



The State of Small CUs Today

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On behalf of the **CUNA Small Credit Union Committee**

The State of Small Credit Unions Today

The 20-year update from CUNA Small Credit Union Committee on the current challenges and opportunities facing small credit unions and why their success remains tied to the success of the movement.

State of small CUs: At a glance

Attributes of credit unions under \$100 million vs. credit unions above \$100 million

	Small credit unions	Credit unions above \$100 million
Number of credit unions	~3,500	~1,700
Assets	\$18 million	\$315 million
Members	2,000	25,000
Full-time employees	7	170
Percent of female CEOs	53%	23%

State of small CUs: The good news



A full quarter of small credit unions reported 2019 loan growth that was at least 50% higher than the rate reported by the average large credit union.



In 2019, more than a quarter of all small credit unions saw their membership grow at least **two times faster** than the rate of U.S. population growth.



In 2019, the average small credit union reported an operating expense ratio of 3.58%. The average credit union with \$100 million or more in assets reported an expense ratio of 3.63%.

State of small CUs: Regulatory burden costs

 **\$814 million**

Regulatory burden at small credit unions is growing faster than in other parts of the movement. Between 2016 and 2018, the cost of regulatory compliance for small credit unions climbed **5% to \$814 million**, according to Cornerstone Advisors.

For the rest of the movement, the cost rose by roughly 2%.

 **0.73% vs. 0.47%**

Regulatory costs as a percentage of average assets at small credit unions totaled 73 basis points in 2018, compared to just 47 basis points for the rest of the movement.

In 2018, the return on assets (ROA) for small credit unions came in at 60 basis points. *In other words, regulatory costs were 30% higher than their ROA.*

State of small CUs: Arguments for continued importance

1. They remain vital to their members and communities.
2. They are crucial for preserving the CU tax status, and to CU advocacy overall.
3. Diversity in size and type of institution ensures a stronger and more-robust CU movement.

State of small CUs: Six biggest challenges

- Technology
- Loan growth/income
- Member growth/marketing
- Board leadership/engagement
- Overall costs
- Healthcare costs

State of small CUs: Potential solutions

Potential solutions:

- Small CU buyers groups.
- Vendor management collaboration.
- Technology grant fund.
- Marketing/branding mentorship from larger Cus.

Where to find the white paper:

In the chat!

Questions?

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