



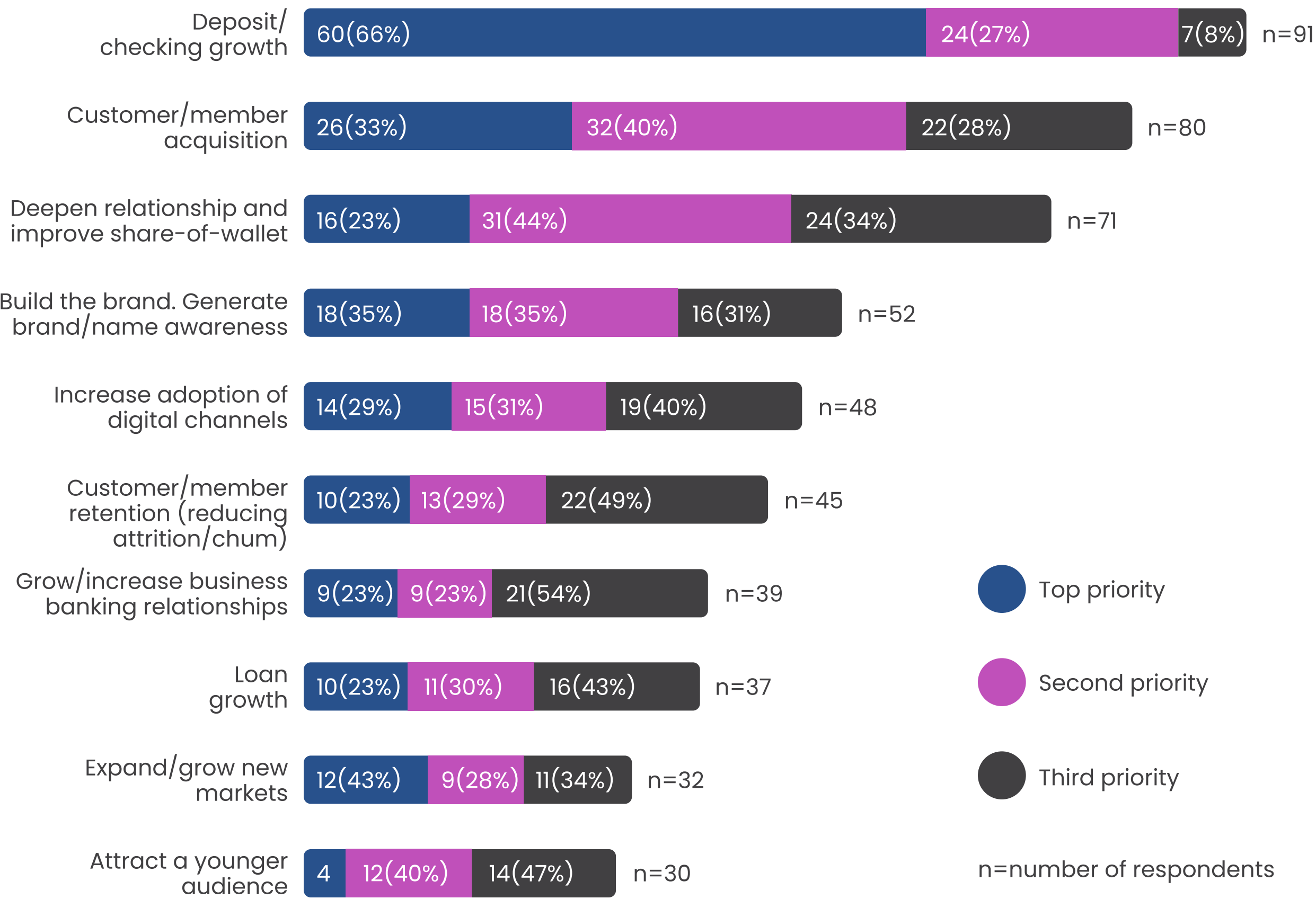
The Deposit Dilemma

In 2023, credit unions and banks faced their first liquidity crunch in years – and it may not be over yet. How did they address it, what were the results, and what did we learn?



For retail banking, 2023 was all about deposits – and according to industry executives, 2024 could be more of the same.

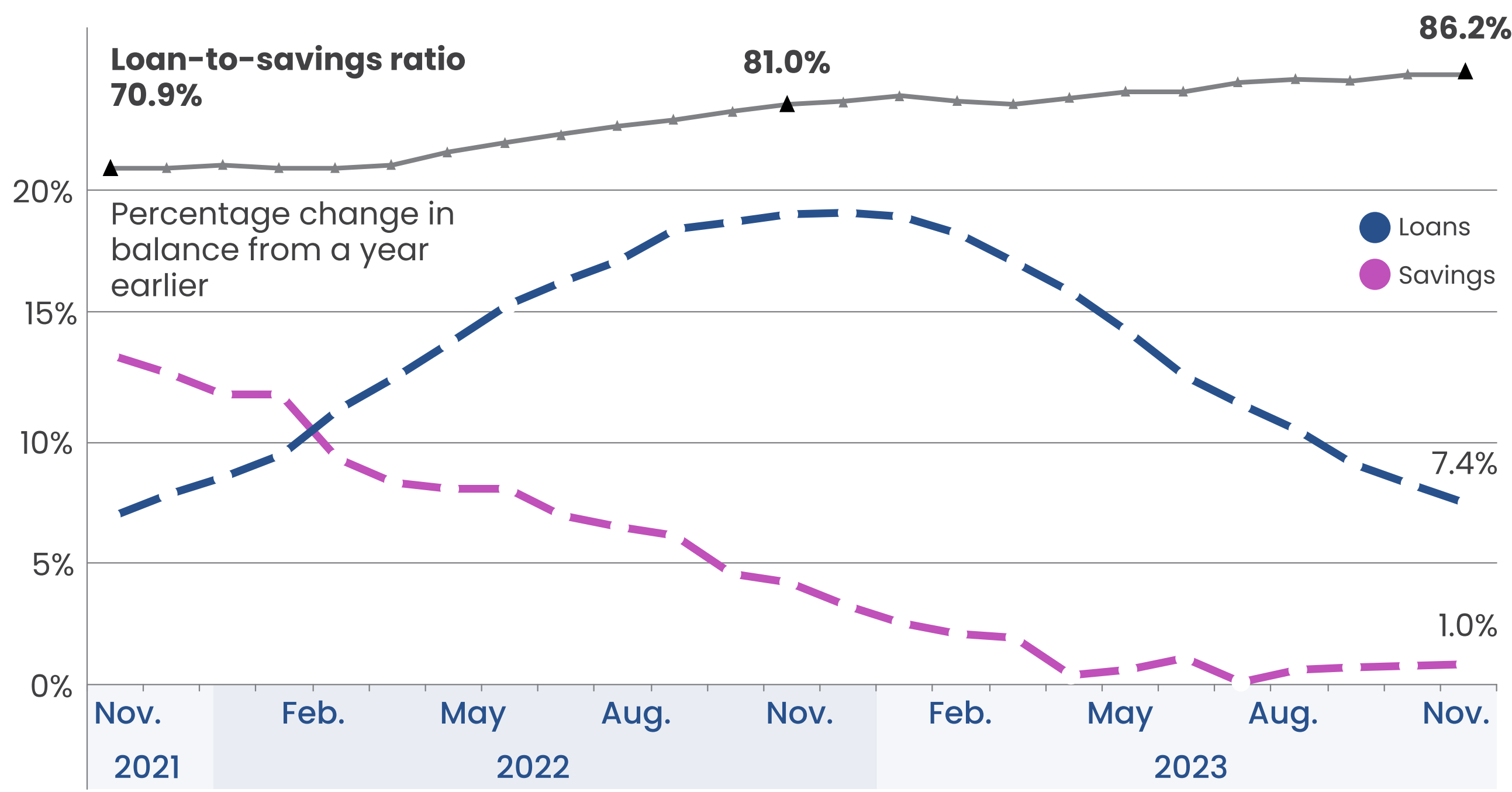
What are your financial institution’s top 3 marketing priorities for the next 12 months?



Source: Digital Banking Report Research © November 2023 Digital Banking Report

Loan-to-savings ratio record

Credit union savings growth has been near zero since April 2023, while loan growth is still rising. The result was an 86.2% loan-to-savings ratio for November, the highest since January 2019



Source: Credit Union Monthly Estimates from America's Credit Union with data analysis by Jim Duplessis, corresponded-on-large, CU Times

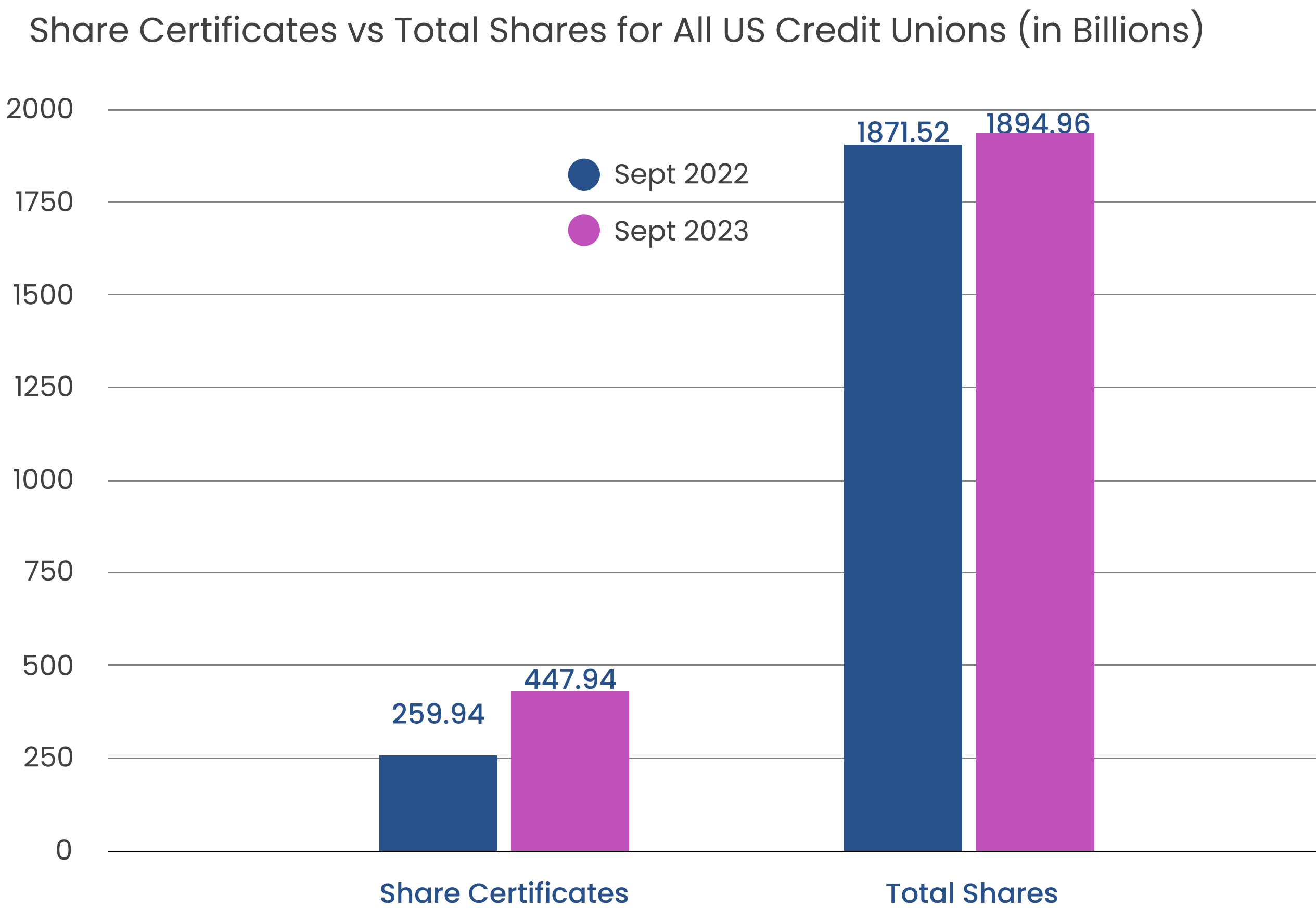
In 2023 the strategy seemed to be focused on CDs, with everyone competing to offer the highest rate.



How did that work out?

If certificate growth was the goal, it was a success...

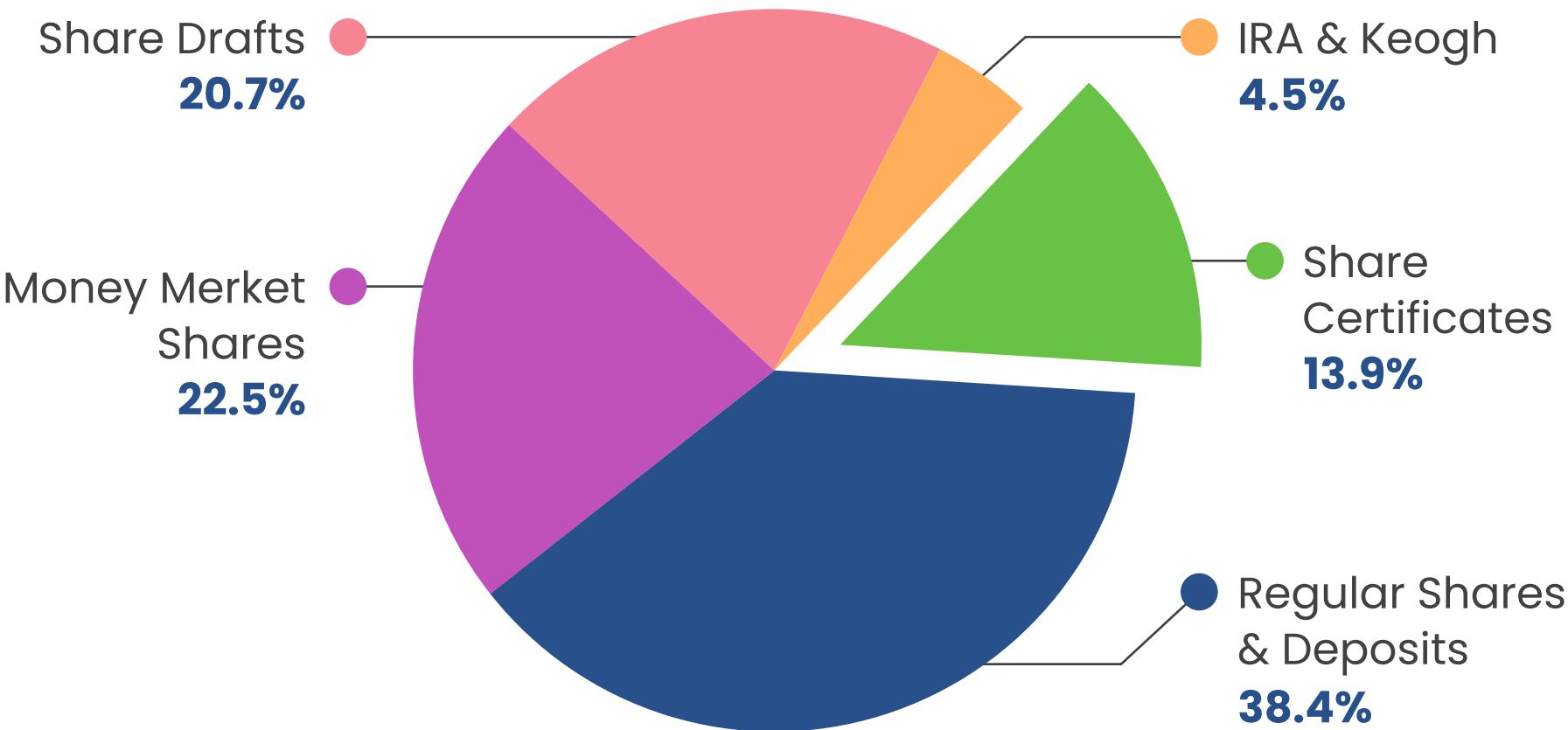
But if deposit growth was the goal, then not so much.



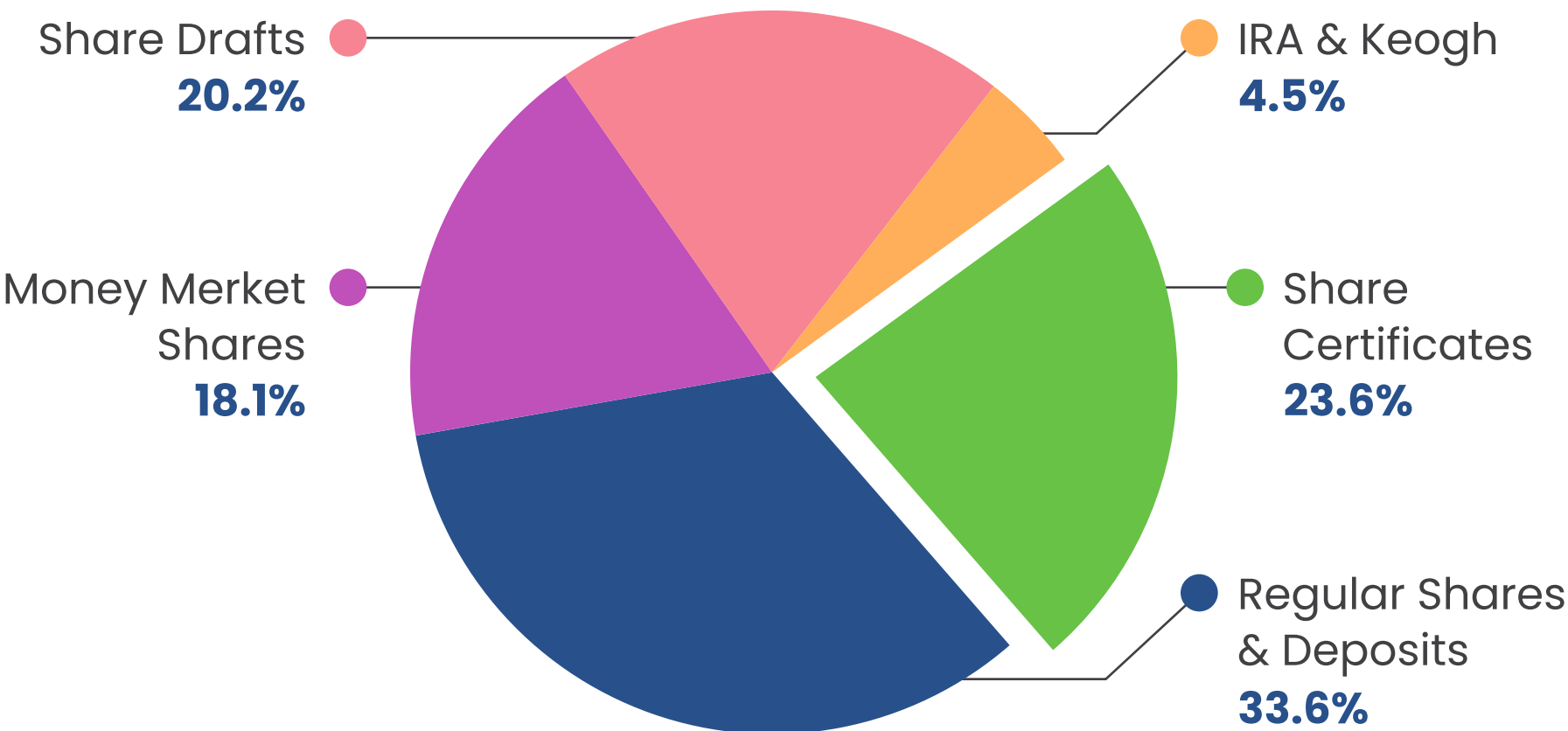
Source: Callahan and Associates

It looks like we moved deposits from shares and money markets into certificates. Our efforts to attract funds may have made depositors rate-sensitive who otherwise wouldn't be.

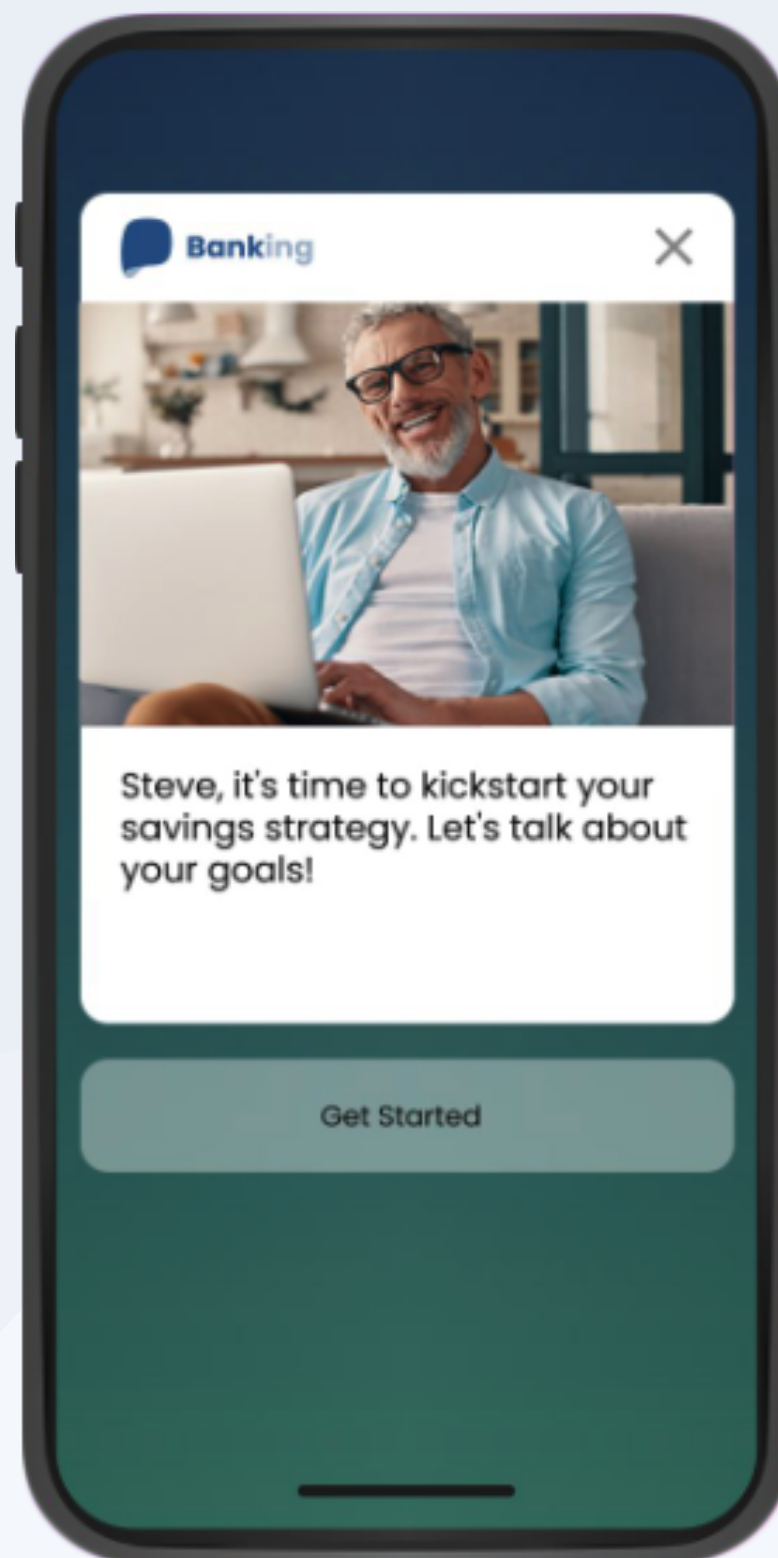
All CUs Deposit Product Mix 3Q2022



ALL CusDeposit Product Mix 3Q 2023



**Some consumers are looking for rates;
others just want to put their money with
someone they trust. Before leading with a
number, shouldn't we make sure they know
that someone is us?**



The typical FI has 10% to 20% share-of-wallet in their consumer relationships; top performers have 60% (PwC).

Engagement is the key, **Pulsate** can help.

