



April 24, 2026

The Credit Union's Together Conference
presents: **Five Important Gauges for a credit
Union**



THE **GARDNER**
AFFECT



5 Gauges

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Focus for Today's Session



Different areas of current credit union environment



Basic Ratio Information



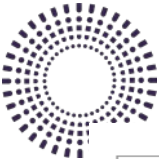
Different ways to analyze numbers

5 Key Gauges (Ratios)

#1 - Inflation

2 Key Factors around Inflation

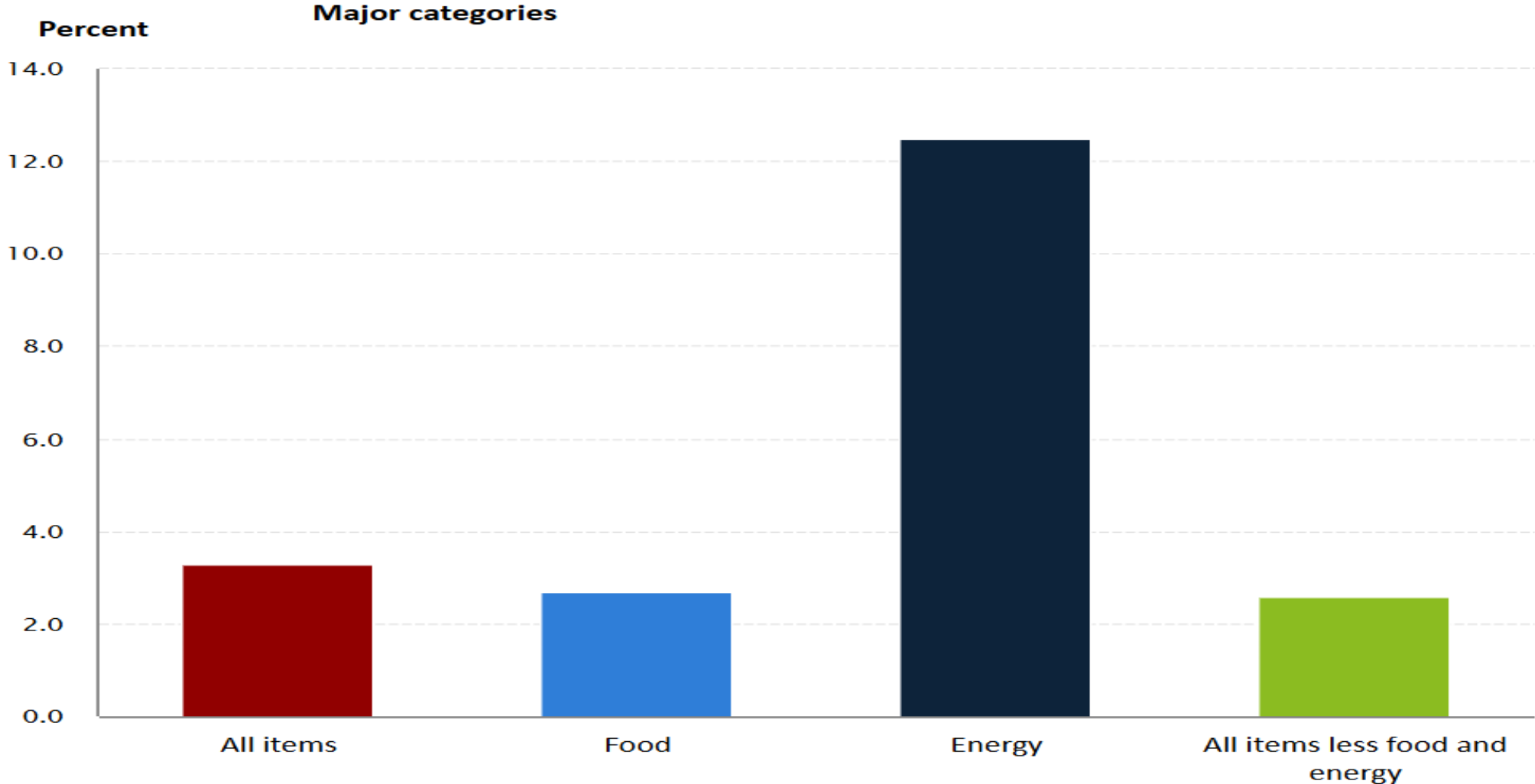
- Producer Price Index (PPI) – measures the change in selling prices which represents the cost of producing goods.
- Consumer Price Index (CPI) – change consumers pay for everyday items.



Inflation – March 2026

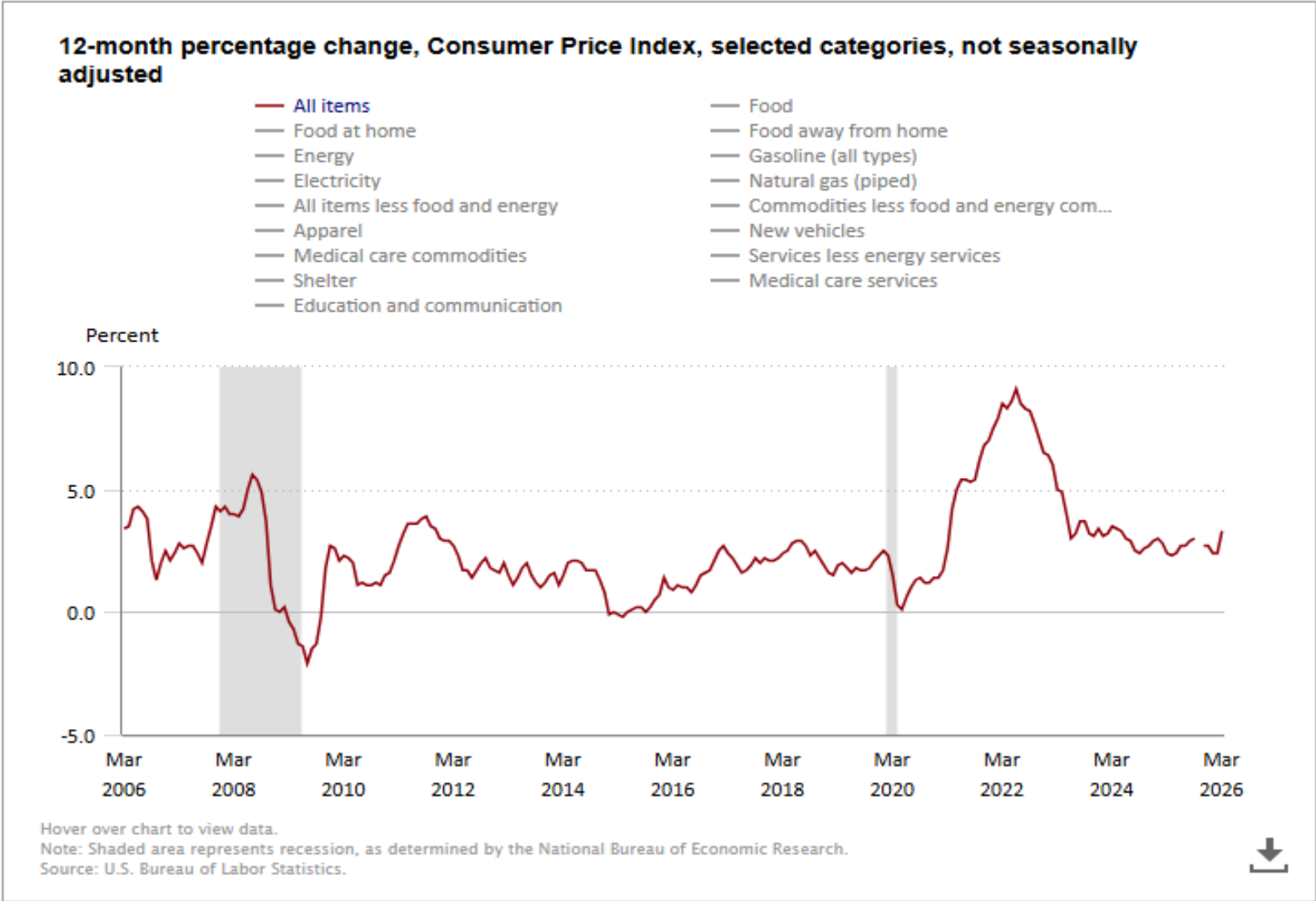
12-month percentage change, Consumer Price Index, selected categories, March 2026, not seasonally adjusted

[Click on columns to drill down](#)

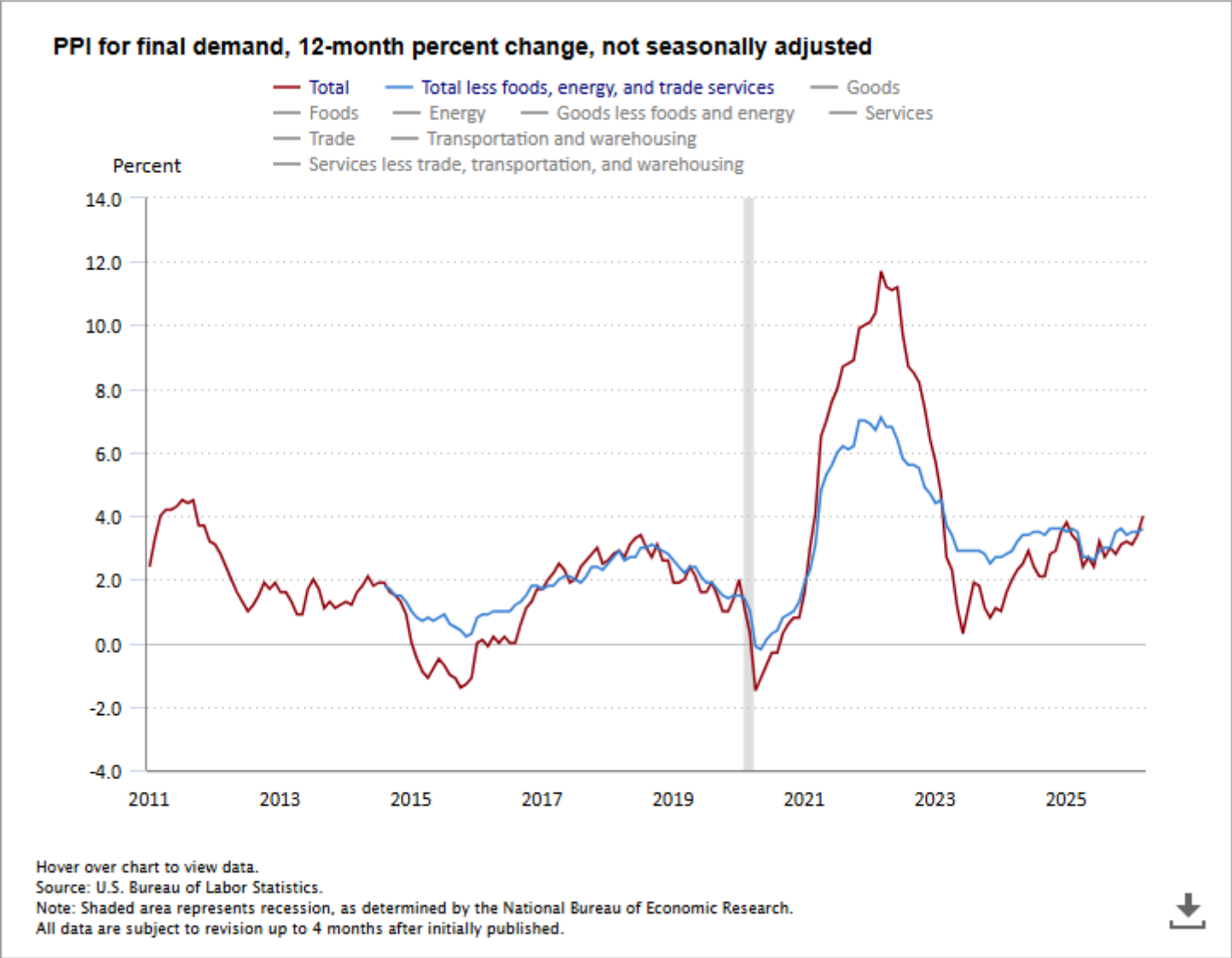


Inflation Approaching 2% Target – March 2026

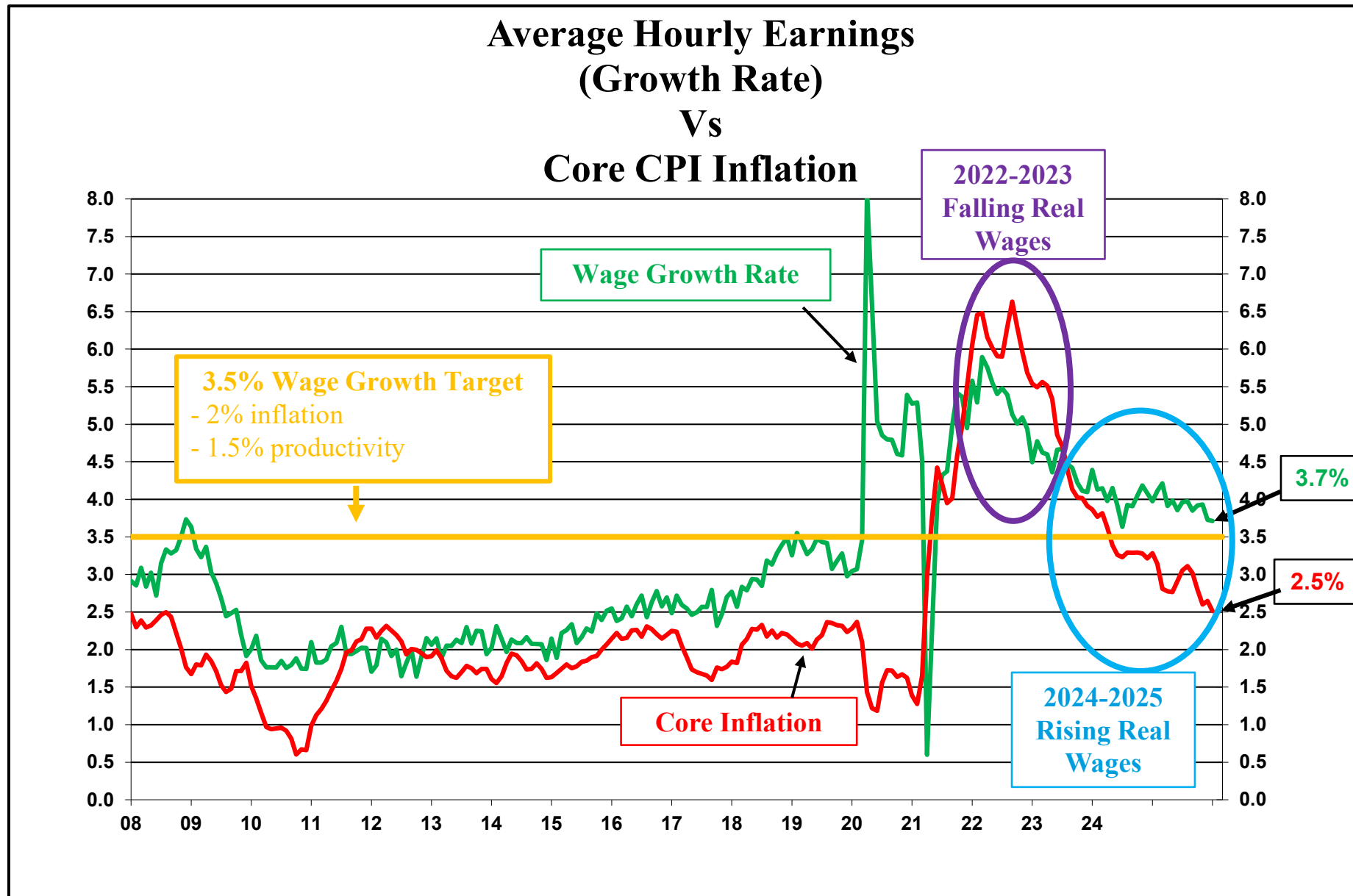
$$\text{Real Interest Rate} = \text{Nominal Interest Rate} - \text{Inflation}$$



Producer Price Index as of March 2026



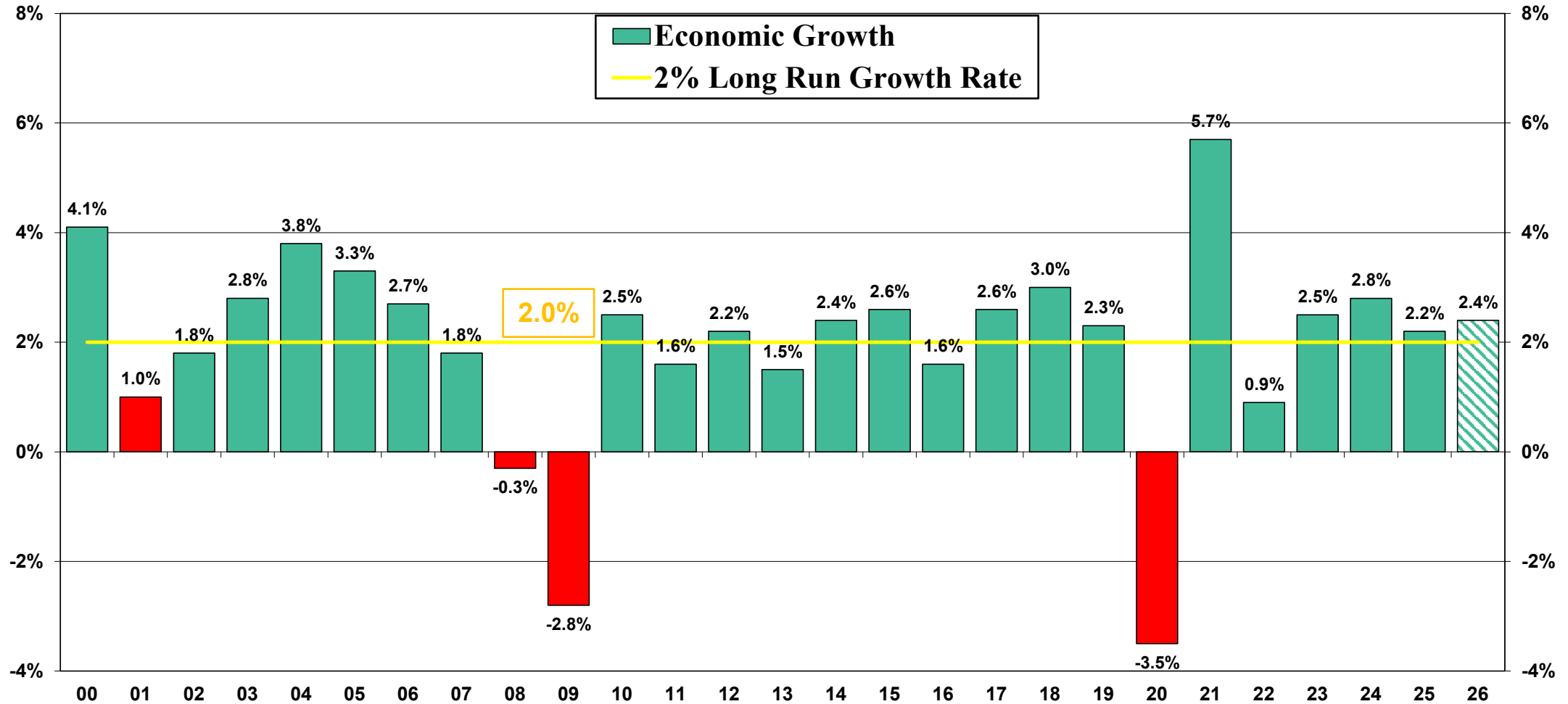
Wage Growth Slowing as Core Inflation Falls



Source: Bureau of Labor Statistics

Economic Growth Below Natural Growth Rate

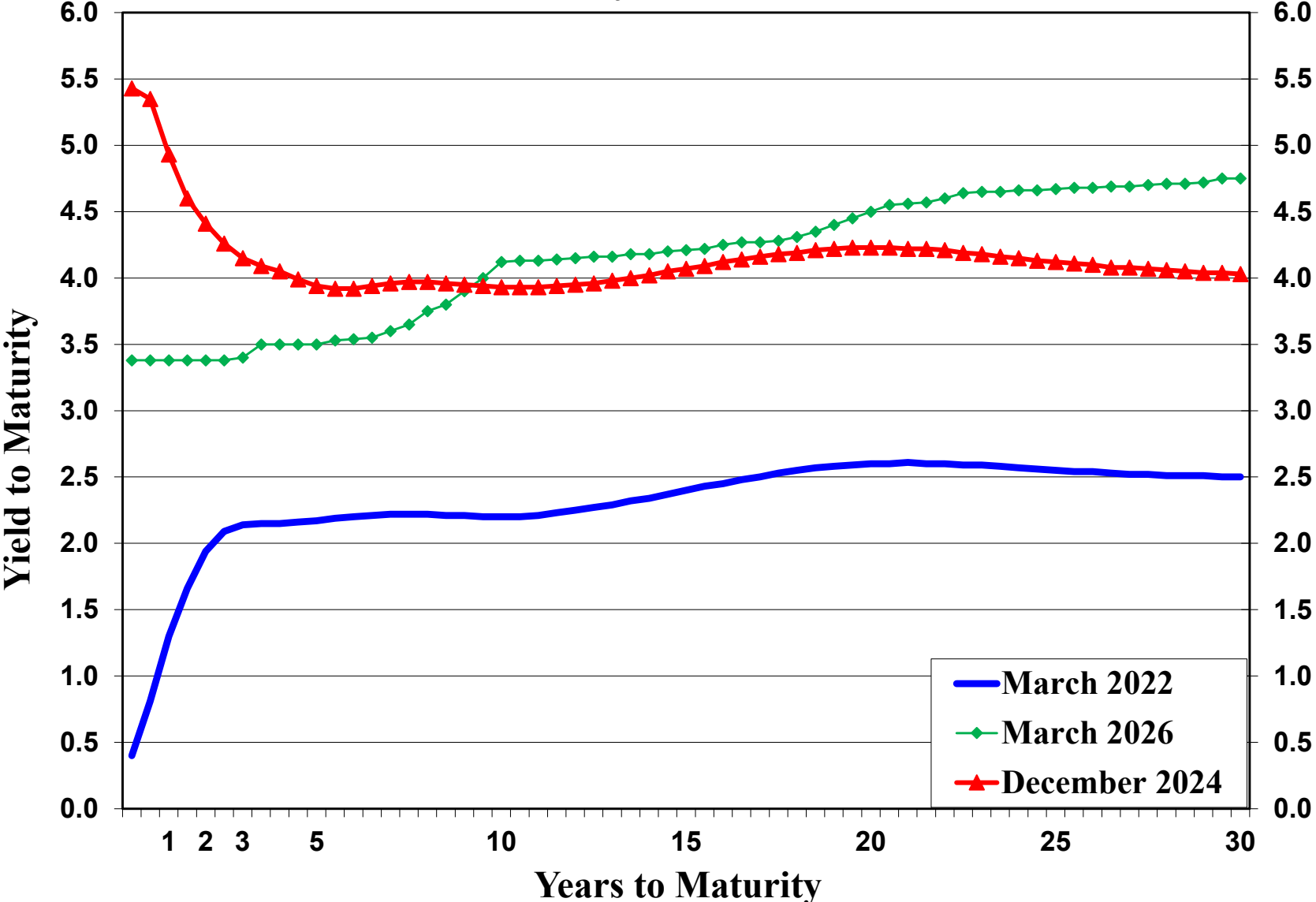
U.S. Economic Growth Rate



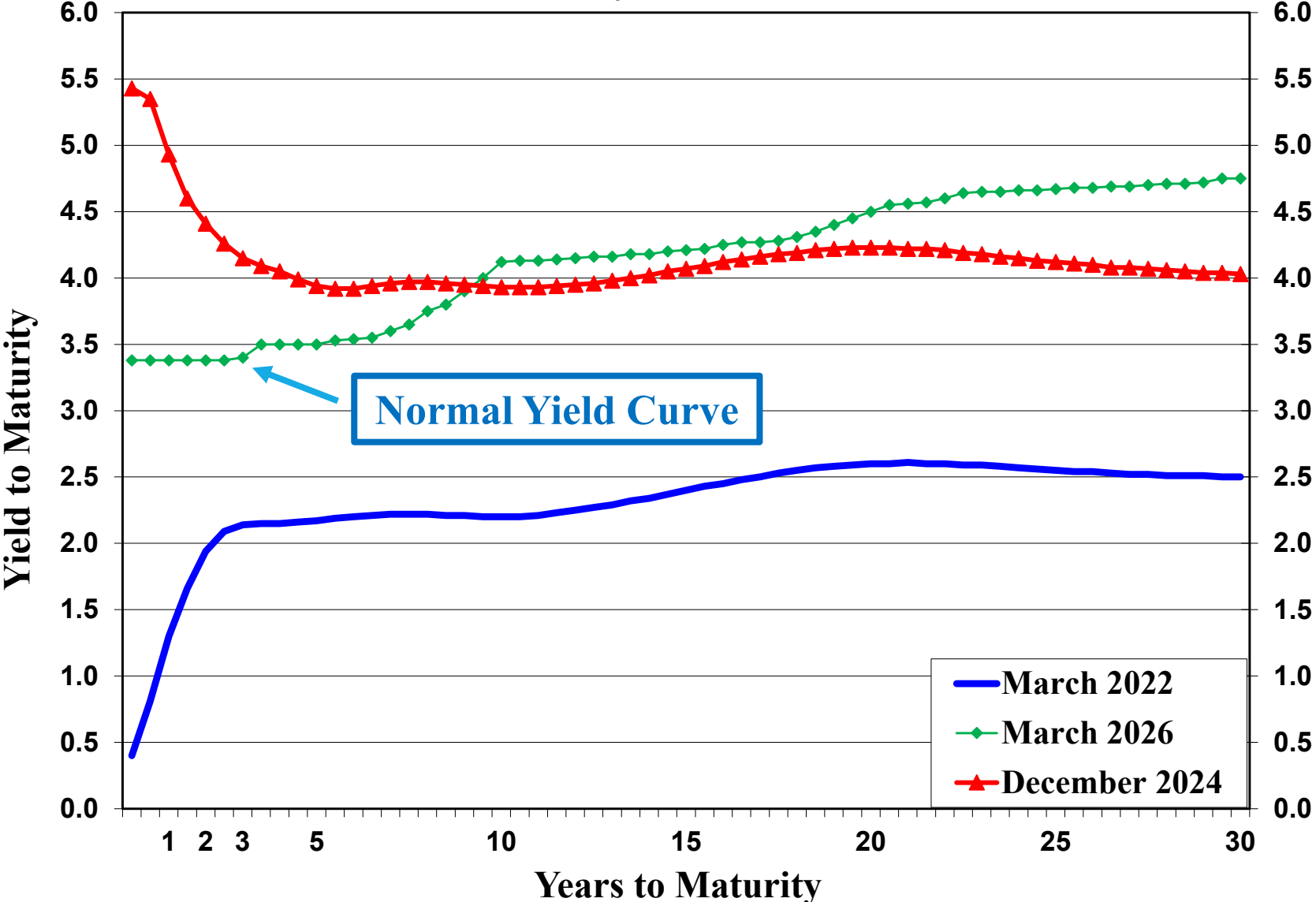
Source: Department of Commerce

#2 – Interest Rates

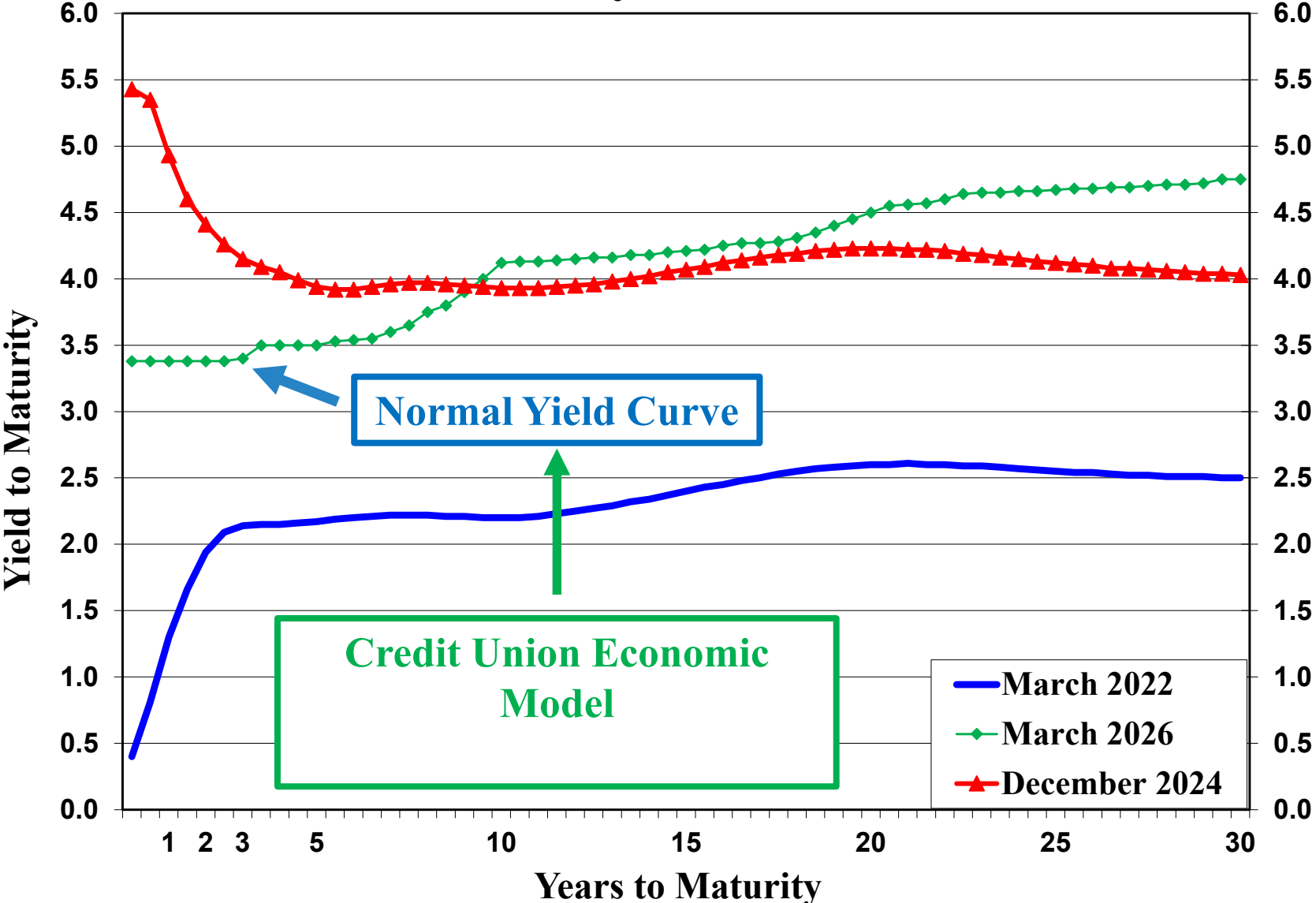
Treasury Yield Curves



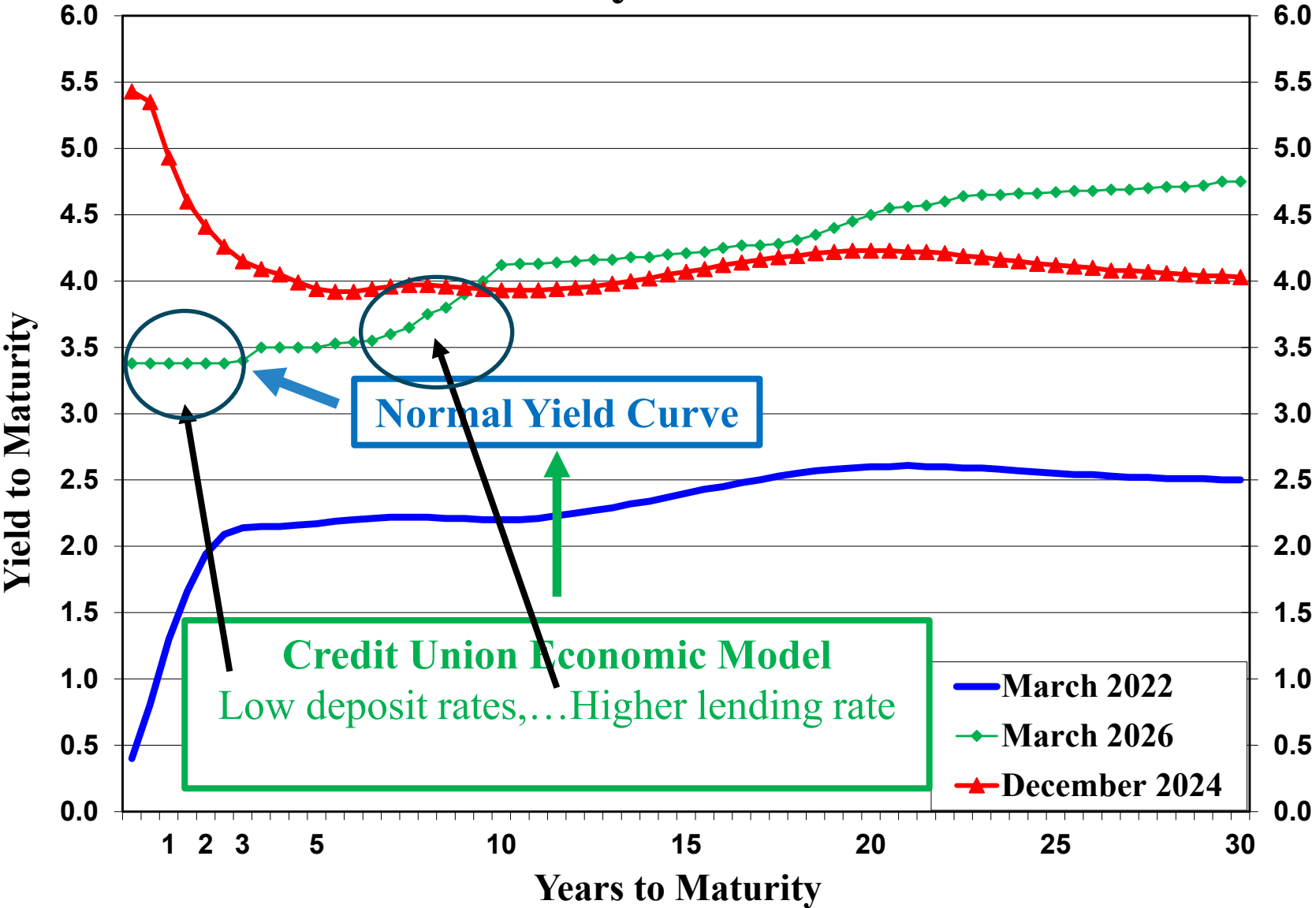
Treasury Yield Curves



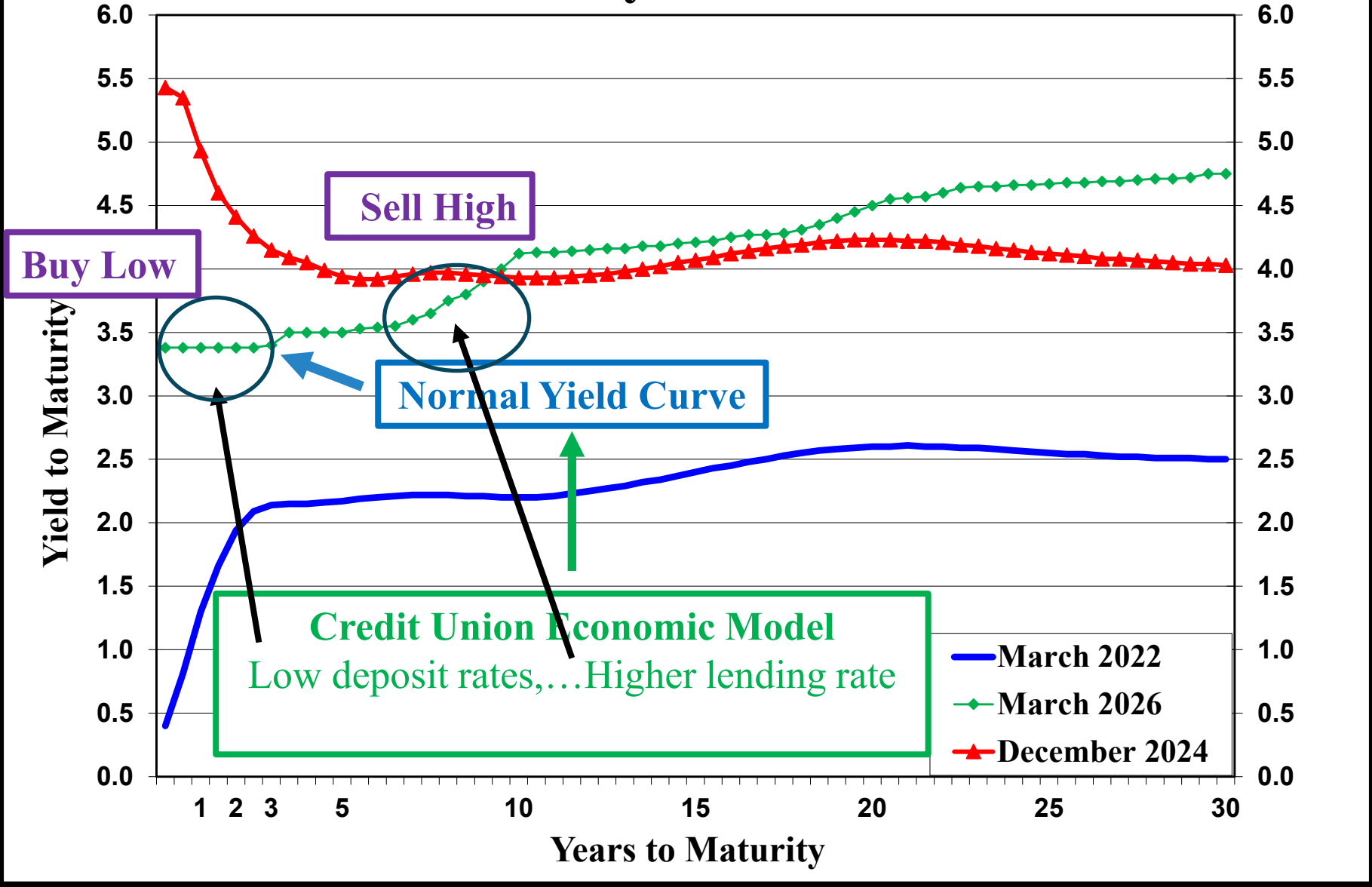
Treasury Yield Curves



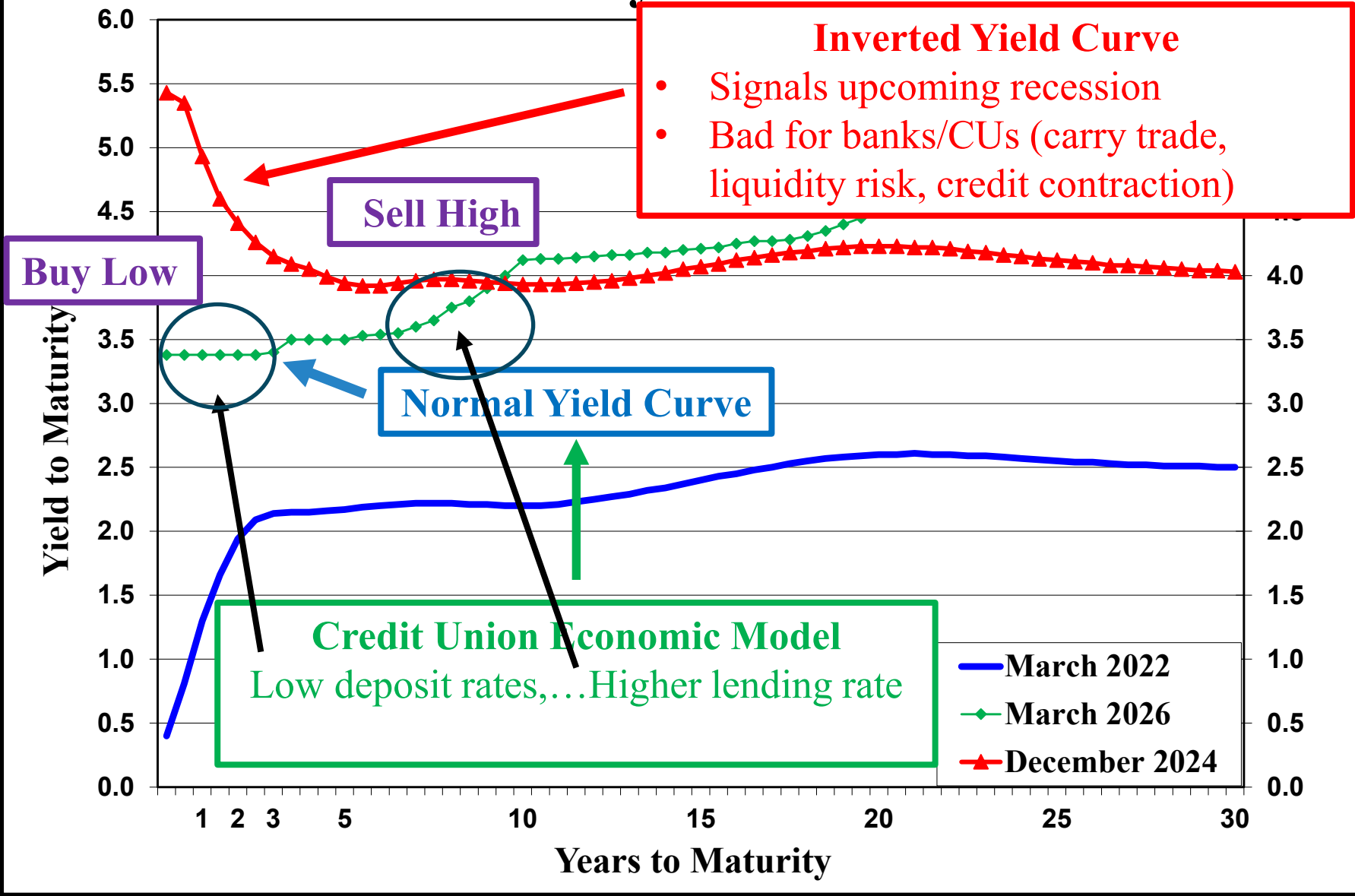
Treasury Yield Curves



Treasury Yield Curves



Treasury Yield Curves



Ratio Analysis

What makes up a ratio

- Numerator is the number on the top
- Denominator is the number down on the bottom
- Ratio is impacted by which number is increasing faster

What makes up a ratio

- $10/10 = 1$ (numerator and denominator are the same)
- $8/10 = .80$ (numerator is not growing as fast as denominator)
- $10/8 = 1.25$ (denominator is not growing as fast)

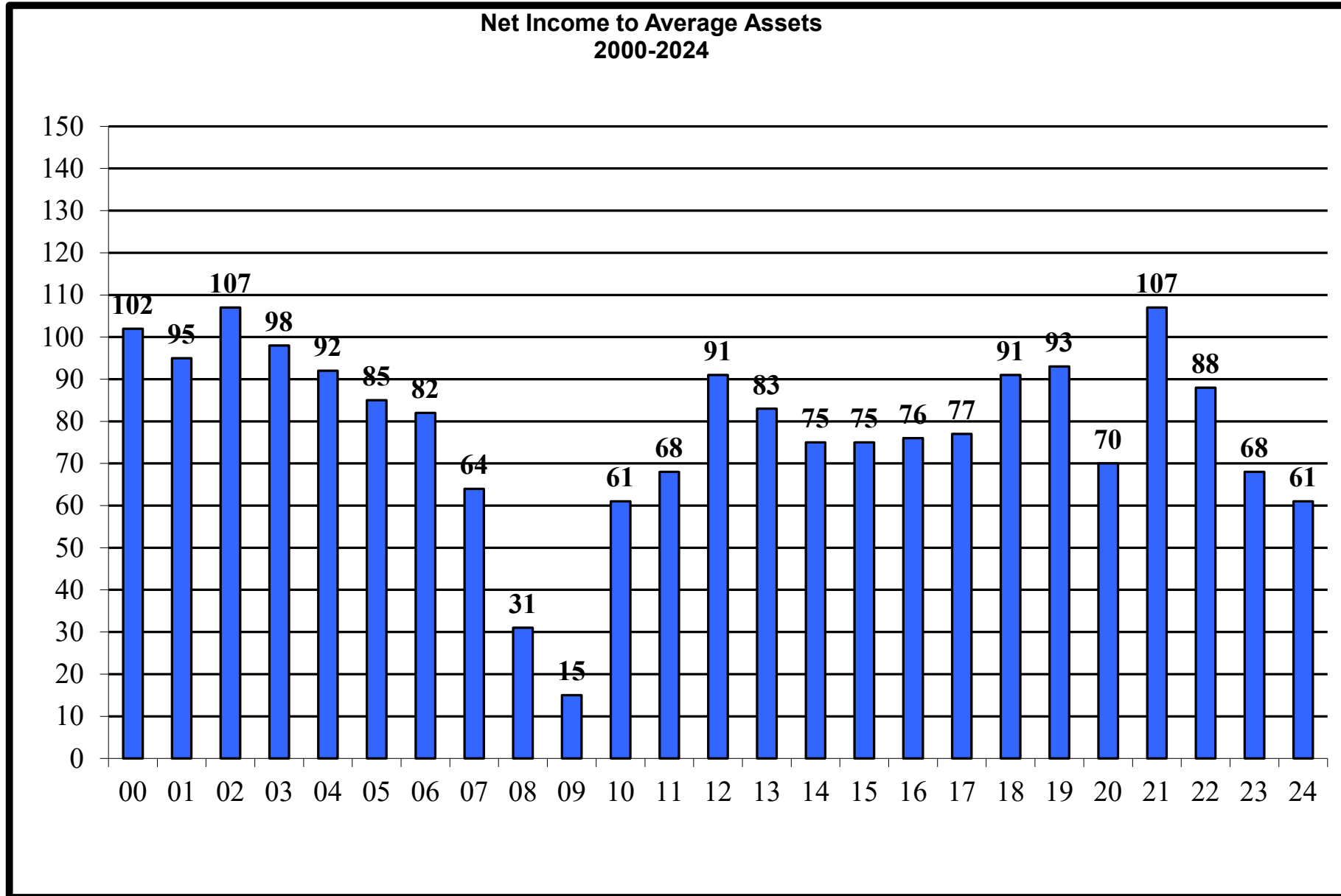
Different ways to compare ratios

- Use trend analysis over a period of time
- Comparison based on asset size
- Compare to other ratios

3 - Return on Assets

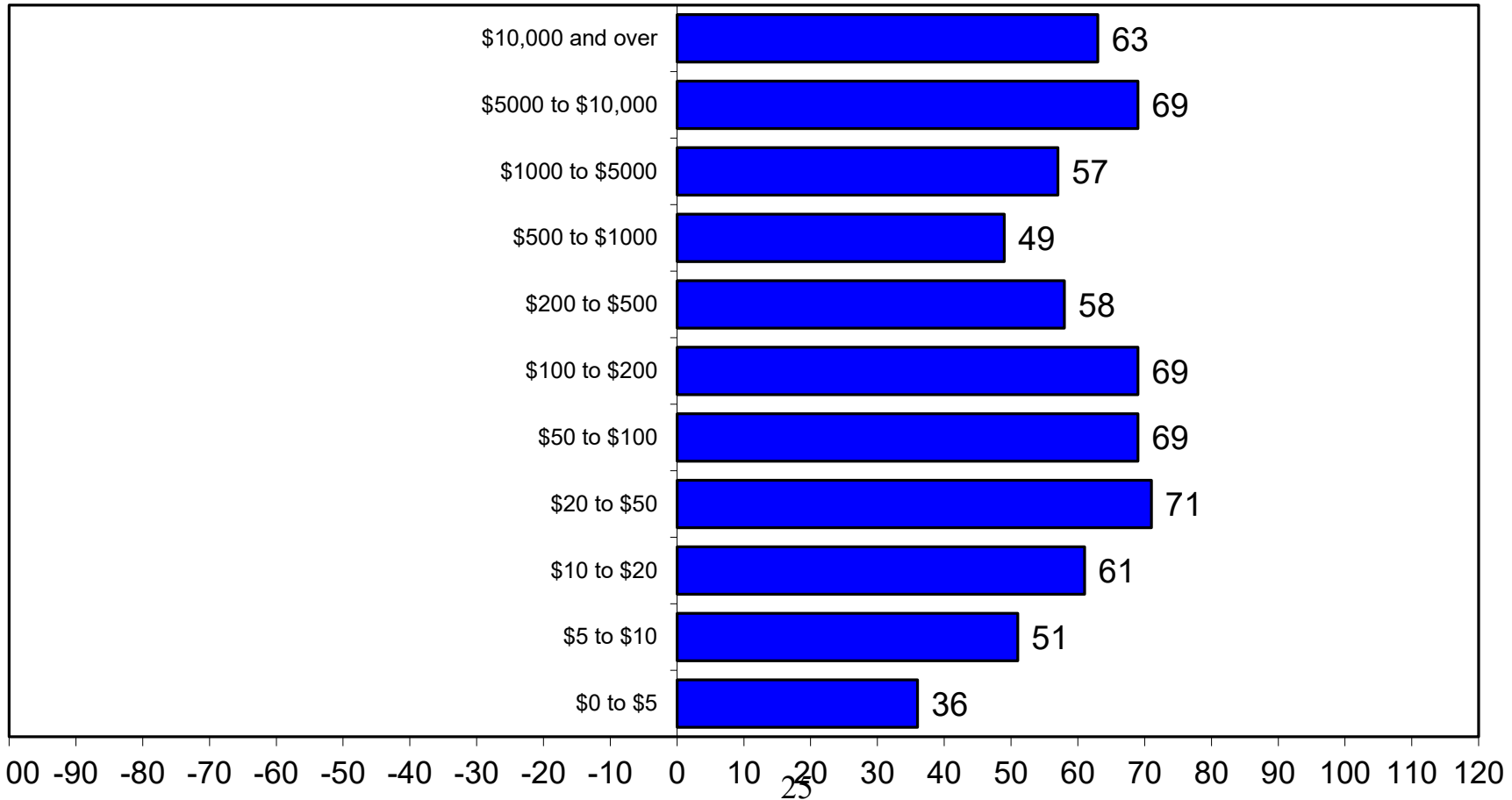
Net Income
Average Assets

Ratio 10 - Return on Assets (ROA)



Return on Assets (ROA)

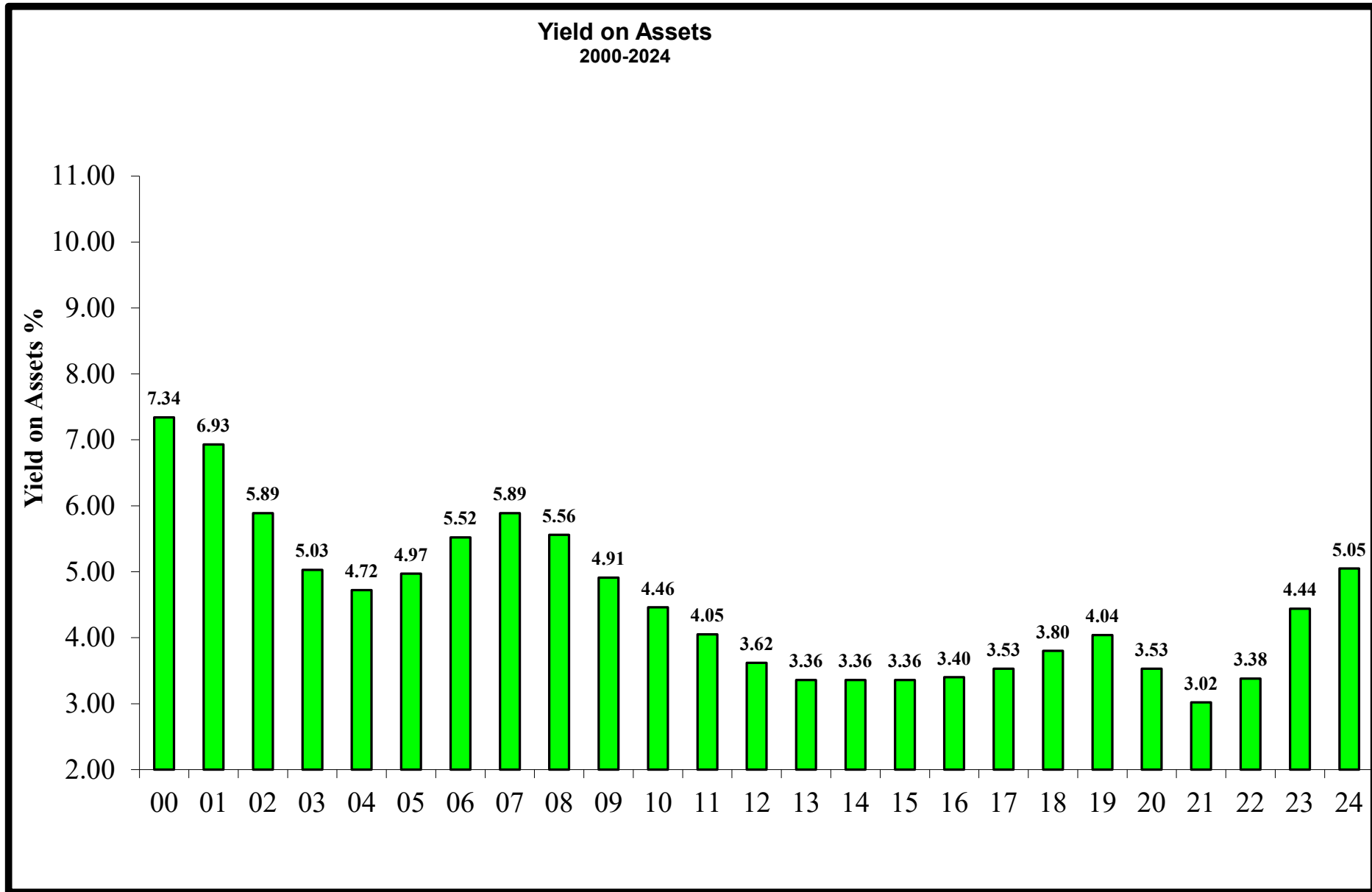
CU ROA (before Stab) (Basis Points of Average Assets - By CU Size)



3 – Net Interest Margin (NIM)

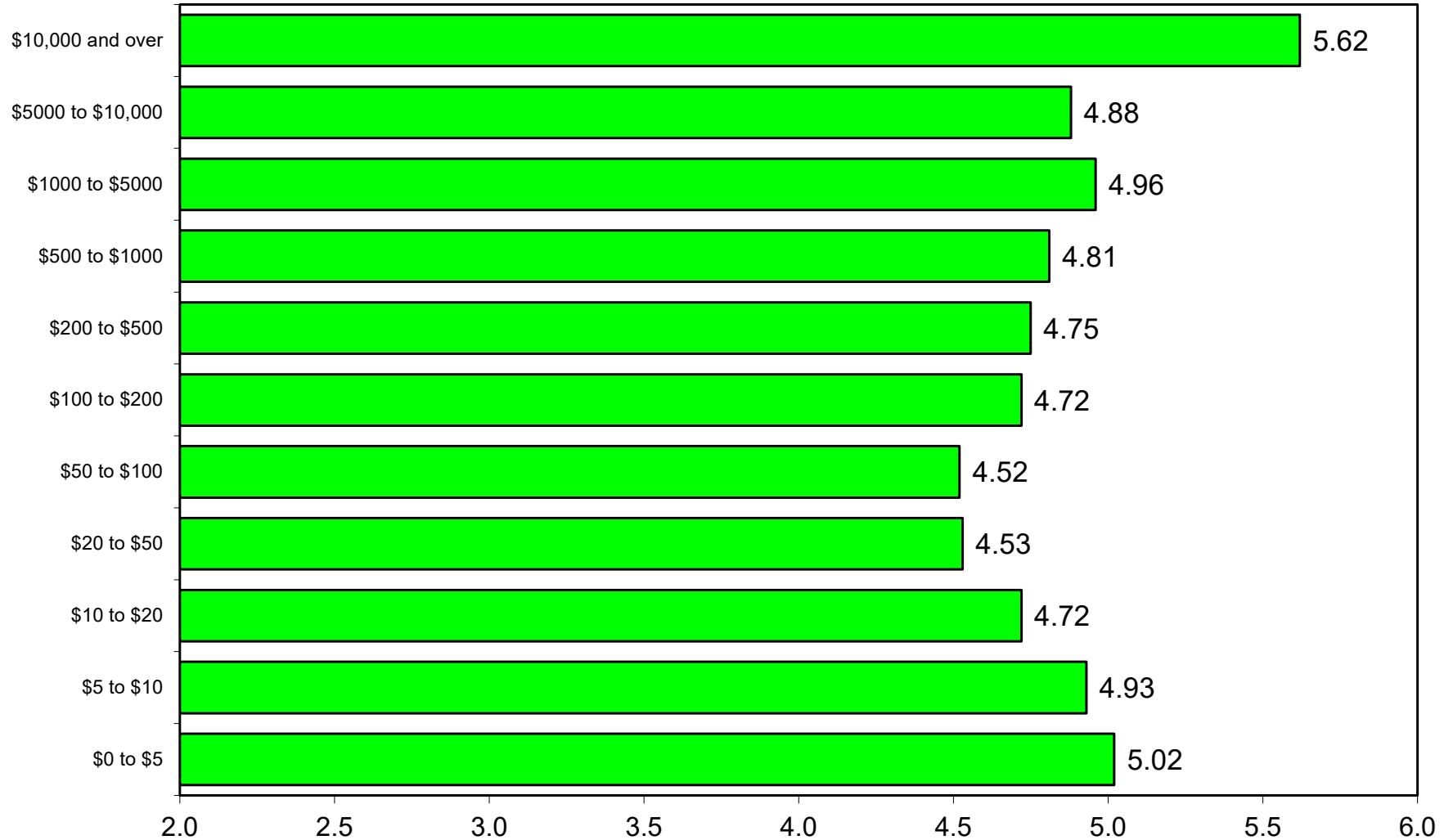
Interest Inc. – Interest Exp.
Average Assets

Yield on Assets – Ratio 1



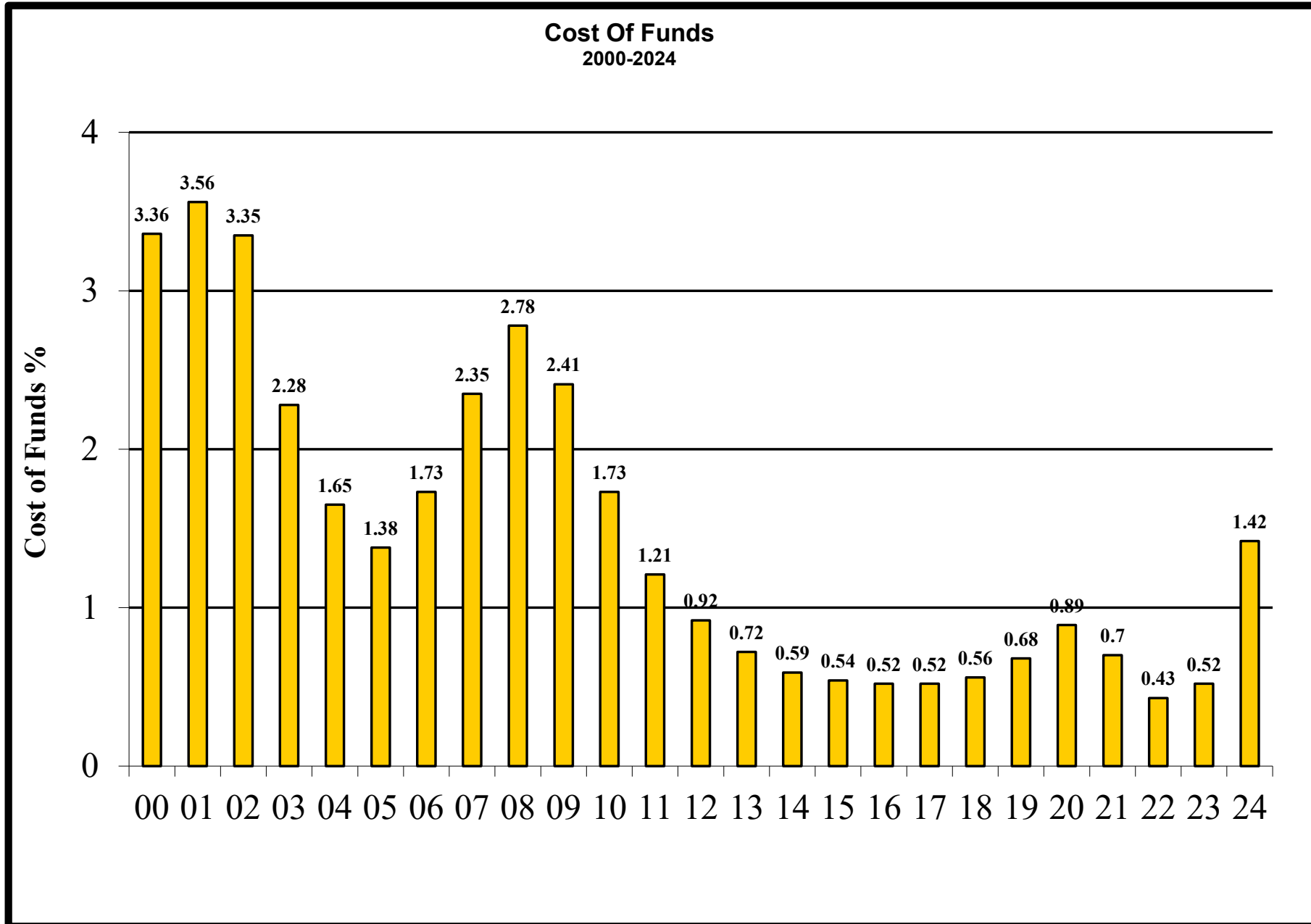
Yield on Assets

Credit Union Yield on Assets
(By CU Asset Size, \$ millions)



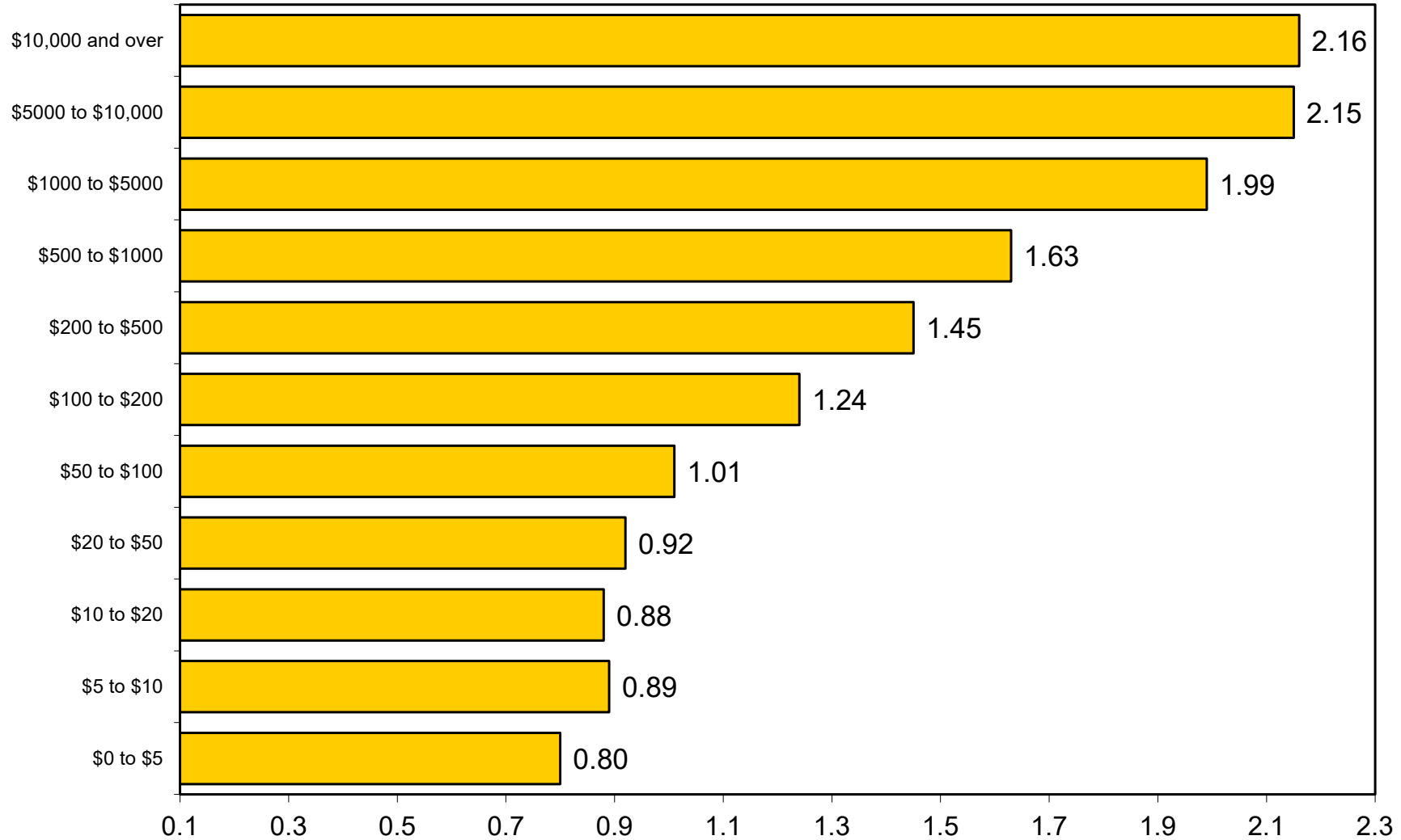
Source: CUNA & NCUA.

Ratio 2 - Cost of Funds



Ratio 2

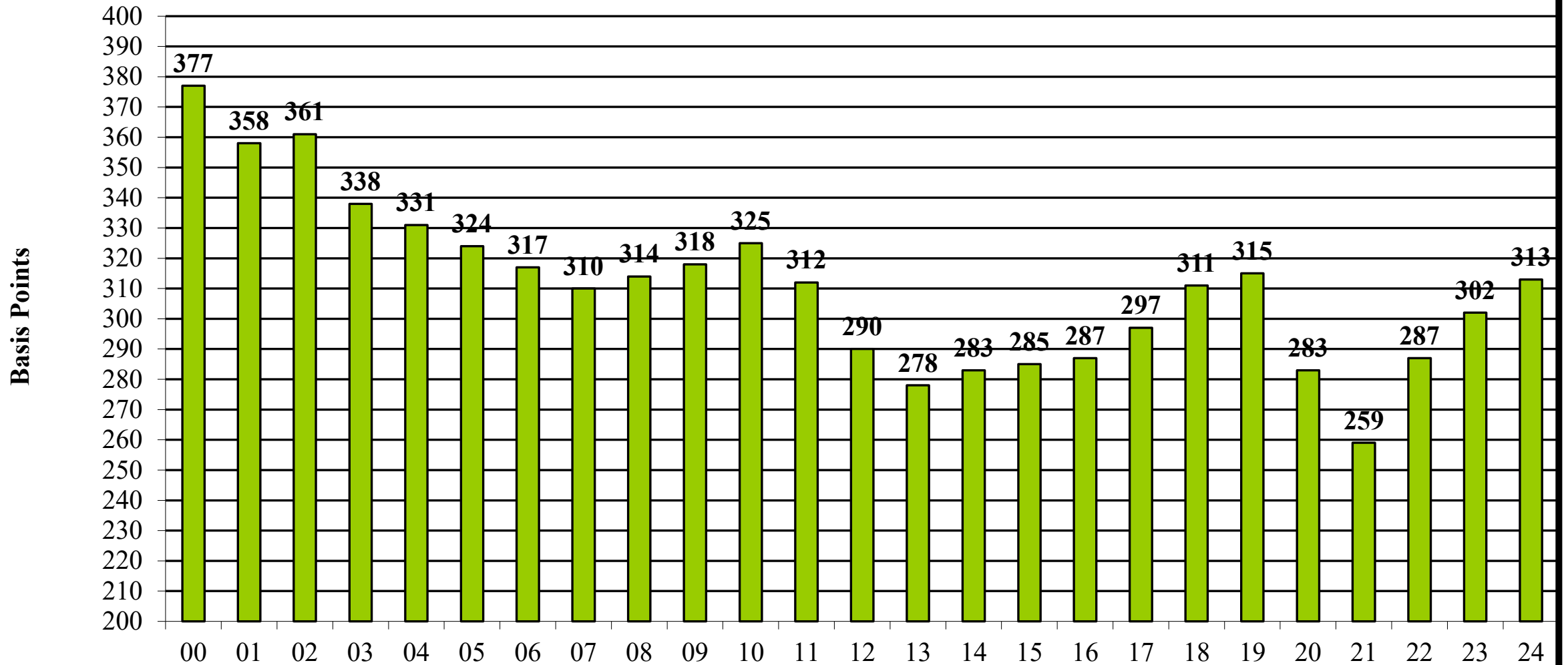
Credit Union Cost of Funds
(By CU Asset Size, \$ millions)



Source: CUNA & NCUA.

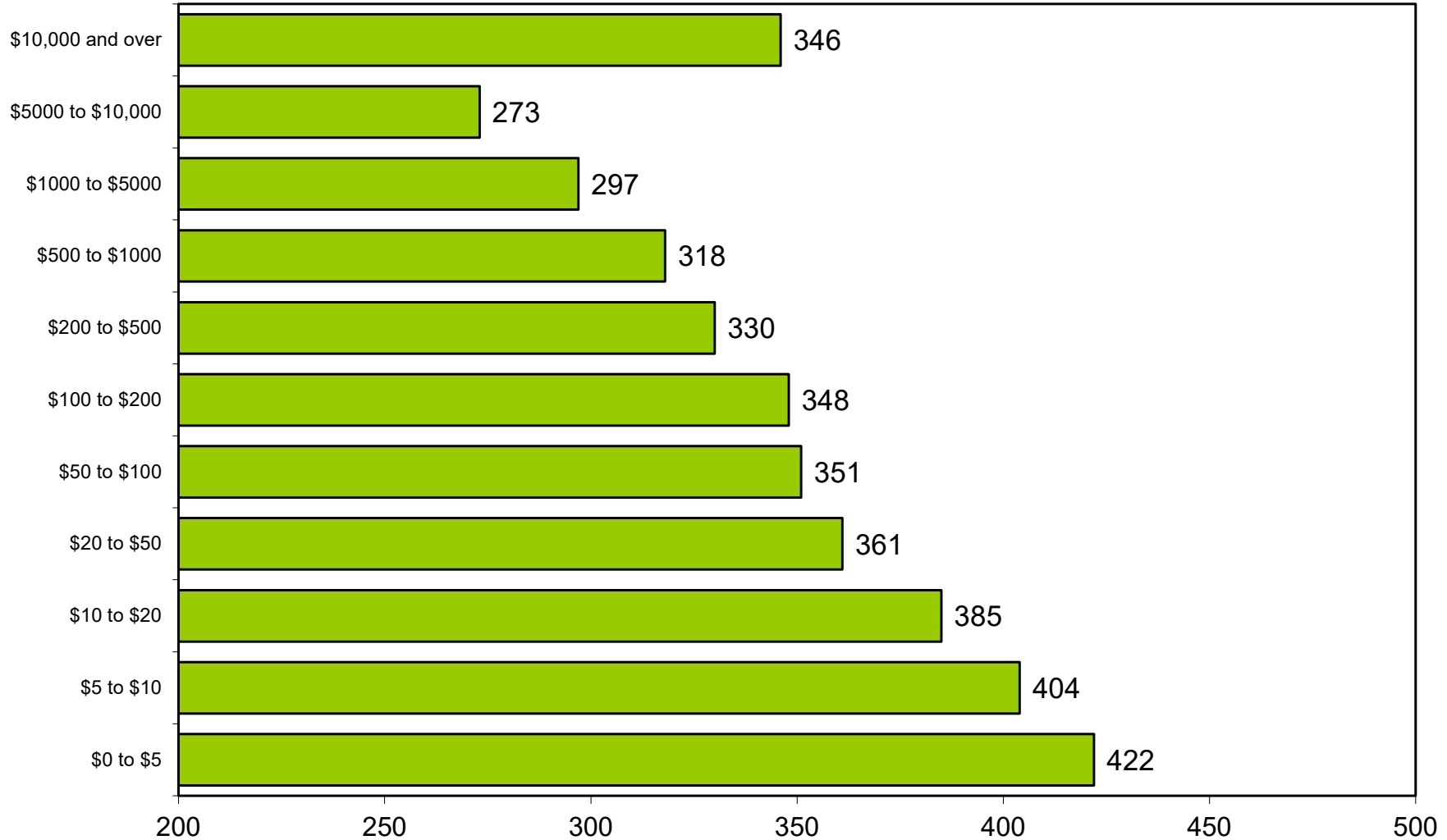
Ratio 3 - Net Interest Margin

Net Interest Margin (Gross Spread)
2000-2024



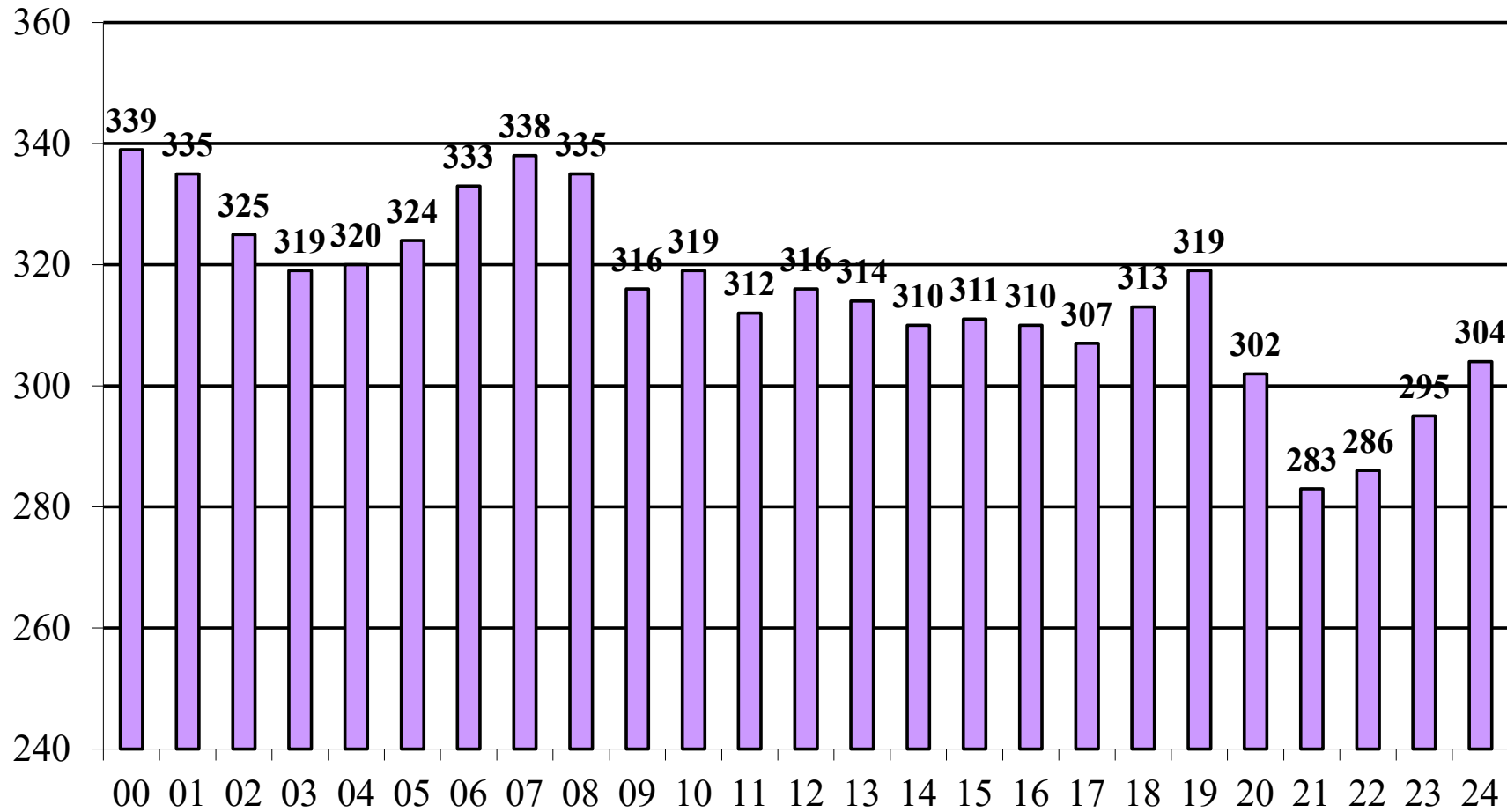
Net Interest Margin

Credit Union Net Interest Margin
(Basis Points of Average Assets - By CU Size)

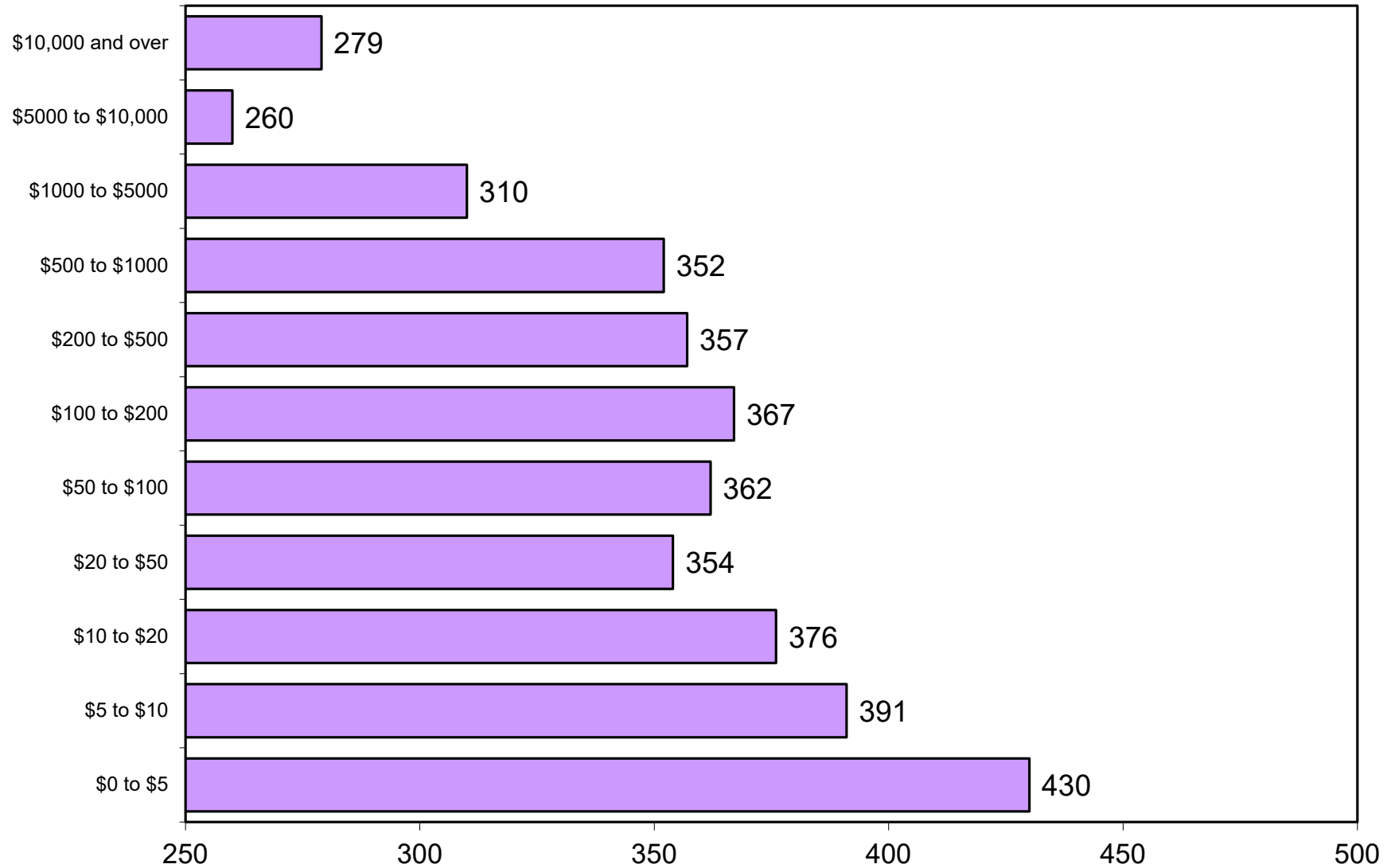


Source: CUNA & NCUA.

Non-Interest (Operating) Expense to Average Assets

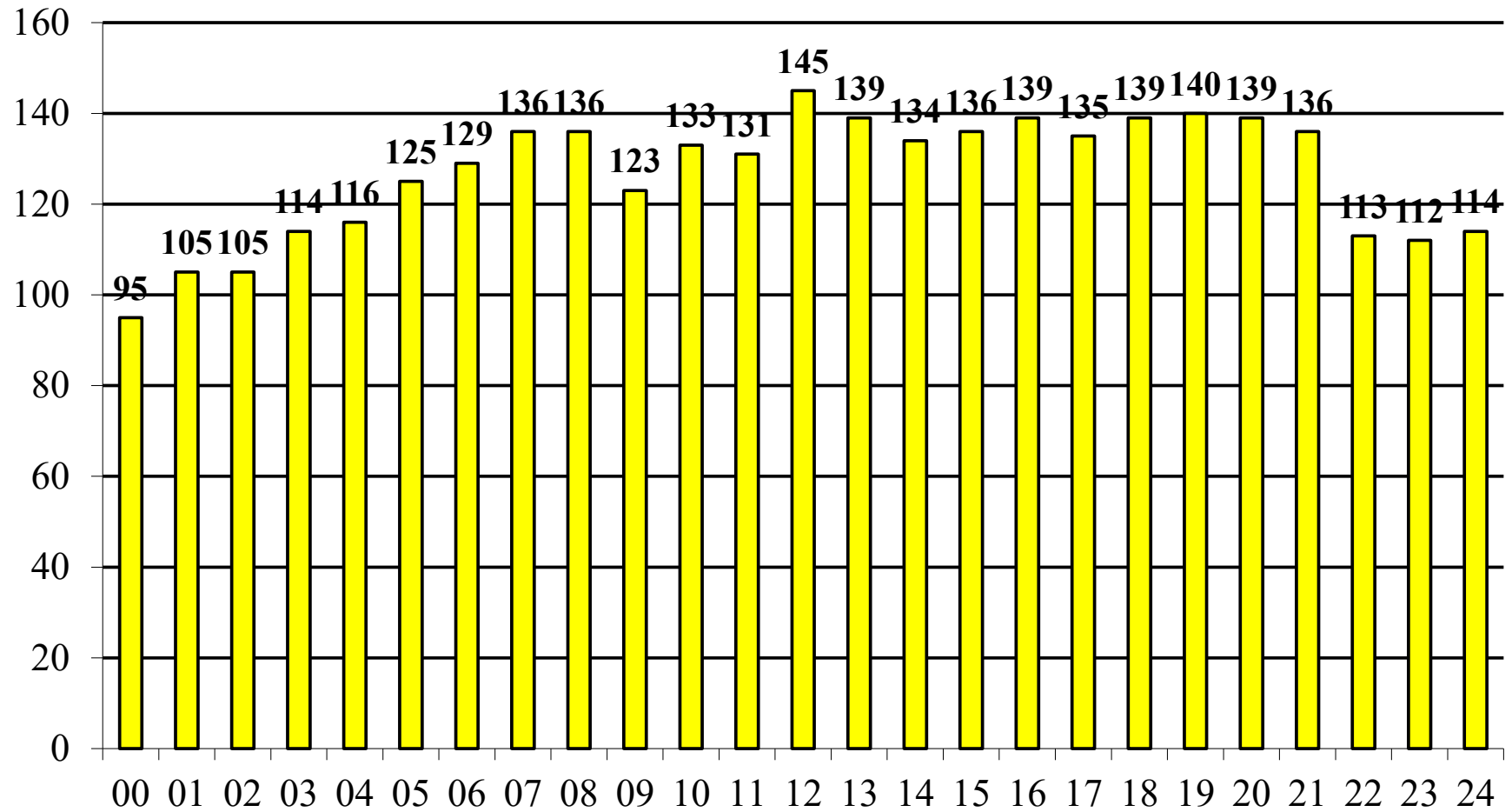


Credit Union Operating Expense
(Basis Points of Average Assets - By CU Size)

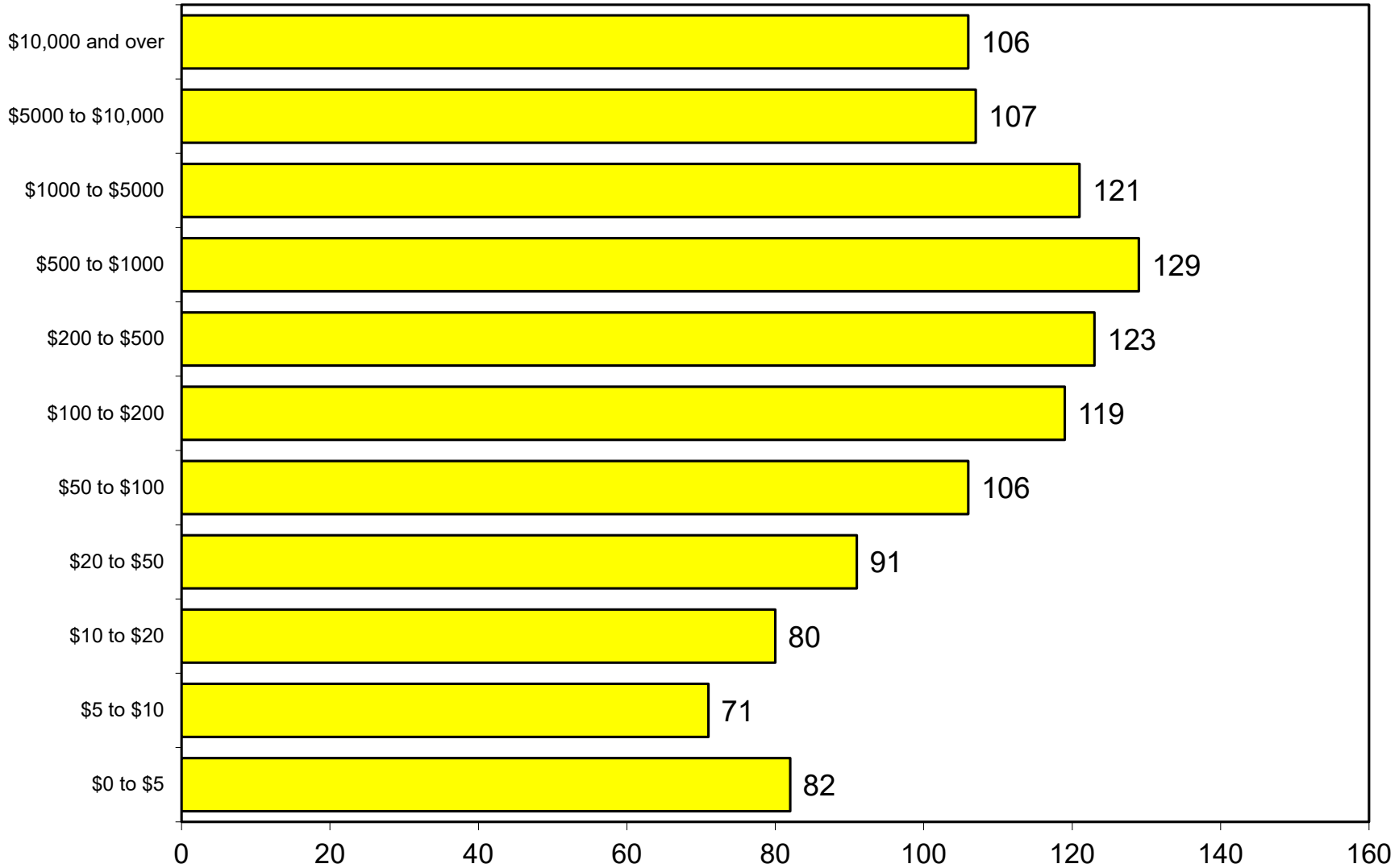


Source: CUNA & NCUA.

Non-Interest Income to Average Assets



Credit Union Other Income
(Basis Points of Average Assets - By CU Size)



Source: CUNA & NCUA.

5 – Loan Growth



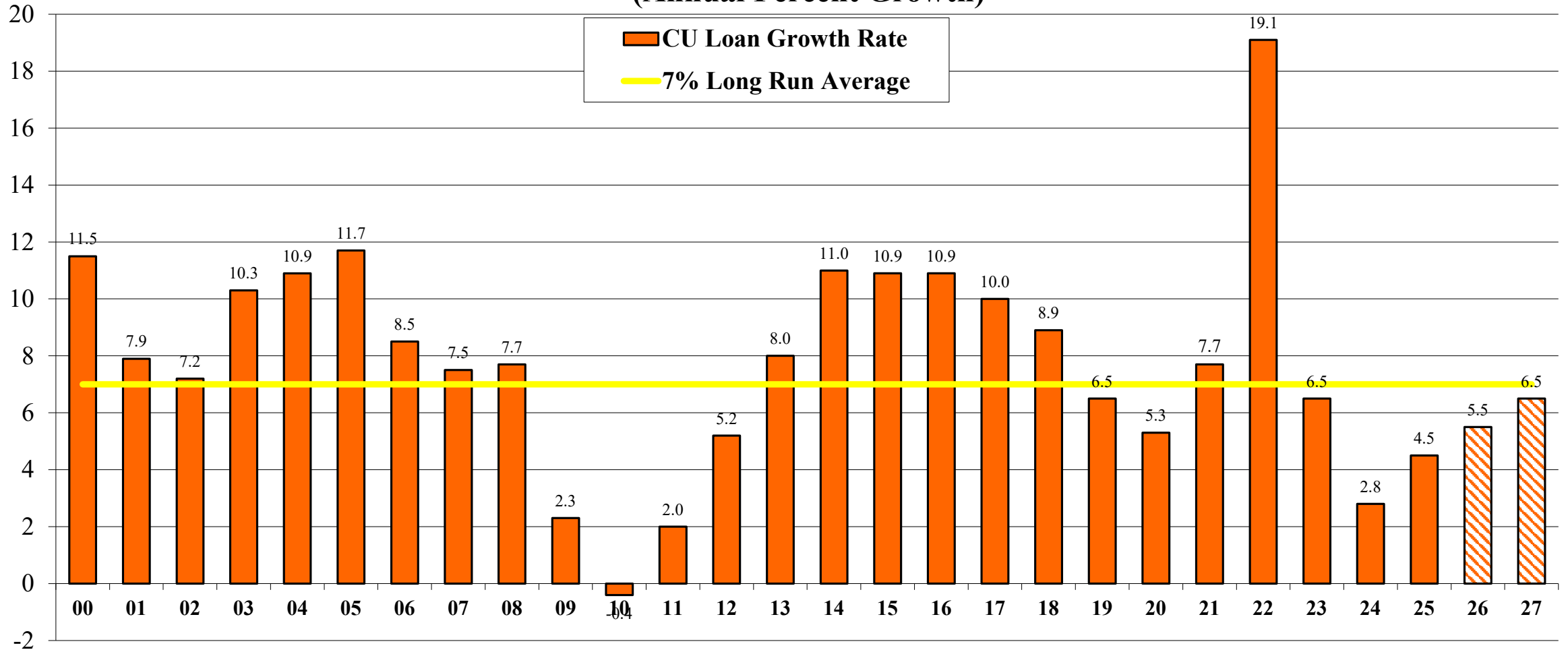
The Business Cycle – Loans & Deposits

- How often do members get their loans
- Credit Unions can't view each loan as a transaction
- If members are only looking for lowest rate, then credit unions will have to find other ways to increase yield/income
- Members/People will pay more for an experience

Slow Credit Union Loan Growth

Credit Union Loan Growth

(Annual Percent Growth)





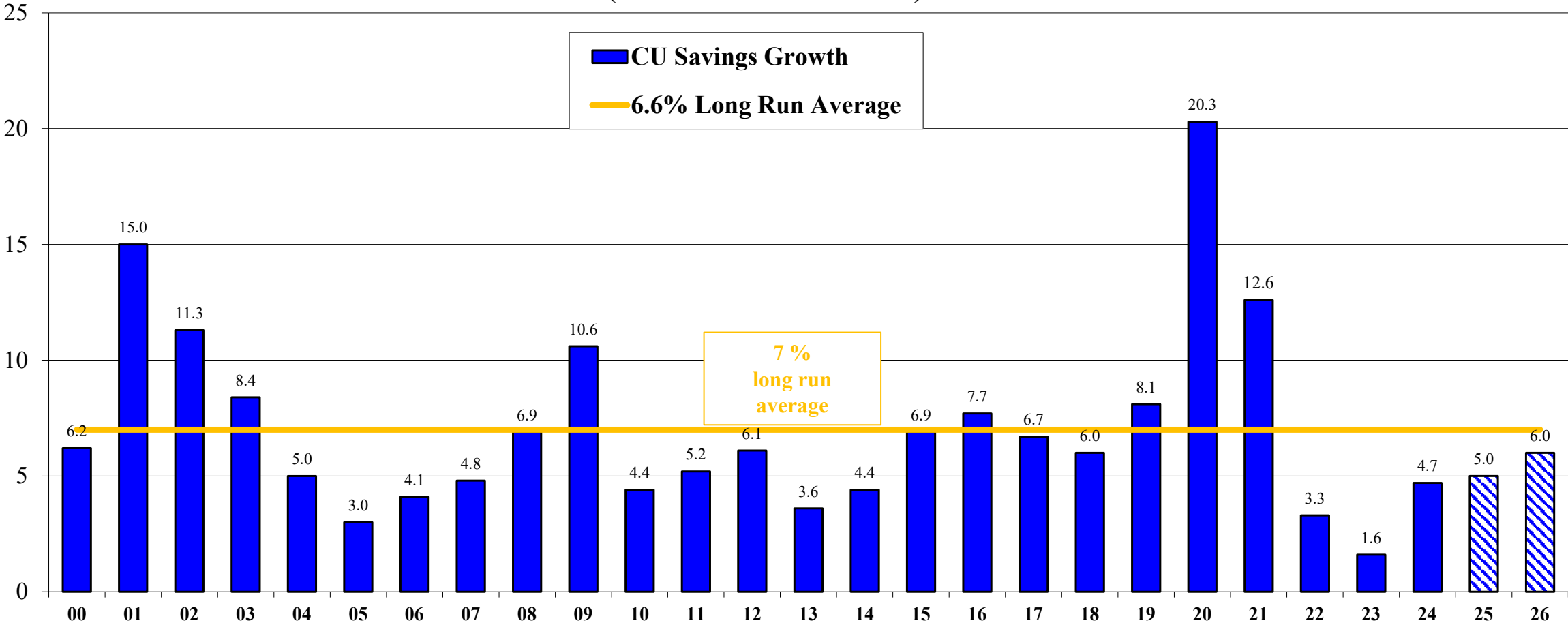
The Business Cycle – Loans & Deposits

- Deposits can require more frequent interaction, especially on share draft accounts.
- The maturity date on CD's is what will matter the most.
- Members/People will pay more for an experience

Stronger Credit Union Savings Growth

Credit Union Savings Growth

(Annual Percent Growth)



What did we accomplish

- Different areas of current economic environment
- Basic Ratio Information
- Different ways to analyze numbers

Other Places to Enhance Learning Like this

- CUNA Southeast Management School – June 16-21, 2026
 - www.srcus.org
- Financial Management eSchool – Various Times throughout 2026
 - <https://www.americascreditunions.org/2024-events/>
 - Then search for Financial Management School

Questions