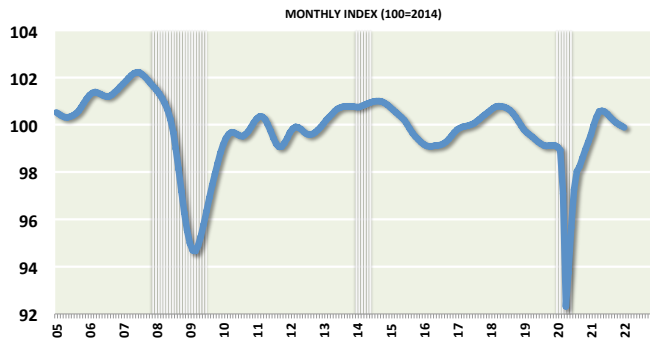




LEADING ECONOMIC INDICATORS AND CONSUMER CONFIDENCE

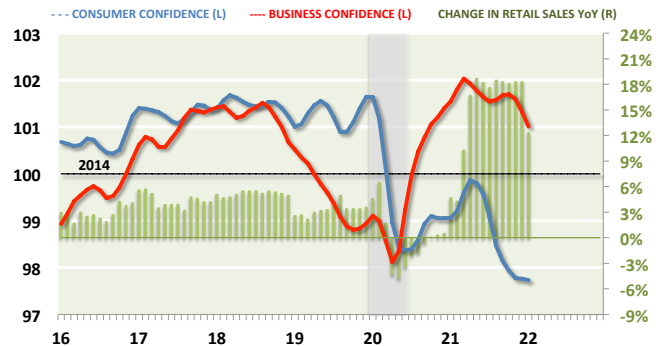
LEADING ECONOMIC INDICATORS

MONTHLY CHANGE IN CONSUMER OUTLOOK



CONSUMER & BUSINESS CONFIDENCE AND RETAIL SALES

MONTHLY CHANGE IN CONSUMER & BUSINESS OUTLOOK AND RETAIL SALES



	2021													2022
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	
Economic Indicators (100=2014)														
Leading Economic Index	99.58	99.97	100.31	100.56	100.59	100.55	100.44	100.31	100.19	100.10	100.02	99.95	99.89	
Business Confidence Index	101.55	101.81	102.03	101.92	101.78	101.63	101.54	101.58	101.68	101.70	101.59	101.32	101.01	
Consumer Confidence Index	99.06	99.21	99.60	99.86	99.80	99.58	99.08	98.46	98.13	97.93	97.78	97.76	97.73	
Consumer Spending Behavior														
Change in Retail Sales	4.7%	4.3%	10.3%	16.7%	18.7%	18.2%	17.6%	18.5%	18.3%	18.1%	18.3%	18.3%	12.3%	
Change in Consumer Credit	3.3%	7.5%	7.3%	-1.2%	-1.6%	9.8%	4.8%	14.8%	7.7%	4.6%	8.6%	5.1%		
Purchasing Power														
Consumer Inflation (YoY)	1.4%	1.7%	2.6%	4.2%	5.4%	5.4%	5.4%	5.3%	5.4%	6.2%	6.8%	7.0%	7.5%	
Producer Inflation (YoY)	1.6%	3.0%	4.1%	6.5%	7.0%	7.6%	8.0%	8.4%	8.8%	8.8%	9.6%	9.8%	9.7%	

INDICATORS REPORT AND CU STRATEGY

(February 2019)..... The US leading economic index slipped in January, suggesting the US business cycle remains on a strong growth trajectory heading into 2022. However, the LEI's growth has slowed somewhat in recent months, suggesting the economy may be facing capacity constraints and increasingly tight labor markets. After expanding 0.5 percent in 2020, economic growth expanded 5.6 percent in 2021, a function of the growth experienced last year than any fundamental weakness or sustainability in 2021.

Strategically... The indices, consumer confidence and retail sales figures point to continued brisk transactional volume at the retail level. With consumer spending accounting for about two-thirds of the nation's GDP, current metrics suggest the economy continues to show stability. This will help support demand for products and services albeit weaker real estate financing. Share growth will retain its current pace of growth as average wages are keeping up with the current rate of consumer inflation.

Credit unions are encouraged to retain strong underwriting standards and keep marginal loan origination quality held in portfolio where B- or higher applications constituting at least 85% of holdings.