- Going forward, expect consumer credit growth to accelerate into 2026 as consumer demand picks up, lower interest rates make debt more attractive and credit union liquidity pressures subside.
- Higher than normal auto loan rates will ensure that new-vehicle sales remain below the 17 million pace through 2026.
- We expect both purchase and refinance mortgage activity to accelerate during the next 6 months.
- We are forecasting slightly better credit union loan growth for 2026 (around 5%) as lower interest rates encourages members to borrow and spend and credit unions experiencing slower amortization of past debt.

Members/Assets

- We expect credit union savings balances to rise 5% in 2025 and then accelerate to 6% in 2026 as the Federal Reserve continues to lower short term interest rates.
- Credit union savings balances rose 3.3% in the first 6 months of 2025, above the 2.7% increase in balances reported in the first half of 2024, as lower money market interest rates reduce the competitiveness of money market mutual funds.
- We expect this slow membership growth pace to continue as many of indirect auto loans made during the boom year of 2022 get paid off and credit unions remove these inactive accounts from their membership rolls.
- Credit unions should expect membership growth of around 2.0% in 2025, and a slightly better 2.2% membership growth is forecasted for 2026 as loan growth picks up.

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Source: September 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