

A Summary of CUNA Research on DEI within the Credit Union Movement

Diverse Employees, Diverse Members
Filene Research Institute's Research Event

Samira Salem, PhD, Senior Policy Analyst // Credit Union National
Association

Cooperative principles and DEI

A call to credit unions





“We recognize that credit unions must be intentional about increasing diversity and inclusion at leadership, board and staff levels to continue to reach and better serve an increasingly diverse population.

Jim Nussle,
CUNA President and CEO



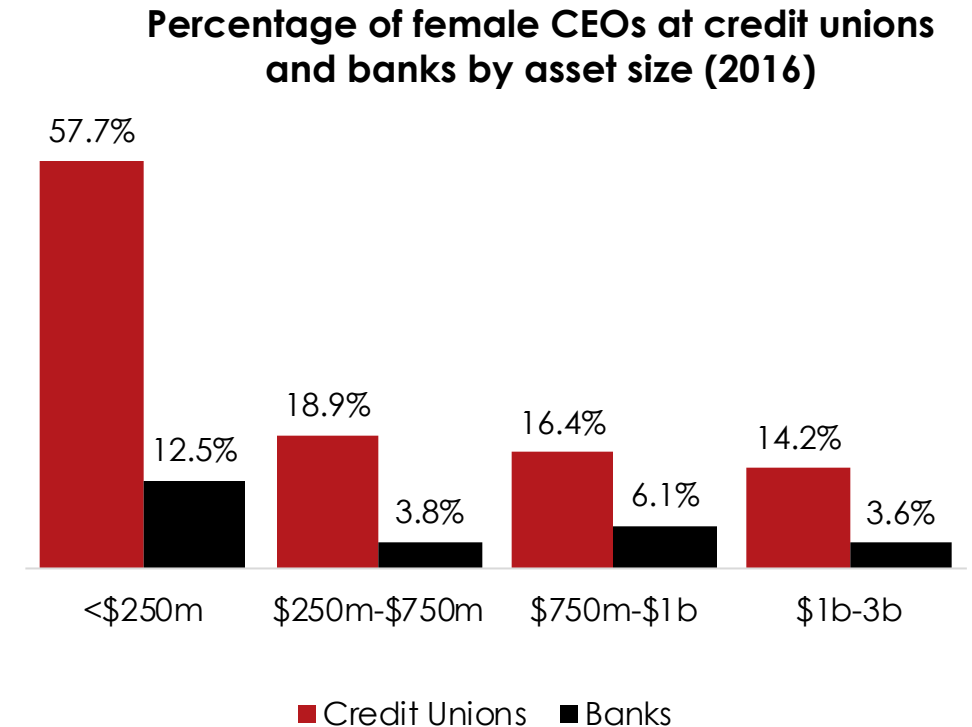
CUNA Policy Analysis Research Findings

A Summary

Credit union leadership and DEI

CEO gender diversity

- **52% of credit union CEOs are women** versus only 5% at commercial banks.
- **A CEO of a larger credit union is 4X more likely to be a woman** than a CEO of a comparable sized bank.
- Yet, only **14% of CEOs** of credit unions with over **\$1B in assets are female**.
- There is **no evidence for a gender pay gap for credit union CEOs**, after accounting for differences in asset size.



CEO racial and ethnic diversity

	CU CEO	U.S. Population
American Indian or Alaska Native	0.3%	1.3%
Asian American	0.2%	4.4%
Black or African American	1.4%	13.4%
Hispanic/Latinx	2.2%	18.1%
Two or More Races	1.0%	2.7%
White	89.8%	60.7%

Source: Credit Union National Association, Census, Forbes, Wall St. Journal and Diversity Inc.

- The overwhelming majority of **CEOs** at a typical credit union are **white** followed by Hispanic/Latinx.
- Just over **5% of CU CEOs** at a typical credit union are **people of color**.
- The **majority** of CU CEOs are **over 56 years old**.

Source: Credit Union National Association.

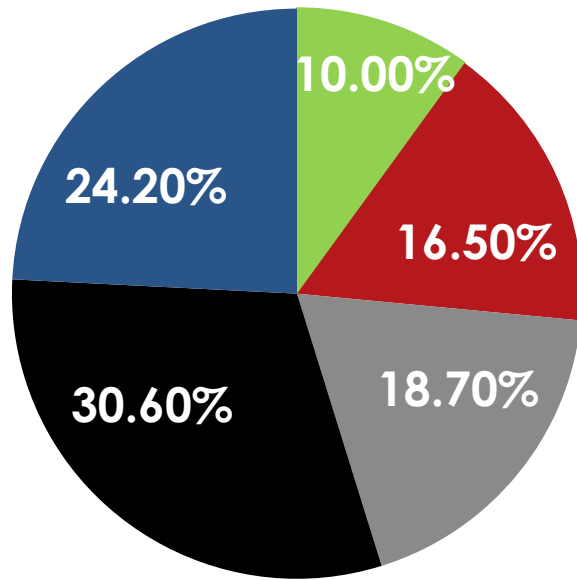
Board & leadership racial and ethnic diversity

The typical CU board > 90% White and 8% Black

The typical CU leadership team > 90% White and 5% Black

Do you agree that the race/ethnicity of your board reflects your FOM?

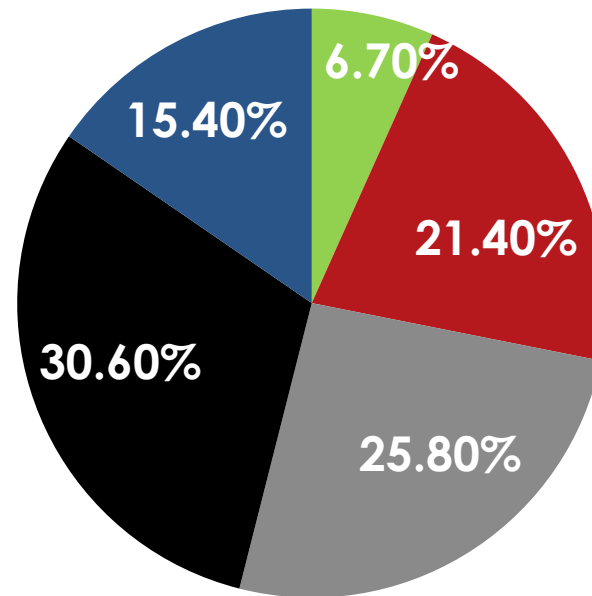
CU Board Members' Response



■ Strongly disagree ■ Somewhat disagree ■ Neutral ■ Somewhat agree ■ Strongly agree

Do you agree that the race/ethnicity of your CU's leadership team reflects your FOM?

CU Leadership Response



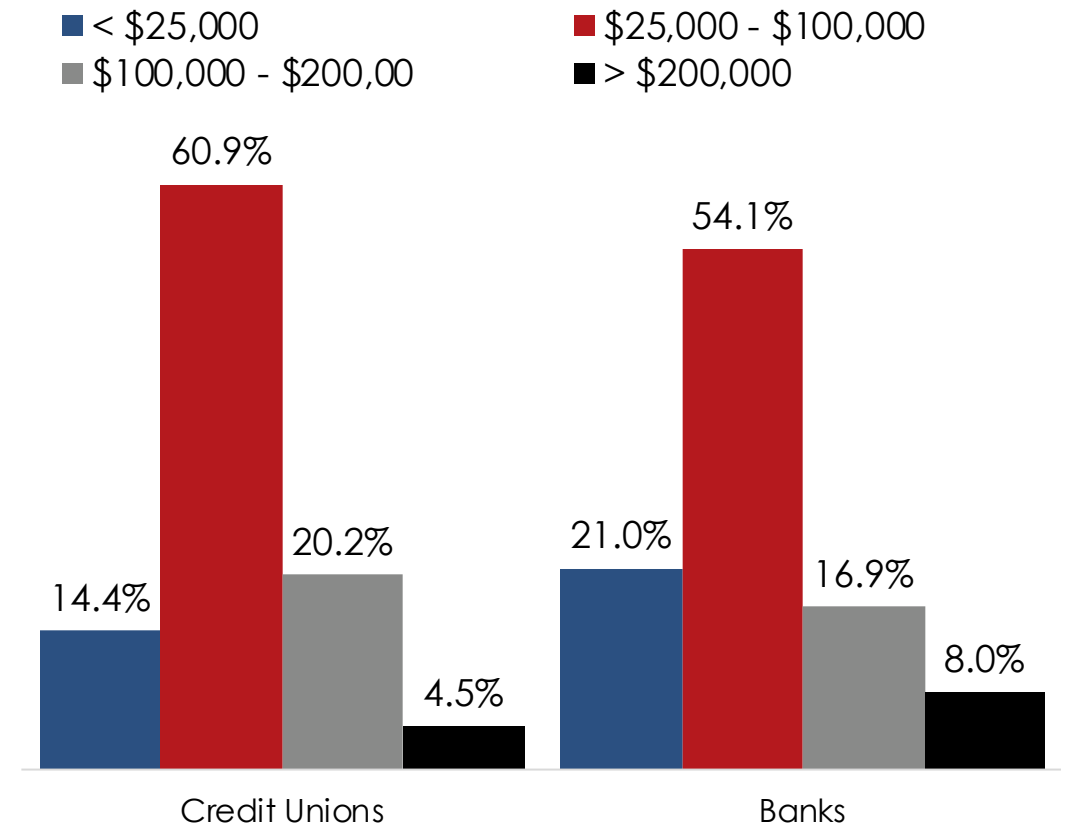
■ Strongly disagree ■ Somewhat disagree ■ Neutral ■ Somewhat agree ■ Strongly agree

**Credit unions: reaching and
serving diverse members**

Credit union member diversity: age, employment, education, and income

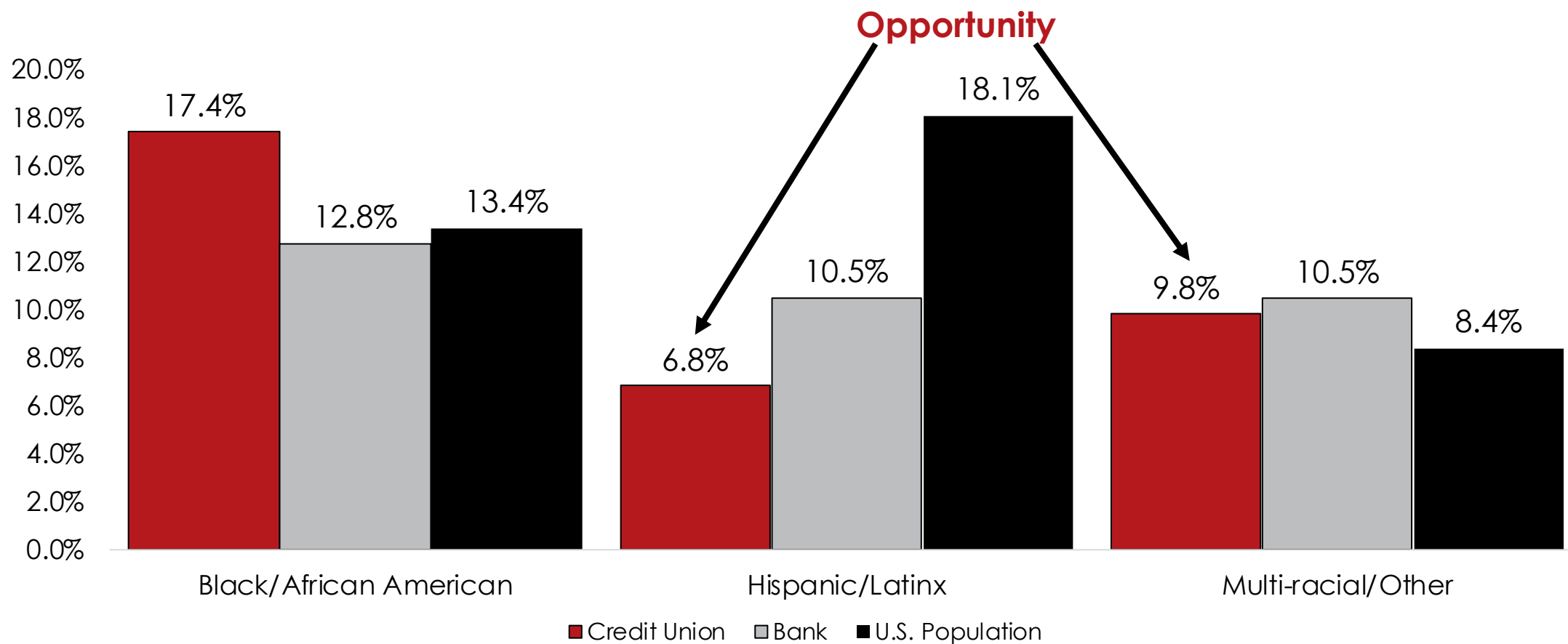
Credit Unions Members	Bank Clients
Are younger: 50.7 years old	52.3 years old
Are employed at a higher rate: 63.1% employed	55.2% employed
Have more education: 64.4% some college or a BA	62.7% some college or a BA
Have higher median income: \$58,955	\$54,682
Have (much) lower average income: \$78,201	\$101,835
Have (much) lower average net worth: \$309,583	\$698,038

Credit unions serve middle-income members vs. banks serve low- and high-income clients



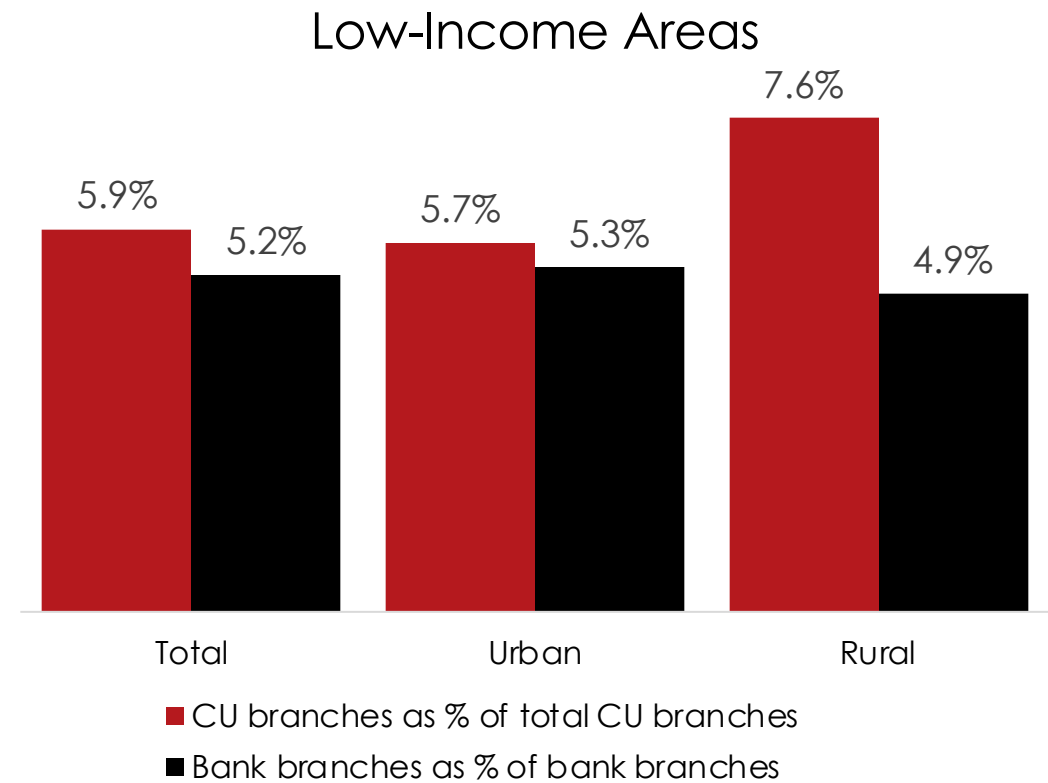
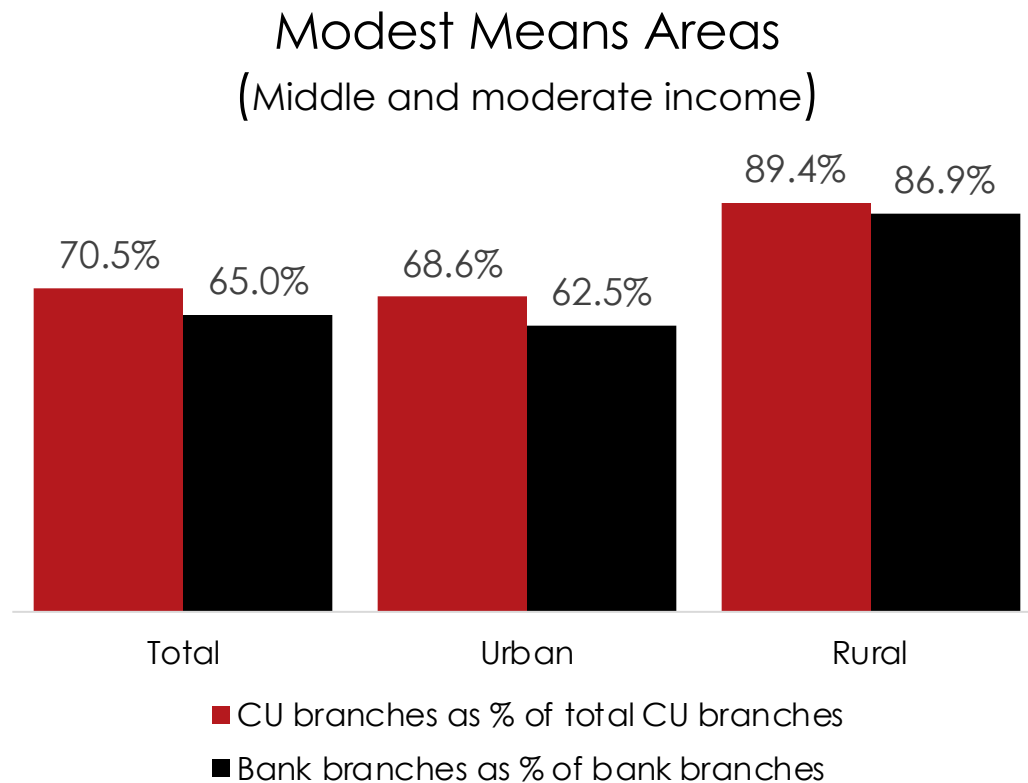
Source: Federal Reserve, Survey of Consumer Finance, 2016.

Despite FOM restrictions, CUs serve a higher percentage of Black/African American households than banks



Source: Federal Reserve, Survey of Consumer Finance, 2016

Despite FOM and no CRA, community charter CUs locate a higher percentage branches in modest means and low-income areas than banks

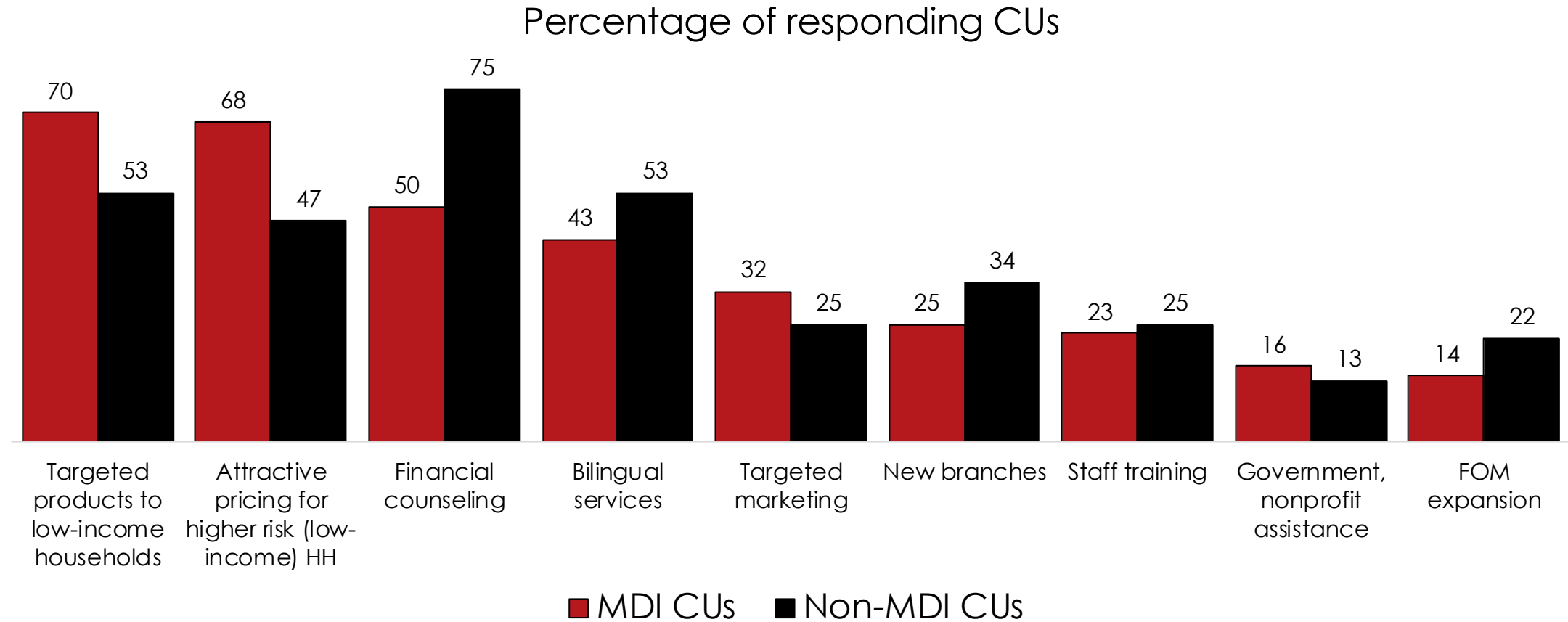


CUs operate more than 3X as many Minority Depository Institutions (MDIs) than banks

Race/Ethnicity	CU	Bank
	MDI	MDI
Black American	272	22
Hispanic American	93	35
Asian American	49	73
Native American	12	18
Two or More Races	102	0
Total MDI	528	148
Total All Depository Institutions	5,448	5,414
MDIs Percent of Total	10%	3%
MDIs Percent of Total Assets	3%	1%

Source: NCUA Call Reports (2019Q1), CUNA, and FDIC MDI Bank Report (2018Q1).

Effective ways for CUs to engage people of color



“

It must be everywhere from the grassroots of our communities to the top of our credit unions or we will not fully serve our purpose.”

Maurice Smith,

former CUNA Board Chair and President/CEO
Local Government Credit Union



Thank you!

Information requests:

custat@cuna.coop

Resources:

cuna.org/economics

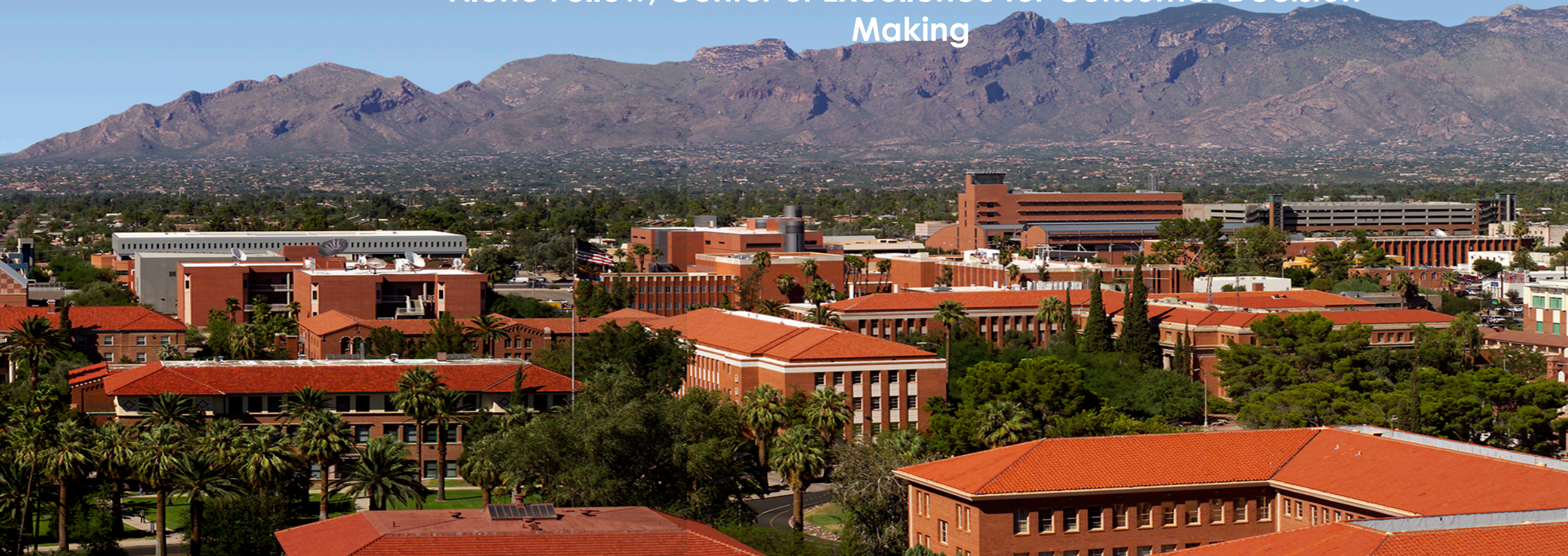
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Consumer Decision-Making Center Updates

Hope Jensen Schau

Filene Fellow, Center of Excellence for Consumer Decision-
Making



Research Reports

MAR 22 2019

Who Do Credit Unions Belong To?



Andrew Turner

Legal Research and Writing
Faculty
University of Wisconsin Law
School

The United States is polarized, socially and politically. This study finds that most people in the US admire credit unions and do not perceive them as associated with any particular partisan cause or social movement. However, credit unions still face significant risks and challenges, particularly with the politically and socially disengaged.

Research Reports

AUG 30 2019

Can Behavioral Economics Increase Savings and Member Loyalty?

Why is it so hard for people to save money—and why do so many initiatives to encourage saving fail? Research in the field of behavioral economics suggests that in order to help members save, it is better to create programs that take into account how people actually behave rather than how we expect they should behave.



Melina Palmer
Founder
The Brainy Business

Upcoming Research Report

Leveraging Reflexive Opportunities in Consumption Journeys

Melissa Archpru Akaka (University of Denver)

Hope Jensen Schau (University of Arizona)

The screenshot shows the top section of 'The Financial Brand' website. The header is red with white text. The main navigation bar is dark red with white text and icons. The main content area has a white background with a large red headline. Below the headline is a red button and a link. The text below discusses the challenges banks face in digital engagement. On the right, there is a dark blue sidebar with white and light blue text. At the bottom, there is a byline.

THE FINANCIAL BRAND

DIGITAL BANKING REPORT

Digital Banking Customer Engagement

HARLAND CLARKE

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Consumers Demanding Improved Digital Banking Customer Engagement

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Banks and credit unions still have a long way to go to satisfy consumers who want to open new accounts and engage digitally throughout the entire customer journey. This experience gap is costly, resulting in lost sales, reduced revenue and bad digital experiences. All can produce attrition over time.

By Jim Marous, Co-Publisher of The Financial Brand and Owner/Publisher of the Digital Banking Report

MORE THAN A MEDIA PLAYER
A COMPLETE DIGITAL SIGNAGE SOLUTION

Sparking Reflection

Member Journeys
Consumer Touchpo
Lifecycle

Financial Services
Product/Service
Human

Reflexivity

Self and Experience



Sparking Reflection

Create meaningful touchpoints

Present at decision points: the right information at the right moment

Infuse empathy

Tightly link CU membership to existing life milestones

Auto Loan, College Accounts, Home Loans

Tightly link CU membership to financial milestones

First Accounts, Earmarked Savings. Loan payoffs

Create reflexive moments

Prompt members to think about their use, their networks, and their futures

Celebrate consumer journeys

Prompt members to think about their journeys with anniversaries

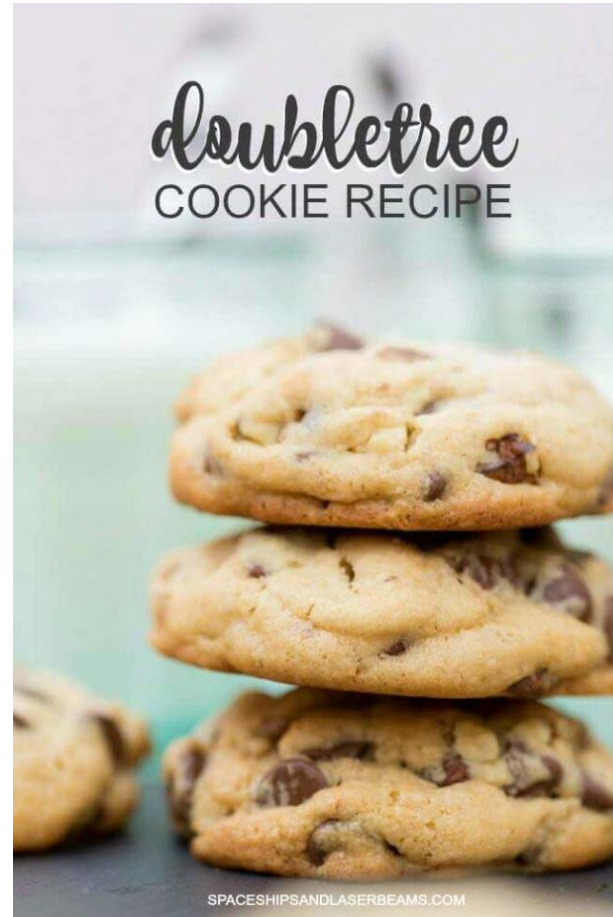
Sparkling Reflection



Potential Research: Designing Delight

Build in moments of delight

Change delights to avoid habituation



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Center for War for Talent – Research Updates

1) Strategic Recruitment

- Employee Departures
- Workplace Design



2) Gender Diversity & Credit Union Boards