

Notes and Brief Reports

State-Chartered Credit Unions in 1960*

Selected data for 1960 on the operations of State-chartered credit unions have been reported by 44 States, the District of Columbia, and Puerto Rico. Six States (Alaska, Delaware, Hawaii, Nevada, South Dakota, and Wyoming), the Canal Zone, and the Virgin Islands have no provision for chartering credit unions under local law, although they are covered by the Federal Credit Union Act.

In 1960, for the first time, reporting credit unions chartered under State laws numbered more than 10,000. The 10,151 reporting on their operations represented 99.1 percent of all active State-chartered credit unions at the end of 1960—an increase of about 2 percent from the number reporting a year earlier. Reports for individual credit unions are submitted to the State supervisory authorities, who furnish a summary report for the State as a whole to the Bureau of Federal Credit Unions.

At the end of 1960, resources in State-chartered credit unions were slightly less than \$3 billion—11.7 percent more than in 1959—and membership was approaching the 6-million mark—a gain of 5.2 percent. During the past 10 years, assets have increased fivefold, and membership has more than doubled (table 1).

STATE ACTIVITIES

Substantially complete data for 1960 were reported by all 46 jurisdictions that have a State credit union law. Five States did not report membership, however, and several did not report net earnings or dividends paid on members' shareholdings. Estimates for these items are included in the totals for all States in table 3.

Though apparently impeded by the uncertain economic conditions that prevailed during most of the year, growth continued in 1960, with the rate of increase in the individual States ranging

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TABLE 1.—Development of State-chartered credit unions, 1925-60

| Year | Number of credit unions | | Number of members | Assets |
|------|-------------------------|-----------|-------------------|---------------|
| | Active | Reporting | | |
| 1925 | 419 | 176 | 108,000 | (1) |
| 1929 | 974 | 838 | 264,908 | (1) |
| 1931 | 1,500 | 1,244 | 286,143 | \$33,645,343 |
| 1932 | 1,612 | 1,472 | 301,119 | 31,416,072 |
| 1933 | 2,016 | 1,772 | 359,646 | 35,496,668 |
| 1934 | 2,450 | 2,028 | 427,097 | 40,212,112 |
| 1935 | 2,600 | 2,122 | 523,132 | 47,964,068 |
| 1936 | 3,490 | 2,734 | 854,475 | 73,659,146 |
| 1937 | 3,792 | 3,128 | 1,055,736 | 97,087,995 |
| 1938 | 4,299 | 3,977 | 1,236,826 | 117,672,392 |
| 1939 | 4,782 | 4,677 | 1,459,377 | 145,803,444 |
| 1940 | 5,267 | 5,175 | 1,700,390 | 180,649,090 |
| 1941 | 5,663 | 5,506 | 1,907,694 | 216,557,977 |
| 1942 | 5,622 | 5,400 | 1,797,084 | 221,114,849 |
| 1943 | 5,285 | 5,124 | 1,721,240 | 228,314,723 |
| 1944 | 4,995 | 4,907 | 1,629,708 | 253,663,658 |
| 1945 | 4,923 | 4,858 | 1,626,364 | 281,524,015 |
| 1946 | 5,003 | 4,954 | 1,717,616 | 322,082,553 |
| 1947 | 5,155 | 5,097 | 1,893,944 | 380,751,106 |
| 1948 | 5,273 | 5,271 | 2,120,708 | 449,049,653 |
| 1949 | 5,427 | 5,402 | 2,271,115 | 510,726,465 |
| 1950 | 5,602 | 5,587 | 2,453,455 | 599,640,622 |
| 1951 | 5,881 | 5,886 | 2,732,495 | 693,613,296 |
| 1952 | 6,362 | 6,324 | 3,035,046 | 853,709,783 |
| 1953 | 7,096 | 6,986 | 3,380,121 | 1,040,874,593 |
| 1954 | 7,814 | 7,713 | 3,756,852 | 1,237,175,567 |
| 1955 | 8,387 | 8,258 | 4,121,421 | 1,476,014,239 |
| 1956 | 8,901 | 8,763 | 4,548,617 | 1,741,742,069 |
| 1957 | 9,463 | 9,314 | 4,963,813 | 2,021,144,713 |
| 1958 | 9,806 | 9,740 | 5,329,111 | 2,312,053,121 |
| 1959 | 10,054 | 9,961 | 5,676,636 | 2,676,095,037 |
| 1960 | 10,243 | 10,151 | 5,970,846 | 2,988,554,756 |

¹ Data not available.

TABLE 2.—Total amount of loans and amount of real-estate loans made by State-chartered credit unions, 26 States, 1960¹

| State | Loans outstanding end of year | | Loans made during year | |
|--------------------|-------------------------------|------------------------|------------------------|------------------------|
| | Total | Secured by real estate | Total | Secured by real estate |
| Total, 26 States | \$1,750,988,895 | \$376,748,933 | \$1,800,000,000 | \$79,200,000 |
| Ala. | 40,419,712 | 4,529,674 | 51,576,902 | (2) |
| Ariz. | 8,477,270 | 427,273 | 8,821,367 | 427,273 |
| Calif. | 266,373,754 | 41,675,630 | 246,094,089 | (2) |
| Colo. | 46,277,438 | 6,021,914 | 48,717,193 | 2,129,136 |
| Fla. | 51,659,002 | 4,057,110 | 67,963,680 | (2) |
| Iowa | 56,605,024 | 6,923,557 | 57,708,247 | 1,740,181 |
| Kans. ⁴ | 29,201,342 | 2,805,008 | (2) | (2) |
| Maine | 5,283,000 | 19,000 | (2) | (2) |
| Mass. | 144,364,775 | 64,884,239 | (2) | (2) |
| Mich. | 229,561,782 | 44,852,791 | 235,023,973 | 1,387,534 |
| Minn. | 123,704,586 | 43,811,908 | 73,184,243 | (2) |
| Miss. | 3,502,232 | 392,651 | 3,845,090 | 263,218 |
| Mo. ⁴ | 117,349,387 | 21,557,657 | 206,024,081 | (2) |
| N. H. ⁵ | 7,490,616 | 3,654,183 | (2) | (2) |
| N. Dak. | 9,562,545 | 1,271,071 | 6,095,073 | (2) |
| Ohio | 143,458,545 | 16,452,197 | 171,800,149 | (2) |
| Okla. | 25,475,579 | 1,125,254 | (2) | (2) |
| Oreg. | 23,759,941 | 1,663,125 | 24,031,436 | 408,749 |
| R. I. | 52,972,317 | 29,439,946 | 28,060,298 | 6,208,004 |
| S. C. | 3,261,889 | 3,760 | 4,000,609 | 7,420 |
| Tex. | 105,489,354 | 7,386,033 | 140,997,623 | 2,450,556 |
| Utah | 35,859,648 | 3,975,853 | 31,875,922 | 1,244,204 |
| Vt. | 4,223,040 | 612,864 | (2) | (2) |
| Wash. | 57,984,342 | 6,478,057 | 65,133,031 | 2,413,813 |
| W. Va. | 3,151,918 | 255,104 | 3,932,618 | (2) |
| Wis. | 155,479,857 | 62,473,074 | 103,309,318 | 14,447,096 |

¹ States reporting on real-estate loans. Data are for year ended Dec. 31, unless otherwise noted.

² Includes estimates for States not reporting.

³ Data not reported.

⁴ Fiscal year ended Sept. 30.

⁵ Fiscal year ended June 30.

from fair to substantial. Chartering activity fell off, with a net gain in the number of active credit unions of only 2 percent. Growth in membership was likewise less than normal, and a lower-than-average rate of increase in savings slowed up the gain for total assets. The 11.7-percent increase in total assets in 1960 was less than the rate of gain in the recession year 1958, although the increase in amount—\$312 million—was slightly higher than the 1958 increase of \$291 million.

Significant gains, in contrast, may be noted for loans to members, credit union reserves, net earnings, and dividends to shareholders. Loans outstanding moved up to \$2.4 billion by the end of 1960, a rise of one-sixth from the amount outstanding at the beginning of the year. Reserves

set aside to protect the members' shareholdings increased 15 percent in 1960 and amounted to \$153 million as the year ended. Net income was up \$18 million (16 percent), and dividends paid from earnings showed a gain of \$15 million, or 19 percent, from the amount paid in dividends a year earlier.

Illinois continues to lead the States in the number of State-chartered credit unions, with 1,531. Wisconsin reported 733 active credit unions; Michigan, 729; Ohio, 647; and California 616. Credit unions in both Illinois and California reported assets aggregating more than \$300 million, and total assets amounted to more than \$200 million in Michigan, Wisconsin, and Massachusetts.

TABLE 3.—Operations of State-chartered credit unions, 1960

| State | Law enacted | Number of credit unions | | Number of members | Loans outstanding end of year | Paid-in share capital | Reserves | Total assets | Net earnings | Dividends on shares |
|----------------------------|-------------|-------------------------|-----------|-------------------|-------------------------------|-----------------------|------------------------|-----------------|------------------|---------------------|
| | | Active | Reporting | | | | | | | |
| Total, 1959 ¹ | | 10,054 | 9,961 | 5,676,636 | \$2,051,210,064 | \$2,259,210,555 | \$132,485,677 | \$2,676,095,037 | \$112,880,460 | \$79,145,198 |
| Total, 1960 ¹ | | 10,243 | 10,151 | 5,970,846 | 2,381,151,345 | 2,518,348,361 | 152,792,350 | 2,988,554,756 | 131,000,000 | 94,100,000 |
| Alabama | 1927 | 127 | 127 | 92,881 | 40,419,712 | 44,663,775 | 1,830,201 | 52,244,280 | 2,013,102 | 1,083,015 |
| Arizona | 1929 | 58 | 57 | 21,954 | 8,477,270 | 7,890,825 | 132,944 | 9,401,336 | 430,907 | 312,818 |
| Arkansas | 1931 | 67 | 67 | 16,367 | 4,261,713 | 4,622,070 | 250,363 | 5,398,910 | 287,910 | 209,434 |
| California | 1927 | 616 | 602 | 573,548 | 266,373,754 | 260,413,038 | 13,098,468 | 304,885,486 | 14,452,079 | 9,891,785 |
| Colorado | 1931 | 166 | 166 | 97,543 | 46,277,438 | 47,128,370 | 2,206,050 | 55,545,395 | 2,785,283 | 1,711,766 |
| Connecticut | 1939 | 163 | 163 | 58,941 | 17,719,217 | 22,133,578 | 745,356 | 24,805,451 | 917,968 | 555,530 |
| District of Columbia | 1932 | 17 | 16 | 23,313 | 5,569,561 | 6,215,597 | 478,291 | 7,151,093 | 311,440 | 240,669 |
| Florida | 1929 | 318 | 318 | 141,518 | 51,699,002 | 54,164,501 | 2,997,701 | 61,973,203 | 3,250,939 | 2,005,026 |
| Georgia | 1925 | 161 | 161 | 89,009 | 35,606,102 | 454,228 | 1,468,181 | 42,531,394 | (²) | (²) |
| Idaho | 1935 | 78 | 78 | 12,521 | 2,744,890 | 2,515,551 | 49,027 | 2,968,014 | 141,912 | 82,538 |
| Illinois | 1925 | 1,531 | 1,531 | 776,406 | 270,178,434 | 341,173,720 | 2,173,652 | 377,812,340 | 15,487,903 | 12,391,433 |
| Indiana ³ | 1923 | 143 | 143 | (²) | 31,948,237 | 37,592,852 | 2,290,908 | 42,275,082 | (²) | (²) |
| Iowa | 1925 | 327 | 327 | 141,069 | 56,605,024 | 63,856,409 | 3,314,101 | 71,631,684 | 2,850,130 | 2,321,966 |
| Kansas ⁴ | 1929 | 202 | 199 | 86,269 | 29,201,342 | 35,167,014 | 1,700,112 | 39,024,041 | (²) | (²) |
| Kentucky ³ | 1922 | 126 | 126 | (²) | 21,755,556 | 24,294,070 | 1,630,704 | 27,979,450 | (²) | (²) |
| Louisiana | 1924 | 100 | 100 | 46,273 | 15,110,391 | 16,121,461 | 1,142,202 | 18,819,989 | 1,033,094 | 688,843 |
| Maine | 1939 | 24 | 24 | (²) | 5,283,000 | 5,751,000 | 410,000 | 6,761,000 | 296,000 | 197,000 |
| Maryland | 1929 | 43 | 43 | 58,210 | 19,479,169 | 18,282,230 | 1,446,087 | 23,447,785 | 1,148,134 | 868,599 |
| Massachusetts | 1909 | 450 | 450 | 420,066 | 144,364,775 | 170,003,908 | 17,546,011 | 204,921,962 | (²) | (²) |
| Michigan | 1925 | 729 | 716 | 481,501 | 229,561,782 | 241,352,514 | 10,774,270 | 271,024,662 | 11,877,938 | 8,532,636 |
| Minnesota | 1925 | 437 | 435 | 233,123 | 123,704,586 | 114,237,732 | 6,061,892 | 142,665,168 | 4,735,171 | 4,273,297 |
| Mississippi | 1924 | 40 | 38 | 12,302 | 3,502,232 | 4,085,540 | 273,900 | 4,858,251 | 279,476 | 210,792 |
| Missouri ⁴ | 1927 | 570 | 529 | 275,111 | 117,349,387 | 122,468,965 | 6,380,334 | 137,770,655 | 5,119,021 | 3,578,815 |
| Montana | 1929 | 35 | 34 | 7,629 | 2,089,379 | 1,865,585 | 94,967 | 2,365,967 | 111,959 | 58,900 |
| Nebraska | 1919 | 78 | 78 | 33,175 | 15,025,773 | 16,553,943 | 797,441 | 18,490,587 | 861,289 | 630,061 |
| New Hampshire ³ | 1921 | 35 | 35 | 20,027 | 7,490,616 | 4,895,035 | 298,716 | 9,352,046 | 400,178 | 146,607 |
| New Jersey | 1924 | 72 | 72 | 37,069 | 5,143,572 | 13,002,470 | 725,375 | 14,247,166 | 521,158 | 403,371 |
| New Mexico | 1945 | 58 | 58 | (²) | 5,124,174 | 6,092,753 | 174,394 | 6,541,294 | 337,734 | 228,372 |
| New York | 1913 | 143 | 143 | 165,860 | 49,746,890 | 52,187,573 | 4,940,858 | 63,361,621 | 2,793,685 | 1,812,854 |
| North Carolina | 1915 | 231 | 231 | 100,000 | 26,557,895 | 27,859,575 | 2,005,126 | 33,781,521 | (²) | (²) |
| North Dakota | 1935 | 92 | 91 | 23,768 | 9,562,545 | 10,293,239 | 416,528 | 11,378,428 | (²) | (²) |
| Ohio | 1931 | 647 | 636 | 361,439 | 143,458,545 | 153,190,262 | 8,712,643 | 177,118,317 | 8,443,121 | 5,661,912 |
| Oklahoma | 1933 | 38 | 38 | 60,665 | 25,475,579 | 303,327 | 1,928,131 | 30,539,740 | (²) | (²) |
| Oregon | 1915 | 43 | 43 | 45,365 | 23,759,941 | 24,281,345 | 1,609,927 | 27,356,764 | 1,416,058 | 960,617 |
| Pennsylvania | 1933 | 123 | 123 | 88,085 | 21,926,153 | 28,830,633 | 1,923,358 | 34,822,738 | 1,232,092 | 1,023,877 |
| Puerto Rico ³ | 1947 | 199 | 199 | 68,450 | 13,833,445 | 16,150,000 | 428,935 | 16,150,000 | 430,000 | (²) |
| Rhode Island | 1914 | 100 | 100 | 112,572 | 52,972,317 | 46,178,937 | 5,070,341 | 70,834,631 | 2,661,202 | 1,566,693 |
| South Carolina | 1915 | 28 | 28 | 14,416 | 3,261,889 | 3,042,371 | 121,630 | 3,869,903 | 155,767 | 91,295 |
| Tennessee | 1923 | 193 | 193 | 93,929 | 45,692,332 | 49,242,023 | ² 2,500,000 | 55,923,755 | (²) | (²) |
| Texas | 1913 | 389 | 387 | 236,664 | 105,489,354 | 108,201,720 | 2,809,109 | 122,241,818 | 6,200,234 | 4,853,880 |
| Utah | 1915 | 173 | 173 | 67,106 | 35,859,648 | 33,808,206 | 813,045 | 39,551,026 | 1,947,842 | 1,356,650 |
| Vermont | 1941 | 62 | 62 | 16,495 | 4,223,040 | 4,243,826 | 178,833 | 4,831,648 | 241,157 | 117,039 |
| Virginia | 1921 | 101 | 101 | (²) | 20,649,567 | 18,839,304 | 990,241 | 23,596,848 | (²) | (²) |
| Washington | 1933 | 153 | 153 | 143,202 | 57,984,342 | 67,052,487 | 3,578,303 | 76,339,944 | 4,145,416 | 2,833,011 |
| West Virginia | 1925 | 24 | 24 | 8,561 | 3,151,918 | 2,411,368 | 265,209 | 3,570,384 | 175,276 | 119,689 |
| Wisconsin | 1913 | 733 | 733 | 363,444 | 155,479,857 | 185,214,431 | 13,999,485 | 206,392,420 | 8,927,292 | 6,225,159 |

¹ Includes estimates for data not reported.

² Data not reported.

³ Data for fiscal year ended June 30.

⁴ Data for fiscal year ended Sept. 30.

⁵ Data furnished by State Credit Union League.

TABLE 4.—Selected data on State-chartered and Federal credit union operations, 1959 and 1960

| Item | All credit unions | | State-chartered | | Federal | |
|--|-------------------|-----------------|--------------------------|--------------------------|-----------------|-----------------|
| | 1959 | 1960 | 1959 | 1960 | 1959 | 1960 |
| Number in operation..... | 19,501 | 20,148 | 10,054 | 10,243 | 9,447 | 9,905 |
| Number reporting..... | 19,408 | 20,056 | 9,961 | 10,151 | 9,447 | 9,905 |
| Number of members..... | 11,319,884 | 12,058,224 | 5,676,636 | 5,970,846 | 5,643,248 | 6,087,378 |
| Amount of loans outstanding..... | \$3,717,735,576 | \$4,402,614,540 | \$2,051,210,064 | \$2,381,151,345 | \$1,666,525,512 | \$2,021,463,195 |
| Paid-in share capital ² | 4,334,265,574 | 4,862,665,558 | 2,259,210,555 | 2,518,348,361 | 2,075,055,019 | 2,344,337,197 |
| Reserves..... | 233,562,916 | 274,851,192 | 132,485,677 | 152,792,350 | 101,077,239 | 122,058,842 |
| Total assets..... | 5,028,908,437 | 5,658,289,054 | 2,676,095,037 | 2,988,554,756 | 2,352,813,400 | 2,669,734,298 |
| Net earnings..... | 215,117,607 | 254,883,408 | ¹ 112,880,460 | ¹ 131,000,000 | 102,237,147 | 123,983,408 |
| Dividends paid on shares..... | 152,437,557 | 181,927,870 | ¹ 79,145,198 | ¹ 94,100,000 | 73,292,359 | 87,827,870 |
| Average membership per credit union..... | 583 | 601 | 570 | 588 | 597 | 615 |
| Average assets per credit union..... | \$259,115 | \$282,125 | \$268,657 | \$294,410 | \$249,054 | \$269,534 |
| Average shares per member..... | 383 | 403 | 398 | 422 | 368 | 385 |
| Ratio (percent) of— | | | | | | |
| Loans outstanding to shares..... | 85.8 | 90.5 | 90.8 | 94.6 | 80.3 | 86.2 |
| Loans outstanding to assets..... | 73.9 | 77.8 | 76.6 | 79.7 | 70.8 | 75.7 |
| Reserves to shares..... | 5.4 | 5.7 | 5.9 | 6.1 | 4.9 | 5.2 |
| Reserves to loans outstanding..... | 6.3 | 6.2 | 6.5 | 6.4 | 6.1 | 6.0 |

¹ Partly estimated.

² Excludes members' deposits in State-chartered credit unions amounting

to \$107,380,000 (revised) in 1959 and \$119,641,000 in 1960.

Real-Estate Loans

More than one-fifth of the amount outstanding in loans to members in the 26 States that reported on real-estate loans in 1960 was secured by real-estate mortgages (table 2). During 1960, these States made loans totaling \$1.8 billion, and 4.4 percent (\$79.2 million) of this amount was secured by real estate. The proportions varied widely among the reporting States. In Rhode Island, more than half the loans outstanding to members at the end of 1960 were made for this purpose, and in Massachusetts, New Hampshire, and Wisconsin at least 40 percent.

STATE AND FEDERAL CREDIT UNIONS

Aggregate data for 1959 and 1960 are shown in table 4 for State-chartered and Federal credit unions. The first State-chartered credit union was organized in Massachusetts in 1909, and the first Federal credit union was organized in 1934. In 1960, for the first time, Federal credit unions passed the State-chartered groups in membership. They also reduced the lead held by the other type of credit union in total assets, loans to members, and amount of shares as activities in these areas increased at a faster rate for the Federal groups.

Since State-chartered groups, as a whole, are older than Federal credit unions, they are generally larger, and their members have, on the average, larger savings. In 1960 the aggregate resources of State-chartered credit unions aver-

aged \$294,410, in contrast to an average of \$269,534 for Federal credit unions. Members' savings (shares) averaged \$422 in the State-chartered groups compared with \$385 for members of Federal credit unions. With the growth in membership among the latter groups, however, average membership in the Federal credit unions was 615 at the end of 1960 and 588 in the State-chartered credit unions.

By the end of 1960, more than 12 million American families were served by some 20,000 credit unions in the United States. These credit unions reported aggregate assets of nearly \$5.7 billion, and their members had saved nearly \$5 billion in the credit unions alone. Members' outstanding indebtedness to the credit unions amounted to \$4.4 billion at the end of 1960, and at some time during the year the members received \$182 million in dividends on their savings in the State-chartered and Federal credit unions.

In summary, the year 1960 may be considered a highly successful one for credit unions despite the uncertain and generally unfavorable economic climate that prevailed throughout most of the year. Credit unions, whether State-chartered or Federal, have much in common, and any differences that do exist are relatively minor ones resulting from slight variations in some of the State laws. Most States, for example, permit real-estate loans. Though not expressly forbidden under the Federal law, such loans are generally not feasible under the Federal act.