

# CUNA Massachusetts **MEMBERSHIP BENEFITS REPORT**

## Massachusetts

### The Benefits of Membership

Credit unions generally provide financial benefits to members through lower loan rates, high savings rates, and fewer fees than banking institutions.

The Credit Union National Association (CUNA) estimates that Massachusetts credit unions provided \$291,494,697 in direct financial benefits to the state's 3,309,902 members during the twelve months ending June 2023.

**These benefits are equivalent to \$88 per member or \$185 per member household <sup>(1)</sup>.**

Estimated total benefits of credit union membership are calculated by accounting for differences in credit union and bank pricing. Specifically, average credit union savings account yields, loan interest rates and fees are compared to average bank savings account yields, loan interest rates and fees. The interest rate differences are then applied to respective average credit union loan and savings balances. Fee differences are weighted and applied to credit union non-interest income to obtain the total estimated benefits arising from fees.

The per-member and per-household benefits delivered by Massachusetts credit unions are substantial, but these benefits are *averages*. Mathematically, that means the total benefits provided are divided across all members (or all member households) - even those who conduct very little financial business with Massachusetts credit unions.

Consider this:

**Financing a \$25,000 new automobile for 60 months at a Massachusetts credit union will save members an average \$79 per year in interest expense compared to what they would pay at a banking institution in the state.**

Further, loyal members - those who use the credit union extensively - often receive total financial benefits that are much greater than the average.

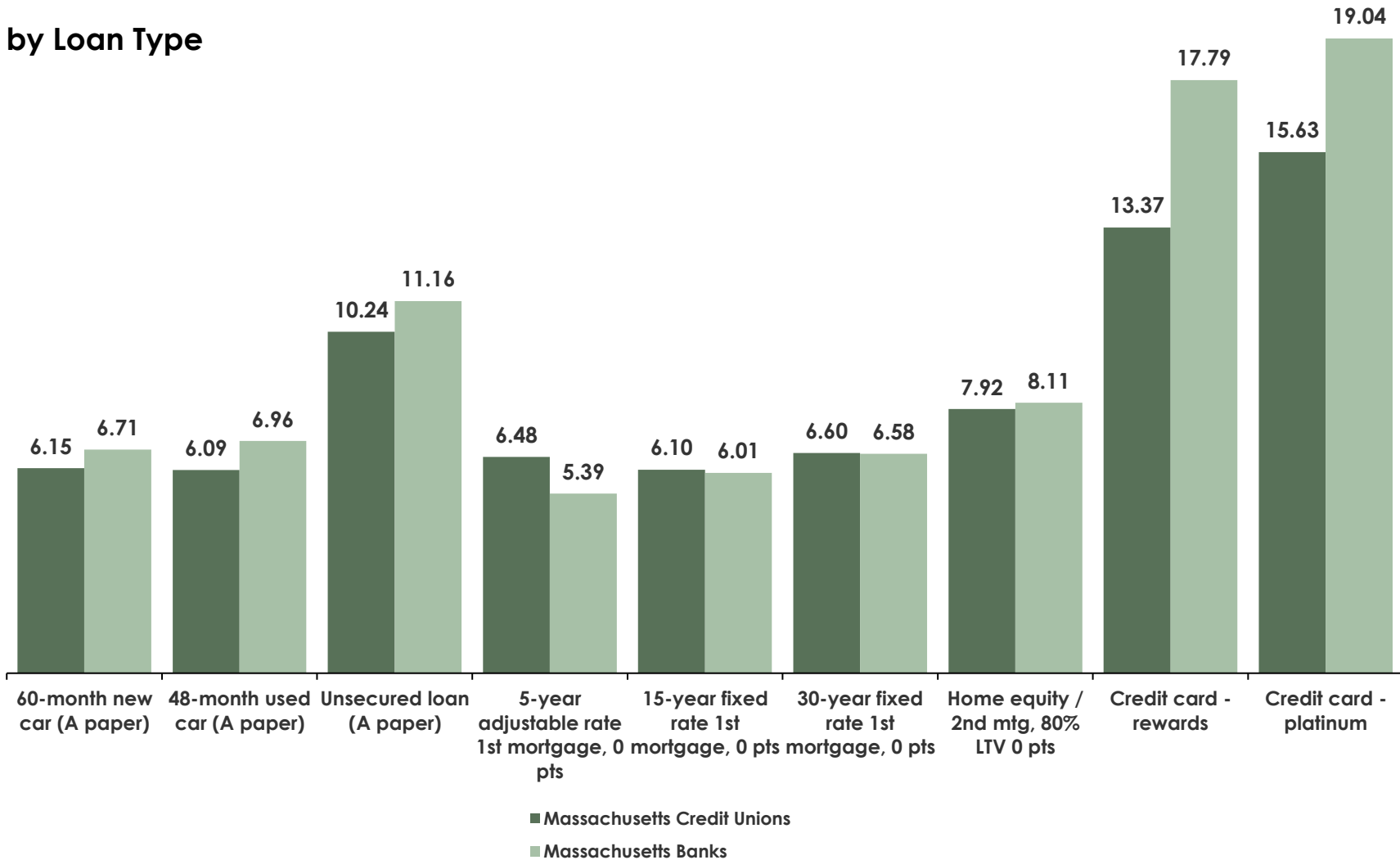
Massachusetts credit unions excel in providing member benefits on many loan and savings products. In particular, Massachusetts credit unions offer lower average loan rates on the following accounts: new car loans, used car loans, personal unsecured loans, home equity loans, credit cards loans.

Massachusetts credit unions also pay members higher average dividends on the following accounts: regular savings, share draft checking, money market accounts, certificate accounts, IRAs.



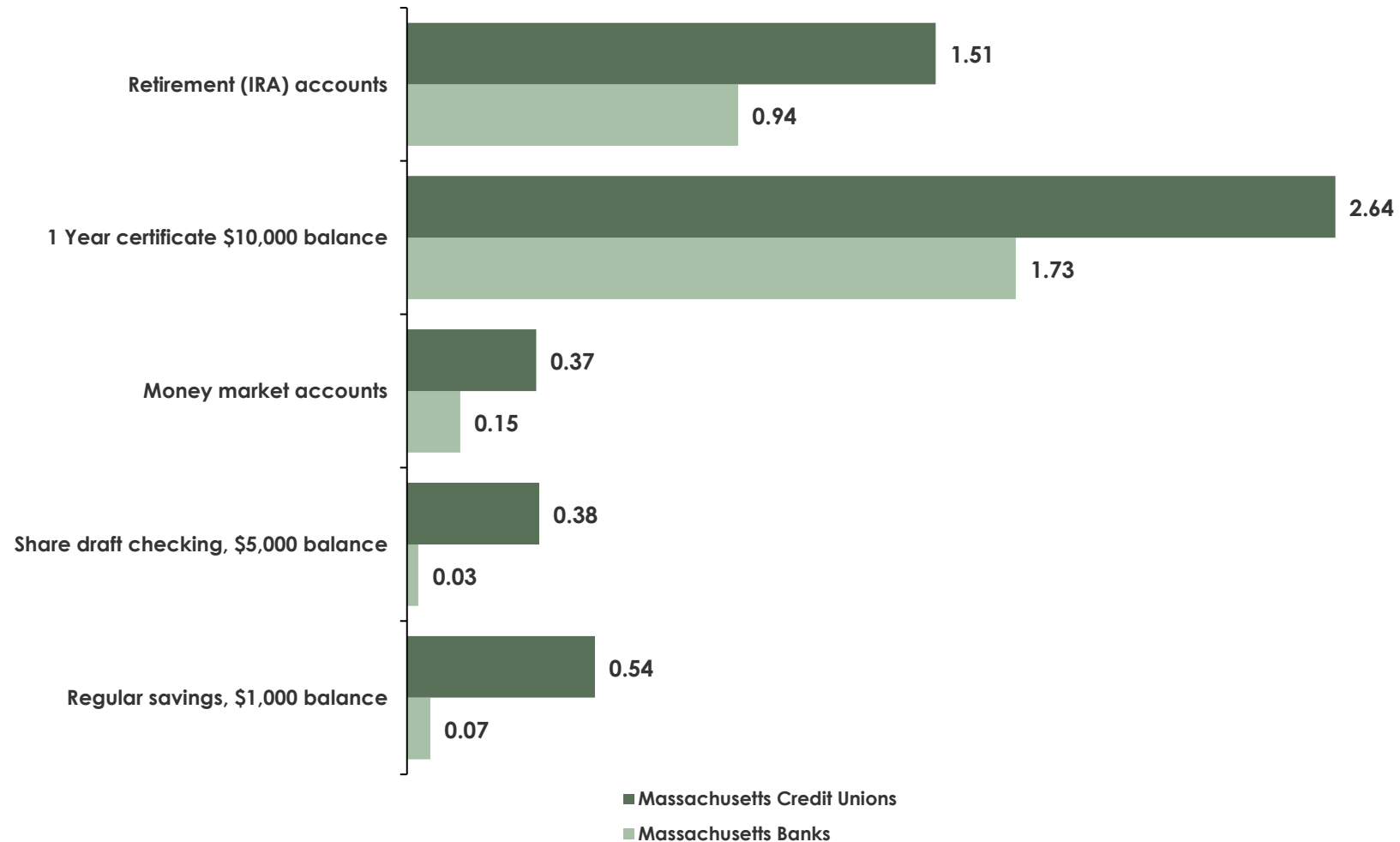
## Loan Product Comparative Interest Rates (%)

by Loan Type



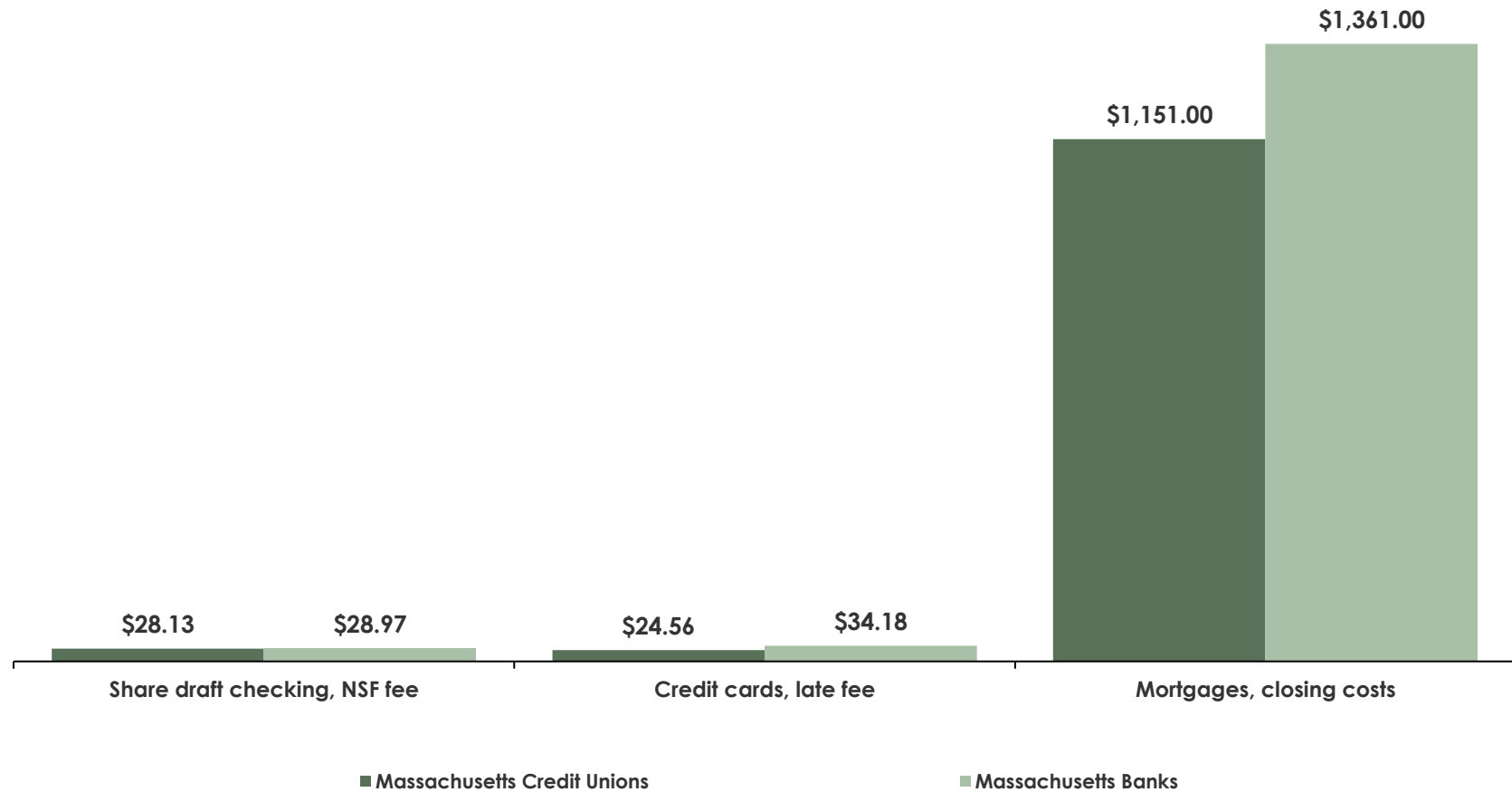
## Savings Product Comparative Interest Rates (%)

### by Savings Account Type



## Comparative Fees

by Type



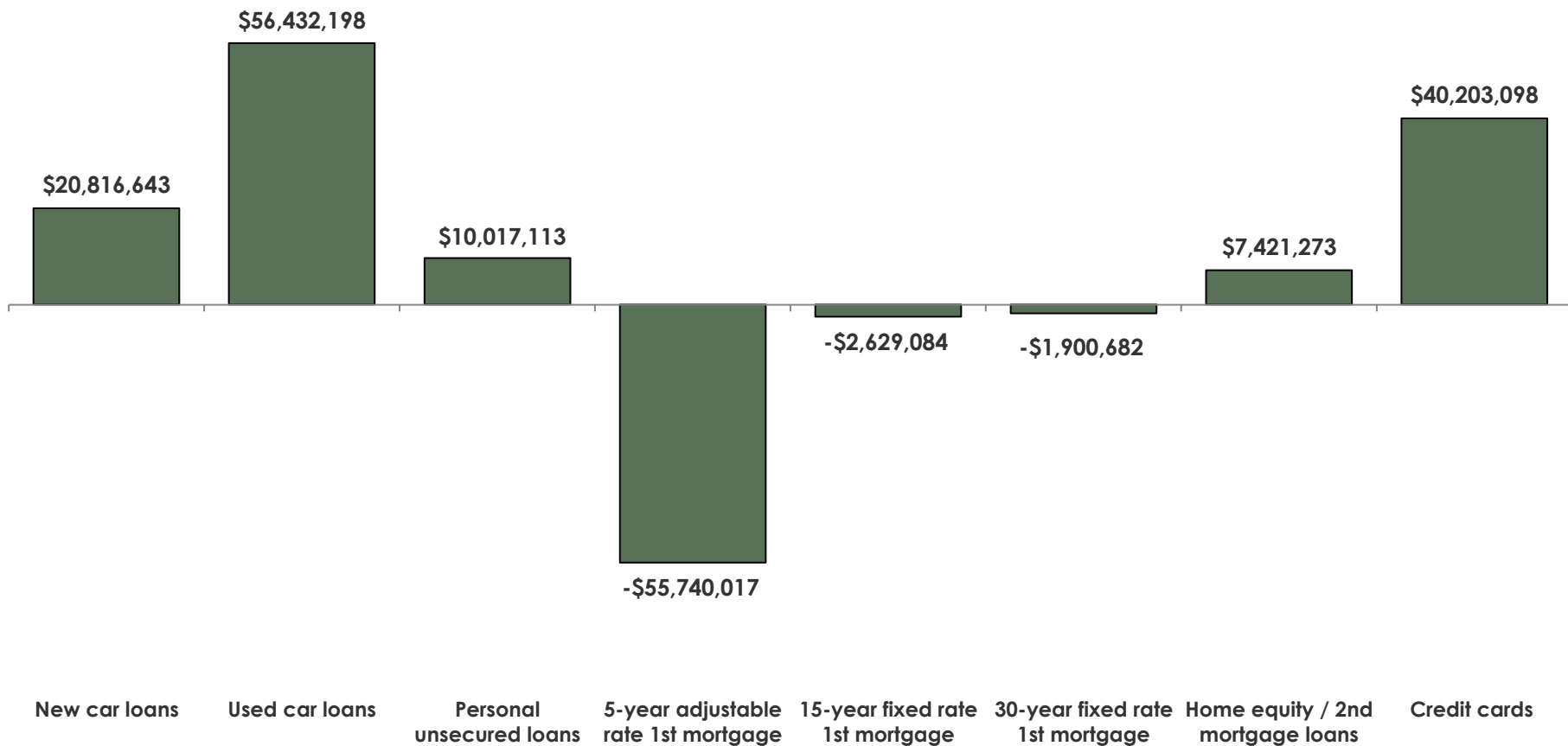
## Massachusetts Credit Union and Banking Institution June 2023 Average Interest Rates and Fees

Loan Products	Average Rate at Credit Unions (%)	Average Rate at Banks (%)	Rate Difference vs. Banks (%)
60-month new car (A paper)	6.15	6.71	-0.56
48-month used car (A paper)	6.09	6.96	-0.87
Unsecured loan (A paper)	10.24	11.16	-0.93
5-year adjustable rate 1st mortgage, 0 pts	6.48	5.39	1.10
15-year fixed rate 1st mortgage, 0 pts	6.10	6.01	0.09
30-year fixed rate 1st mortgage, 0 pts	6.60	6.58	0.02
Home equity / 2nd mtg, 80% LTV 0 pts	7.92	8.11	-0.19
Credit card - rewards	13.37	17.79	-4.42
Credit card - platinum	15.63	19.04	-3.41
Savings Products			
Regular savings, \$1,000 balance	0.54	0.07	0.47
Share draft checking, \$5,000 balance	0.38	0.03	0.34
Money market accounts	0.37	0.15	0.22
1 Year certificate \$10,000 balance	2.64	1.73	0.91
Retirement (IRA) accounts	1.51	0.94	0.56
Fee Income			
Share draft checking, NSF fee	\$28.13	\$28.97	-\$0.85
Credit cards, late fee	\$24.56	\$34.18	-\$9.62
Mortgages, closing costs	\$1,151.00	\$1,361.00	-\$210.00

Source: Datatrac

## Estimated Credit Union Loan Benefits

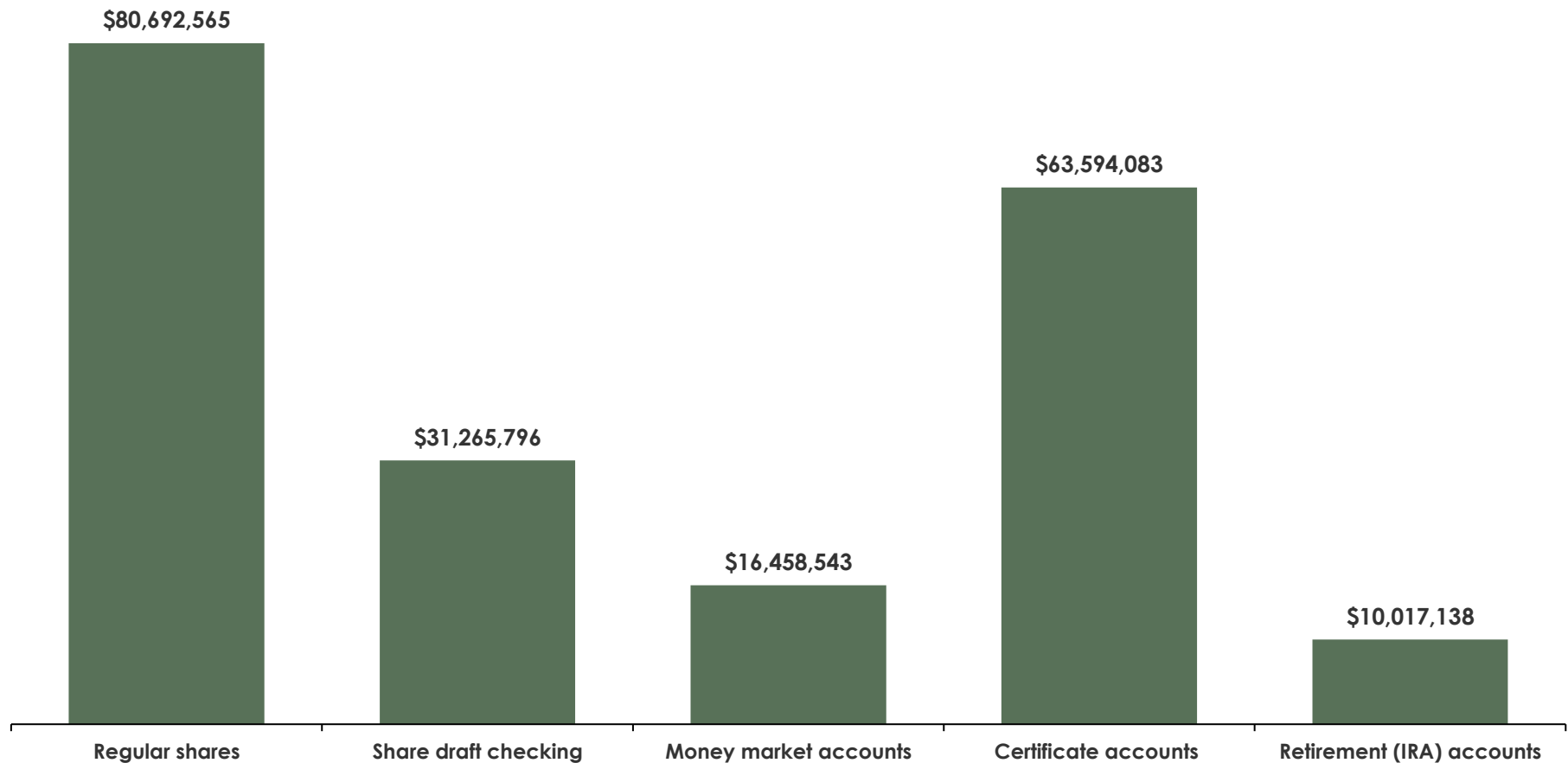
Compared to State Banking Institutions  
by Loan Type





## Estimated Credit Union Savings Dividend Benefits

### Compared to State Banking Institutions by Account Type





# Membership Benefits Report

CUNA Economics and Statistics

## Estimated Financial Benefits for Massachusetts Credit Unions June 2023

	Avg. Balance at Credit Unions (1)	Rate Difference vs. Massachusetts Banks (%) (2)	Total Financial Benefit to Your Members
<b>Loans</b>			
New car loans	3,697,449,969	-0.56	\$20,816,643
Used car loans	6,479,012,360	-0.87	\$56,432,198
Personal unsecured loans	1,081,761,620	-0.93	\$10,017,113
5-year adjustable rate 1st mortgage	5,085,767,950	1.10	-\$55,740,017
15-year fixed rate 1st mortgage	2,796,898,132	0.09	-\$2,629,084
30-year fixed rate 1st mortgage	9,050,864,389	0.02	-\$1,900,682
Home equity / 2nd mortgage loans	3,845,219,065	-0.19	\$7,421,273
Credit cards	964,739,277	-4.42	\$40,203,098
Interest rebates			-\$61,100
<b>Total CU member benefits arising from lower interest rates on loan products:</b>			\$74,559,441
<b>Savings</b>			
Regular shares	17,242,001,123	0.47	\$80,692,565
Share draft checking	9,088,894,283	0.34	\$31,265,796
Money market accounts	7,619,695,927	0.22	\$16,458,543
Certificate accounts	6,996,048,773	0.91	\$63,594,083
Retirement (IRA) accounts	1,780,824,519	0.56	\$10,017,138
Bonus dividends in period			\$0
<b>Total CU member benefit arising from higher interest rates on savings products:</b>			\$202,028,126
<b>Fee Income</b>			
<b>Total CU member benefit arising from fewer / lower fees:</b>			\$14,907,129
<b>Total CU member benefit arising from interest rates on loans, savings products and lower fees:</b>			\$291,494,697
<b>Total CU member benefit / member:</b>			\$88
<b>Total CU member benefit / member household:</b>			\$185

Source: Datatrac, NCUA, and CUNA

(1) Average balance as of June 2023 and June 2022, according to the NCUA call report.; (2) Source for rates: Datatrac;

# Membership Benefits Report

CUNA Economics and Statistics

## Massachusetts Credit Union Performance Profile

Demographic Information	Jun 23	Jun 22
Number of branches	467	473
Total assets (\$ mil)	53,900	51,299
Total loans (\$ mil)	41,884	37,081
Total surplus funds (\$ mil)	10,305	12,586
Total savings (\$ mil)	44,771	44,082
Total members (thousands)	3,387	3,284
Growth Rates (Trailing 12 months) *		
Total assets	7.6 %	5.7 %
Total loans	14.7 %	12.8 %
Total surplus funds	-13.8 %	-11.6 %
Total savings	4.1 %	5.9 %
Total members	4.7 %	2.8 %
Earnings - Basis Pts. *		
Yield on total assets	380	281
Dividend / interest cost of assets	106	36
Fee & other income	77	68
Operating expense	269	263
Loss Provisions	23	4
Net Income (ROA) after stabilization exp	59	46
Capital Adequacy		
Net worth / assets	10.5	10.5
Asset Quality *		
Delinquencies / loans	0.5	0.4
Net chargeoffs / average loans	0.2	0.1
Total borrower-bankruptcies		
Bankruptcies per 1000 members		
Asset/Liability Management		
Loans / savings	93.6	84.1
Loans / assets	77.7	72.3
Long-term assets / assets	46.9	47.2
Core deposits/shares & borrowings	57.8	60.0
Productivity		
Members / potential members	3.4	3.6
Borrowers / members	47.8	48.5
Members / FTE	442	448
Average shares / members (\$)	13,220	13,421
Average loan balances (\$)	25,868	23,295
Salary & Benefits / FTE	96,653	89,104

\* Earnings, net chargeoffs, and bankruptcies are year-to-date numbers annualized. Due to significant seasonal variation, balance sheet growth rates are for the trailing 12 months.



# Analyze your credit union's performance and service to members with CUNA's research resources:

Operating Ratios & Spreads

Prompt Corrective Action  
(PCA) Checkup

Membership Benefits Report