

Notes and Brief Reports

State-Chartered Credit Unions in 1963*

The year 1963 marked further advances for the State-chartered credit unions. From their modest beginnings in Massachusetts in 1909, State-chartered credit unions had extended their savings and loan services by 1963 to more than 7 million members living in 44 States, the District of Columbia, and Puerto Rico.

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TABLE 1.—Operations of State-chartered credit unions, 1963

[Dollar amounts in thousands]

State	Law enacted	Number of credit unions		Number of members	Total assets	Loans outstanding	Members' savings		Reserves	Net earnings	Dividends on shares
		Active	Reporting				Total ¹	Shares ²			
Total, 1962 ³		10,418	10,337	6,745,334	\$3,758,222	\$2,917,319	\$3,311,482	\$3,163,800	\$199,204	\$171,400	\$125,800
Total, 1963 ³		10,425	10,362	7,083,045	4,211,483	3,259,381	3,708,530	3,543,125	225,865	190,000	140,000
Alabama	1927	126	126	105,184	72,397	54,504	62,187	62,131	3,080	3,808	2,830
Arizona	1929	55	55	28,009	14,490	11,380	12,348	11,837	445	677	473
Arkansas	1931	75	75	24,225	9,719	7,200	8,441	8,441	531	440	308
California	1927	582	582	709,911	448,963	383,772	394,587	388,339	22,903	22,362	16,612
Colorado	1931	166	166	116,371	79,436	60,253	69,347	67,479	3,686	3,843	2,581
Connecticut	1939	175	175	74,231	38,067	26,784	33,629	33,629	1,491	1,666	1,037
District of Columbia	1932	16	16	28,746	11,034	8,644	9,593	9,593	636	520	398
Florida	1929	305	305	175,677	92,603	67,125	81,828	81,726	5,317	4,998	3,304
Georgia	1925	161	161	105,416	60,881	49,985	53,270	536	2,007	2,674	(⁵)
Idaho	1935	102	102	(⁵)	6,107	5,158	5,140	5,015	242	(⁵)	192
Illinois	1925	1,418	1,418	823,004	465,203	334,279	422,882	422,882	22,042	20,726	15,848
Indiana	1923	133	133	108,340	63,109	49,071	56,229	56,229	3,835	7,913	2,065
Iowa	1925	380	380	172,004	103,651	74,742	94,220	93,546	5,136	5,177	3,387
Kansas ⁶	1929	228	227	100,488	57,353	42,574	50,929	50,929	2,680	(⁵)	1,641
Kentucky ⁷	1922	144	144	(⁵)	34,502	26,450	29,682	29,682	2,500	(⁵)	(⁵)
Louisiana	1924	95	95	51,760	24,688	19,073	21,257	21,257	1,736	348	943
Maine	1939	25	25	19,139	10,122	8,242	8,519	8,519	926	417	311
Maryland	1929	39	39	63,117	29,259	24,475	23,755	22,458	2,165	1,434	1,051
Massachusetts	1909	439	439	437,517	260,668	189,280	225,854	220,316	22,943	(⁵)	(⁵)
Michigan	1925	785	781	628,346	404,687	323,693	357,177	355,777	18,667	8,168	13,365
Minnesota	1925	445	445	277,404	214,020	174,310	193,189	167,250	9,408	6,737	6,370
Mississippi ⁸	1924	38	38	14,519	6,899	6,725	6,300	6,300	800	186	120
Missouri ⁶	1927	564	545	311,499	172,580	126,003	153,163	153,163	9,350	(⁵)	5,650
Montana	1929	29	29	10,638	4,411	3,849	3,336	3,336	348	203	128
Nebraska	1919	72	72	40,002	23,596	18,890	21,238	21,238	1,386	1,174	879
New Hampshire ⁷	1921	34	34	22,499	12,524	9,793	11,034	6,959	477	564	230
New Jersey	1924	68	68	37,006	15,306	5,716	13,925	13,925	846	592	480
New Mexico	1945	58	58	19,472	10,929	8,100	9,750	9,750	457	557	372
New York	1913	134	134	170,614	82,145	65,305	67,048	67,048	6,592	3,643	(⁵)
North Carolina	1915	207	207	123,333	47,245	36,310	40,694	39,262	2,814	2,058	1,507
North Dakota	1935	91	91	30,371	16,346	13,717	14,627	14,624	631	542	367
Ohio	1931	645	645	419,147	241,660	186,129	207,438	207,438	13,614	11,775	8,011
Oklahoma	1933	38	38	67,170	44,606	36,286	39,949	336	3,043	(⁵)	(⁵)
Oregon	1915	42	42	53,958	41,512	34,056	36,806	36,757	2,831	2,090	1,481
Pennsylvania	1933	130	130	98,045	44,543	31,075	37,383	37,383	2,577	1,990	1,466
Puerto Rico ⁷	1947	275	244	97,600	29,120	26,306	23,419	21,150	⁹ 656	859	(⁵)
Rhode Island	1914	112	112	129,481	96,294	73,391	83,461	65,219	5,968	3,363	2,393
South Carolina	1915	45	45	34,946	14,965	12,512	13,209	13,209	733	807	402
Tennessee	1923	229	225	129,305	79,507	65,806	70,213	70,213	2,728	(⁵)	(⁵)
Texas	1913	413	411	314,538	198,027	165,638	175,829	175,538	6,352	10,296	7,822
Utah	1915	199	199	95,730	67,262	56,800	56,413	55,887	3,503	3,458	2,443
Vermont	1941	68	68	21,705	8,628	7,447	7,439	7,439	379	437	243
Virginia	1921	98	98	(⁵)	38,646	34,118	33,145	31,633	2,206	(⁵)	(⁵)
Washington	1933	157	157	196,251	130,876	89,567	114,284	114,187	6,290	6,773	5,052
West Virginia ⁷	1925	23	23	(⁵)	4,343	3,697	3,580	3,580	185	202	139
Wisconsin	1913	760	760	423,200	278,554	201,151	250,784	250,784	18,722	12,173	8,824

¹ Includes members' deposits amounting to \$147,682,000 (revised) in 1962 and \$165,405,000 in 1963.

² Includes deposits in Arkansas, Maine, Mississippi, and New Mexico, for which amounts are not available separately. Excludes deposits reported for other States.

³ Includes estimates for data not reported.

⁴ Revised.

⁵ Data not reported.

⁶ Data for fiscal year ended Sept. 30.

⁷ Data for fiscal year ended June 30.

⁸ Data furnished by State credit union league.

⁹ Estimated.

only to the record increase of \$353.3 million in 1959. During the past 5 years their total assets increased \$1.9 billion; members' shares and loans outstanding each rose almost \$1.6 billion, and membership increased by one-third (table 2).

Other phases of State credit union activity also expanded during 1963 (table 1). Reserves set aside to protect members' shareholdings increased 13 percent during the year and amounted to \$226 million. Reserves were 6.4 percent of shares and 6.9 percent of loans outstanding at the year's end. Net income rose \$19 million (11 percent), and dividends paid on members' shareholdings increased \$14 million, or 11 percent, from the amount paid in dividends during 1962.

STATE ACTIVITIES

Substantially complete reports for 1963 were received from supervisory authorities in all jurisdictions. Four States were unable to report membership, however, and several did not report

TABLE 2.—Development of State-chartered credit unions, 1925-63

Year	Number of credit unions		Number of members	Assets	Shares	Loans outstanding
	[Amounts in thousands]					
	Active	Re-reporting				
1925.....	419	176	108,000	(¹)	(¹)	(¹)
1929.....	974	838	264,908	(¹)	(¹)	(¹)
1931.....	1,500	1,244	286,143	\$33,645	31,416	\$21,708
1932.....	1,612	1,472	301,119		22,458	26,392
1933.....	2,016	1,772	359,646	35,497	40,212	26,285
1934.....	2,450	2,028	427,097	47,964	33,446	34,180
1935.....	2,600	2,122	523,132	73,659	55,426	52,006
1936.....	3,490	2,734	854,475	97,088	74,686	62,317
1937.....	3,792	3,128	1,055,736	117,672	92,585	84,143
1938.....	4,299	3,977	1,236,826	145,803	117,112	111,306
1939.....	4,782	4,677	1,459,377	180,649	145,500	134,741
1940.....	5,267	5,175	1,700,390			
1941.....	5,663	5,506	1,907,694	216,558	176,530	150,605
1942.....	5,622	5,400	1,797,084	221,115	179,500	105,885
1943.....	5,285	5,124	1,721,240	228,315	191,087	87,240
1944.....	4,993	4,907	1,629,706	253,664	205,127	86,552
1945.....	4,923	4,858	1,626,364	281,524	225,588	91,122
1946.....	5,003	4,954	1,717,616	322,083	270,620	130,663
1947.....	5,155	5,097	1,893,944	380,751	317,304	188,551
1948.....	5,273	5,271	2,120,708	443,050	368,385	260,745
1949.....	5,427	5,402	2,271,115	510,726	415,936	329,485
1950.....	5,602	5,587	2,483,455	599,641	488,564	416,129
1951.....	5,881	5,886	2,732,495	693,614	583,035	447,328
1952.....	6,362	6,324	3,035,046	853,710	711,147	569,982
1953.....	7,096	6,986	3,380,121	1,040,875	870,436	733,529
1954.....	7,814	7,713	3,756,852	1,237,176	1,050,558	870,070
1955.....	8,387	8,258	4,121,421	1,476,014	1,245,007	1,070,844
1956.....	8,901	8,763	4,548,617	1,741,742	1,471,341	1,520,989
1957.....	9,463	9,314	4,963,813	2,021,145	1,708,531	1,520,989
1958.....	9,806	9,740	5,329,111	2,312,053	1,958,385	1,697,666
1959.....	10,054	9,961	5,676,636	2,676,095	2,259,211	2,051,211
1960.....	10,243	10,151	5,970,846	2,988,555	2,518,348	2,381,151
1961.....	10,341	10,296	6,335,840	3,353,820	2,832,275	2,607,008
1962.....	10,418	10,337	6,745,334	3,758,222	3,163,800	2,917,319
1963.....	10,425	10,362	7,083,045	4,211,483	3,543,125	3,259,381

¹ Data not available.
² Revised.

net earnings and/or dividends paid on members' shareholdings. The Bureau's estimates for these missing items are included in the totals for all areas.

In 1963, for the fifth consecutive year, the net increase in the number of active State-chartered credit unions was smaller than that in the preceding year. There were only seven more active groups at the end of 1963 than at the close of 1962, in comparison to a net gain of 77 during 1962.

Twenty-two of the 46 jurisdictions with a State or local credit union law recorded increases during 1963 in the number of active groups, and declines occurred in 16 States. In seven States and the District of Columbia the number remained unchanged. Five jurisdictions—Iowa, Puerto Rico, Tennessee, Utah, and Wisconsin—each reported a net gain of more than 10. In contrast, Illinois reported a substantial decline in the number of operating groups, from 1,504 in

TABLE 3.—Total amount of loans and amount of real-estate loans made by State-chartered credit unions, 30 States, 1963¹

State	[In thousands]			
	Loans outstanding end of year		Loans made during year	
	Total	Secured by real estate	Total	Secured by real estate
Total, 30 States.....	\$2,536,660	\$502,171	² \$2,350,000	² \$146,000
Alabama.....	54,504	5,178	65,667	(³)
Arizona.....	11,380	278	11,659	(³)
California.....	383,772	44,573	310,573	(³)
Colorado.....	60,253	9,466	61,598	3,280
Florida.....	67,125	4,888	91,924	(³)
Iowa.....	74,742	8,041	71,069	1,760
Kansas ⁴	42,574	3,782	(³)	(³)
Maine.....	8,242	30	(³)	(³)
Massachusetts.....	189,280	80,937	(³)	(³)
Michigan.....	323,693	56,425	329,807	(³)
Minnesota.....	174,310	60,971	95,831	(³)
Mississippi ⁵	6,725	1,700	8,500	700
Missouri ⁴	126,003	26,593	(³)	(³)
Nebraska.....	18,890	4,646	(³)	(³)
New Hampshire ⁶	9,793	3,827	(³)	(³)
New Mexico.....	8,100	824	(³)	(³)
North Dakota.....	13,717	1,740	9,960	(³)
Ohio.....	186,129	21,600	215,323	(³)
Oklahoma.....	36,286	1,333	(³)	(³)
Oregon.....	34,056	3,053	31,879	1,396
Pennsylvania.....	31,075	2,815	41,929	(³)
Rhode Island.....	73,391	39,770	39,095	9,187
South Carolina.....	12,512	2,705	14,328	1,793
Tennessee.....	65,806	13,757	66,338	(³)
Texas.....	165,638	11,740	215,403	3,379
Utah.....	56,800	4,928	50,292	1,894
Vermont.....	7,447	757	(³)	(³)
Washington.....	89,566	10,310	76,371	2,541
West Virginia ⁶	3,697	313	3,699	(³)
Wisconsin.....	201,151	75,193	128,152	17,369

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 Data furnished by State credit union league.

⁶ Fiscal year ended June 30.

1962 to 1,418 in 1963. Illinois now accounts for 13.6 percent of all active credit unions, compared with 14.4 percent in 1962. Small increases in the other 17 States that reported gains were offset by small declines in the 15 States that had fewer active credit unions than a year earlier.

Despite the lack of overall growth in the number of active groups, the relative increase in total assets (12.1 percent) of State-chartered credit unions in 1963 equaled the gain in 1962. The dollar increase was, however, \$50 million greater than that in the preceding year and was the largest recorded in the history of the State-chartered credit unions.

All jurisdictions shared in the increase in 1963, with relative gains ranging from small to substantial. Assets in 28 States increased at a faster rate than the national average. Eight States—California, Illinois, Massachusetts, Michigan, Minnesota, Ohio, Texas, and Wisconsin—accounted for 57 percent of the total gain for all States. Michigan added \$55.5 million, California

showed an increase of \$52.6 million, and Wisconsin gained \$26.9 million in assets during the year.

Membership in State-chartered credit unions increased 5 percent in 1963 and stood at 7,083,045 at the close of the year. The net increase of 337,711 was less than the rise of 409,494 reported in 1962 and the smallest gain in membership in recent years. All States except three experienced a rise in membership in 1963, and six jurisdictions—Michigan, North Carolina, Puerto Rico, South Carolina, Tennessee, and Utah—reported gains of at least 10 percent.

REAL-ESTATE LOANS

The credit union laws of four States—Connecticut, Idaho, Illinois, and New Jersey—specifically prohibit real-estate loans. In the other 42 jurisdictions that have a credit union law, the law is either silent with respect to such loans or it expressly permits credit unions to make this type of loan.

TABLE 4.—Total amount of loans outstanding and amount of real-estate loans made by State-chartered credit unions in 22 States, for selected years, 1953-63

[Based on States reporting real-estate loans for all years shown. Amounts in millions; percentages based on unrounded data]

State ¹	Loans outstanding December 31 ²												Percentage change			
	1963				1962				1953				1963 from 1962		1963 from 1953	
	Total		Secured by real estate		Total		Secured by real estate		Total		Secured by real estate		Total	Secured by real estate	Total	Secured by real estate
	Amount	Per-cent of total	Amount	Per-cent of total	Amount	Per-cent of total	Amount	Per-cent of total	Amount	Per-cent of total	Amount	Per-cent of total				
Total:																
All States.....	\$3,259.4	100.0	(³)	(³)	\$2,917.4	100.0	(³)	(³)	\$733.5	100.0	(³)	(³)	11.7	(³)	344.3	(³)
22 States.....	2,327.7	71.4	\$470.4	20.2	2,081.4	71.3	\$442.7	21.3	505.6	68.9	\$135.6	26.8	11.8	6.4	360.4	246.9
Rhode Island.....	73.4	2.3	39.8	54.2	66.4	2.3	36.9	55.6	24.3	3.3	13.8	56.7	10.5	7.7	202.1	188.6
Massachusetts ⁴	189.3	5.8	80.9	42.8	171.3	5.9	75.1	43.8	68.8	9.4	29.3	42.5	10.5	7.8	174.9	176.3
New Hampshire ⁴	9.8	.3	3.8	40.1	9.1	.3	3.8	41.4	2.6	.4	1.7	64.3	7.4	1.4	275.0	127.8
Wisconsin.....	201.2	6.2	75.2	37.4	183.7	6.3	70.5	38.4	57.9	7.9	24.6	42.4	9.5	6.7	247.3	206.1
Minnesota.....	174.3	5.4	61.0	35.0	159.4	5.5	58.8	36.9	36.4	5.0	14.9	40.8	9.4	3.6	379.2	310.6
Missouri ⁵	126.0	3.9	26.6	21.1	120.8	4.1	24.9	20.6	33.8	4.6	5.1	15.2	4.3	6.9	272.5	416.6
Michigan.....	323.7	9.9	56.4	17.4	283.3	9.7	52.5	18.5	57.7	7.9	18.3	31.7	14.3	7.5	460.9	208.1
North Dakota.....	13.7	.4	1.7	12.7	11.8	.4	1.2	10.1	3.1	.4	.4	12.8	16.4	46.6	340.5	335.2
California.....	383.8	11.8	44.6	11.6	340.1	11.7	47.7	14.0	63.7	8.7	11.4	17.9	12.8	-6.4	502.2	289.9
Colorado.....	60.3	1.8	9.5	11.6	55.5	1.9	8.5	15.4	13.0	1.8	2.0	15.6	8.7	11.2	362.0	364.4
Ohio.....	186.1	5.7	21.6	11.6	167.8	5.7	18.9	11.3	46.1	6.3	5.3	11.5	10.9	14.3	303.7	308.1
Washington.....	89.6	2.7	10.3	11.5	78.1	2.7	9.0	11.5	12.9	1.8	1.0	7.4	14.7	14.5	596.5	978.7
Iowa.....	74.7	2.3	8.0	10.8	67.2	2.3	7.8	11.6	15.9	2.2	2.2	14.0	11.2	3.4	370.2	261.9
Vermont.....	7.4	.2	8	10.2	6.3	.2	.6	11.7	.7	.1	.7	7.4	18.7	19.1	956.9	1,356.0
Oregon.....	34.1	1.0	3.1	9.0	29.6	1.0	2.3	7.7	6.2	.8	.7	11.5	15.1	34.0	449.9	326.8
Kansas ⁵	42.6	1.3	3.8	8.9	37.3	1.3	3.1	8.4	8.2	1.1	.5	5.6	14.2	20.6	418.9	726.1
Utah.....	56.8	1.7	4.9	8.7	49.1	1.7	4.8	9.7	7.7	1.0	1.1	14.9	15.7	3.1	637.6	330.3
West Virginia ⁴	3.7	.1	.3	8.5	3.4	.1	.3	8.7	1.1	.1	.1	13.7	8.1	5.5	249.0	115.4
Florida.....	67.1	2.1	4.9	7.3	59.1	2.0	4.4	7.5	12.5	1.7	1.6	13.1	13.6	10.1	437.9	198.6
Texas.....	165.0	5.1	11.7	7.1	143.0	4.9	10.2	7.1	25.1	3.4	1.1	4.5	15.9	15.1	560.8	947.2
Oklahoma.....	36.3	1.1	1.3	3.7	32.1	1.1	1.3	4.1	6.2	.8	.3	4.9	13.2	2.4	484.7	335.3
Maine.....	8.2	.3	(⁶)	.4	7.1	.2	(⁶)	.4	1.7	.2	(⁶)	1.1	15.5	15.3	395.7	57.5

¹ States ranked by percentage of real-estate loans to total loans outstanding as of Dec. 31, 1963.

² Unless otherwise noted; see footnotes 4 and 5.

³ Data not available.

⁴ Fiscal year ended June 30 for New Hampshire in 1953, 1962, and 1963;

for West Virginia in 1963.

⁵ Fiscal year ended September 30 for Missouri in 1962 and 1963; for Kansas in 1962 and 1963.

⁶ Less than \$50,000.

In 1963, nearly one-fifth of the \$2.5 billion in loans outstanding to members in the 30 States that reported on real-estate loans was secured by real estate (table 3). As a proportion of all loans outstanding, those secured by real-estate mortgages ranged from less than 5 percent in Arizona, Maine, and Oklahoma to 30 percent or more in Massachusetts, Minnesota, New Hampshire, Rhode Island, and Wisconsin. Five States—California, Massachusetts, Michigan, Minnesota, and Wisconsin—held 63 percent of the more than \$500 million in total loans outstanding secured by real estate.

In the 30 reporting States, it is estimated that loans totaling \$2,350 million were made during the year and that \$146 million or 6.2 percent was secured by real estate.

In order to examine longer-run trends in real-estate loans at State-chartered credit unions, data were compiled for the 22 States that reported such loans for the year 1953, 1962, and 1963 (table 4). The figures show that loans secured by real estate were relatively less important at the end of 1963 than they had been 10 years earlier. As a proportion of total loans, they declined from 27 percent in 1953 to 20 percent in 1963; at the same time the amount outstanding rose from \$136 million to \$470 million.

The increase during 1963 was 11.8 percent for all loans outstanding and 6.4 percent for loans

secured by real estate. All States shared in the increase except California, which reported a decline of 6.4 percent.

STATE AND FEDERAL CREDIT UNIONS

Activities of both State-chartered and Federal credit unions continued to expand in 1963, and new highs were achieved (table 5). Reflecting the substantial growth experienced during the year, total assets increased by almost \$1 billion or 13.1 percent. More than \$810 million was added to shares, and members' loans outstanding were almost \$700 million or 12.6 percent higher than at the end of 1962.

The 21,317 State-chartered and Federal credit unions that reported on their operations at the end of 1963 held more than \$8.1 billion in assets, of which almost \$6.2 billion was in loans. The 14.6 million members had savings of nearly \$7.2 billion in the credit unions as the year ended.

Credit unions are about equally divided between those operating under State laws and the Federal Credit Union Act. At the end of 1963, Federal credit unions exceeded State groups in the number of active groups and in total membership. State-chartered credit unions accounted for almost 52 percent of total assets and members' savings and for almost 53 percent of total loans outstanding.

TABLE 5.—Selected data on State-chartered and Federal credit unions, 1962 and 1963

[Dollar amounts in thousands except averages]

Item	All credit unions		State-chartered ¹		Federal	
	1962	1963	1962	1963	1962	1963
Number in operation	21,050	21,380	10,418	10,425	10,632	10,955
Number reporting	20,969	21,317	10,337	10,362	10,632	10,955
Number of members	² 13,752,964	14,582,792	² 6,745,334	7,083,045	7,007,630	7,499,747
Total assets	\$7,188,027	\$8,128,024	\$3,758,222	\$4,211,483	\$3,429,805	\$3,916,541
Amount of loans outstanding	² \$5,478,041	\$6,170,541	² \$2,917,319	\$3,259,381	\$2,560,722	\$2,911,159
Members' savings	\$6,331,756	\$7,161,145	\$3,311,482	\$3,708,530	\$3,020,274	\$3,452,615
Paid-in share capital ³	\$6,184,074	\$6,995,740	\$3,163,800	\$3,543,125	\$3,020,274	\$3,452,615
Deposits	² \$147,682	\$165,405	² \$147,682	\$165,405	(⁴)	(⁴)
Reserves	² \$373,536	\$433,769	² \$199,204	\$225,865	\$174,332	\$207,903
Net earnings	\$334,442	\$377,358	\$171,400	\$190,000	\$163,042	\$187,358
Dividends paid on shares	\$244,467	\$277,159	\$125,800	\$140,000	\$118,667	\$137,159
Average membership per credit union	656	684	653	684	659	685
Average assets per credit union	\$342,793	\$381,293	\$363,570	\$406,435	\$322,593	\$357,512
Average shares per member ⁵	\$450	\$480	\$469	\$500	\$431	\$460
Ratio (percent) of—						
Loans outstanding to shares	² 88.6	88.2	² 92.2	92.0	84.8	84.3
Loans outstanding to assets	76.2	75.9	77.6	77.4	74.7	74.3
Reserves to shares	² 6.0	6.2	² 6.3	6.4	5.8	6.0
Reserves to loans outstanding	² 6.8	7.0	² 6.8	6.9	6.8	7.1

¹ Partly estimated.

² Revised.

³ Includes deposits in 4 States for which separate figures are not available. See table 1, footnote 2.

⁴ Deposits are not permitted under the Federal Credit Union Act.

⁵ Based on shareholdings only; excludes deposits in State-chartered credit unions.