

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	76,339,494	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.