

This PDF is a selection from an out-of-print volume from the National Bureau of Economic Research

Volume Title: Consumer Credit Costs, 1949–59

Volume Author/Editor: Paul F. Smith

Volume Publisher: Princeton University Press

Volume ISBN: 0-691-04116-4

Volume URL: <http://www.nber.org/books/smit64-1>

Publication Date: 1964

Chapter Title: Appendix E: Supplementary Tabulations for Federal Credit Unions

Chapter Author: Paul F. Smith

Chapter URL: <http://www.nber.org/chapters/c1730>

Chapter pages in book: (p. 149 - 155)

APPENDIX E

Supplementary Tabulations for
Federal Credit Unions

APPENDIX E

TABLE E-1
 DISTRIBUTION OF SOURCES AND USES OF FUNDS OF FEDERAL CREDIT UNIONS,
 END OF YEAR, 1949-59
 (per cent)

Item	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959
Sources of funds:												
Debt	2.3	2.8	3.3	1.7	2.4	2.5	1.9	2.3	2.3	2.3	1.8	2.5
Other liabilities	.3	.2	.2	.3	.3	.3	.3	.3	.2	.3	.4	.5
Total nonequity funds	2.6	3.0	3.5	2.0	2.7	2.8	2.2	2.6	2.5	2.6	2.2	3.0
Equity funds, total	97.4	97.0	96.5	98.0	97.3	97.2	97.8	97.4	97.5	97.4	97.8	97.0
Shares	90.9	90.1	89.2	90.6	90.2	89.9	90.1	89.6	89.3	88.8	89.0	88.2
Reserves and surplus	6.5	6.9	7.3	7.4	7.1	7.3	7.7	7.8	8.2	8.6	8.8	8.8
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Uses of funds:												
Earning assets, net	87.9	89.2	89.1	86.7	89.3	90.4	89.8	91.0	91.4	91.6	91.3	93.1
Consumer credit	53.3	58.9	65.0	59.4	62.7	67.2	66.0	68.1	68.6	70.3	67.8	70.8
Other	34.6	30.3	24.1	27.3	26.6	23.2	23.8	22.9	22.8	21.3	23.5	22.3
Cash and bank balances	11.7	10.3	10.4	12.6	10.0	9.0	9.5	8.3	7.8	7.6	7.6	5.9
Other assets	.4	.5	.5	.7	.7	.6	.7	.7	.8	.8	1.1	1.0
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Ratios were computed from data for all federal credit unions published by the Bureau of Federal Credit Unions. See Appendix A for a description of the processing of the data. Detail may not add to totals because of rounding.

APPENDIX E

TABLE E-2
 DISTRIBUTION OF SOURCES AND USES OF FUNDS OF FEDERAL CREDIT UNIONS,
 AVERAGE OF BEGINNING AND END OF YEAR, 1949-59
 (per cent)

Item	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959
Sources of funds:											
Debt	2.6	3.1	2.4	2.1	2.5	2.2	2.1	2.3	2.3	2.1	2.2
Other liabilities	.3	.2	.2	.3	.3	.3	.3	.3	.3	.3	.4
Total nonequity funds	2.9	3.3	2.6	2.4	2.8	2.5	2.4	2.6	2.6	2.4	2.6
Equity funds, total	97.1	96.7	97.4	97.6	97.2	97.5	97.6	97.4	97.4	97.6	97.4
Shares	90.5	89.6	90.0	90.3	89.9	90.0	89.8	89.4	89.1	88.9	88.6
Reserves and surplus	6.6	7.1	7.4	7.3	7.3	7.5	7.8	8.0	8.3	8.7	8.8
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Uses of funds:											
Earning assets, net	88.6	89.1	87.7	88.1	89.8	90.1	90.5	91.2	91.5	91.5	92.2
Consumer credit	56.3	62.3	61.9	61.2	65.2	66.6	67.2	68.4	69.5	69.0	69.4
Other	32.3	26.8	25.8	26.9	24.6	23.5	23.3	22.8	22.0	22.5	22.8
Cash and bank balances	10.9	10.3	11.6	11.1	9.4	9.2	8.8	8.0	7.7	7.6	6.7
Other assets	.5	.6	.7	.8	.8	.7	.7	.8	.8	.9	1.1
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: See source to Table E-1.

APPENDIX E

TABLE E-3
DISTRIBUTION OF EARNINGS AND EXPENSES OF FEDERAL CREDIT UNIONS, 1949-59

Item	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959
Earnings	100.0	100.00	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Consumer credit ^a	85.2	88.7	89.5	87.9	89.3	89.7	89.9	89.9	89.4	88.9	88.0
Other	14.8	11.3	10.5	12.1	10.7	10.3	10.1	10.1	10.6	11.1	12.0
Operating expenses ^b	31.6	30.0	32.4	31.3	30.1	33.0	28.7	30.5	30.8	32.2	31.8
Consumer credit	31.6	30.0	32.4	31.3	30.1	33.0	28.7	30.5	30.8	32.2	31.8
Other ^c	--	--	--	--	--	--	--	--	--	--	--
Net operating income	68.4	70.0	67.6	68.7	69.9	67.0	71.3	69.5	69.2	67.8	68.2
Consumer credit	53.6	58.7	57.1	56.6	59.2	56.7	61.2	59.4	58.6	56.7	56.2
Other	14.8	11.3	10.5	12.1	10.7	10.3	10.1	10.1	10.6	11.1	12.0
Cost of funds ^d	1.0	1.4	1.1	1.0	1.2	1.0	1.1	1.1	1.3	1.1	1.1
Consumer credit	.6	1.0	.8	.7	.9	.7	.8	.8	1.0	.8	.8
Other	.4	.4	.3	.3	.3	.3	.3	.3	.3	.3	.3
Net income ^e	67.4	68.6	66.5	67.7	68.7	66.0	70.2	68.4	67.9	66.7	67.1
Consumer credit	53.0	57.7	56.3	55.9	58.3	56.0	60.4	58.6	57.6	55.9	55.4
Other	14.4	10.9	10.2	11.8	10.4	10.0	9.8	9.8	10.3	10.8	11.7
Dividends	42.3	41.1	41.6	42.9	42.2	42.5	42.8	44.4	44.9	46.2	46.4

Source: See source to Table E-1.

^a

Interest on loans minus cost of free life insurance for borrowers and minus interest refunds.

^b

Excludes cost of borrowers' and savers' life insurance, interest costs, and estimate of cost of handling share accounts. Includes losses charged off on loans.

^c

No expenses were allocated to investment in nonconsumer assets as costs of placing funds in U.S. government securities and savings loan shares are relatively small and could not be segregated.

APPENDIX E

NOTES TO TABLE E-3 (concluded)

d

Cost of funds was distributed between consumer and nonconsumer on the basis of the percentage distribution of average earning assets for year.

e

Residual after operating expenses and cost of funds. Includes two items not usually included in profits of private institutions: cost of handling share accounts and free life insurance for shareholders.

TABLE E-4

COMPONENTS OF GROSS FINANCE CHARGES ON CONSUMER CREDIT AT FEDERAL CREDIT UNIONS, 1949-59
(dollars per \$100 of average outstanding consumer credit)

Item	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959
Unadjusted finance charges	9.86	10.25	10.10	10.02	10.22	10.10	10.10	10.05	10.17	10.08	10.04
Adjusted gross finance charges ^a (lender's gross revenue)	9.40	9.73	9.63	9.51	9.67	9.55	9.62	9.52	9.33	9.21	9.13
Operating expenses	3.48	3.28	3.49	3.39	3.26	3.52	3.07	3.23	3.21	3.34	3.30
Salaries	2.10	1.93	2.05	2.06	1.90	1.85	1.82	1.80	1.80	1.79	1.77
Occupancy costs ^b								.06	.06	.06	.06
Advertising ^b								.08	.07	.07	.07
Losses charged off	.30	.27	.32	.23	.25	.56	.12	.31	.30	.41	.38
Other ^c	1.08	1.08	1.12	1.10	1.11	1.11	1.13	.98	.98	1.01	1.02
Nonoperating expenses	5.92	6.45	6.14	6.12	6.41	6.03	6.55	6.29	6.12	5.87	5.83
Cost of nonequity funds	.11	.15	.12	.11	.13	.11	.12	.12	.13	.11	.12
Cost of equity funds	5.81	6.30	6.02	6.01	6.28	5.92	6.43	6.17	5.99	5.76	5.71
Dividends	3.77	3.88	3.84	3.91	3.93	3.89	3.99	4.07	4.01	4.04	4.00
Retained	1.49	1.90	1.47	1.41	1.67	1.35	1.75	1.40	1.27	.98	.98
Services to shareholders ^d	.55	.52	.71	.69	.68	.68	.69	.70	.71	.74	.73

Source: See source to Table E-1.

^aIncludes all finance charges and fees collected on consumer credit activities. The cost of free insurance provided borrowers and interest refunds were deducted.

^bSeparate figures are not available prior to 1955.

^cIncludes occupancy and advertising costs prior to 1956.

^dIncludes cost of free life insurance for shareholders from 1952 to 1959 and estimates of cost of handling share accounts for entire period.

APPENDIX E

TABLE E-5
SELECTED RATIOS FOR FEDERAL CREDIT UNIONS, 1949-59
(per cent)

	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959
Ratios to total assets of:											
Earnings ^a	6.2	6.8	6.7	6.6	7.1	7.1	7.2	7.3	7.3	7.2	7.2
Operating expenses	2.0	2.1	2.2	2.1	2.1	2.3	2.1	2.2	2.2	2.3	2.3
Net operating income	4.3	4.8	4.5	4.6	4.9	4.7	5.1	5.0	5.0	4.8	4.9
Cost of funds	.1	.1	.1	.1	.1	.1	.1	.1	.1	.1	.1
Net profits ^b	4.2	4.7	4.4	4.5	4.9	4.7	5.0	5.0	4.9	4.8	4.8
Ratios to equity funds of:											
Net income	4.3	4.9	4.6	4.6	5.0	4.8	5.2	5.1	5.1	4.9	5.0
Dividends	2.7	2.9	2.9	2.9	3.1	3.1	3.2	3.3	3.3	3.4	3.4
Ratios of earnings to earning assets:											
Total earnings ^a	7.0	7.7	7.6	7.5	7.9	7.9	7.9	8.0	7.9	7.8	7.8
Consumer credit earnings ^a	9.4	9.7	9.6	9.5	9.7	9.6	9.6	9.5	9.3	9.2	9.1
Other earnings	2.9	2.9	2.7	3.0	3.1	3.1	3.1	3.2	3.5	3.5	3.8
Ratios of cost of nonequity funds to:											
Total debt	2.4	3.1	3.1	3.2	3.5	3.3	3.7	3.6	4.0	3.8	3.8
Total nonequity funds	2.2	2.9	2.8	2.9	3.1	3.0	3.2	3.2	3.6	3.3	3.1

Source: See source to Table E-1.

^a Excludes interest refunds and cost of free insurance provided borrowers.

^b Includes cost of insurance provided shareholders and estimate of cost of handling share accounts.