

2022 ECONOMIC IMPACTS OF CREDIT UNIONS IN COLORADO



2.5 MILLION
MEMBERS

\$4.1 BILLION
CONTRIBUTED TO
COLORADO'S ECONOMY



ECONOMIC IMPACTS OF CREDIT UNIONS IN COLORADO



Colorado's not-for-profit, member-driven cooperative credit unions created \$4.1 billion in economic contribution during 2022. ECONorthwest performed an independent analysis that demonstrated the gross impacts of credit unions in Colorado. The study measured jobs, economic output, and income supported by credit unions in the state's economy. The study found that in 2022, the value of benefits to Colorado's 2.5 million credit union members was \$211 million, which, when spent in local communities supported a total gross economic output — buying power — of \$297 million.



ABOUT COLORADO CREDIT UNIONS: THE CREDIT UNION DIFFERENCE





The key difference between credit unions and other financial service providers is the not-for-profit, cooperative structure. Credit unions are owned and driven by the members who use their services. Credit unions exist solely to meet their members' financial needs. They are uniquely positioned to return direct benefits to their members such as better interest rates, lower fees, and other services that hard-working people need.

Early credit unions were formed during the Great Depression, when workers pooled their money to help their colleagues obtain credit. The Federal Credit Union Act was signed into law in 1934, to balance the nation's credit structure, providing thrift through a cooperative model. That structure — and credit unions' focus on a foundational "People Helping People" philosophy — remains intact today.

In Colorado, 83* credit unions serve 2.5 million consumers — 36% of the population — and protect 14% of the overall market share (deposits). In the United States there are 4,800 credit unions providing comprehensive financial services to more than 134 million members representing approximately 40% of the U.S. population. The number of credit union members continues to grow over time, demonstrating the value that consumers place on local, cooperative, member-owned financial services providers.

** Number of credit unions with a branch in Colorado as of December 31, 2021. Not all are headquartered in the state.*

COLORADO ECONOMIC IMPACTS

	CREDIT UNION IMPACTS	TOTAL ECONOMIC IMPACTS
 <p>DIRECT MEMBER BENEFIT</p>	<p>\$211 MILLION benefit to members</p>	<p>\$297 MILLION total economic activity supported by member benefits</p>
 <p>COMPENSATION</p>	<p>\$606 MILLION income to credit union employees</p>	<p>\$1.4 BILLION total income supported by credit union operations</p>
 <p>JOBS</p>	<p>6,300 credit union jobs</p>	<p>19,500 total jobs supported by credit union operations</p>
 <p>ECONOMIC CONTRIBUTION</p>	<p>\$1.5 BILLION credit union spending and compensation</p>	<p>\$4.1 BILLION total spending and compensation supported by credit union operations</p>

Direct Member Benefits In 2022, the 2.5 million Colorado consumers received \$211 million in direct member benefits from their not-for-profit cooperative credit unions. Those member benefits resulted in additional household spending that supported \$297 million in total economic output.

Economic Contribution Colorado credit unions supported \$4.1 billion in total gross economic activity, which includes supply chain spending, wages, and direct member benefits.

Jobs and Income Credit unions in Colorado provided 6,300 family wage jobs. Every credit union job supports another 2.1 additional jobs in the Colorado economy.

Rural Lifeline In rural counties, as defined by USDA's designation, about 27,000 residents are credit union members, which represents 14% of the rural population based on the USDA designation for rural counties.

Loans In addition to the \$4.1 billion that Colorado credit unions contributed to the state economy, credit unions have currently provided 1.4 million loans outstanding to members, totaling \$27.6 billion.* Credit unions' lending to working-class consumers puts them in houses, helps them to start small businesses, and provides transportation to jobs, in addition to the spending supported through member-derived benefits.

**No economic impacts were calculated based on use of the loans in the economy. For example, we did not calculate the impact of car loans on the new and used car industries, nor the impact of mortgages on the real estate and construction industries. Loans broadly benefit the regional economy, but this study does not capture how loans benefit individual businesses throughout the economy.*

DEFINING ECONOMIC IMPACTS

ECONorthwest surveyed credit unions and obtained supplemental information to use in an economic input-output model. ECONorthwest received detailed information for 234 credit union branches located in Colorado. In addition to survey data, the National Credit Union Administration (NCUA) 4Q 2021* call report data and Credit Union National Association (CUNA) Project Zip Code Data were used in the calculation of the economic impacts.

To evaluate the economic impacts of credit unions, ECONorthwest used IMPLAN, an input-output model which enables the user to follow expenditures from a company as they flow through the economy. The model measures direct credit union impacts (see key terminology) along with indirect (supply chain) and induced (consumer spending) impacts, then calculates economic contributions (output), employee compensation, and jobs.

CREDIT UNIONS' UNIQUE ECONOMIC IMPACT

There is a key difference between this report and a standard economic impact analysis. In credit unions' unique not-for-profit cooperative, member-driven structure, credit unions return benefits directly back to their member consumers. That direct member benefit creates another layer of economic impact. As cooperatives return benefits directly to members, these benefits support additional Main Street economic impacts.

KEY TERMINOLOGY

Credit Unions are cooperative, not-for-profit, and member owned.

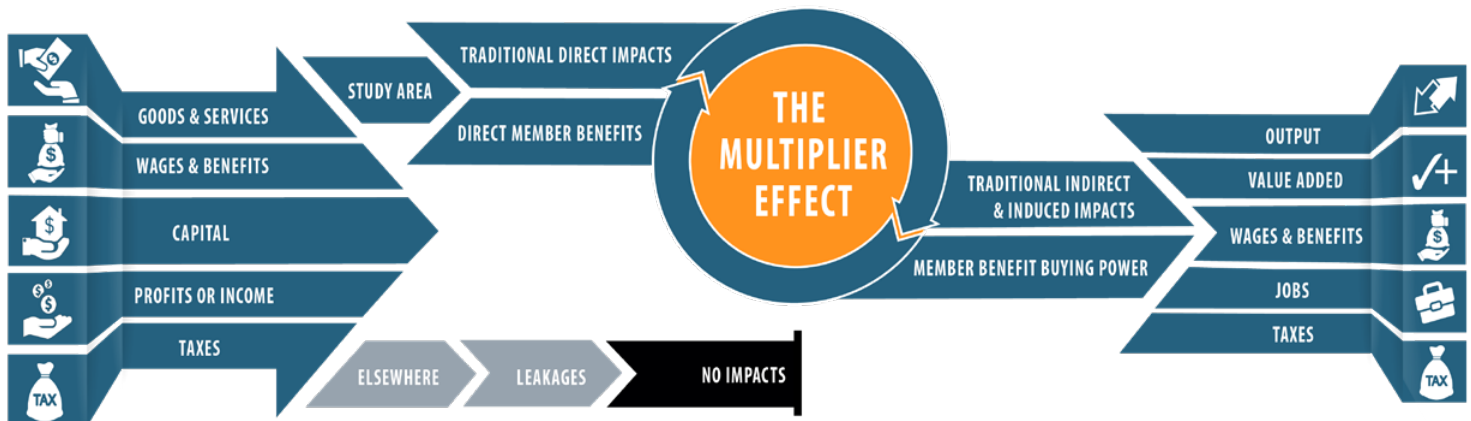
Credit Union Impacts represent the output, employment, or income change due to credit unions' own use of goods and services.

Total Economic Impacts include credit union impacts as well as indirect and induced impacts. Indirect impacts are driven by direct expenditures, which initiate a chain of other impacts in the economy, as the firms that supply goods and services to credit unions must themselves purchase supply chain goods and services. Induced impacts are supported by consumer expenditures from employees.

Direct Member Benefits are calculated by accounting for differences in not-for-profit credit union and for-profit bank pricing. The not-for-profit cooperative structure is designed to return benefits directly to the members it serves. The not-for-profit cooperative structure is designed to return direct benefits to members, such as lower account fees and better interest rates on loans.

Economic Contribution represents all sales and other operating income occurring in the study area (inclusive of supply-chain purchases and compensation of employees.)

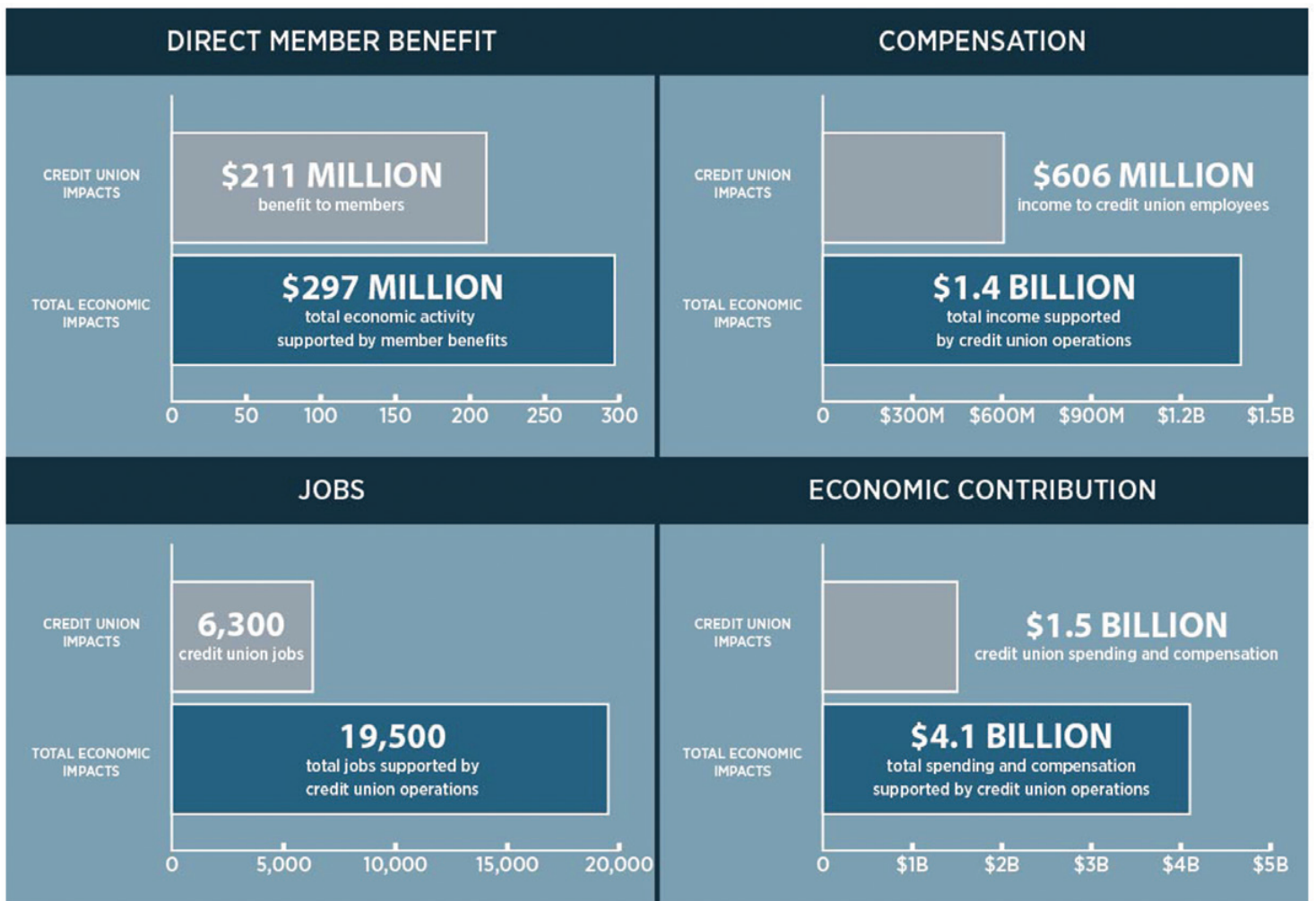
TOTAL IMPACTS



COLORADO CREDIT UNIONS' JOB IMPACTS

MULTIPLIER EFFECTS

Spending associated with operation of credit unions in Colorado generates “multiplier” spending effects that benefit workers and business owners in other sectors of the local and state economies. Multiplier effects represent additional rounds of spending that are supported by credit union member benefits and credit union spending and wages. For example, in Colorado the job multiplier is 3.1. This means that every direct employee at a credit union supports another 2.1 additional jobs for workers in other sectors of the region’s economy.



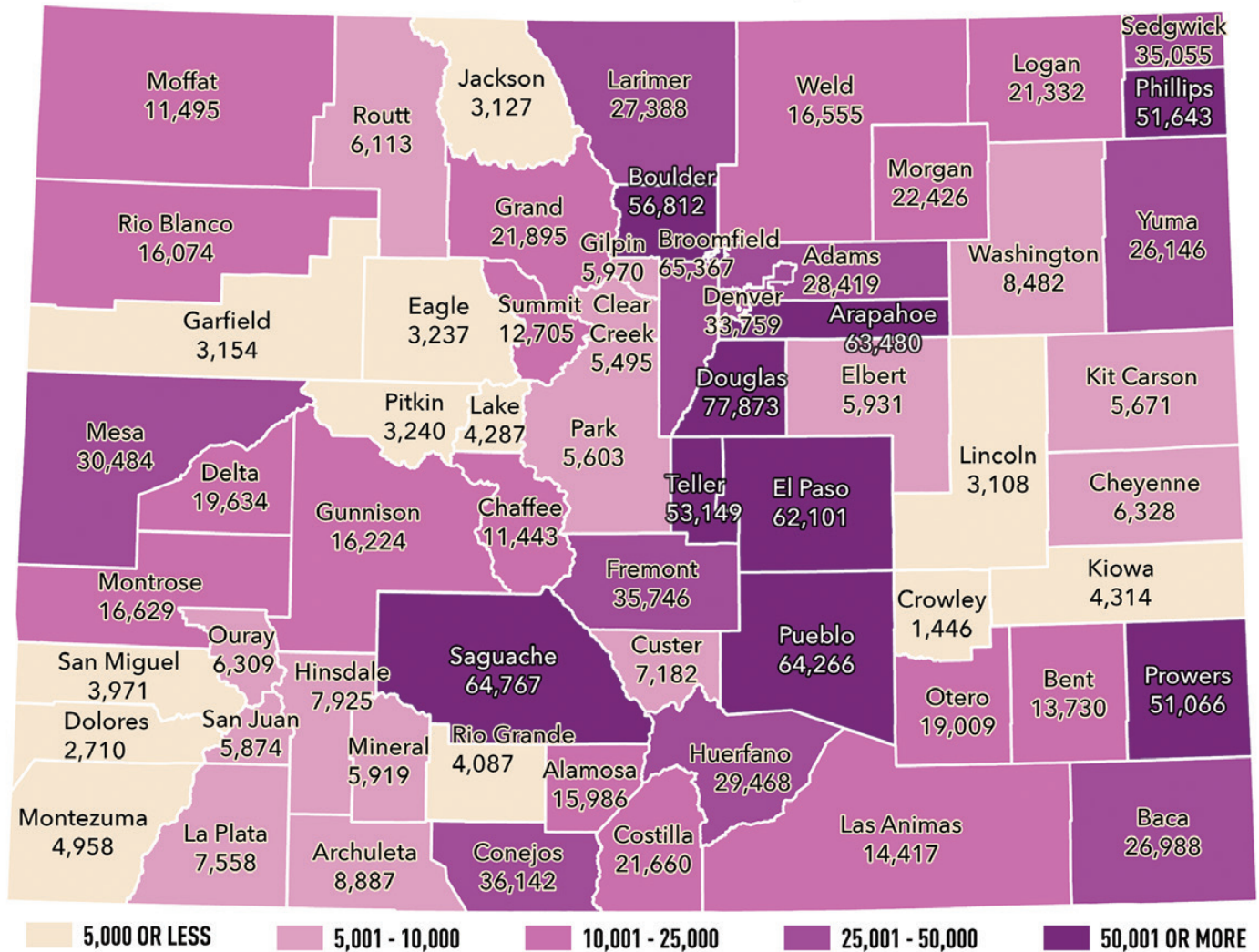
Source: BLS QCEW, GoWest member survey, CUNA, NCUA, and ECONorthwest calculations.

CREDIT UNION MEMBERS

In Colorado, 2.5 million consumers have made the choice to join a credit union. Credit unions are located across the entire state, even in small, rural communities.

The map below represents the credit union member presence across Colorado.*

CREDIT UNION MEMBERS PER 100,000 PEOPLE



COLORADO

2.5 million
members

36%
of the population

355
total branches

Source: GoWest member survey, CUNA, NCUA, 2021 5-year American Community Survey, and ECONorthwest calculations.

ABOUT ECONORTHWEST

ECONorthwest specializes in the application of economic and financial principles and methods to the evaluation of public policies and investments. Incorporated in 1974, ECONorthwest has completed more than 2,500 projects for public and private clients. ECONorthwest has a staff of approximately 50 people, including offices in Portland, Seattle, Eugene, and Boise.

ECONorthwest employs the full range of analytical tools for measuring economic impacts. We maintain regional macroeconomic models, in addition to standard and econometrically augmented input-output models.

To these tools, we apply a rigorous understanding of the economic context in which specific impacts occur. This combination of robust modeling capacity and explanatory insight allows us to provide unparalleled quantitative analysis.

We have several decades of experience using the IMPLAN modeling software, conducting analysis of the zip code level through national-level models.

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