



The Informed Banker
Speaker Series



Economic Update

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The content for this presentation was created by Jordan van Rijn.
The views and opinions expressed herein are those of the author, Jordan van Rijn,
and do not necessarily reflect those of Harland Clarke.

Presenters



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Moderator

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Agenda

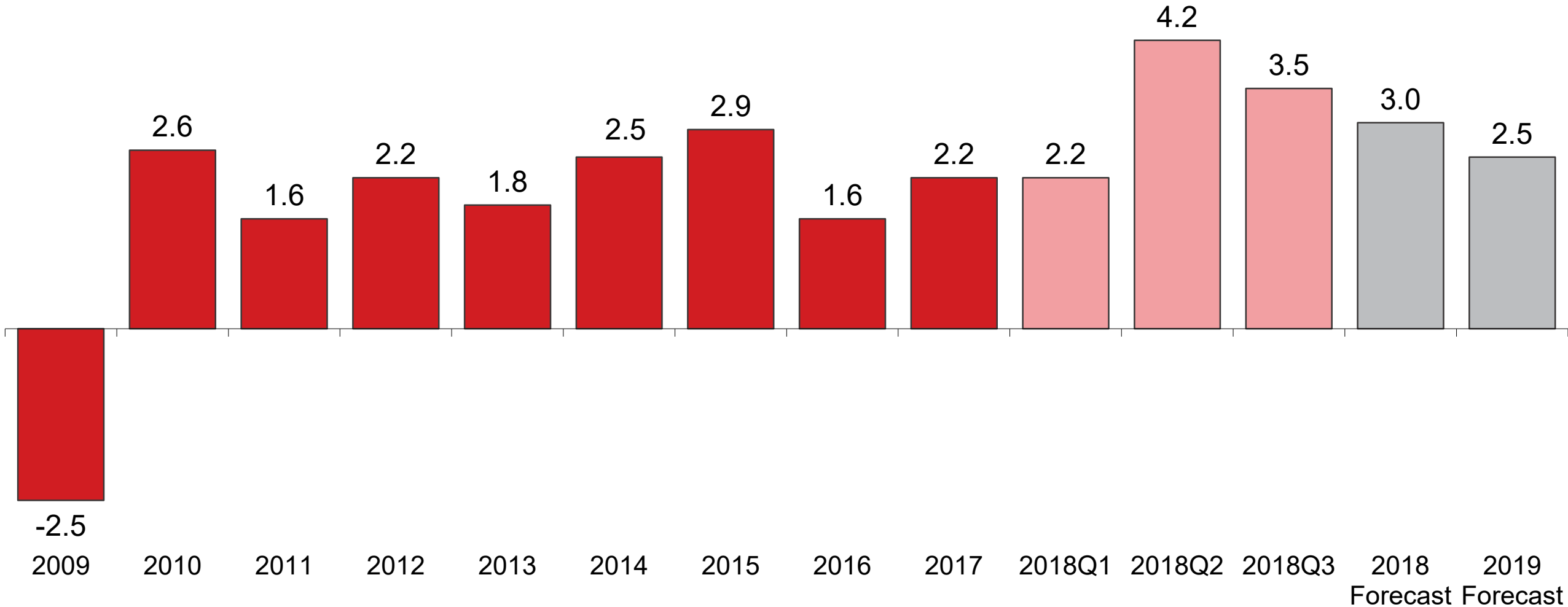
- Outlook for the Economy
- Potential Trade War Ramifications
- Outlook for Credit Unions

Economic Overview

U.S. Economic Growth

Percent Changes in GDP

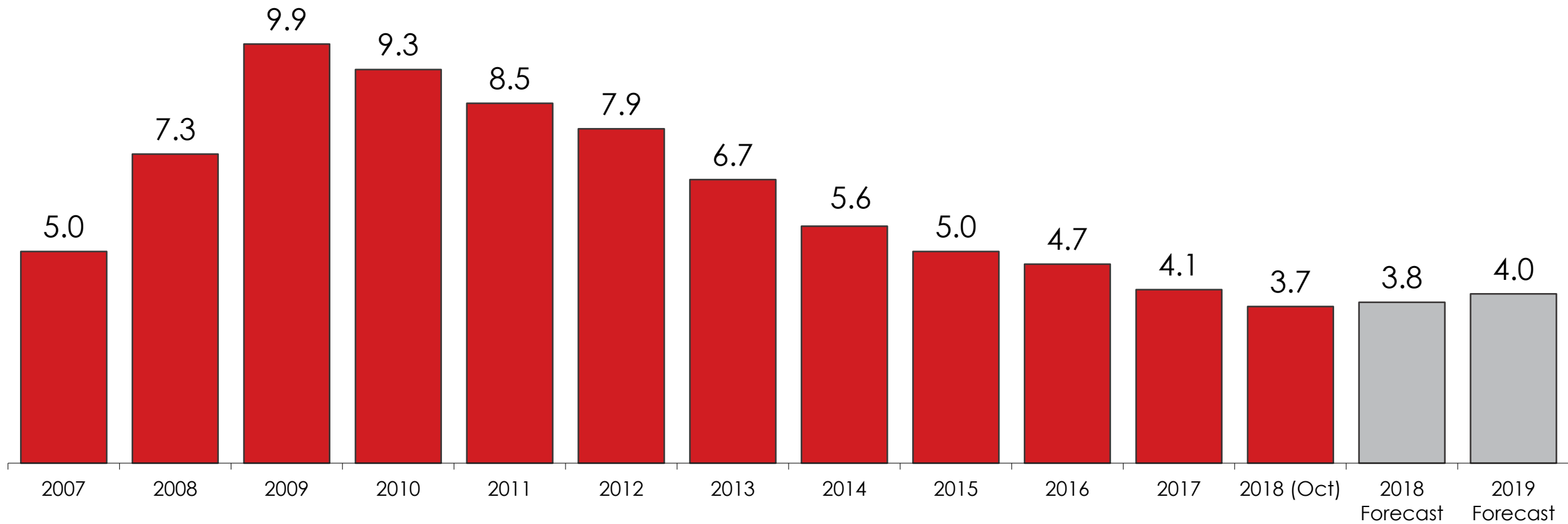
Source: BEA



Unemployment Rate

Percent Changes

Source: BLS



Jobs Openings & Unemployment

Source: Bureau of Labor Statistics





— 30-Year Fixed Rate Mortgage Average in the United States
— Effective Federal Funds Rate



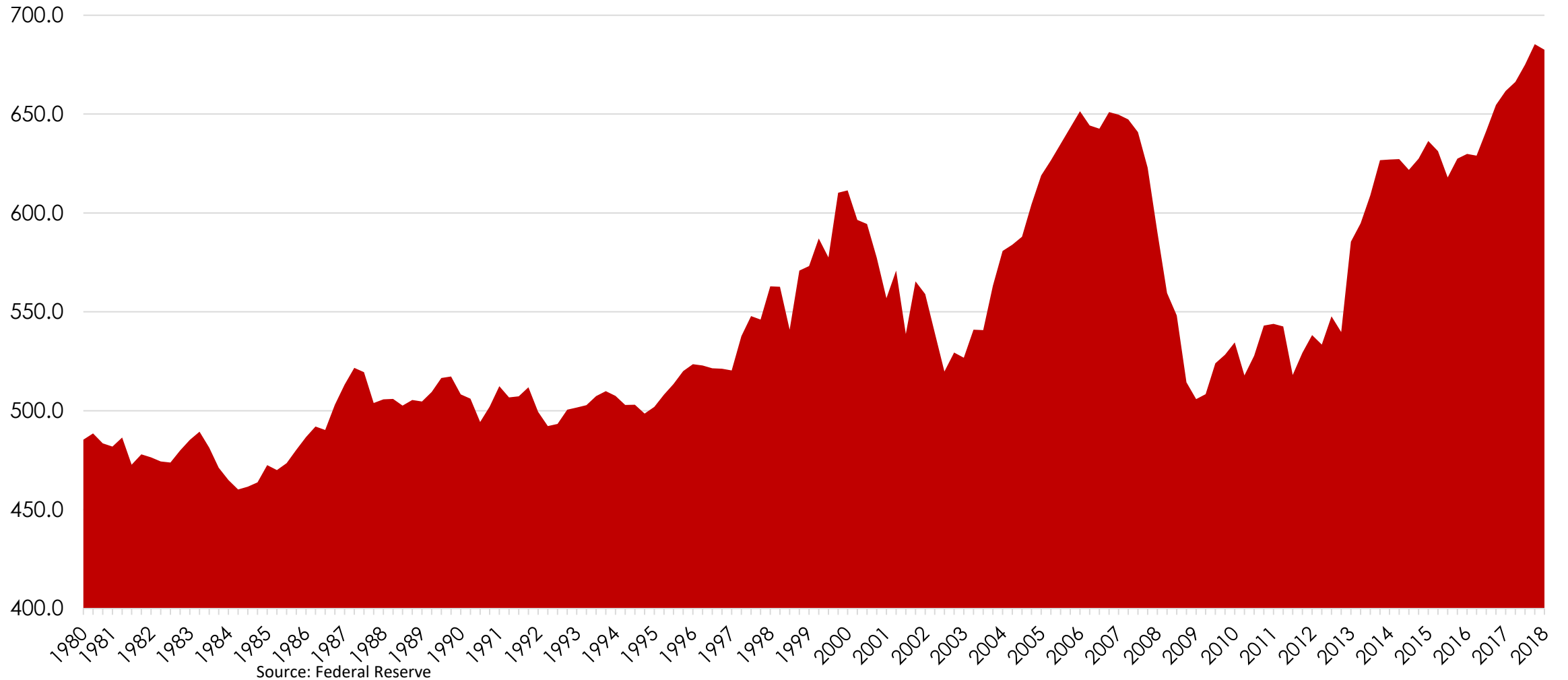
Shaded areas indicate U.S. recessions

Sources: Board of Governors, FHLMC

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Household Net Worth

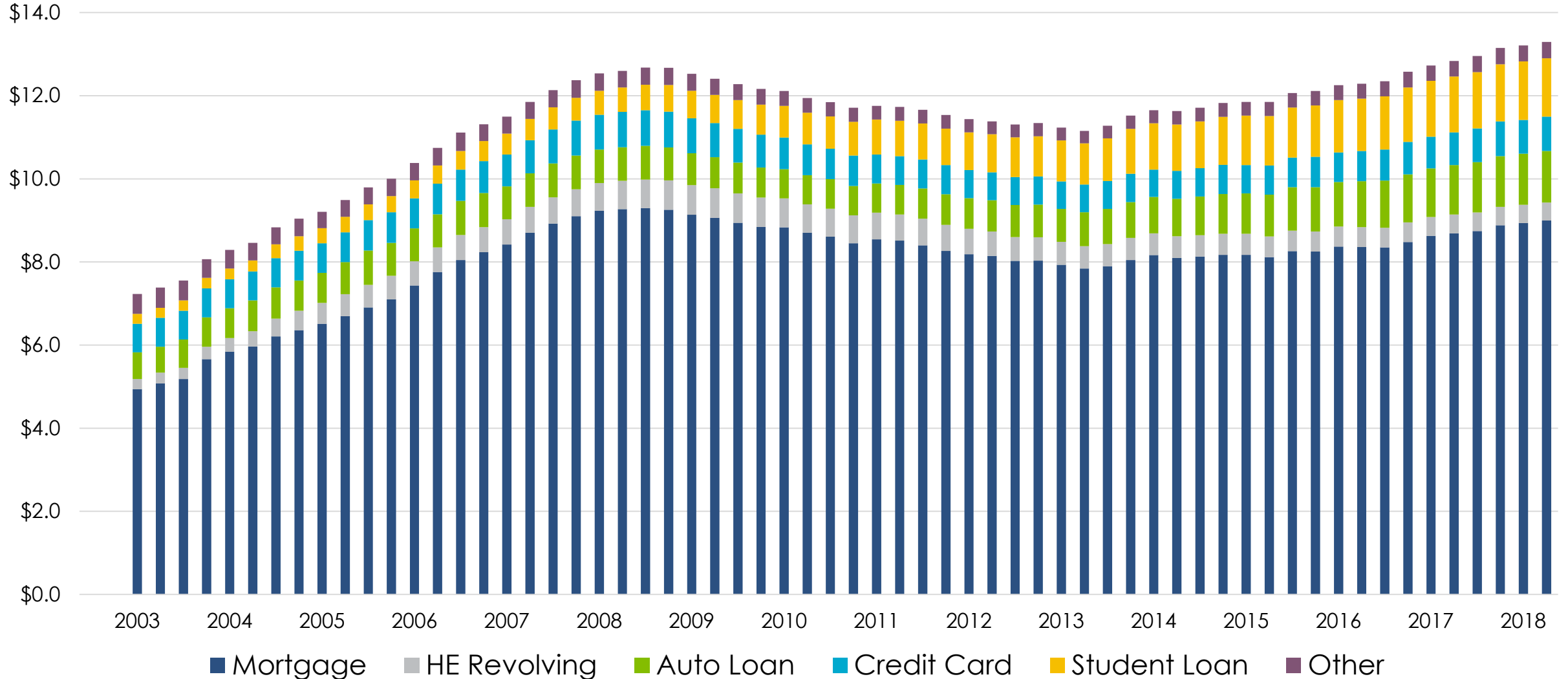
Total net worth as % of disposable personal income



Household Debt

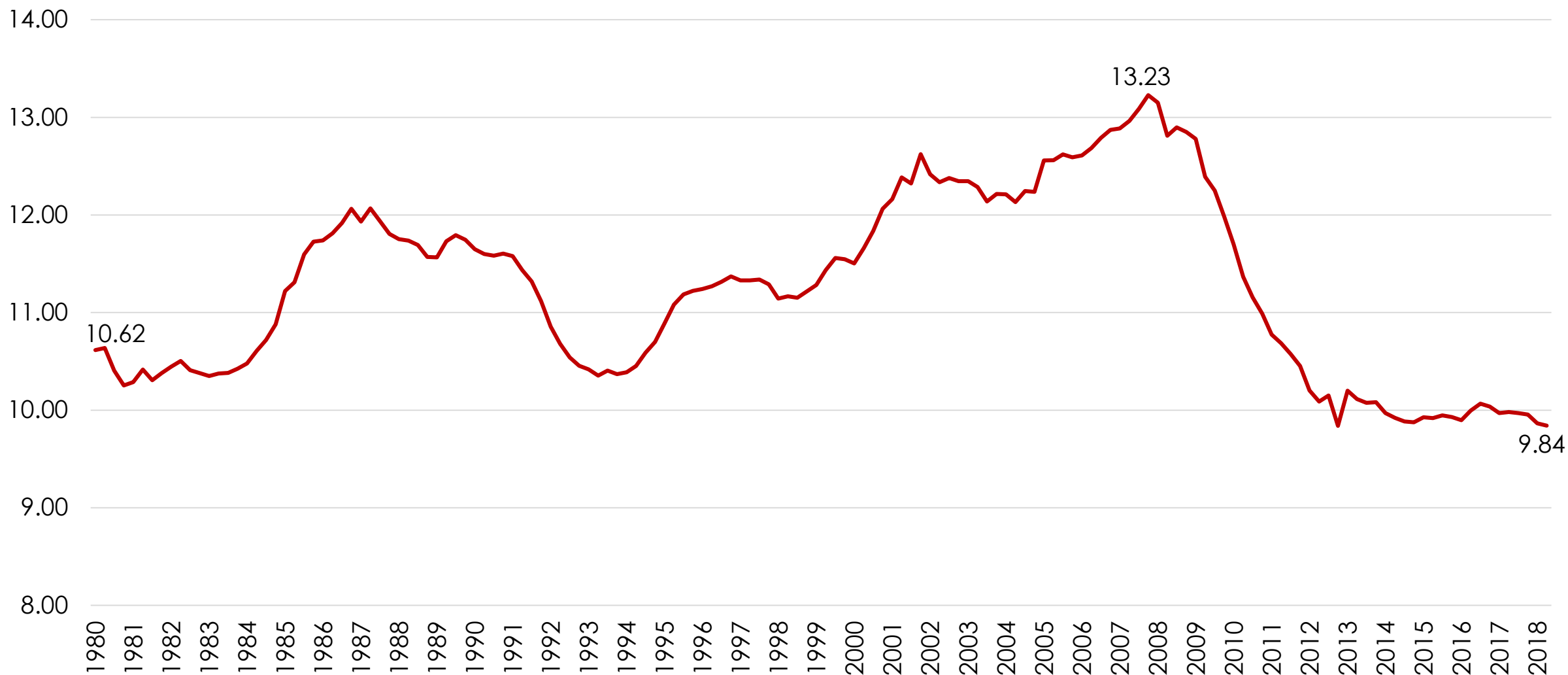
Trillions \$US, 2003 - 2018

Source: Federal Reserve Bank of New York / Equifax



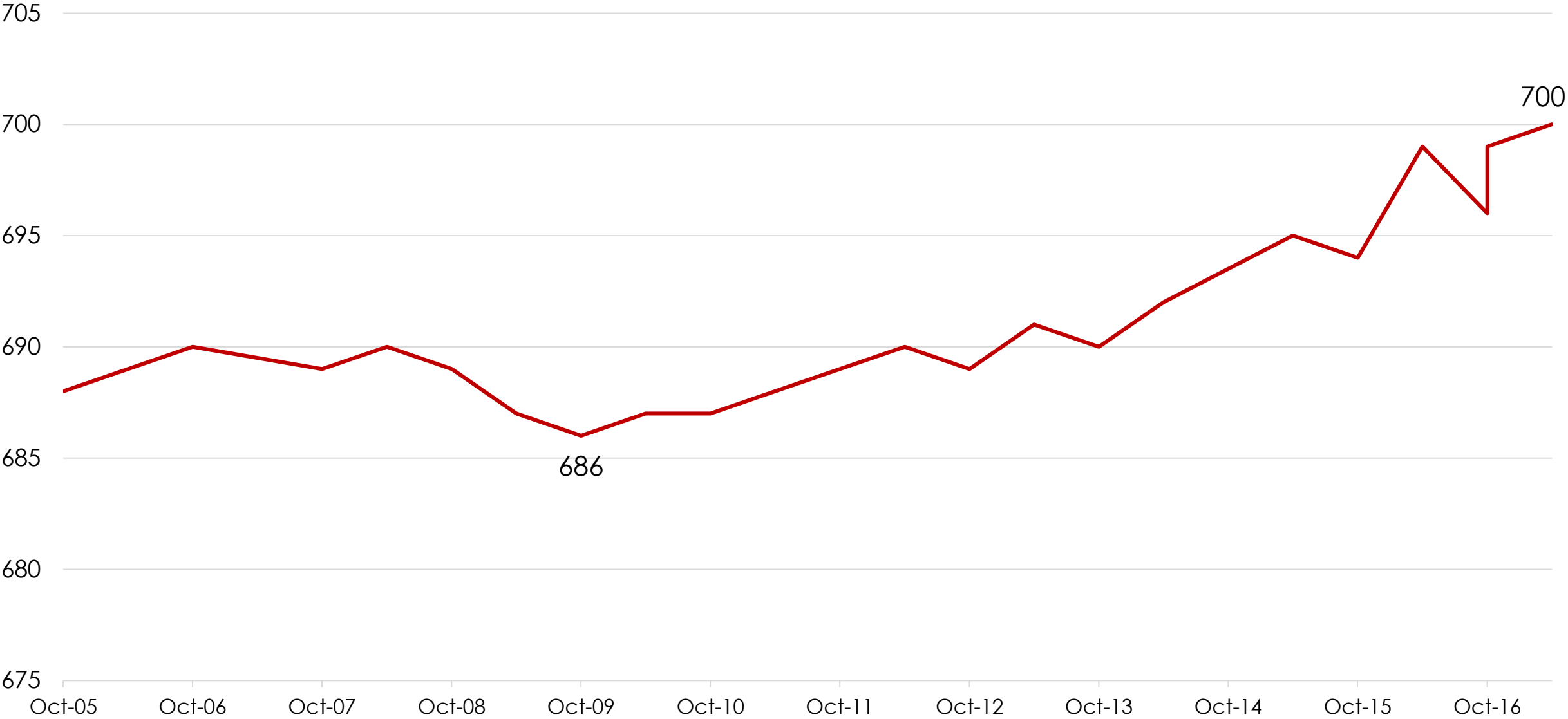
Household Debt Service Payments as a Percent of Disposable Personal Income

Source: Federal Reserve



Average FICO Score

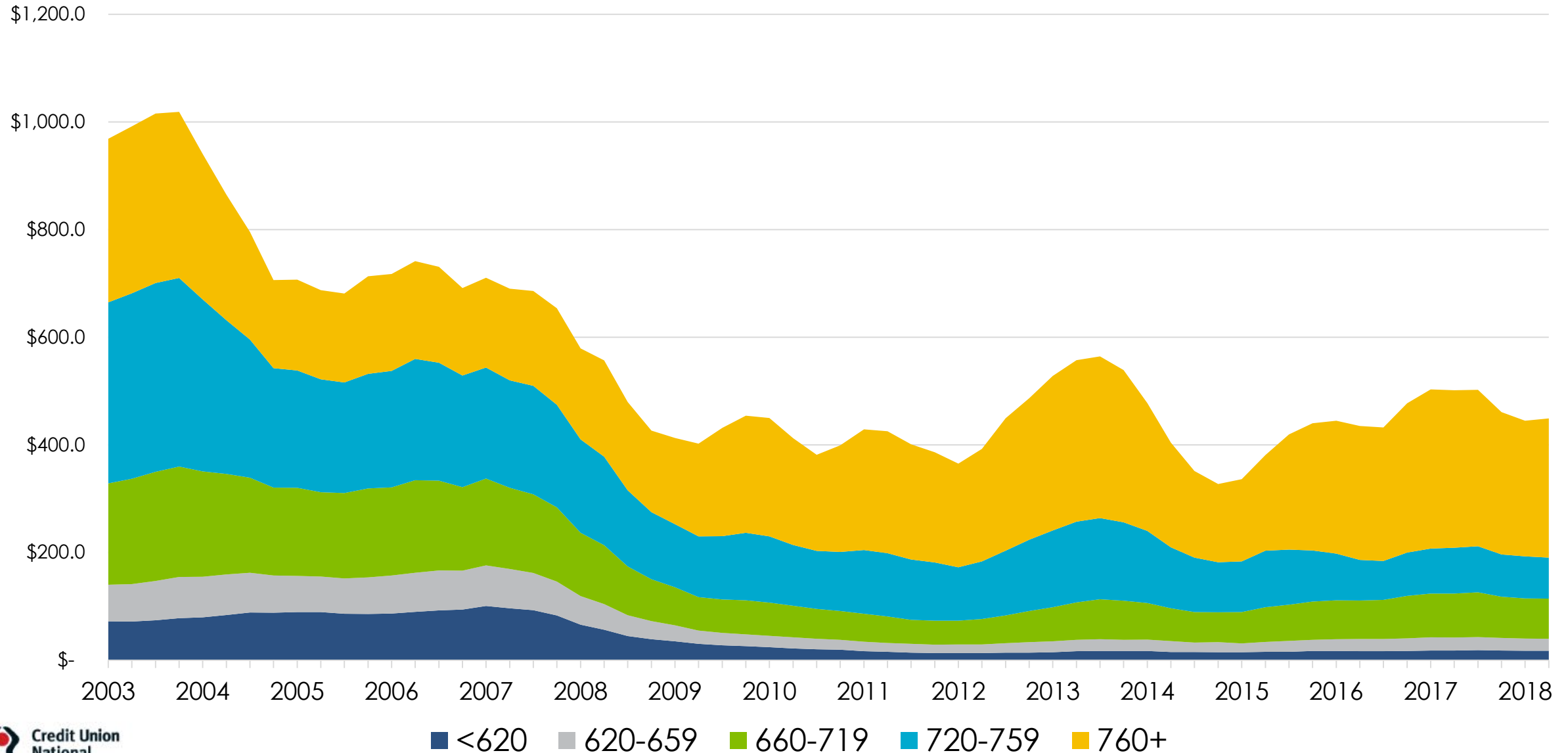
Source: FICO



Mortgage Origination Volume by Credit Score

Billions \$US, 2003 - 2018

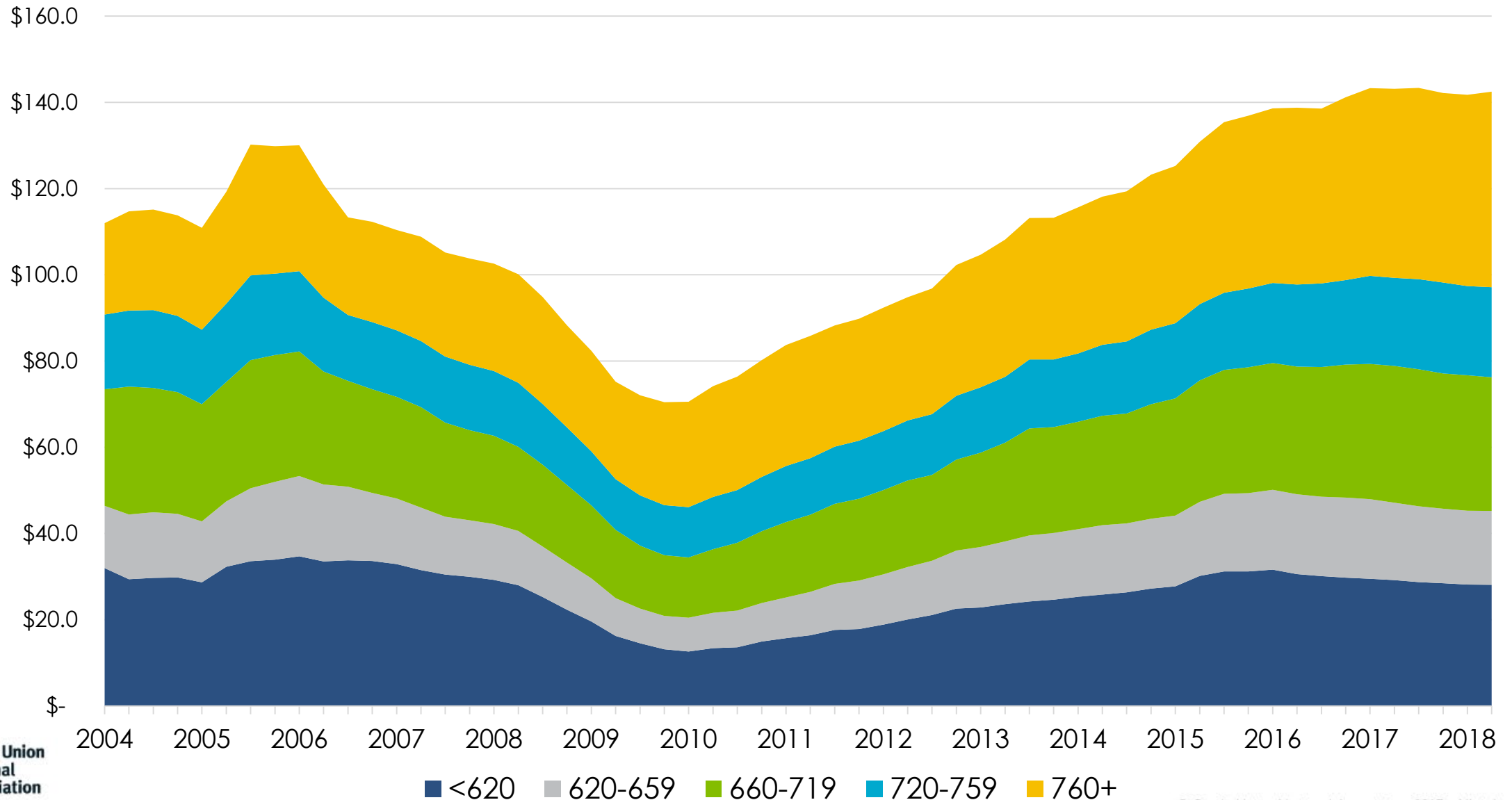
Source: Federal Reserve Bank of New York / Equifax



Auto Loan Origination Volume by Credit Score

Billions \$US, 2003 - 2018

Source: Federal Reserve Bank of New York / Equifax

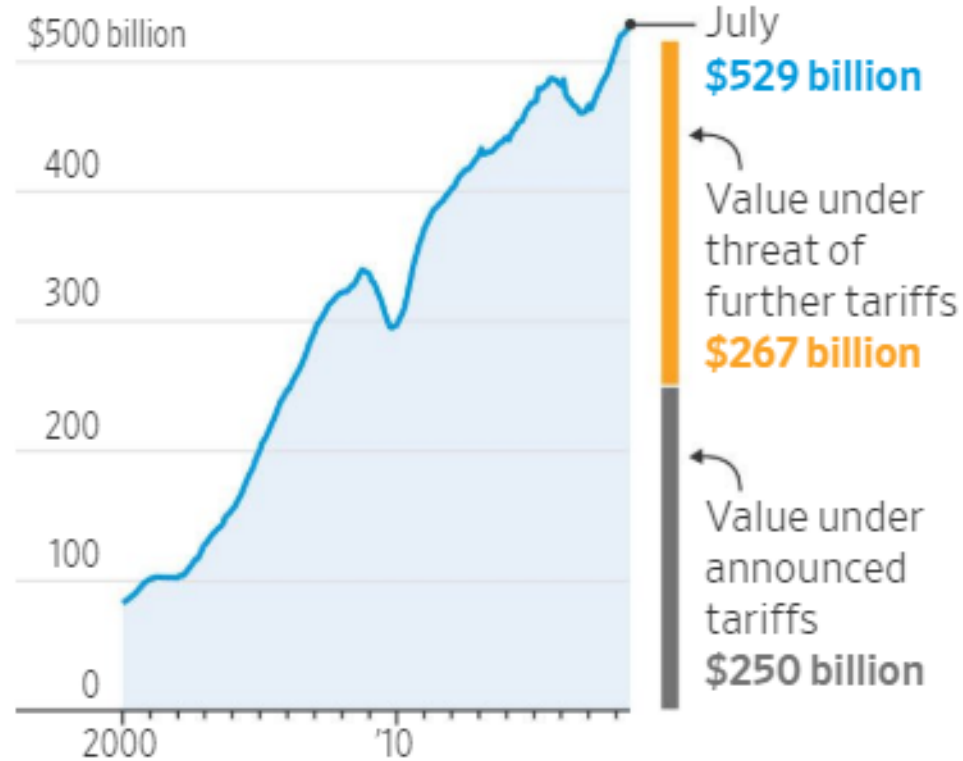


Trade War

Total Tariffs with China

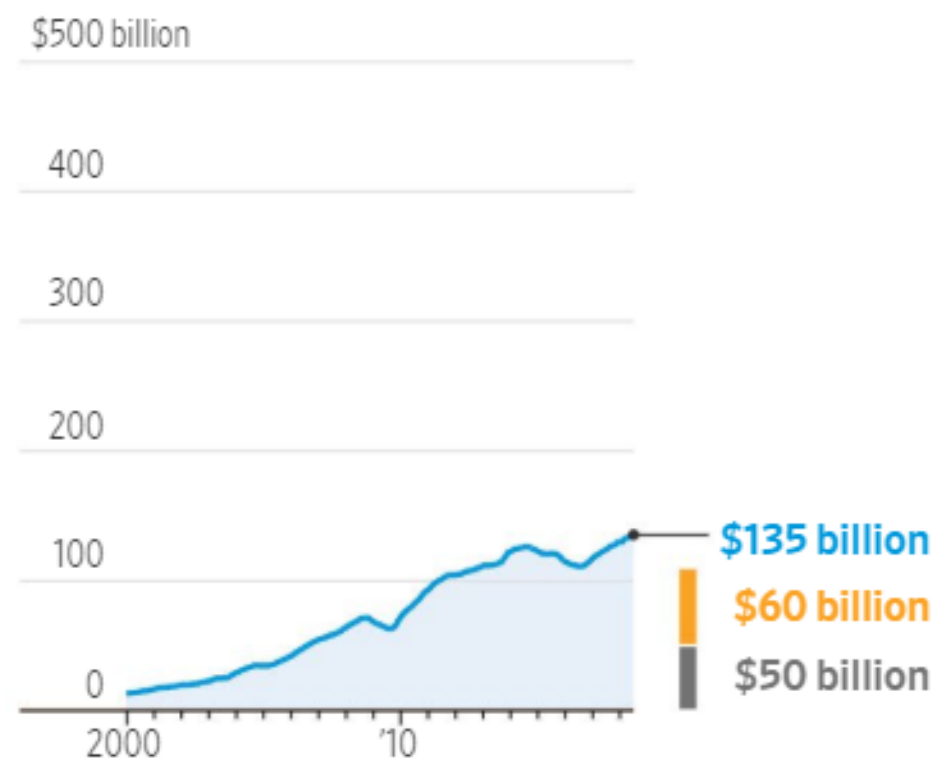
U.S. merchandise imports from China

12-month rolling total



U.S. merchandise exports to China

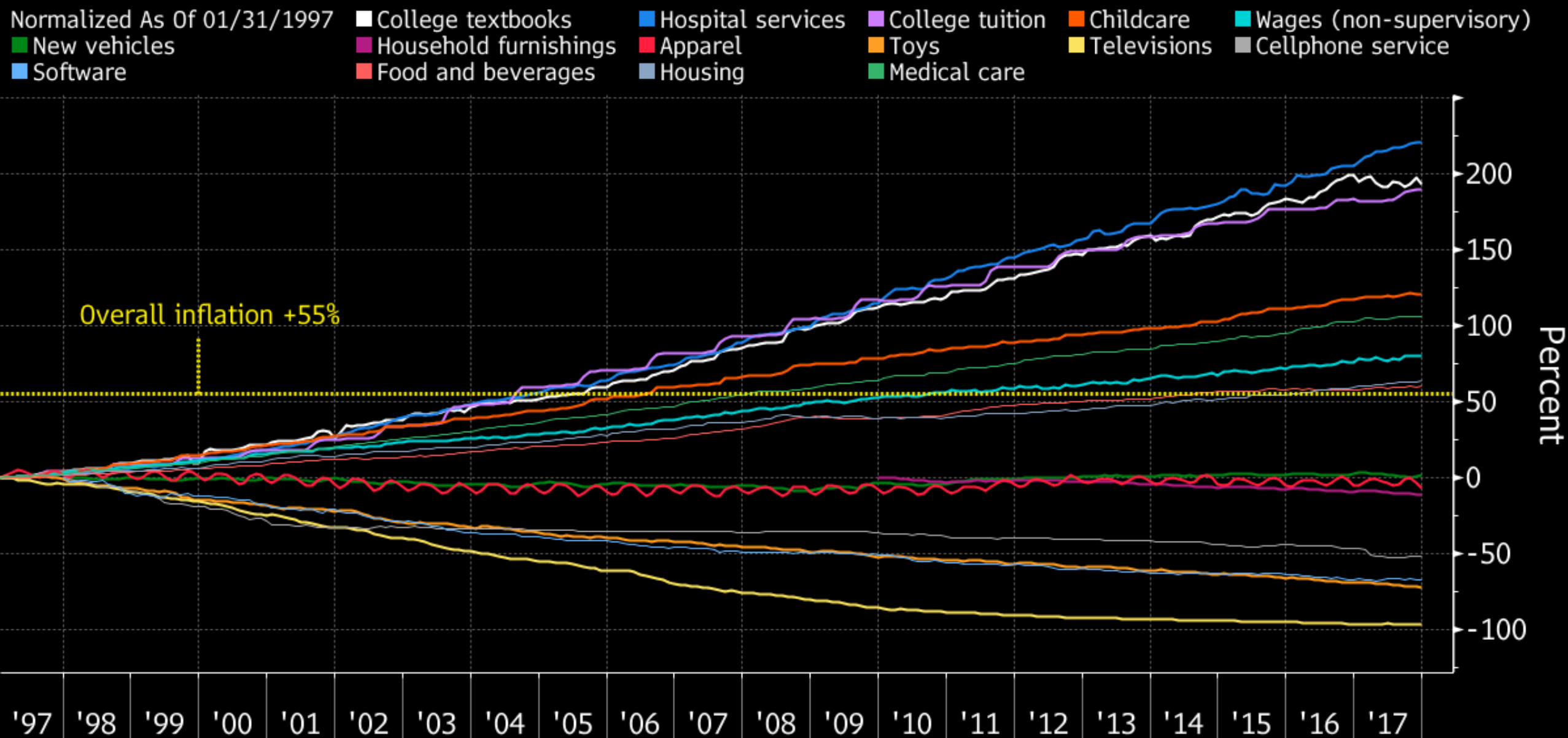
12-month rolling total



Sources: Census Bureau (exports and imports); White House (tariffs)

Painting America's Price Picture

Changes in wages and the costs of select goods and services since 1997



Source: Bureau of Labor Statistics, American Enterprise Institute

Estimated Impact of Tariffs

Table 4. Total Impact of Enacted and Announced Tariffs

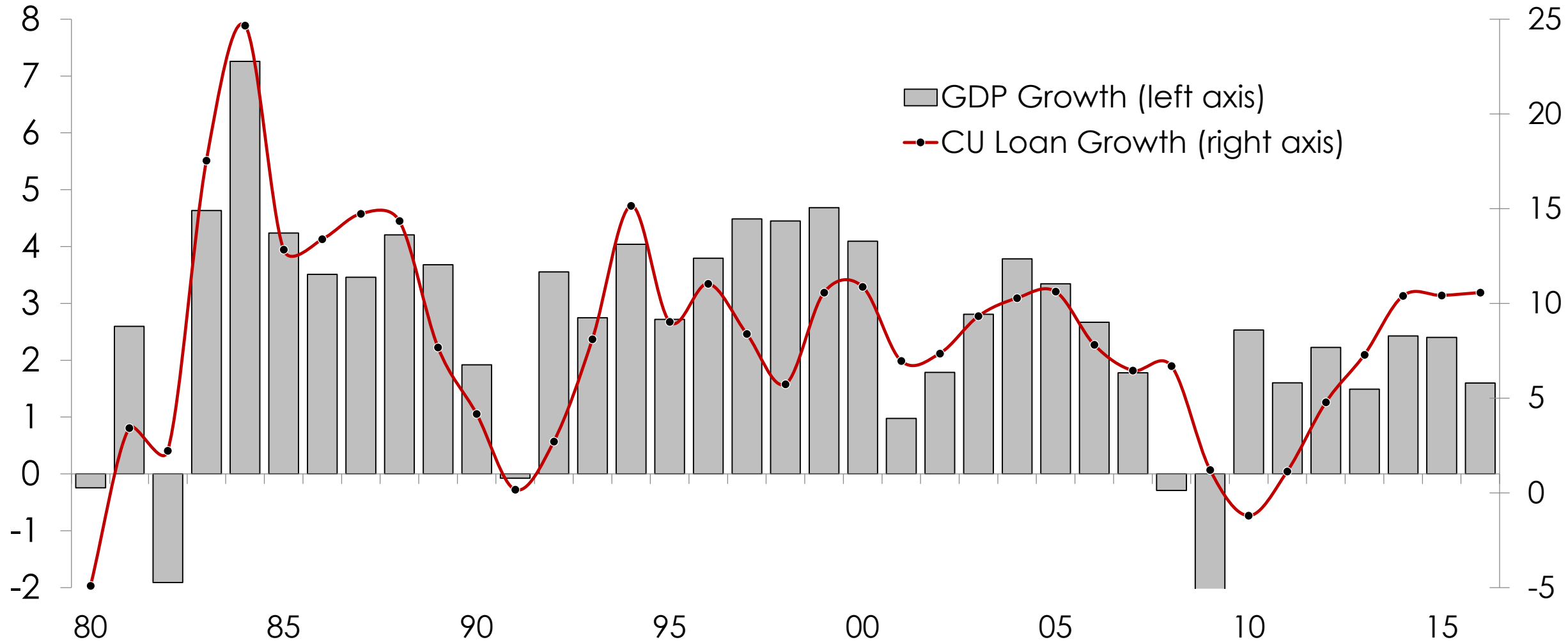
Tariff Revenue (Billions of 2018 Dollars)	\$171.77
Long-run GDP	-0.59%
GDP (Billions of 2018 Dollars)	-\$148.33
Wages	-0.38%
FTE Jobs	-459,816

Source: Tax Foundation

What does this mean for
credit unions?

US Economic Growth & CU Loan Growth (% Change)

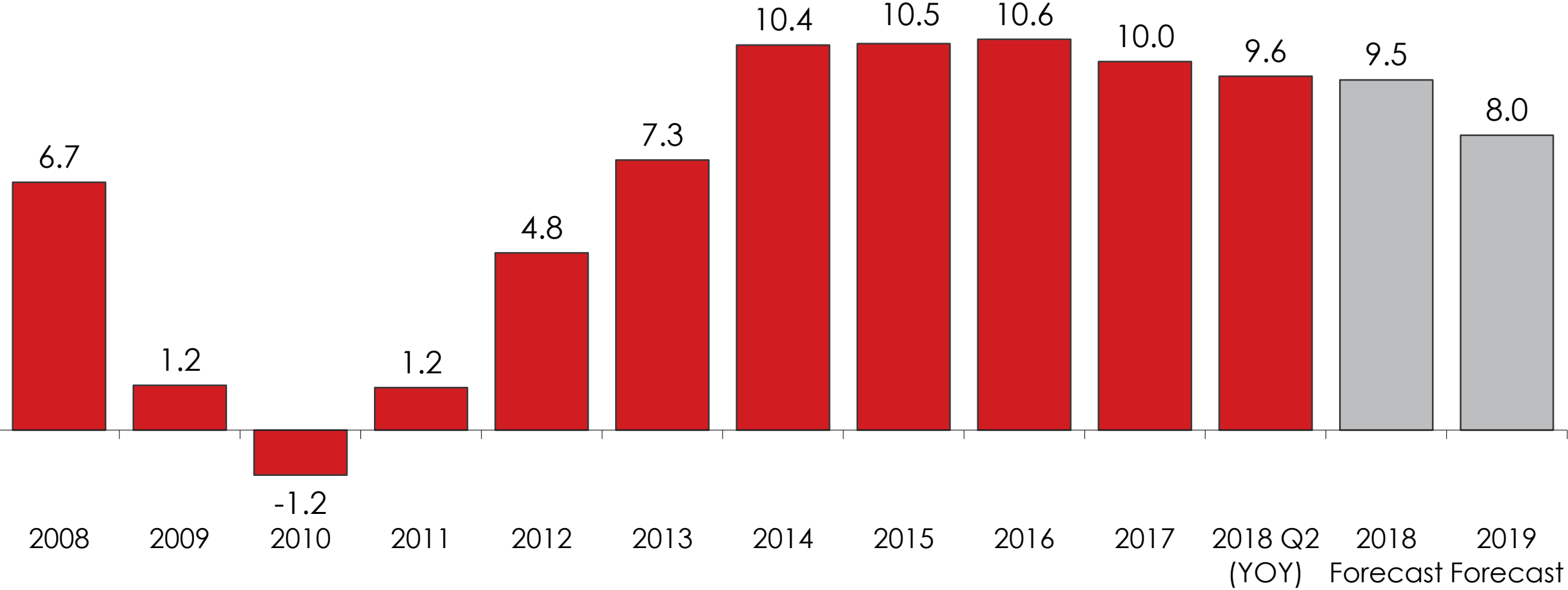
Real GDP – Chainweighted
Source: BEA, NCUA and CUNA



Credit Union Loan Growth

Percent Changes

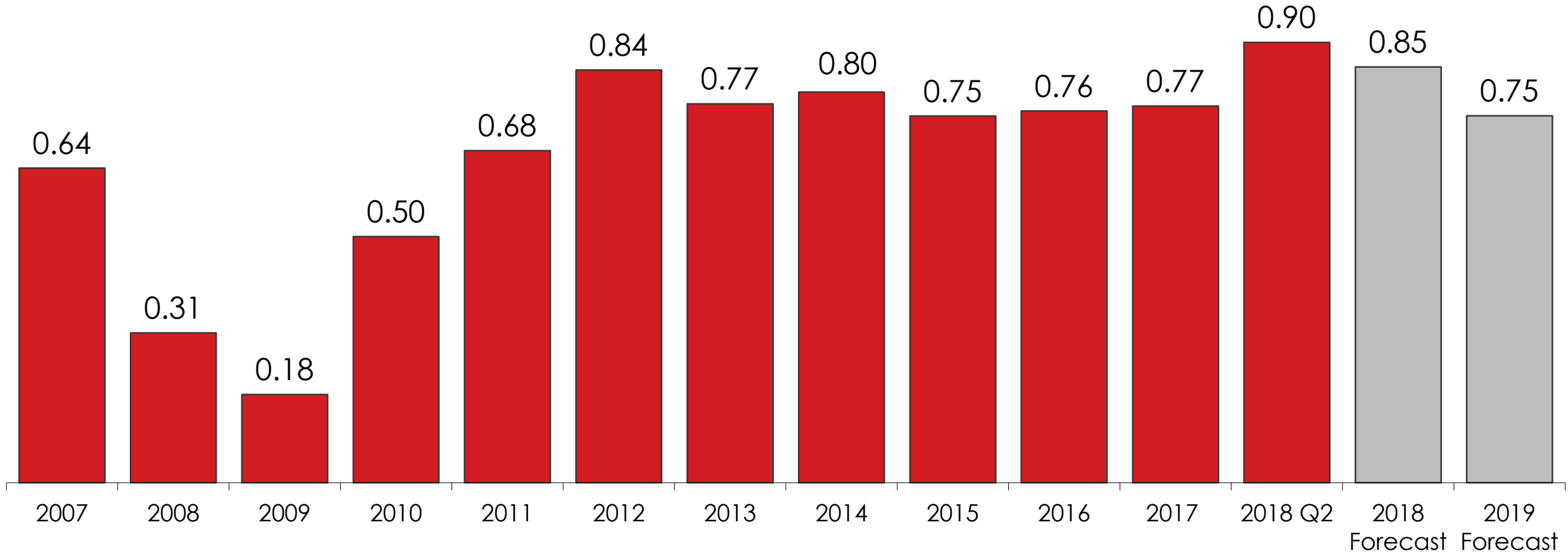
Source: NCUA and CUNA



Credit Union ROA

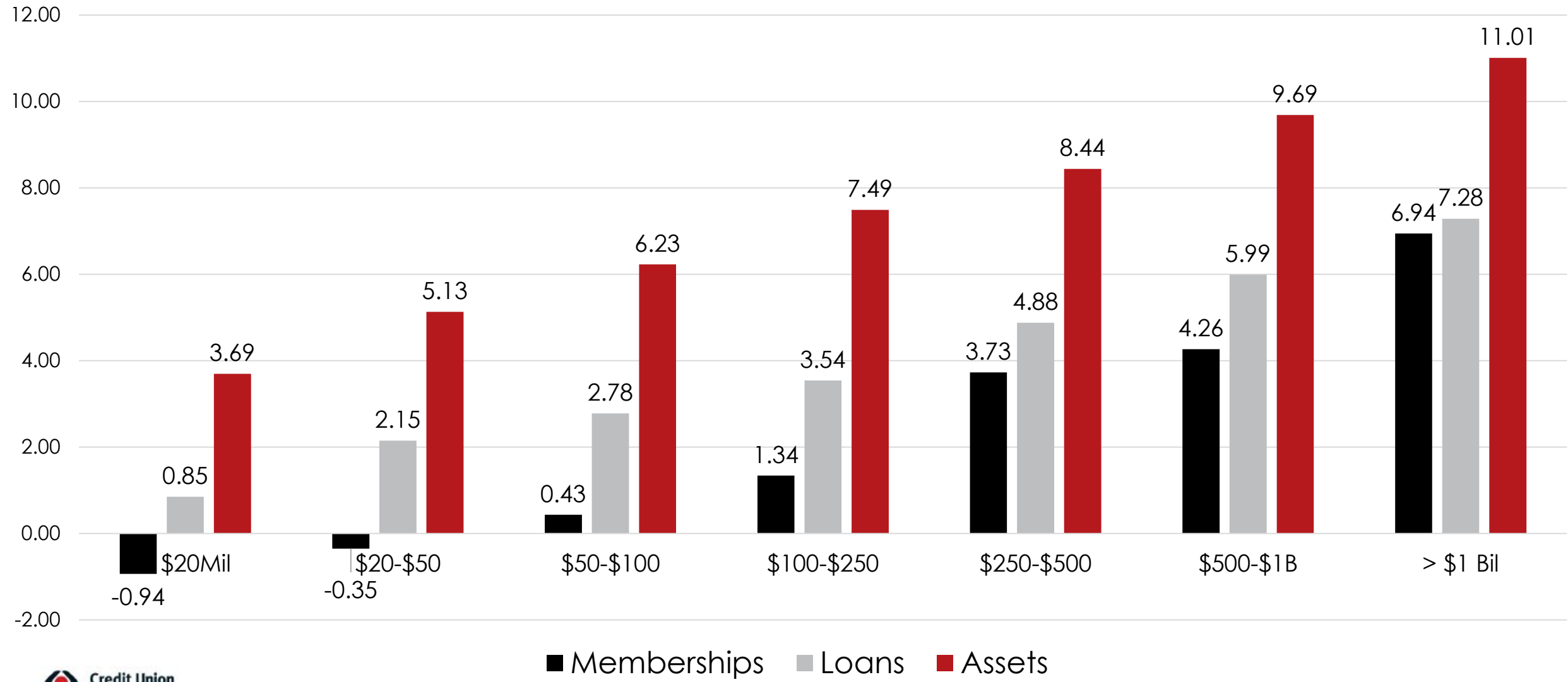
Net Income as a Percent of Average Assets

Source: NCUA and CUNA



Credit Union Growth Rates (2018 Q1)

by Asset Size
Source: NCUA



Concerns

- Rising interest rates
- Trade war
- Driverless cars / Ridesharing
- Fintech competition
- Cybersecurity
- Regulatory changes

Q&A Wrap Up



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***Presentation materials and video replay
will be provided within one week.***

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Thank You