

The State of Credit Union Governance **2023**



Credit Union Governance and Leadership Trends

We wish to note that we are not providing legal services or offering legal advice of any kind.

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SPECIAL THANKS

Special thanks to the many credit union board members, supervisory and audit committee members, CEOs and senior management members who participated in the governance assessments and surveys that informed this report. It is only through your ongoing commitment to improving the state of credit union governance and your willingness to be transparent with us and with your colleagues that this report and its insights are possible.

We are humbled by the trust you place in us, and on behalf of the thousands of credit unions that benefit from this report and its findings, we thank you.

We hope you will find what follows to be of benefit to you and your credit union directly. Our intent is to shed light on what's new, what's working and not working so everyone can benefit. As we ask and answer the hard governance and leadership questions that challenge each of us, we believe that the next level of governance excellence is likely foreshadowed by the results contained in this report.

ABOUT THE TEAM

Quantum Governance, L3C

Quantum Governance, LC3 is a low-profit, limited liability corporation dedicated to the public good. Driven by a strong commitment to impact organizations at the highest level, Quantum Governance focuses its work in the boardroom, with CEOs and other members of senior management – knowing that these individuals have the greatest impact on organizational governance and effectiveness. In the past decade, Quantum Governance has built a reputation as a leading consulting practice among credit unions, nonprofits, associations, governmental entities, foundations and corporations. Today, the firm has worked with hundreds of clients located across the United States and internationally, including Canada, the United Kingdom and South Korea.

[Learn more at quantumgovernance.net.](http://quantumgovernance.net)

University of North Carolina at Chapel Hill Statistical/Data Science Consulting Center

The Department of Statistics and Operations Research offers statistical consulting services, in the context of a course on statistical consulting. This graduate level course aims to both serve the university community and to instruct students in the art of consulting. The instructor for the consulting course is Distinguished Professor J.S. Marron, who earned his Ph.D. at the University of California, Los Angeles.

Mr. Sumit Kumar Kar, a Ph. D. candidate and student of Dr. Marron, was selected to participate in the preliminary analysis of this data as part of his studies.

Additionally, Adjunct Professor Perry Haaland provided extensive oversight and consulting services on this project. Dr. Haaland has more than 30 years of professional experience as a statistician. He retired in 2017 as the lead statistician at Becton Dickinson, a Fortune 250 medical technology company. Dr. Haaland was one of the founding members of the Section on Statistical Graphics of the American Statistical Association, and he received his Ph.D. from Tulane University.

[Learn more at stor.unc.edu/outreach/consulting.](http://stor.unc.edu/outreach/consulting)

CUES

CUES is an international membership association dedicated to the talent development of credit union CEOs, executives, directors and future leaders. CUES offers premier professional development programs in the industry – from highly acclaimed institutes, to an array of online services and progressive strategic solutions – helping credit unions reach their greatest potential.

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INTRODUCTION

Quantum Governance set out to answer a very difficult question: Are the elements of good governance connected?

Some experts thought it was a question that we¹ would never be able to answer. Even some members of our own team had their doubts. But for quite some time, we had seen some distinctive trends in the Quantum Governance Compendium (the Compendium).² We wanted to know if those trends were reflective of a broader truth: Those credit unions which rated the effectiveness of their board at *'Holding each other accountable'* as low were also likely to rate their board as low in *'Building a leadership culture of trust'* and *'Engaging all board members in the work of the board.'*

It certainly made sense to us anecdotally. But that's all it was, an interesting set of

trends that we were seeing in our clients' data.

But what if we could prove these trends were more than just anecdotal? That they existed on a broader scale? What if we could state with some certainty that focusing on select aspects of governance could make a real difference? And would we learn anything else along the way?

Of course, we would.

¹ Throughout this report, the term "we" or "our" is used to describe Quantum Governance, L3C and does not necessarily reflect the views of the University of North Carolina at Chapel Hill or CUES.

² Quantum Governance Credit Union Governance Assessment Data from U.S. Credit Unions, 2013-2022.



BACKGROUND

In the State of Credit Union Governance, 2023 report, we sought to discover if that set of key governance trends would hold true across the broader credit union sector. To validate these trends, we identified four governing elements (the four elements) central to measuring good governance: 1) board members fulfilling their **Roles and Responsibilities**; 2) building and maintaining a leadership culture of **Trust**; 3) high levels of board **Engagement**; and 4) members of the credit union's governing system³ meeting high **Accountability** standards (see Figure 1).

Building on the Compendium data, we fielded a new survey (the 2023 survey) to learn more about each of these four elements, including:

1. Which of the four elements is perceived as the most effective among members of the governing system?
2. And, most importantly, do correlations exist among the four elements as the Compendium data suggested they might?

Figure 1: *The Four Elements of Good Governance*



The overall findings from the State of Credit Union Governance, 2023 follow.

³ Members of the governing system include board and supervisory/audit committee members, the CEO and senior management.

2023 OVERALL FINDINGS



Finding #1: The Four Elements are Correlated in a Statistically Significant Way

This is critical information for everyone in the credit union community to learn and understand – from the board and all levels of staff to consultants, researchers and regulators. The four governance elements: (1) Board Member Roles and Responsibilities, (2) Trust, (3) Engagement and (4) Accountability, are correlated in a statistically significant way. If a credit union is struggling in one or more of these elements, we believe that focusing on and improving those particular elements is highly likely to positively impact the other elements, too.



THESE FOUR ELEMENTS ARE VITAL COMPONENTS OF THE ENGINE THAT DRIVES EFFECTIVE (OR INEFFECTIVE) GOVERNANCE AT YOUR CREDIT UNION.

IN ESSENCE, YOU NEED TO DEEPLY ANALYZE EACH ELEMENT TO TRULY UNDERSTAND YOUR CREDIT UNION'S GOVERNANCE EFFECTIVENESS.



These four elements are vital components of the engine that drives effective (or ineffective) governance at your credit union. In essence, you need to deeply analyze each element to truly understand your credit union's governance effectiveness.

In analyzing the data from the 2023 survey, we have uncovered statistically significant⁴ positive correlations (see Appendix 3 – Glossary) between each of the four elements. Confirming our anecdotal observation, the four elements are inextricably linked!

If a respondent reports that their credit union is highly effective in one of the four elements, they are much more likely to report that they are highly effective in the other three elements as well.

And, perhaps even more important, if they report their credit union is ineffective in one of the four elements, it is likely that they will report they are ineffective in the other three elements, too.

⁴ A correlation is statistically significant if it has a P-value < .05.



The following heat map⁵ demonstrates that the responses for each pair of elements are closely related.⁶ For example, in Figure 2 that follows, the correlation between Engagement and Board Member Roles & Responsibilities is 0.88; the correlation between Engagement and Trust is 0.81; and the

correlation between Trust and Accountability is 0.79.

With the correlations ranging between +0.79 and +1.00 – a delta of only 0.21 – we find a high degree of correlation⁷ between each of the four elements.

Figure 2: Heat Map (Pearson Correlation of Coefficients) Between Each Pair of the Four Elements

BMRR	1.00	0.84	0.88	0.82	BMRR = Board Member Roles & Responsibilities TRU = Trust ENG = Engagement ACC = Accountability
TRU	0.84	1.00	0.81	0.79	
ENG	0.88	0.81	1.00	0.80	
ACC	0.82	0.79	0.80	1.00	
	BMRR	TRU	ENG	ACC	

⁵ A heat map is a two-dimensional graphical representation of data in which values are represented by colors. Heat maps are used because they are often easier to understand and to recognize patterns in comparison to data formatted as a two-way table. When the heat map represents correlations, the colors at the high-value end of the scale signify pairs of variables that are strongly related to each other. When the colors in a correlation heat map are all similar, then the relationships among the pairs of variables are also seen to be similar. When the range of displayed colors on a correlation heat map is very wide, then some pairs are much more closely related than others. In the case of this heat map, we see that all of the variables are strongly correlated with each other.

⁶ The Pearson correlation is a measure of the strength of the linear relationship between two variables.

⁷ A value (or correlation) closer to 0 means a lower degree of correlation between two variables, while a value closer to +1.00 in this chart means a higher degree of correlation. Correlations greater than 0.70 are usually considered to be high.

But what does this mean? And, more importantly, what doesn't it mean?

We believe these findings potentially identify the four elements as central keys to unlocking vital secrets to good governance and creating a high-functioning board.

Based on the consistency and strength of the findings, we believe that actions to improve the effectiveness of one of the four elements are likely to lead to improved effectiveness in the other three elements.

We should be clear that correlation is not the same as causation (see Appendix 3 – Glossary). That is, we cannot conclude that having a more positive perception about effectiveness in one of the four elements causes increased perceived effectiveness in the other three.

In addition to exploring the correlation between the four elements and which is most important, we also set out to answer two complimentary questions:

1. How do board members view the four elements versus CEOs and senior management?
2. Does a credit union's size matter in terms of how the four elements are perceived?

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Finding #2: Boards are Most Effective at Building Trust and Least Effective at Remaining Engaged

We calculated the average response of all respondents to the questions within each of the four elements.⁸ Figure 3 shows the average for each element. The average response for Trust is significantly *higher* than the other three elements, and the average response for Engagement is significantly *lower* than the other three elements. This means that overall, respondents perceive that the Trust levels within their boards are most effective – while levels of Engagement are least effective.

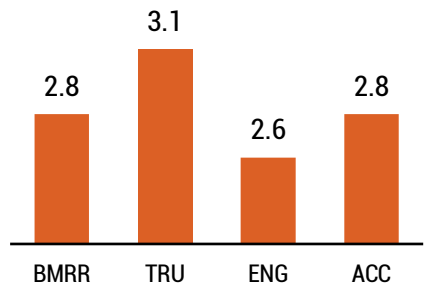
The Trust element received the highest average score at 3.1, which falls in the Above Average (3.1 – 3.5) range, and it was the only element to do so. The Engagement element fell at an Average (2.6 – 3.0) score of 2.6, which is a notable 0.5 delta below Trust.

With the new revelations presented in Finding #1 above, we now believe that a lower level of Engagement may eventually begin to erode respondents' high levels of Trust – a finding worth acting upon and monitoring over the long-term.

While the scores for both Board Member Roles & Responsibilities and Accountability were slightly higher than the Engagement element, they, too, fell only in the Average range, tying at a score of 2.8 (see Figure 3).

Figure 3: Average Scores Across the Four Elements of Governance

BMRR = Board Member Roles & Responsibilities
TRU = Trust
ENG = Engagement
ACC = Accountability



Scale: 0.0 – 2.0 Poor; 2.1 – 2.5 Below Average; 2.6 – 3.0 Average; 3.1 – 3.5 Above Average; 3.6 – 4.0 Excellent

⁸ The Board Member Roles & Responsibilities element included 18 questions; the Trust element included 11 questions; the Engagement element included 10 questions; and the Accountability element included 12 questions.

Finding #3: Board and Senior Management Continue to be Misaligned in the Area of Governance

In our State of Credit Union Governance, 2018 report, we found that “Board members and CEOs differ[ed] on 84% of the survey’s key questions,” (Daigneault & Boden, 2018), and in 2020 we reported a significant number of respondents disagreed in their responses to 80% of the survey’s key questions (Fullbrook, Spizzirri & Boden, 2020). In both the 2018 and 2020 reports, we also provided clear recommendations that the board and CEO, as well as the other governing partners, should work to build alignment on governance priorities, perceptions and the very definition of effectiveness itself.

Sadly, it appears these two governing partners have done little since then to more effectively align themselves in this vital area.

In the 2023 survey, we found that significant⁹ differences continued between the board and CEO; furthermore, we discovered significant differences between the board chair, board members, the CEO and senior management (see Figure 4).

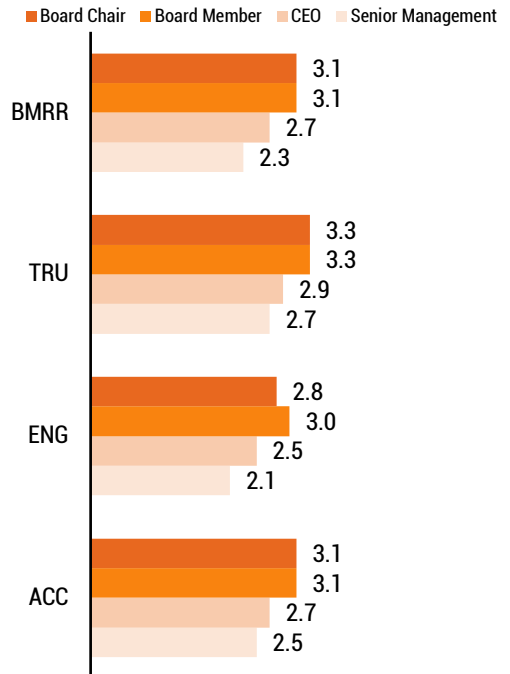
Figure 4: Average Scores Across the Four Elements of Governance, by Governing Partner

BMRR = Board Member Roles & Responsibilities

TRU = Trust

ENG = Engagement

ACC = Accountability



Scale: 0.0 – 2.0 Poor; 2.1 – 2.5 Below Average; 2.6 – 3.0 Average; 3.1 – 3.5 Above Average; 3.6 – 4.0 Excellent

⁹ Two average responses are statistically significant if the chance that the responses are the same is less than 5% (P-value < .05).



While the board chair and board members are generally aligned (except in the area of Engagement), the misalignment between the board as a whole¹⁰ and the CEO and senior management is concerning.

Three of the four scores posted by senior management fell in the Below Average (2.1 – 2.5) range: Accountability (2.5); Board Member Roles & Responsibilities (2.3) and Engagement (2.1). The senior management’s score for Engagement fell

just above the Poor (0.0 - 2.0) range. There was significant misalignment between the CEO and senior management regarding Board Member Roles & Responsibilities and Engagement, which both had 0.4 deltas. (See Figure 4.)

Further, we identify the following significant deltas – for each of the four elements by governing partner – illuminating areas of misalignment (see Table 1).

Table 1: The Four Elements of Governance by Governing Partner Significant Deltas ($P < .05$)

Survey Section	Governing Partner & Score	Governing Partner & Score	Delta
BMRR	Board Chair 3.1	CEO 2.7	0.4
BMRR	Board Chair 3.1	Senior Management 2.3	0.8
BMRR	Board Member 3.1	CEO 2.7	0.4

¹⁰ The board as a whole includes the board chair and board members.

Table 1: The Four Elements of Governance, by Governing Partner Significant Deltas ($P < .05$), Continued

Survey Section	Governing Partner & Score	Governing Partner & Score	Delta
BMRR	Board Member 3.1	Senior Management 2.3	0.8
BMRR	CEO 2.7	Senior Management 2.3	0.4
TRU	Board Chair 3.3	CEO 2.9	0.4
TRU	Board Chair 3.3	Senior Management 2.7	0.6
TRU	Board Member 3.3	CEO 2.9	0.4
TRU	Board Member 3.3	Senior Management 2.7	0.6
TRU	CEO 2.9	Senior Management 2.7	0.2
ENG	Board Chair 2.8	Board Member 3.0	0.2
ENG	Board Chair 2.8	CEO 2.5	0.3
ENG	Board Chair 2.8	Senior Management 2.1	0.7
ENG	Board Member 3.0	CEO 2.5	0.5
ENG	Board Member 3.0	Senior Management 2.1	0.9
ENG	CEO 2.5	Senior Management 2.1	0.4
ACC	Board Chair 3.1	CEO 2.7	0.4
ACC	Board Chair 3.1	Senior Management 2.5	0.6
ACC	Board Member 3.1	CEO 2.7	0.4
ACC	Board Member 3.1	Senior Management 2.5	0.6

BMRR = Board Member Roles & Responsibilities; **TRU** = Trust; **ENG** = Engagement; **ACC** = Accountability

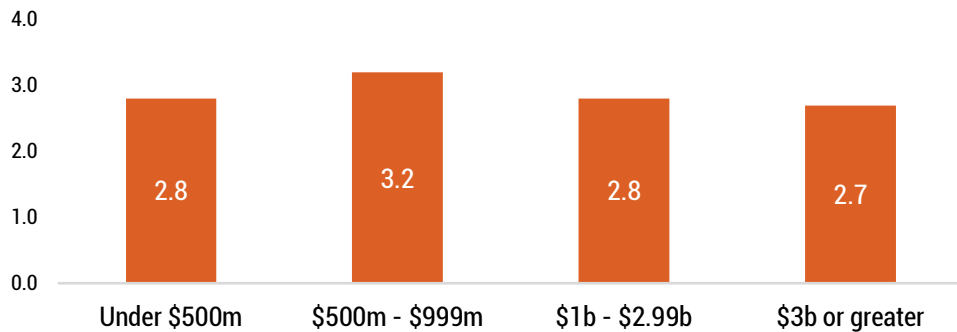


Finding #4: Size Matters – Mid-Size Credit Unions Identify Their Credit Union Governance as Most Effective

Respondents from credit unions with assets ranging from \$500 million to \$999 million reported the highest effectiveness ratings across the four elements – with an aggregated, Above Average (3.1 – 3.5) score of 3.2.

The overall deltas between the aggregate score posted by these mid-size credit unions and the other three asset size categories are significant ($P < .05$) (see Figure 5).

Figure 5: Average Scores Across the Four Elements of Governance, by Asset Size



Scale: 0.0 – 2.0 Poor; 2.1 – 2.5 Below Average; 2.6 – 3.0 Average; 3.1 – 3.5 Above Average; 3.6 – 4.0 Excellent

Of course, the implication that this set of findings presents is that every credit union, regardless of asset size, needs to focus on building and evolving an effective set of governing structures, policies, procedures and practices.

Those with assets under \$500 million reported an Average (2.6 – 3.0) score of 2.8. With a delta of 0.4 below mid-size credit unions, these credit unions need to further develop their governing systems as they prepare for growth. It is highly likely that most of the board's focus has been on operations, given their credit union's size. Once the credit union reaches \$500 million, the board needs to take on a strategic role, in addition to its fiduciary oversight duties.

Those with assets between \$500 million and \$999 million had an Above Average score of 3.2.

These credit unions are seemingly sitting in their governance "sweet spot." Still, as we reported in the State of Credit Union Governance, 2020 report, only 32% of credit unions with assets under \$1 billion reported having governance committees (Fullbrook, Spizzirri & Boden, 2020). If we look ahead at their future, however, they can expect to feel the effectiveness of their governing structures, policies, procedures and practices drop as the credit union rounds the \$1 billion threshold and beyond with an average decline of 0.4.

Few are prepared for the governance changes that occur at the next level of growth – where the board's focus shifts in earnest from not only the fiduciary to encompass strategic issues, but also generative questions to ensure continued relevance and efficacy (see Appendix 3 - Glossary). Further, board committee structures should be shifting from an operational to a governing focus. The board should focus less on how things are being done at the credit union and more on the why, where the credit union should go and what risks should be pursued strategically (see Figure 6).



Figure 6: *The Governance Evolution Comparison*

\$500-850 Million Credit Union	\$1-3 Billion Credit Union
Board focused at the fiduciary or oversight level	Board focused at the strategic level
Frequently has more "operational" committees focused on the work of the board and the credit union (i.e., ALCO, HR, Buildings, IT, etc.)	Committees are more strategically oriented and focused on accomplishing the work of the board (i.e., Governance, Finance, CEO Compensation, etc.)
Ongoing ambiguity concerning operational versus strategic issues	Operational issues effectively delegated to CEO/senior management
Board sometimes "supplements" gaps in senior management expertise, experience or knowledge	Credit union is fully staffed and highly professionalized – often beyond the expertise level of board members
Often focused more on HOW things are being done as well as avoiding risks or mistakes	Often focused more on the WHY of the credit union; WHERE the credit union should go; and WHAT risks should be pursued to ensure the credit union flourishes
Typically have a less complex overall leadership and governance structure	Typically have a more complex leadership and governance structure

Those with assets between \$1 billion and \$2.99 billion scored an Average score of 2.8. These credit unions have likely begun seeing the negative delta mentioned above become actualized in their boardrooms. Further, their perceptions of their credit unions' governance effectiveness has now dropped back to the level of when they were under \$500 million in assets. While 61% of credit unions with at least \$1 billion in assets report having Governance Committees now, still a full 39% do not (Fullbrook, Spizzirri & Boden, 2020). Many credit unions within this asset category have not yet been able to make the transitions noted in Figure 6, which can often put the credit union at a disadvantage, leaving the board and the supervisory/audit committee falling

behind senior management in terms of efficacy, sophistication and capability.

Those with assets greater than \$3 billion reported an Average score of 2.7. With a 0.5 delta below mid-size credit unions and the lowest overall perception of governance effectiveness of the four asset groupings, we find that those in this range are really struggling with their governance evolution. Once credit unions reach the \$5 billion range, they should begin to prepare for the \$10 billion threshold, where expectations and requirements regarding regulatory oversight, the board's role, Enterprise Risk Management, capital planning and more increase exponentially.

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EVER FACE.**
”

– **Vincent Hui, Managing Director**
Cornerstone Advisors, LLC

As Vincent Hui, Managing Director, Cornerstone Advisors, LLC stated, *“Preparing the credit union for \$10 billion is the most significant change to governance, regulatory oversight and planning that the organization will ever face.”*

Ensuring that the credit union's governance structure, policies, procedures and practices continue to evolve as the credit union grows will alleviate gaps between the expertise of the board and senior management. This practice will also ensure that the board is fully ready to take on the challenge of governing the credit union, in constructive partnership with senior management and the supervisory/audit committee, at every stage of its growth.



2023 FINDINGS BY ELEMENT



Board Member Roles & Responsibilities

A primary element of good governance is your board members' fulfillment of their roles and responsibilities.

There are several ways of articulating and understanding this element: (1) the basic legal responsibilities that all board members must meet; (2) those minimal governance and leadership obligations that individuals sign up for when they volunteer; (3) effectively framing board member roles and responsibilities to develop and sustain governance excellence and (4) the role and responsibilities of the board as a whole.

An individual volunteer's responsibilities might, at first, appear to be straightforward. However, even some of the most basic responsibilities (Be Prepared, Be Engaged, Be Strategic and Be Collaborative) are sometimes difficult for volunteers to fully understand and effectively fulfill as further discussed in the Accountability section that follows.

The Legal Duties of Board Members

1. Duty of Care.

The duty of care means that the board member will act as a similarly situated, reasonable board member would act. The duty of care relates to the board member's responsibility to 1) become and remain engaged, attend and actively participate in board and committee meetings; 2) ensure preparedness, so that they are well-informed, ready to make good faith decisions and cast an independent vote; and 3) ably oversee the credit union's overall direction and efforts.

2. Duty of Loyalty.

The duty of loyalty requires that a board member's ultimate duty is to the credit union's mission. This requirement focuses on avoiding improper conflicts of interest and requires fair dealing by board members – and all volunteers – involved in transactions where a personal or financial interest may arise. It also requires the credit union's volunteers to act in good faith and in the credit union's best interests – not in their own or in the interests of persons or organizations with which they are associated.

3. Duty of Obedience.

The duty of obedience requires a board member to faithfully observe and comply with the law, and to ensure that the credit union is in legal and regulatory compliance. In addition, this duty requires volunteers to faithfully observe and comply with all the credit union's own policies and procedures. Importantly, it also requires that board members ensure that the credit union is operating in observance of its stated strategic vision, mission and goals.

Governing Partners Rate Their Boards as Largely Average

While 33% of the questions for this element fell in the Above Average (3.1 - 3.5) range, we found that on balance the governing partners rate their boards as largely only Average. Fifty-six percent (56%) of the questions in this element received scores between 2.6 and 3.0.

Of those questions that fell in the Above Average range, we note that 50% of the

questions represent the very basic roles and responsibilities that every board and board member should be fulfilling, meaning that three out of the six questions are not indicators of high-functioning boards or governance systems.¹¹ Rather, important as they are, they are among the bare minimum behaviors for any board or board member (see Figure 8).

Figure 7: Core Responsibilities of a Credit Union Board



¹¹ These questions include: *Ensuring that all its members regularly attend board meetings* (3.3); *Ensuring the governing policies are regularly updated* (3.3); and *Engaging in the credit union's annual budget approval process* (3.2).

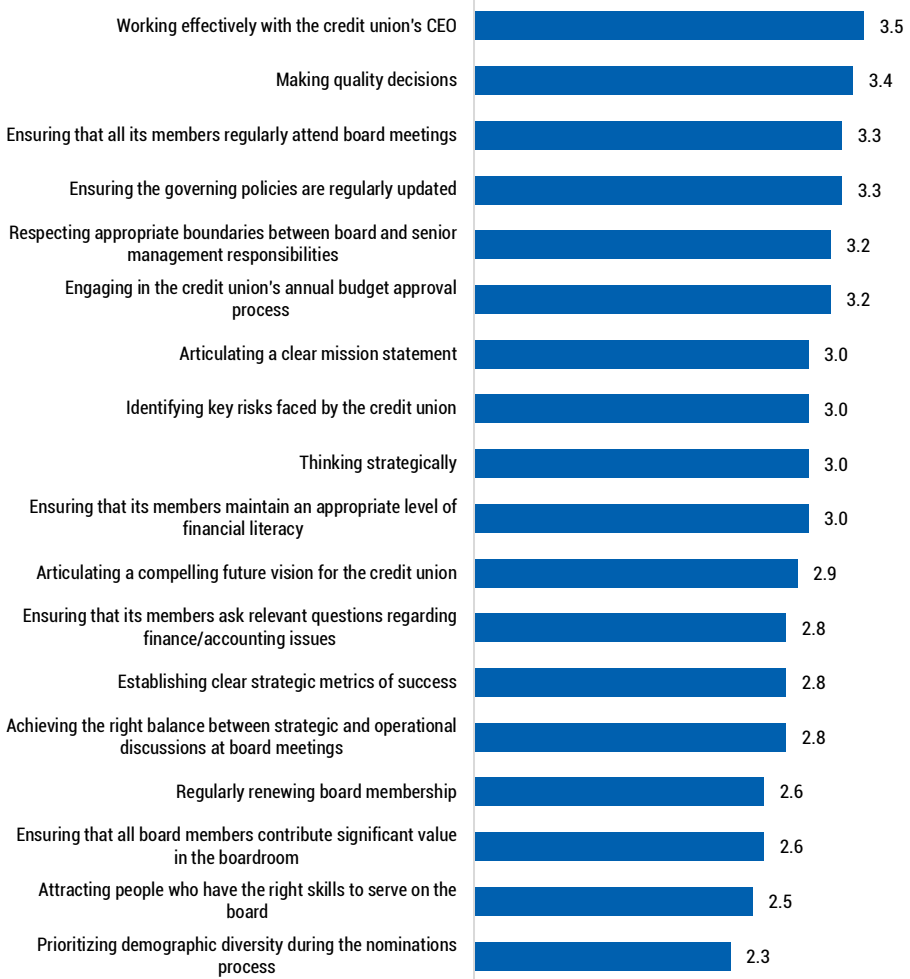
Strategic Matters Remain a Challenge

Developing strategy in constructive partnership with senior management is a core governing role and responsibility of every credit union board. One-third (33%) of the questions in this element specifically addressed the issue of strategy, and the results for those questions all fell only in the Average range (see Figure 8).

In the State of Credit Union Governance, 2020 report, respondents stated that they should allocate 10% more of their meeting time on strategic matters (Fullbrook, Spizzirri & Boden, 2020). From *'Articulating a clear mission statement'* and *'Thinking strategically'* (both tied with a score of 3.0 in the 2023 survey) to *'Establishing clear strategic metrics of success'* and *'Achieving the right balance between strategic and operational discussions at board meetings'* (both tied at an Average score of 2.8 in 2023), there is considerable work to do in this area.



Figure 8: Board Member Roles & Responsibilities All Respondents



Scale: 0.0 – 2.0 **Poor**; 2.1 – 2.5 **Below Average**; 2.6 – 3.0 **Average**; 3.1 – 3.5 **Above Average**; 3.6 – 4.0 **Excellent**

Credit Unions Continue to Struggle Attracting Skilled Board Members; Prioritizing Demographic Diversity Remains a Challenge

In the State of Credit Union Governance, 2020 report, we noted that “even when there is consensus among board members that more effective renewal is in order, change in board composition is often very slow and difficult to achieve” (Fullbrook & Spizzirri, 2015).

In 2020, we found that only 22% of respondents reported their boards as being very effective at attracting people who have the right skills to serve on their boards (Fullbrook, Spizzirri & Boden, 2020). That number has ticked up only 1% since 2018 (Daigneault & Boden, 2018) and today, it remains at 22%. Only 20% of respondents from boards who have assets less than \$1 billion report that they are very effective in this important responsibility.¹²

Demographic diversity, while being identified as the number one priority by respondents when recruiting new board members (Fullbrook, Spizzirri & Boden, 2020) received just a Below Average (2.1 – 2.5) score of 2.3 on the 2023 survey when we asked about the board *‘Prioritizing demographic diversity during the nominations process.’*

It was also the lowest-scoring question in the Board Member Roles & Responsibilities element overall.

This finding aligns with the results we reported in our State of Credit Union Governance, 2021 report. Women made up only 35% of the directors on the boards we surveyed, compared to 51% of the population. Non-white individuals comprised only 16%, compared to 37% of the population. People with a disability made up only 2%, compared to 26% of the population (Fullbrook, Spizzirri, Boden & Daigneault, 2021).



¹² Quantum Governance Credit Union Governance Assessment Data from U.S. Credit Unions, 2013-2022.

Figure 9: Board Member Roles & Responsibilities by Governing Partner



Staff Questions the Board's Effectiveness in Nearly 84% of the Markers in this Area

Given the importance of this element, this finding is very concerning. While there are significant deltas between the governing partners in three of the four elements,¹³ governing partners posted significant deltas on nearly 84% of the questions in the Board Member Roles & Responsibilities element. The significant deltas ranged from 0.5 to 1.1 with the CEO and the senior management scores falling well behind those of the board chair and board members.

Some of the disconnect may be related to a lack of clarity regarding board members' roles and responsibilities. Articulating and memorializing a job description for board members may help (see Appendix 4 – Board Member Job Description). Discrepancies in scores, in both the significance of the delta and the volume, are also likely the result of dissatisfaction on the part of the CEO and the senior management. The board's effectiveness in these areas may be a significant contributor.

Table 2: Board Member Roles & Responsibilities by Governing Partner Significant Deltas ($P < .05$)

Question How effective is the board at:	Governing Partner & Score	Governing Partner & Score	Delta
Making quality decisions	Board Chair 3.6	Senior Management 2.9	0.7
Thinking strategically	Board Member 3.2	CEO 2.6	0.6
Thinking strategically	Board Member 3.2	Senior Management 2.5	0.7
Articulating a clear mission statement	Board Chair 3.3	CEO 2.6	0.7
Articulating a clear mission statement	Board Chair 3.3	Senior Management 2.5	0.8
Articulating a clear mission statement	Board Member 3.2	CEO 2.6	0.6
Articulating a clear mission statement	Board Member 3.2	Senior Management 2.5	0.7
Achieving the right balance between strategic and operational discussions at board meetings	Board Member 3.0	Senior Management 2.0	1.0
Ensuring that its members maintain an appropriate level of financial literacy	Board Chair 3.1	Senior Management 2.0	1.1
Ensuring that its members maintain an appropriate level of financial literacy	Board Member 3.1	Senior Management 2.0	1.1

¹³ The Accountability element did not report any significant deltas between governing partners, and only one significant delta between the governing partners was reported in the Trust element.

Table 2: Board Member Roles & Responsibilities by Governing Partner Significant Deltas (P < .05), Continued

Question How effective is the board at:	Governing Partner & Score	Governing Partner & Score	Delta
Ensuring that its members maintain an appropriate level of financial literacy	CEO 3.0	Senior Management 2.0	1.0
Ensuring that its members ask relevant questions regarding finance/accounting issues	Board Member 3.0	Senior Management 2.2	0.8
Engaging in the credit union's annual budget approval process	Board Member 3.4	Senior Management 2.6	0.8
Identifying key risks faced by the credit union	Board Chair 3.1	Senior Management 2.3	0.8
Identifying key risks faced by the credit union	Board Member 3.2	CEO 2.7	0.5
Identifying key risks faced by the credit union	Board Member 3.2	Senior Management 2.3	0.9
Ensuring the governing policies are regularly updated	Board Member 3.5	CEO 3.0	0.5
Ensuring the governing policies are regularly updated	Board Member 3.5	Senior Management 2.7	0.8
Regularly renewing board membership	Board Member 2.8	Senior Management 1.8	1.0
Attracting people who have the right skills to serve on the board	Board Member 2.7	Senior Management 1.8	0.9
Working effectively with the credit union's CEO	Board Member 3.7	CEO 3.2	0.5
Working effectively with the credit union's CEO	Board Member 3.7	Senior Management 2.9	0.8
Respecting appropriate boundaries between board and management responsibilities	Board Chair 3.3	Senior Management 2.5	0.8
Respecting appropriate boundaries between board and management responsibilities	Board Member 3.4	Senior Management 2.5	0.9
Ensuring that all board members contribute significant value in the boardroom	Board Chair 2.7	Senior Management 1.8	0.9
Ensuring that all board members contribute significant value in the boardroom	Board Member 2.8	CEO 2.2	0.6
Ensuring that all board members contribute significant value in the boardroom	Board Member 2.8	Senior Management 1.8	1.0
Ensuring that all its members regularly attend board meetings	Board Member 3.5	CEO 3.0	0.5
Ensuring that all its members regularly attend board meetings	Board Member 3.5	Senior Management 2.8	0.7

Trust

There are two key working definitions of Trust that we suggest you consider when thinking about this central value as it relates to your credit union. The first comes from Wayne Hoy and Megan Tschannen-Moran, who define Trust as "The willingness to be vulnerable with another person based on the confidence that the other person is benevolent, reliable, competent, honest and open."

The second is a little more direct and hails from business consultant Frank Navran: "Trust is the residue of promises kept." No matter which definition you prefer, Trust is the underlying building block for any healthy governing culture.

Ensure Trust remains strong as it is the central component that binds the relationships among the governing partners at your credit union.

The 2023 survey found that, for most, it has remained strong.

Figure 10: Elements of a Healthy Governing Culture

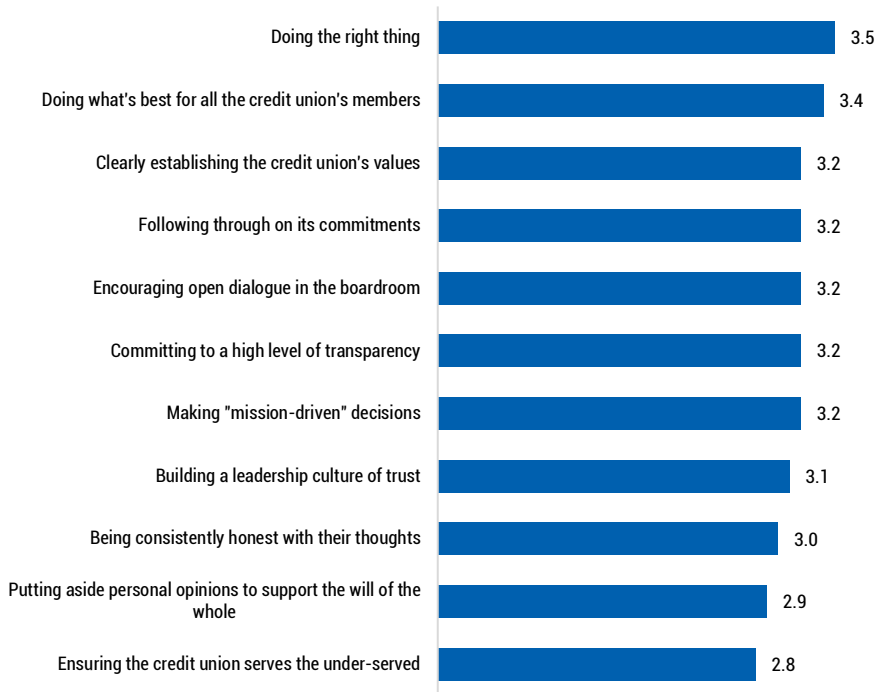


Trust Receives the Highest Overall Score for All Governing Partners with an Above Average Score of 3.1

Among the four elements, as reported earlier, Trust received the highest overall, combined score (see Figure 3). Additionally, 73% of the questions for this element scored in the Above Average

(3.1 – 3.5) range, with the most directly related question, 'Building a leadership culture of trust,' receiving a score of 3.1 (see Figure 11).

Figure 11: Trust All Respondents



Scale: 0.0 – 2.0 Poor; 2.1 – 2.5 Below Average; 2.6 – 3.0 Average; 3.1 – 3.5 Above Average; 3.6 – 4.0 Excellent

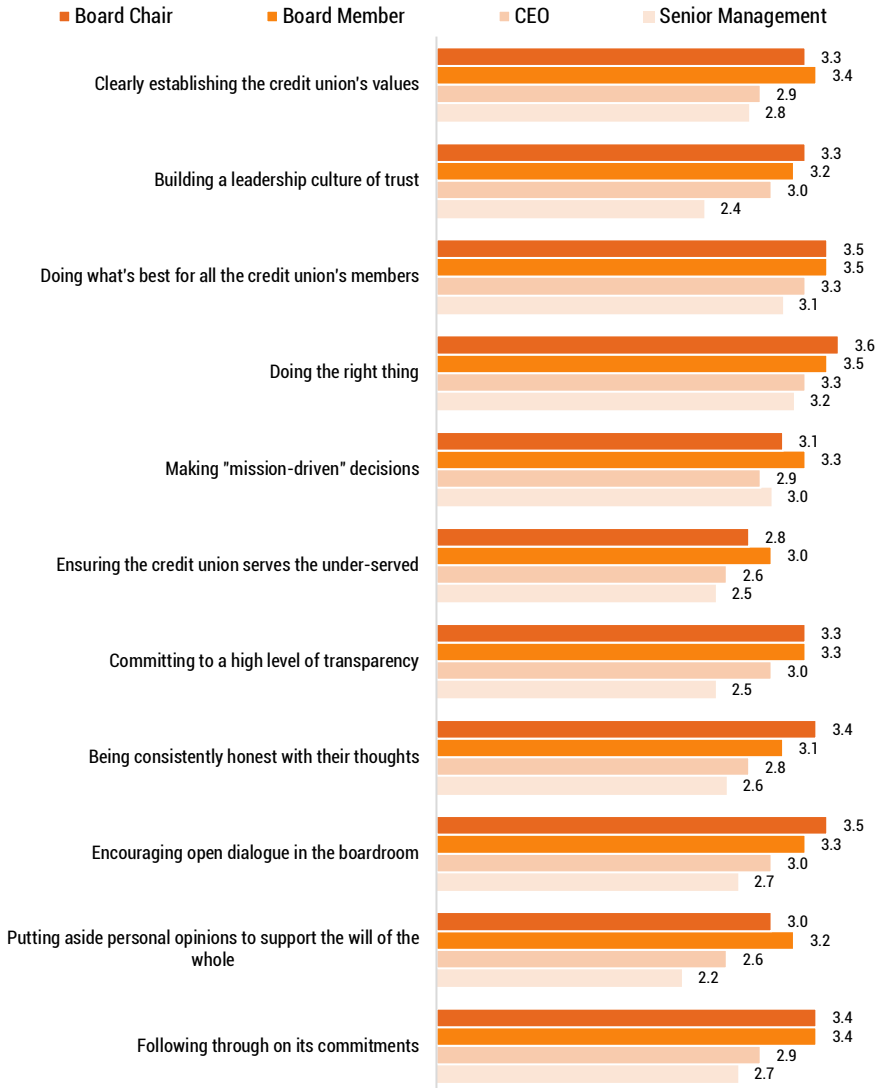


The CEO and Senior Management Score Trust Lower than the Board and Board Chair

Of concern are the lower scores in the Trust element for the CEO and senior management compared to board members and the board chair. While only one question posted a significant delta (see Table 3), the deltas between the senior management and board scores for this element range from just a 0.3 to a

full 1.0, with a good number of the deltas falling between 0.6 and 0.9 (see Figure 12). This is an area that the governing partners should consider as they work to develop a strong constructive partnership for the credit union and its members.

Figure 12: Trust by Governing Partner



Scale: 0.0 – 2.0 Poor; 2.1 – 2.5 Below Average; 2.6 – 3.0 Average; 3.1 – 3.5 Above Average; 3.6 – 4.0 Excellent

There is One Statistically Significant Gap to Consider Regarding Trust

Table 3: Trust by Governing Partner Significant Delta ($P < .05$)

Question	Governing Partner & Score	Governing Partner & Score	Delta
How effective is the board at: Putting aside personal opinions to support the will of the whole	Board Member 3.2	Senior Management 2.2	1.0



Engagement

The stakes for ensuring your volunteers are engaged are critical. We've heard everything from, "The board needs to ramp up its game. Some members are

engaged and others not – people need to start contributing and decide if they want to be there," and "You have some board members that are falling asleep in every board meeting. And others who only speak up when they call for adjournment," to "We go to our monthly board meetings, and the reports are given, and board members just ask a few questions. There is no strategic discussion," and "We show up and are committed, but I don't know if we really understand it all. I think sometimes it's just about getting through the meeting."

Engagement Ranks Last Among the Four Elements

While only posting a 0.2 delta between both Board Member Roles & Responsibilities and Accountability, Engagement received the lowest overall average on the 2023 survey (see Figure 3).

The question '*Engaging all board members in the work of the board*' reported only an overall Average (2.6 – 3.0) score of 2.9 (see Figure 13).

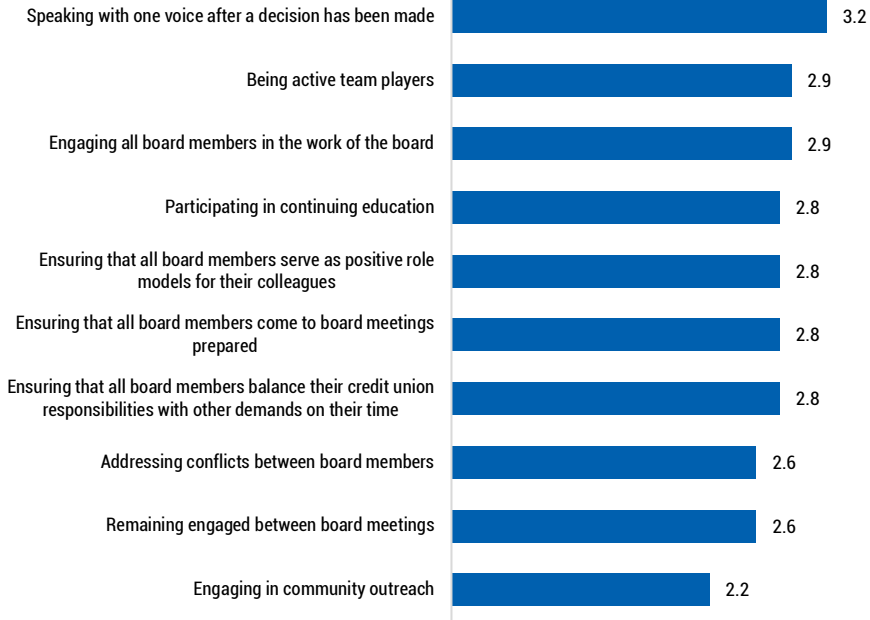
This aligns with our compendium, where those from credit unions with assets less than \$1 billion scored a 2.7 and those with assets greater than \$1 billion scored a 3.0.



True engagement at the board or supervisory/audit committee levels includes:

- Authentic involvement with attention, commitment and care.
- Volunteers who are interested, immersed and enlivened by their responsibilities – not just dutifully occupied.
- Being driven by personal standards, ethics and shared commitments.
- Shared values, including Trust and Accountability.
- Enhancement through connections and recognition.
- An investment in the credit union's processes and outcomes.

Figure 13: *Engagement All Respondents*



Scale: 0.0 – 2.0 Poor; 2.1 – 2.5 Below Average; 2.6 – 3.0 Average; 3.1 – 3.5 Above Average; 3.6 – 4.0 Excellent

There is Significant Room for Improvement in the Area of Community Engagement

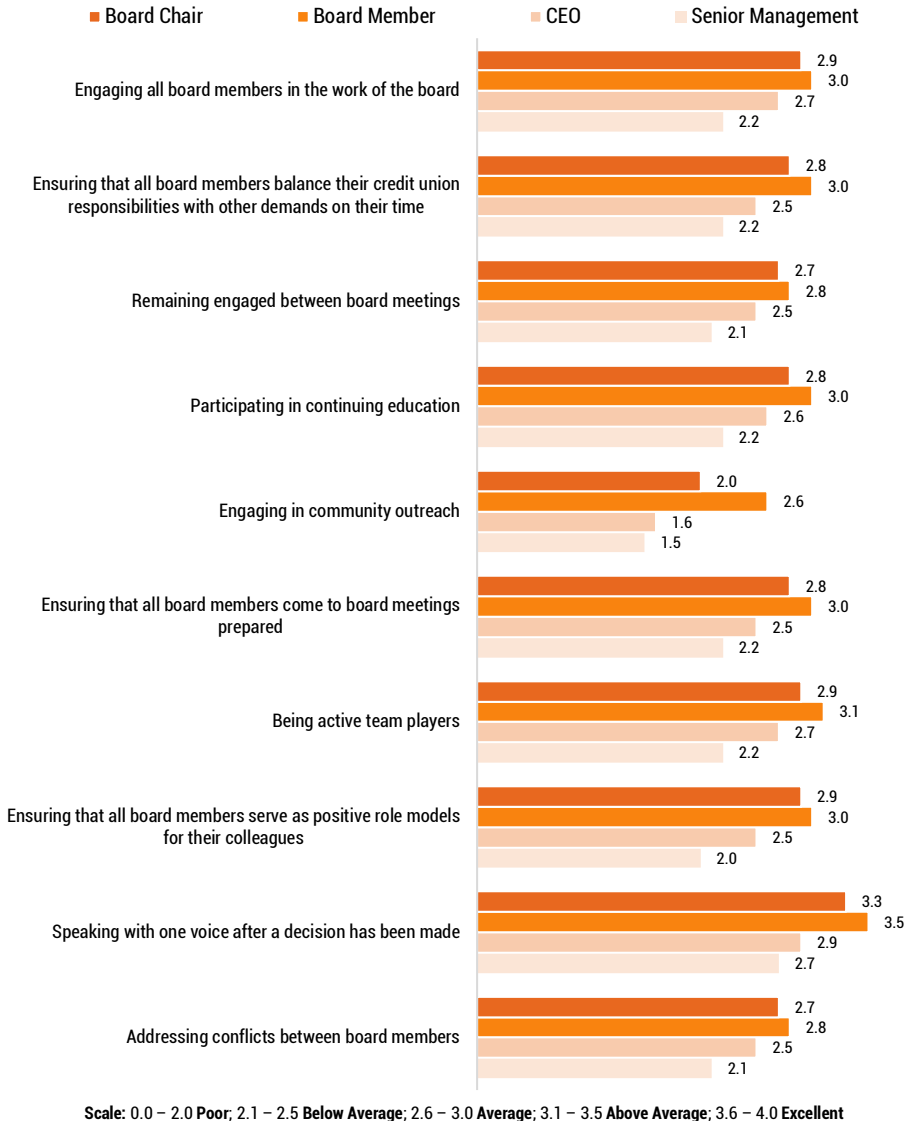
One of the core responsibilities of every credit union board is to play a leadership role in constructive partnership with the CEO and senior management and in Membership & Community Outreach (see Figure 7). While most of the Engagement questions received Average scores, the question '*Engaging in community outreach*' received only a Below Average (2.1 – 2.5) score of 2.2 (see Figure 13).

While most board members are familiar with the idea of supporting community or constituent outreach when serving on the boards of charitable nonprofit organizations, unless the credit union has maintained a significant focus on its original SEG (see Appendix 3 – Glossary), Membership & Community Outreach often fall from board members' radar.

Quantum Governance has identified the following six elements to help raise the level of engagement for your credit union's volunteers. They also help ensure that your board and committee members are emotionally connected to your credit union's mission. The engaged volunteer:

- 1 Is emotionally connected to the mission
- 2 Understands what they can do to help
- 3 Is working at their appropriate skill level
- 4 Sustains their involvement throughout the year
- 5 Continually acts to improve everyone's performance
- 6 Actively builds relationships to help the credit union succeed (internally and externally)

Figure 14: Engagement by Governing Partner



There Are Significant Gaps Between the Board and Senior Management, Including the CEO, on Key Engagement Markers

Eighty percent (80%) of the questions in the Engagement element posted significant deltas, mainly between board members and senior management. Much like the vast number of significant deltas reported in the Accountability element, these significant deltas, too, are to be strongly considered by credit union boards and their CEOs and senior management. This is particularly true given that the Engagement element ranked lowest among the four elements at an Average (2.6 – 3.0) score of 2.6 (see Figure 3).

Table 4: Engagement by Governing Partner Significant Deltas ($P < .05$)

Question How effective is the board at:	Governing Partner & Score	Governing Partner & Score	Delta
Engaging all board members in the work of the board	Board Member 3.0	Senior Management 2.2	0.8
Ensuring that all board members balance their credit union responsibilities with other demands on their time	Board Member 3.0	CEO 2.5	0.5
Ensuring that all board members balance their credit union responsibilities with other demands on their time	Board Member 3.0	Senior Management 2.2	0.8
Remaining engaged between board meetings	Board Member 2.8	Senior Management 2.1	0.7
Participating in continuing education	Board Member 3.0	Senior Management 2.2	0.8
Engaging in community outreach	Board Member 2.6	CEO 1.6	1.0
Engaging in community outreach	Board Member 2.6	Senior Management 1.5	1.1
Being active team players	Board Member 3.1	Senior Management 2.2	0.9
Ensuring that all board members serve as positive role models for their colleagues	Board Member 3.0	Senior Management 2.0	1.0
Speaking with one voice after a decision has been made	Board Member 3.5	CEO 2.9	0.6
Speaking with one voice after a decision has been made	Board Member 3.5	Senior Management 2.7	0.8

Accountability

Most people think of Accountability as a negative – something to fear or avoid, a criticism or a punishment. The truth is, when acted upon poorly, it can be.

But the Accountability that we are encouraging you to consider for your credit union leaders – volunteers, in addition to paid staff – certainly is not one with a critical or negative focus.

Accountability is a covenant – and a positive one at that. It's a social framework that outlines opportunities – not only for new learning, but also for growth and change.

But the Accountability that we encourage you to foster within your credit union is one built on trust and transparency and meaningfully engages – and actively encourages – the governing partners to deliver on your credit union's vision and mission.

The 2023 survey data showed Accountability ranked second overall in

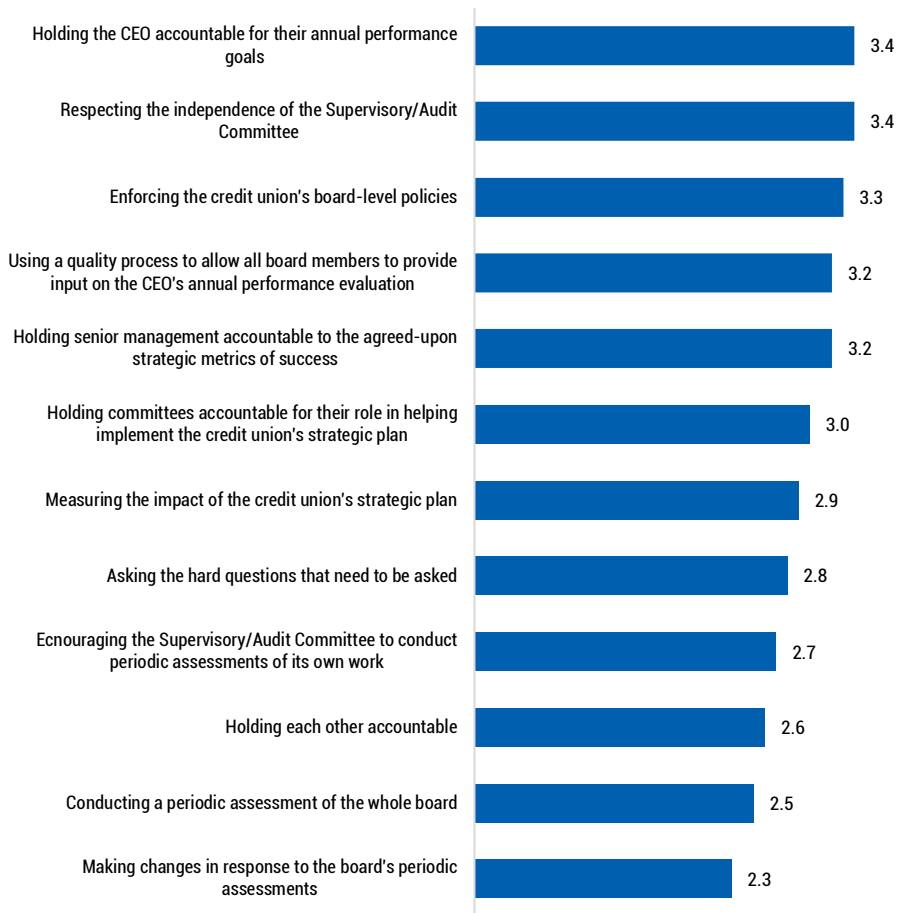
terms of the respondents' perception of their board's effectiveness (tying with Board Member Roles & Responsibilities) at an Average (2.6 – 3.0) score of 2.8 (see Figure 3).

Think about how your board is currently holding your CEO accountable. Most respondents reported that they are adept at doing so. The question '*Holding the CEO accountable for their annual performance goals*' was the highest-scoring question for this element at an Above Average (3.1 – 3.5) score of 3.4. And the other two questions related to CEO (3.2) and senior management (3.2) accountability also fell in the Above Average range. Even the question on holding committees accountable (3.0) fell just shy of the Above Average range (see Figure 15).

Indeed, it appears that the majority of credit unions have adopted what we suggest are appropriate accountability mechanisms. This holds true for just about everyone except the volunteers themselves!



Figure 15: Accountability All Respondents



Scale: 0.0 – 2.0 Poor; 2.1 – 2.5 Below Average; 2.6 – 3.0 Average; 3.1 – 3.5 Above Average; 3.6 – 4.0 Excellent

Compare the scores to the question 'Holding each other [the board members] accountable,' which received only an Average (2.6 – 3.0) score of 2.6 to the 3.4 Above Average to Excellent (3.1 – 4.0) score for the question 'Holding the CEO accountable for their annual performance goals.' This question received a notable 0.8 delta from the board accountability question noted above (see Figure 15).

Governing Partners Agree on the Need to Increase Volunteer Accountability

Fifty-eight percent (58%) of the questions in this element fell in the Average and Below Average (2.1 – 2.5) ranges, suggesting that credit union volunteers and senior management are both keenly aware of the need for greater volunteer accountability (see Figure 15).

While there are differences, we note there were not significant deltas between the governing partners concerning accountability; everyone agrees this is an important area of consideration and enhancement for their governing system.

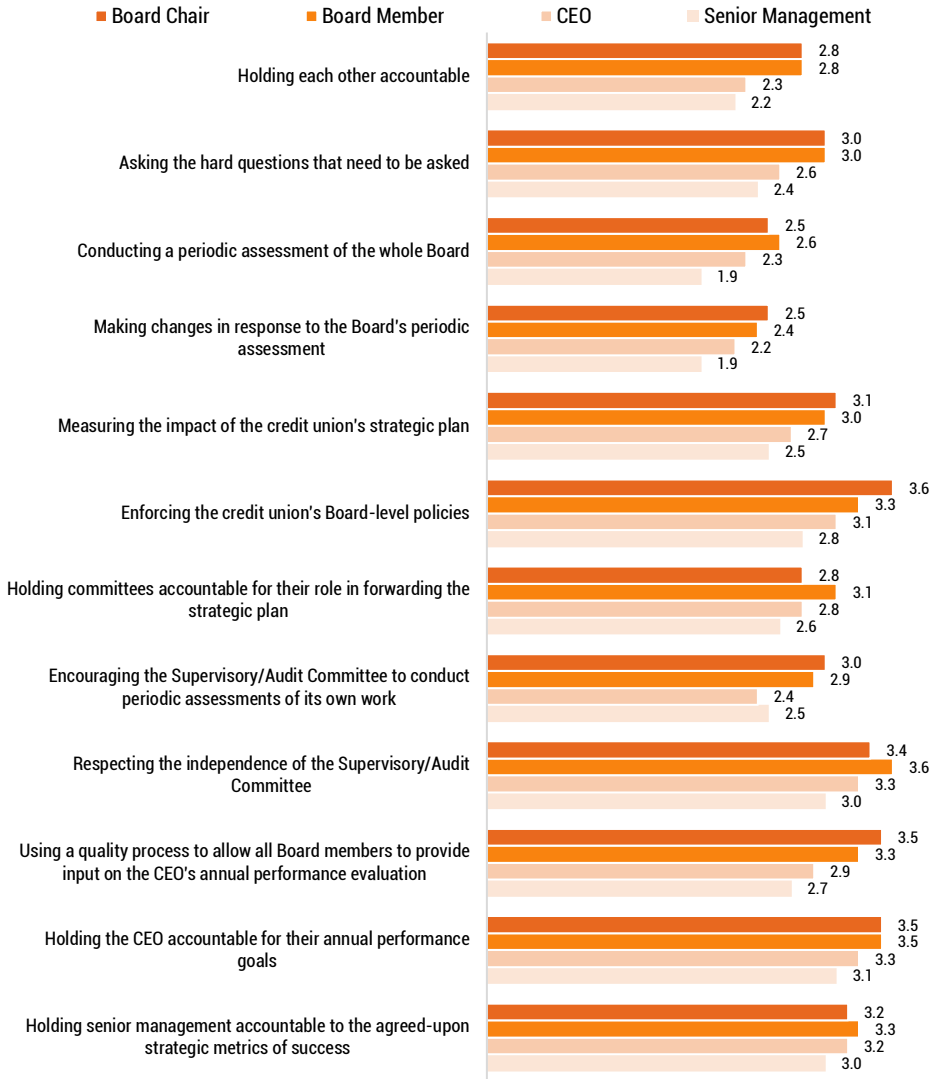
Receiving one of the lowest scores in this element was the question '*Conducting a periodic assessment of the whole board*' (2.5). With a 0.9 delta between this question and this element's highest-scoring question (regarding the CEO's evaluation), we find once again that respondents are very comfortable assessing their CEO's job performance. Still, when that responsibility turns to the volunteer leadership, very few boards have adopted a formal accountability

mechanism. This should be considered, given that the State of Credit Union Governance, 2020 report found that boards were allocating 6% of their current board meeting time to their CEO's performance evaluation (Fullbrook, Spizzirri & Boden, 2020). With the relatively small amount of time being afforded to their CEO's evaluation, one questions how much time boards are allocating to the review of their own performance.

Respondents reported they are even less effective (2.3) when it comes to '*Making changes in response to [their boards'] periodic assessments*' that might have been undertaken. A related, but important concern in and of itself. That is, it would be negligent for a board to know it has genuine governance challenges and not meaningfully address them (or worse yet, simply deny the challenges exist or consciously choose to not address them at all!)



Figure 16: Accountability by Governing Partner



Scale: 0.0 – 2.0 Poor; 2.1 – 2.5 Below Average; 2.6 – 3.0 Average; 3.1 – 3.5 Above Average; 3.6 – 4.0 Excellent

WHAT'S NEXT: OUR 2023 RECOMMENDATIONS



Building a High-Functioning Governance System

We hear so many credit union leaders – volunteers and senior management alike – talk about wanting to have a high-functioning board. But what does that really mean? What does it look like? And most importantly, how do you build one and then maintain it over time as your credit union grows?

We posit that it's not just a high-functioning board that you should aim for

– it's a high-functioning governing system. Build a healthy, effective constructive partnership among all three governing partners – the board, supervisory/audit committee and the CEO and senior management – that will guide your credit union successfully through what will certainly be a competitive future.

Figure 17: *Eight Characteristics of High-Functioning Governing Systems*



Six Key Recommendations for 2023 and Beyond

There are many helpful recommendations outlined throughout this report, and we add to those the following six key recommendations for your consideration:

- 1 Consider the four elements (Board Member Roles & Responsibilities, Trust, Engagement and Accountability) and how your governing system stacks up in each.**

Target your governance enhancement efforts in the element of your greatest challenge first. With a strong linear correlation between the four elements, this strategy will likely have a positive impact on not only your area of greatest challenge but in the remaining three elements as well.

- 2 If your credit union's governing partners enjoy a high level of Trust, tend to it regularly.**

The Trust element received the highest overall score – posting a significant positive delta above the other three elements. If your credit union's governing partners are fortunate enough to have built a strong and authentic culture of trust, cultivate and grow that level of trust. Consider, however, that for a good number of questions in this element, senior management scores fell below the board scores overall: Be sure to bring your senior management into your "circle of trust." If your governing partners are struggling in this element, we recommend making it one of your first areas of focus.

- 3 Ensure board members (and supervisory/audit committee members) are meeting their fundamental roles and responsibilities.**

Remember, the senior management respondents questioned board member effectiveness in nearly 84% of the markers for the Board Member Roles & Responsibilities element, and the overall score for this element was only in the Average range. Is that really good enough for your credit union's members?

4 **Work on increasing levels of Accountability across your governing system.**

Overall, each governing partner category agreed on one thing resoundingly: the level of accountability vis-à-vis credit union governance needs to improve. Work together, in constructive partnership, to ask this vital question: What would it look like if we held ourselves more accountable? Then begin to implement those measures.

5 **Board member Engagement needs to increase.**

For many credit unions, Engagement may be one of the first areas on which you should focus. There are a variety of assessment tools designed to deconstruct the complexities of this issue. The Engagement element is highly nuanced and therefore requires a truly analytical, yet personal, approach to understanding such challenges at your credit union.

6 **Be sure to evolve your credit union's governance as it grows.**

Be mindful that the board and supervisory/audit committee that served the credit union well when it was a \$50 or \$250 million credit union may not have the experience and sophistication to serve a \$500 million or a \$5 billion credit union. Just as your CFO's department has or will likely grow and evolve as you pass through those markers, so, too, should the credit union's governance – all of it. From its committee structure, the roles and responsibilities of its board, the focus of its board meetings and even perhaps the very types of volunteers it seeks. Be sure that throughout your credit union's arc of history, it is not only the senior management that are keeping pace, but that the board and the supervisory/audit committee members are, too.

There are so many additional recommendations that we could make, such as a focus on Diversity, Equity and Inclusion, board composition and the like, but these recommendations and more have been made in previous State of Credit Union Governance reports. We encourage you to revisit the recommendations from our previous reports as they remain highly relevant today. For more information or to access these reports, visit cues.org.

APPENDICES



APPENDIX 1 – References

Boden, J. and Daigneault, M. (2018). *The State of Credit Union Governance, 2018*. Vienna, VA: Quantum Governance, L3C.

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APPENDIX 2 – 2023 Survey

Methodology and Demographics

Quantum Governance developed a confidential online survey delivered to CUES members and Quantum Governance clients from 2021 and into 2022. A brief overview of the methodology, as well as details on the survey participants – both in terms of their credit unions and as individuals – are provided below.

Methodology

Invitations to complete the online survey were distributed via email by both CUES and Quantum Governance via Alchemer, an online survey tool. A total of 192 completed surveys were returned.

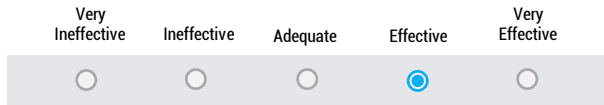
The raw survey data was exported from Alchemer into Excel by Quantum Governance. In cooperation with the statistical consulting service at the University of North Carolina Statistical/Data Science Consulting Center, Department of Statistics and Operations Research at the University of North Carolina at Chapel Hill, the data was imported into the statistical package R. The data was organized, cleaned and a few minor inconsistencies were corrected. Three survey responses were omitted.

The primary analyses performed in R were correlation analyses and various analyses of variance (ANOVA). Correlation analyses were used to establish the relationships among the four governance elements. ANOVA analyses were used to compare composite features and individual question responses among groups such as board chairs, board members, CEOs, senior management and among credit unions of different asset sizes. The data and code were maintained in an industry-standard version control system, GitHub. Faculty mentors helped ensure that all the statistical code was written in a readable, correct and reproducible manner.

Survey Tool

Quantum Governance's survey tool consisted of 51 primary questions organized into four key survey sections: 1) Board Member Roles & Responsibilities (18 questions); 2) Trust (11 questions); 3) Engagement (10 questions); and 4) Accountability (12 questions). Each question was multiple choice derived from generally accepted credit union governance best practices and processes. A five-point Likert scale was used to query respondents on the effectiveness of the board, supervisory/audit committee, CEO and senior management (see Example 1).

Example 1: Survey Likert Scale



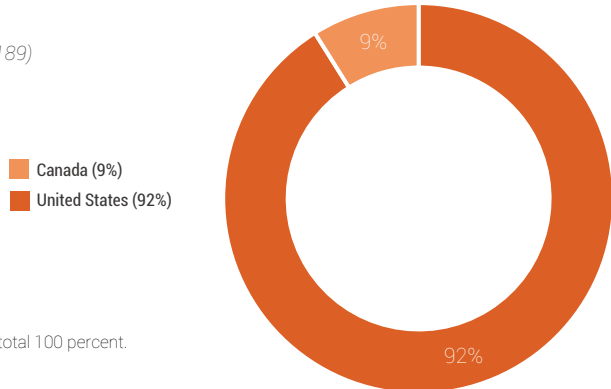
The respondents also had the choice to select "I Don't Know" or "N/A" for each question. The survey included demographic questions as well.

Demographic Information for the Credit Unions

Country

The majority of respondents (92%) were from credit unions in the United States.

Figure 1: Respondents by Country (n=189)

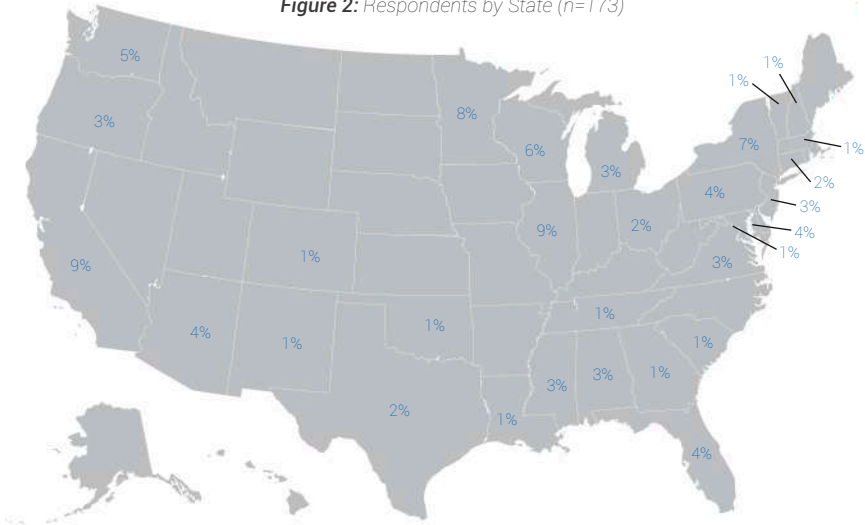


Note: Due to rounding, the pie chart may not total 100 percent.

State

In addition to the 2% of respondents who reported having open charters, the survey's respondents reported operating in 29 states and the District of Columbia.

Figure 2: Respondents by State (n=173)

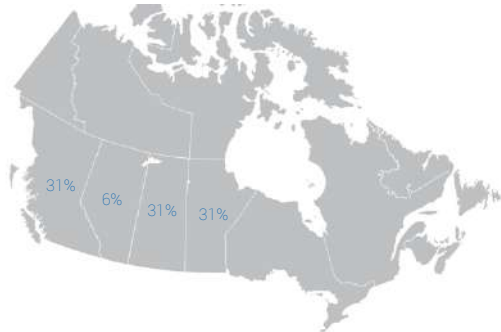


Note: Due to rounding, the percentages presented may not total 100 percent.

Province

Canadian respondents reported operating in British Columbia, Manitoba, Saskatchewan and Alberta.

Figure 3: Respondents by Province (n=16)

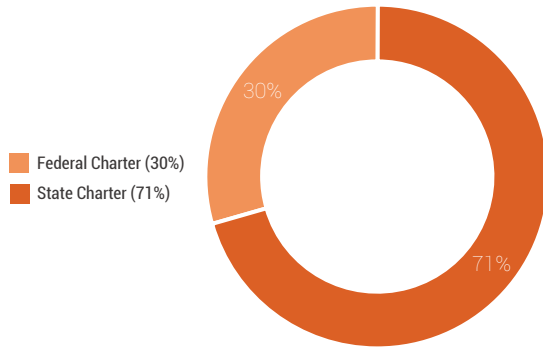


Note: Due to rounding, the percentages presented may not total 100 percent.

Charter

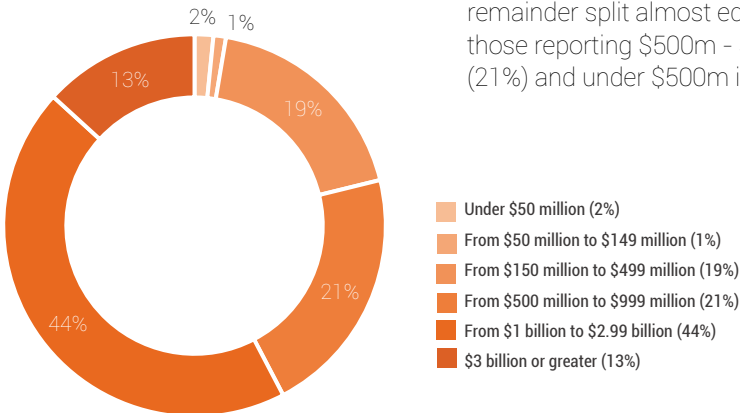
The majority (71%) of the respondents hold state charters.

Figure 4: Respondents by Charter (n=173)



Note: Due to rounding, the pie chart may not total 100 percent.

Figure 5: Respondents by Asset Size (n=189)



Note: Due to rounding, the pie chart may not total 100 percent.

Asset Size

Fifty-seven percent (57%) of the participants represent credit unions with asset sizes of at least \$1 billion, with the remainder split almost equally between those reporting \$500m - \$999m in assets (21%) and under \$500m in assets (22%).

Board Size by Assets

The average board size of those surveyed was 9.0 directors. Larger credit unions reported having larger boards. Credit unions with assets in the \$1 billion - \$2.99 billion range have an average of one director more (9.3 directors) than their smaller counterparts with under \$500 million in assets (8.0 directors).

Table 1: Average Board Size by Assets (n=189)

Asset Category	Average Board Size
Under \$500 million	8.0
\$500-\$999 million	8.8
\$1-2.99 billion	9.3
\$3 billion or greater	10.1
Average Board Size of All Respondents	9.0

Associate and Emeritus Directors

More than half the respondents in the 2023 survey report that their boards do not have any associate or emeritus directors.

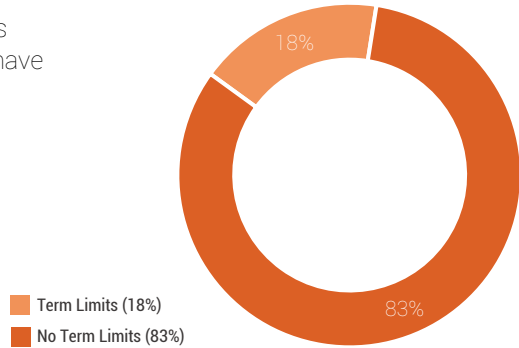
Table 2: Percentage of Associate and Emeritus Directors on Respondents' Boards (n=189)

# of Directors	Percentage of Associate Directors	Percentage of Emeritus Directors
0	56%	62%
1	23%	23%
2	7%	8%
3	10%	4%
4	3%	2%
5	1%	0%
6	0%	1%
7	0%	0%
8	0%	0%
9	0%	1%

Board Member Term Limits

The majority (83%) of respondents reported that their boards do not have term limits for their directors.

Figure 6: Board Member Term Limits (n=189)

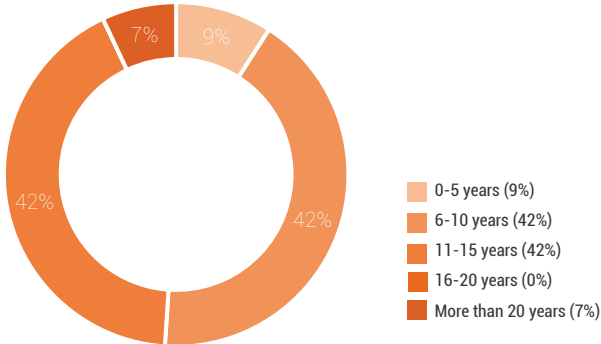


Note: Due to rounding, the pie chart may not total 100 percent.

Board Member Term Limits: Maximum Length of Service

Of the 18% that indicated their credit union had term limits, 42% reported term limits falling in the 6-10 year range, and another 42% of respondents reported having term limits in the 11-15 year range.

Figure 7: Board Member Term Limits: Maximum Length of Service (n=33)

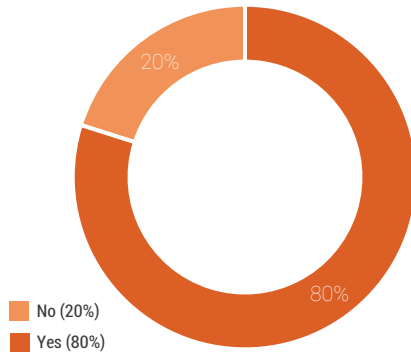


Note: Due to rounding, the pie chart may not total 100 percent.

Board-Level Governance Committee

Eighty percent (80%) of respondents reported having a Board-level committee that oversees or improves credit union governance. Common names for this committee include Governance Committee, Governance & Nominations Committee or Board Development Committee.

Figure 8: Credit Union Has a Board-Level Committee that Oversees/Improves Governance (n=189)

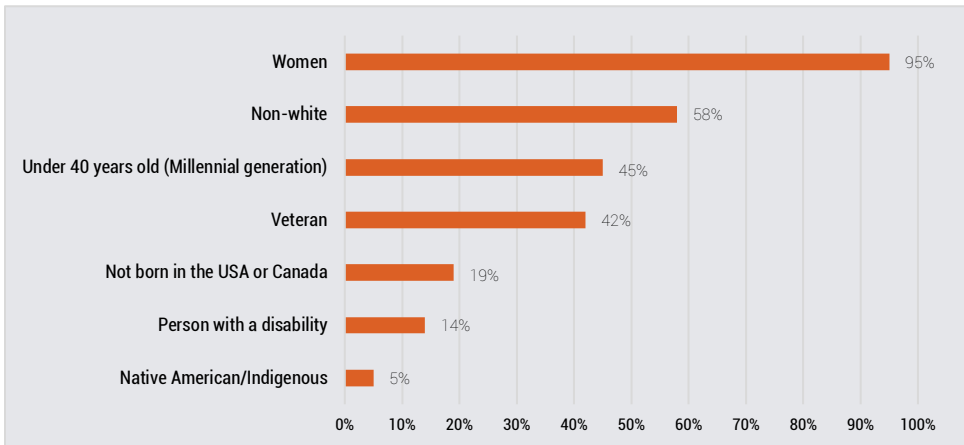


Note: Due to rounding, the pie chart may not total 100 percent.

Demographic Representation

Ninety-five percent (95%) of respondents reported having at least one woman on their board; 58% of respondents reported having at least one non-white board member, and a number of respondents reported their boards include at least one member that is under 40 years old (millennial generation) (45%) or a veteran (42%).

Figure 9: Respondents by Demographic Representation (n=189)

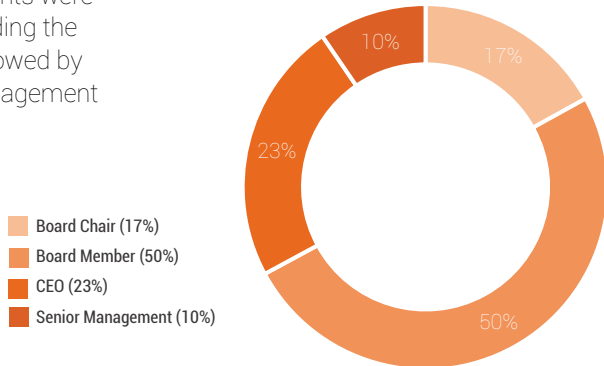


Demographic Information for Individual Respondents

Respondents' Roles¹

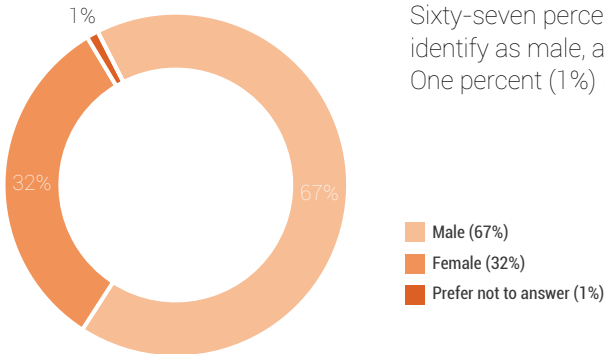
Most of the survey participants were board members (67% including the board chair responses), followed by CEOs (23%) and senior management (10%).

Figure 10: Respondents by Roles (n=189)



Note: Due to rounding, the pie chart may not total 100 percent.

Figure 11: Respondents by Gender (n=189)



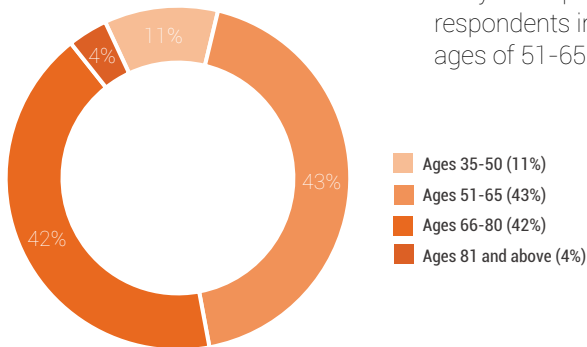
Note: Due to rounding, the pie chart may not total 100 percent.

Respondents' Gender

Sixty-seven percent (67%) of respondents identify as male, and 32% identify as female. One percent (1%) preferred not to answer.

¹ For the purposes of this report, we define respondent roles in the following manner to support our statistical analysis: board member = board member, board vice-chair, board secretary, board treasurer, supervisory/audit committee chair, supervisory/audit committee member, emeritus board member and associate board member; and senior management = board liaison, direct report to the CEO, indirect report to the CEO and other.

Figure 12: Respondents by Age (n=187)²



Respondents' Ages

Forty-three percent (43%) and 42% of respondents indicated they were between the ages of 51-65 and 66-80, respectively.

Note: Due to rounding, the pie chart may not total 100 percent.

Respondents' Race

Eighty-eight percent (88%) of respondents indicated they were White or Caucasian.

Table 3: Respondents by Race (n=189)

Race	Percentage of Respondents
White or Caucasian	88%
Black or African American	3%
I prefer not to answer	3%
East Asian or South Asian	2%
Latino or Hispanic	2%
Two or more races	1%
American Indian or Indigenous American	1%
Middle Eastern or North African	1%
Pacific Islander or Native Hawaiian	1%
Race not listed	0%

² Respondent age was calculated as the difference of 2022 and the year the respondent provided as their birth year. Two responses provided birth years of 1055 and 1846. These were excluded from the calculation.

Volunteers' Time Commitment

Volunteer respondents were asked how much time per month they spend executing their credit union role and responsibilities. Nearly 40% indicated they spend 6-10 hours per month.

Figure 13: Volunteers' time commitment. (n=127)

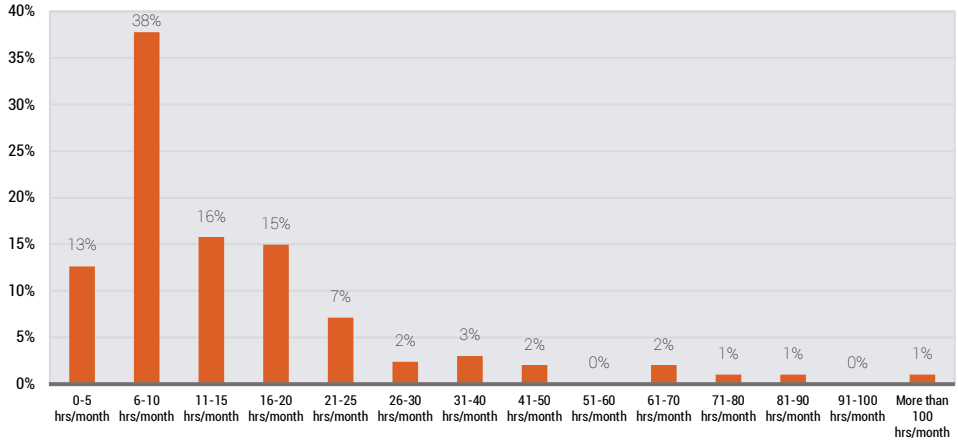
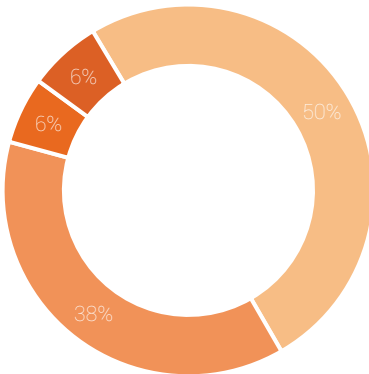


Figure 14: Respondents by Employment Status (n=189)



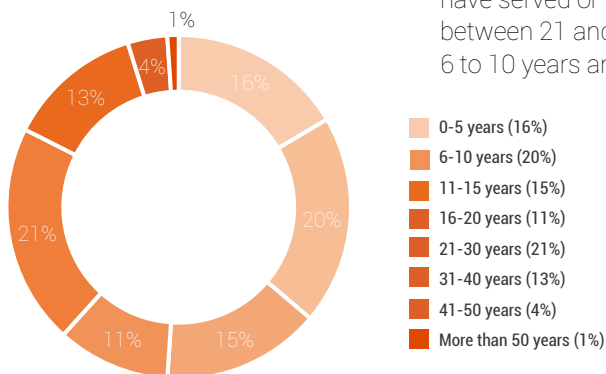
Respondents' Employment Status

Fifty percent (50%) of respondents indicated they were employed full-time, and 38% reported they were retired.

- Full-Time Employment (50%)
- Retired (38%)
- Self-Employed (6%)
- Other (6%)

Note: Due to rounding, the pie chart may not total 100 percent.

Figure 15: Respondents Average Age and Tenure (In Years) By Role (n=188)³



Overall Average Tenure

Twenty-one percent (21%) of respondents have served or worked at their credit unions between 21 and 30 years, followed by 20% at 6 to 10 years and 16% at zero to five years.

Average Age and Tenure by Role

While board members and CEOs have served the same approximate number of years (19.0 and 18.6, respectively), board members are, on average, almost 19 years older than their chief executives and nearly 21 years older than members of their credit unions' senior management.

While the sample size is very, very small, there is a 27-year gap between the associate board members (an average of 49.0 years of age) who responded to this survey and their board member counterparts (an average age of 76.3).

Table 4: Respondents Average Age and Tenure (In Years) By Role (n=189)

	Average Age	Average Tenure
Board Member	76.3	19.0
Associate Board Member	49.0	2.0
Emeritus Board Member	75.0	36.0
Supervisory/Audit Committee Member	64.9	15.7
CEO	57.5	18.6
Senior Management	55.7	10.7

³ One response indicated length of service was 4410. It was excluded from the calculation.

APPENDIX 3 – Glossary

Above Average: Scores between 3.1 and 3.5 are noted as "Above Average."

Average: We identify scores in the 2.6 to 3.0 range as "Average."

Below Average: Scores falling in the 2.1 to 2.5 range are "Below Average."

Board as a Whole: In the context of this report, this includes the board chair and board members.

Causation: The capacity of one variable to influence another. The first variable may bring the second variable into existence or may cause the second variable to fluctuate.

Coefficient: A number used to multiply a variable.

Correlation: A statistical measure that expresses the extent to which variables are linearly related (meaning they change together at a constant rate). It is a common tool for describing simple relationships without making a statement about cause and effect.

Excellent: We identify scores 3.6 and above as "Excellent."

[The] Four Elements: In the context of this report, this includes 1) board members meeting their **Roles and Responsibilities**; 2) building and maintaining a leadership culture of **Trust**; 3) strong levels of volunteer **Engagement**; and 4) members of the credit union's governing system (see Governing Partners below) being held to high **Accountability** measures.

Governing Partners: In the context of this report, this includes the board, the supervisory/audit committee members, the CEO and senior management.

Heat Map: A heat map is a two-dimensional graphical representation of data in which values are represented by colors. Heat maps are used because they are often easier to understand and to recognize patterns in comparison to data formatted as a two-way table. A heat map has an accompanying color scale in which typically brighter colors represent higher values. When the heat map represents correlations, the colors at the high-value end of the scale signify pairs of variables that are strongly related to each other. When the colors in a correlation heat map are all similar, the relationships among the pairs of variables are also seen to be similar. When the range of displayed colors on a

correlation heat map is very wide, then some pairs are much more closely related than others.

P-value: Seen throughout this report as ($P < .05$), it is a statistical measurement used to validate a hypothesis against the data collected. It measures the probability that one will observe the results reported, assuming that the null (or opposite) hypothesis is true. The lower the P-value, the greater the statistical significance of the finding. For example, a P-value of less than .05 is generally considered statistically significant.

Pearson Correlation Coefficient (r): This is the most common way of measuring a linear correlation. It is a number between -1 and 1 that measures the strength and direction of the relationship between two variables. When one variable changes, the other variable changes in the same direction.

Poor: We identify scores of 2.0 or below as "Poor."

Sectional Average/Sectional Score: A score given for each survey section, meaning the average of all the scores for the individual questions in that survey section. Additionally, note that even if a sectional average receives a high score, individual questions within that survey section could still receive low scores. Low scores for individual questions suggest that issues represented by individual questions may likely be areas of concern.

SEGs: Common abbreviation for Select Employee Groups. These groups can share any common bond of association or occupation, not just a single employer. Common types of SEGs may include: employees or contractors of a company or government agency; or members of a church or a fraternal association, etc.

Survey Section: A collection of individual survey questions grouped together by category. For the 2023 survey, the survey sections are as follows: 1) Board Member Roles & Responsibilities; 2) Trust; 3) Engagement; and 4) Accountability.

APPENDIX 4 – Board Member Job Description

Description

This policy describes the governance role and responsibilities of an individual member of the board of directors (board) of [[CUName]] (Credit Union). See separate policy entitled Legal Duties of Credit Union Board Members.

Purpose

The board is the ultimate legal authority within the governance structure of the Credit Union, but it can only act through the majority consensus of its individual board members, who are charged with making decisions as fiduciaries in the best interests of the Credit Union and its members.

The Credit Union's board members are expected to uphold the highest duty under the law, that of a fiduciary, and to act at all times in the best interests of the Credit Union. Through individual adherence to the role and responsibilities in this policy, board members will help to foster a well-governed credit union and a highly effective board.

Authority

{PLEASE NOTE: For U.S. state-chartered credit unions, see your state credit union

act to determine whether or not your board member authority is different than stated above. For Canadian credit unions, see your regulator's guidelines to determine from where your board derives its authority. Then, modify this section accordingly.}

This policy is adopted by majority vote of the board pursuant to the Credit Union's bylaws.

The authority of the board is derived from the Federal Credit Union Act (Act) of June 26, 1934, as amended. Chapter 14, Title 12 U.S.C., as revised April 2013. The Federal Credit Union Act, Section 111 provides in pertinent part,

"The management of a Federal credit union shall be by a board of directors, a supervisory committee, and where the bylaws so provide, a credit committee."

Then, in turn, the board of directors delegates the above referenced management in terms of the day-to-day operations of the Credit Union, to the CEO and senior management through its bylaws.

Qualifications

{PLEASE NOTE: Insert the minimum requirements for board service outlined in your credit union's bylaws and policies.}

Role & Responsibilities of Board Members

Board members must effectively carry out their vital leadership, legal and stewardship responsibilities and act in the best interests of all the members of the Credit Union. As such, board members are responsible for providing effective governance and leadership to the Credit Union. They play a key role based on their shared understanding of the Credit Union's purpose and goals, as well as their vision of how to best serve the evolving needs of the Credit Union's members.

{PLEASE NOTE: Omit the following for Canadian credit unions}

In carrying out their governing responsibilities, all board members must also adhere to three legal duties which are more fully outlined in the policy entitled Legal Duties of Credit Union Board Members, but which are summarized below:

1. **Duty of Care.** The duty of care calls upon board members to act as a similarly situated, reasonable board member would act, meaning that

board members maintain the responsibility to become and remain reasonably informed in making decisions and overseeing the Credit Union's business in the best interest of the members.

2. **Duty of Loyalty.** The duty of loyalty requires the Credit Union's board members to avoid improper conflicts of interests and requires fair dealing by all board members involved in transactions where a personal or financial interest may arise.
3. **Duty of Obedience.** The duty of obedience requires board members to faithfully observe and comply with relevant Federal, state and local laws and ensure that the Credit Union is in legal and regulatory compliance. In addition, the duty of obedience requires board members to faithfully observe and comply with all properly promulgated policies and procedures of the Credit Union, as well as its stated vision, mission and strategic direction.

Governance Responsibilities

The governance responsibilities for the Credit Union's board members, to be executed in constructive partnership between the board, the [[supervisory/audit]] committee and the Chief Executive Officer (CEO), follow below:



1. Governance & Leadership

- Effectively govern and lead the Credit Union in constructive partnership with the CEO and senior management, as well as the [[supervisory/audit]] committee.
- Act at all times in good faith and in a manner that the board member believes is in the best interest of all the Credit Union's members.
- Act as an independent and objective evaluator of the strategic issues and questions that come before the board.
- Maintain effective relationships with all elements of the Credit Union's governance structure (the full board, the [[supervisory/audit]] committee

and the CEO and senior management).

- Provide high-level, strategic feedback and recommendations for board-level policy changes.
- Serve on one or more board-level committees or task forces as requested.

2. CEO Support & Oversight

- Foster a constructive partnership with the CEO and senior management.
- Assist and provide counsel and guidance to the CEO when requested.
- Provide input into the CEO's annual performance evaluation.

3. Oversee Performance & Results

- Understand finance and accounting practices and the Credit Union's financial reports.

-
- Ask fiduciary questions in board and committee meetings necessary to carry out regulatory oversight duties.

4. Strategic Thinking, Learning & Planning

- Ask strategic and generative questions in board and committee meetings to further the Credit Union's vision, mission and strategic goals.
- Provide recommendations to the CEO and senior management to enhance the Credit Union's strategic performance and results.
- Adopt a learning philosophy and serve as a model and conduit for sustained learning in the Credit Union's boardroom.
- Meet or exceed the Credit Union's requirements regarding its Volunteer Education Policy.

5. Budget, Resource & Risk Approval

- Develop a fundamental understanding of the Credit Union's budget, including core revenue and expenditure categories, product and service lines, etc.
- Work to ensure an individual understanding of the risks facing the Credit Union and the industry as a whole – from both

the mitigation and the opportunity points of view.

6. Membership & Community Outreach

- Identify innovative ways the Credit Union can improve the lives of its members, their families and the communities where the Credit Union operates.
- Be an active ambassador to the Credit Union's membership, in constructive partnership with the CEO and senior management.
- Seek opportunities where the Credit Union might develop organizational or business partnerships, in constructive partnership with the CEO and senior management.

7. Stewardship, Ethics & Financial Integrity

- Hold yourself and others to the highest standard of ethical standards and accountability.
- Commit to adhering to the Credit Union's organizational values and Code of Ethics.
- On an annual basis, determine any outside interests that might impact your ability to impartially serve as a Credit Union board member; report such interests to the Credit Union through the

Conflicts of Interest Disclosure Statement.

- Ensure that any and all personal financial dealings with the Credit Union are fair, fully transparent and, as appropriate, approved by the board.

{PLEASE NOTE: Omit the following for Canadian credit unions}

Additional Resource

For more information on board members' roles, the National Credit Union Association's Rule 701.4¹ sets forth the General Authorities and Duties of Federal Credit Union Directors.

Policy Review

This Board Member Job Description shall be reviewed annually by the Governance & Nominations Committee to determine whether changes should be made.

Board Authorization

This Board Member Job Description Policy was approved by the Board at a meeting dated: _____

Secretary of the Board

Date

Acknowledgment²

By my signature below, I certify that I have received a copy of the Board Member Job Description Policy and have read, understood and agree to comply with its terms.

Name

Date

¹ <https://www.ncua.gov/regulation-supervision/letters-credit-unions-other-guidance/duties-federal-credit-union-boards-directors>

² Note: The Acknowledgement statement and signature block should be included on each Board-level policy (including job descriptions and committee charters) unless such policies are collected together in one Board-level governance policy manual. In such cases, one Acknowledgement statement and signature block will suffice for the entire governance policy manual and all of the policies contained therein.

APPENDIX 5 – The Legal Duties of Credit Union Board Members

Description

This policy describes the U.S. legal duties of an individual member of the board of directors (board) of [[CUName]] (Credit Union).

Purpose

The board is the ultimate legal authority within the governance structure of the Credit Union. While the governance role and responsibilities for the Credit Union's board members are set forth in the policy entitled the Board Member Job Description, this policy outlines the legal duties of the Credit Union's board members.

Authority

This policy is adopted by majority vote of the board pursuant to the Credit Union's bylaws.

The authority of the board is derived from the Federal Credit Union Act (Act) of June 26, 1934, as amended. Chapter 14, Title 12 U.S.C., as revised April 2013. The Federal Credit Union Act, Section 111 provides in pertinent part,

"The board shall consist of an odd number of directors, at least five in number, to be elected

annually by and from the members as the bylaws provide."

The model Federal Credit Union Bylaws provide for the election of board members at the annual meeting of members "as required by Section 111 of the Act." See Model Federal Credit Union Bylaws, Article IV, Section 4 (i).

{PLEASE NOTE: See your state credit union act to determine whether or not your board member authority is different than that stated above. If so, this section needs to be modified accordingly.}

Legal Duties of a Board Member

The fundamental standard for credit union board members' and officers' conduct is that each board member and officer must perform their legal duties in good faith and in a manner they believe to be in the best interest of the Credit Union and its entire membership. The board members and officers' fiduciary duties to the Credit Union are stated in the Federal Credit Union Act, 12 CFR 701.4 set forth below.

{PLEASE NOTE: See your state credit union act to determine whether or not your Board members' duties are different

than those stated below. If so, this section needs to be modified accordingly.}

Because a board is comprised of individuals, and can only act as a collective entity, the duties of the board and the duties of individual board members are almost identical. Those duties are the duties of: (1) care, (2) loyalty and (3) obedience.

Together, these three legal duties comprise the classic triad of a board member's essential legal duties:

1. **Duty of Care.** The duty of care means that the board member will act as a similarly reasonable board member would act. The duty of care primarily relates to the responsibility to become and remain reasonably informed in making decisions and overseeing the Credit Union's business. The duty of care requires board members to make good faith, informed decisions. This is accomplished by:

- **Helping to Shape the Credit Union's Vision, Mission and Strategy.** These three elements are fundamental to shaping the future of the Credit Union. By taking an active role in helping to shape these three elements, each board member will be fundamentally entering in at the "ground floor" in terms of

understanding and knowing the Credit Union's business – from the inside out.

- **Being Informed.** Making informed decisions requires ensuring that senior management provides sufficient information so that board members can consider the necessary information, request additional information when appropriate and ask questions necessary to fully understand the information provided. It means relying on information, opinions, reports or statements, including financial statements and other financial data provided by others, including senior management, legal counsel, accountants and other experts to support the board member in their decision-making process.

Board members are expected to attain financial literacy sufficient to perform their fiduciary duties and keep their knowledge up to date through continuous, appropriate training. This means, specifically, that board members must have at least a working familiarity with basic finance and accounting practices, including the ability to read and understand the Credit Union's balance sheet and

income statement and the ability to ask, as appropriate, substantive questions of senior management and auditors.

Board members are expected to use and share their knowledge, experience and expertise so all board members are informed to make sound decisions.

A board member may fail to act in good faith if they fail to be informed or obtain the necessary information to make a decision or has knowledge concerning the matter in question that makes reliance on such information unwarranted.

Delegation of matters to board committees (e.g., Finance, Governance & Nominations, etc.) does not relieve a board member of their oversight responsibility. Board members have a responsibility to remain informed about the work and responsibilities of all board committee activities and output.

- **Establishing Clear Expectations.** Board members should establish clear expectations for senior management's provision of meeting materials and submission of those materials to the board with sufficient advance time, so the board can

fully understand the information before decision-making. In addition, important, time-sensitive information that becomes available between meetings must be promptly distributed and reviewed by the board.

- **Preparing for and Attending Board and Committee Meetings.** Given the availability of the materials outlined above, it is the duty of each board member to fully prepare in advance of every board and committee meeting by reading the prepared materials, asking questions of the CEO and senior management in advance of the meeting, if appropriate and attending all board and committee meetings as they are able.
- **Actively Participating in the Decision-Making Process.** All board members must fully participate in the decision-making process by engaging in board- and committee-level discourse with curiosity and a "trust but verify" philosophy in terms of interacting with the CEO and senior management on decision points. This includes actively engaging in discussions, contributing their point of view

and asking questions of other board members, the CEO and senior management to fully understand the issues at hand. This also includes requesting or obtaining professional expert advice to support effective decision-making.

- **Casting Their Vote Independently.** A board member must cast their vote independently of other board members in the best interests of the Credit Union and its members, relying upon their best judgment, knowledge and the information they have reviewed in the decision-making process.
- **Participating in Board Development and Education Activities.** Just as it is vital to stay informed on the Credit Union's business, it is incumbent for board members to be informed on trends and issues impacting the Credit Union industry as a whole. Board development and education initiatives can ensure that board members remain on the leading edge of financial, governance and strategic thinking in the credit union and the business community – ensuring that the Credit Union, as a whole, benefits.

- **Participating in the Credit Union's Community Outreach Activities.** Supporting and participating in the Credit Union's community outreach activities is another way of understanding and further knowing the interests of the Credit Union's members and its business. As a key component of the duty of care, ensuring that board members are fully informed about all aspects of the Credit Union's business is a central board member responsibility, and this is a vital way that board members can increase their learning in this area.

2. **Duty of Loyalty.** The duty of loyalty focuses on avoidance of improper conflicts of interests and requires fair dealing by board members involved in transactions where a personal or financial interest may arise. The duty of loyalty requires board members to act in good faith and in the best interests of the Credit Union and not in their own interests or the interests of persons or organizations with which they are associated.

Board members may not use their position for personal gain or advantage and should avoid conflicts of interest and even perceived conflicts of interest. Therefore, board members must be

sensitive to any interest they may have that might conflict with the interests of the Credit Union. When a board member has a potential conflict of interest (e.g., a contract, transaction or relationship affecting or opposed to the Credit Union) the board member must (i) fully disclose their interest or interests to the designated board representative and (ii) abstain from participating with the board during any presentation, deliberation or action on the issue.

A board member may fail to act in good faith when they fail to disclose a personal interest, intentionally acts with a purpose other than the Credit Union's best interests or fails to act when they have a known duty to act.

The duty of loyalty provides that a board member's ultimate duty is to the Credit Union's mission and requires the board member to:

- Promote and understand the Credit Union's vision and mission.
- Publicly support and defend the Credit Union as its ambassador in a highly professional manner. (However, this duty will not be interpreted, nor will it be enforced, to restrict or prohibit the free expression of disagreement by any board member).
- Demonstrate personal and sustained commitment to achieve the Credit Union's vision and mission.
- Attend and actively participate in monthly board meetings, in the annual planning session and in membership meetings of the Credit Union.
- Ensure that all the Credit Union's business affairs and affairs of its members are kept in strict confidence, and refrain from relationships that present a conflict of interest for the Credit Union.

3. **Duty of Obedience.** The duty of obedience requires a board member to faithfully observe and comply with relevant legal requirements, and to ensure that the Credit Union is in legal and regulatory compliance. In addition, the duty of obedience requires a board member to faithfully observe and comply with all the Credit Union's properly promulgated policies and procedures. Most importantly, it requires that board members ensure that the Credit Union is operating in observance of its stated strategic direction. Board members can and should exercise their own reasoned judgment in how the Credit Union should best achieve its mission, but they cannot act in a manner that is inconsistent with the

Credit Union's mission.

The duty of obedience requires that board members obey the laws and policies that pertain to the Credit Union, including:

- Exercise due diligence and oversight to assure compliance to all applicable Federal, state and local laws, rules and regulations.
- Ensure compliance with the Credit Union's own bylaws, policies and rules properly promulgated by the board.
- Comply with appropriate requests of the [[supervisory/audit]] committee and ensure its effectiveness.
- Participate on any committees or task forces as requested by the board.

{Please Note: If your credit union is not a Federally chartered credit union, omit the following language.}

Legal Duties of Federal Credit Union Directors

NCUA Final Rule 701.4, General Authorities and Duties of Federal Credit Union Directors also contains a list of the legal fiduciary duties of the board, including the requirement to achieve an acceptable level of financial skill and the permission to rely on expert advice. As

stated in the NCUA's Letter to Federal Credit Unions, Feb. 2011, Letter No.: 11-FCU-02 (February 2011 letter):

- A director must carry out their duties in good faith, in a manner reasonably believed to be in the best interests of the membership, and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances. (Duty of Care)
- A director must have at least a working familiarity with basic finance and accounting practices, including the ability to read and understand the credit union's balance sheet and income statement and the ability to ask, as appropriate, substantive questions of management and auditors. (This is the Federal financial skills requirement but is also part of the Duty of Care.)
- A director may rely on information prepared or presented by employees or consultants the director reasonably believes to be reliable and competent and who merit confidence in the particular functions performed. (This is the permission to rely upon expert advice but is also part of the Duty of Care.)
- A director must administer the affairs of the credit union fairly and impartially and without discrimination in favor of or against

any particular member. (Duty of Loyalty)

- A director must direct the operations of the Federal credit union in conformity with the Federal Credit Union Act, NCUA's Rules and Regulations, other applicable laws and sound business practices. (Duty of Obedience).

Consequences for Breach of Fiduciary Duty

There is no legal standard of care higher than fiduciary duty. Board members and officers of the Credit Union have a fiduciary duty to the Credit Union and to its members, as they are the legal stewards of property belonging to the Credit Union's members. The fiduciary is expected to use their knowledge and/or expertise in order to advance the interests of the Credit Union and its members, putting the interests of the Credit Union's members first and foremost. Examples of breaches include, but are not limited to, actions that are

contrary to the interests of the Credit Union; actions taken out of the board member's own self-interest and a failure to disclose pertinent information (such as a conflict of interest).

Breaching a fiduciary duty is a very serious issue and can result in a board member being removed from office, litigation seeking compensatory or punitive damages, loss of Director and Officer insurance coverage and exposure of the board member to personal liability for any losses incurred. In addition, in the event that a board member is a professional, a successful breach of fiduciary duty claim could have negative implications for the board member's professional license or accreditation, up to and including loss of the license itself.

Policy Review

This Legal Duties of Credit Union Board Members Policy shall be reviewed annually by the Governance & Nominations Committee to determine whether changes should be made.

Board Authorization

This Legal Duties of Credit Union Board Members Policy was approved by the Board at a meeting dated: _____

Secretary of the Board

Date

Acknowledgment¹

By my signature below, I certify that I have received a copy of the Legal Duties of Credit Union Board Members Policy and have read, understood and agree to comply with its terms.

Name

Date

¹ Note: The Acknowledgement statement and signature block should be included on each Board-level policy (including job descriptions and committee charters) unless such policies are collected together in one Board-level governance policy manual. In such cases, one Acknowledgement statement and signature block will suffice for the entire governance policy manual and all of the policies contained therein.

APPENDIX 6 – Confidence Intervals

Key: **BMRR** = Board Member Roles & Responsibilities; **TRU** = Trust; **ENG** = Engagement; **ACC** = Accountability

Table 1: Average Scores Across the Four Elements Confidence Intervals

Element	Average	Standard Error	Lower Confidence Level	Upper Confidence Level
BMRR	2.81	.025	2.76	2.86
TRU	3.05	.025	3.00	3.10
ENG	2.60	.025	2.55	2.65
ACC	2.84	.025	2.79	2.89

Table 2: Average Scores Across the Four Elements by Governing Partner Confidence Intervals

Element	Governing Partner	Average	Standard Error	Lower Confidence Level	Upper Confidence Level
BMRR	Board Chair	3.05	.051	2.95	3.15
	Board Member	3.14	.030	3.08	3.20
	CEO	2.73	.044	2.64	2.81
	Senior Management	2.32	.070	2.18	2.46
TRU	Board Chair	3.30	.051	3.20	3.40
	Board Member	3.29	.030	3.23	3.34
	CEO	2.92	.044	2.84	3.01
	Senior Management	2.70	.070	2.56	2.83
ENG	Board Chair	2.79	.051	2.69	2.89
	Board Member	2.98	.030	2.92	3.04
	CEO	2.51	.044	2.43	2.60
	Senior Management	2.14	.070	2.00	2.27
ACC	Board Chair	3.06	.051	2.96	3.16
	Board Member	3.05	.030	3.00	3.11
	CEO	2.71	.044	2.63	2.80
	Senior Management	2.52	.070	2.38	2.65

Table 3: Number of Respondents in Each of the Original Credit Union Size Categories Versus Revised Credit Unions Size Categories¹

Original Size	n	Revised Size	n
Under \$50 million	3	Under \$500 million	40
\$50 - \$149 million	2		
\$150 - \$499 million	35		
\$500 - \$999 million	39	\$500 - \$999 million	39
\$1 – \$2.99 billion	84	\$1 - \$2.99 billion	84
\$3 billion or greater	25	\$3 billion or greater	25

¹ The categories for the three smallest original credit union categories were combined due to small sample sizes; one respondent was omitted due to missing values in their question responses.

Table 4: Average Score in Each Asset Size Category Confidence Intervals

Asset Size	Average	Standard Error	Lower Confidence Level	Upper Confidence Level
Under \$500 million	2.82	.032	2.76	2.88
\$500 - \$999 million	3.16	.041	3.08	3.24
\$1 - \$2.99 billion	2.78	.018	2.74	2.81
\$3 billion or greater	2.69	.037	2.62	2.77

Table 5: Average Score in Each Asset Size Category by Governing Partner Confidence Intervals

Asset Size	Governing Partner	Average	Standard Error	Lower Confidence Level	Upper Confidence Level
Under \$500 million	Board Chair	2.98	.055	2.87	3.09
	Board Member	3.33	.034	3.26	3.40
	CEO	2.48	.040	2.40	2.56
	Senior Management	2.49	.103	2.29	2.69
\$500 - \$999 million	Board Chair	3.23	.052	3.13	3.33
	Board Member	3.21	.033	3.14	3.27
	CEO	2.99	.046	2.90	3.08
	Senior Management	3.23	.146	2.94	3.51
\$1 - \$2.99 billion	Board Chair	2.91	.040	2.83	2.99
	Board Member	3.00	.022	2.95	3.04
	CEO	2.74	.036	2.67	2.81
	Senior Management	2.46	.042	2.37	2.54
\$3 billion or greater	Board Chair	3.26	.073	3.12	3.40
	Board Member	3.08	.039	3.00	3.15
	CEO	2.74	.065	2.61	2.87
	Senior Management	1.70	.103	1.50	1.91

Table 6: Board Member Roles & Responsibilities Confidence Intervals

Question	Average	Standard Error	Lower Confidence Level	Upper Confidence Level
Working effectively with the credit union's CEO	3.47	.068	3.34	3.60
Making quality decisions	3.40	.068	3.27	3.53
Ensuring that all its members regularly attend board meetings	3.33	.068	3.19	3.46
Ensuring the governing policies are regularly updated	3.26	.068	3.13	3.40
Respecting appropriate boundaries between board and senior management responsibilities	3.20	.068	3.07	3.34
Engaging in the credit union's annual budget approval process	3.17	.068	3.03	3.30

Table 6: Board Member Roles & Responsibilities Confidence Intervals, Continued

Question	Average	Standard Error	Lower Confidence Level	Upper Confidence Level
Articulating a clear mission statement	3.03	.068	2.90	3.17
Identifying key risks faced by the credit union	2.98	.068	2.85	3.11
Thinking strategically	2.98	.068	2.84	3.11
Ensuring that its members maintain an appropriate level of financial literacy	2.97	.068	2.84	3.11
Articulating a compelling future vision for the credit union	2.94	.068	2.81	3.07
Ensuring that its members ask relevant questions regarding finance/accounting issues	2.84	.068	2.71	2.98
Establishing clear metrics of success	2.82	.068	2.69	2.96
Achieving the right balance between strategic and operational at board meetings	2.76	.068	2.63	2.89
Regularly renewing board membership	2.62	.069	2.48	2.76
Ensuring that all board members contribute significant value in the boardroom	2.55	.068	2.41	2.68
Attracting people who have the right skills to serve on the board	2.54	.068	2.41	2.67
Prioritizing demographic diversity during the nominations process	2.30	.069	2.16	2.43

Table 7: Board Member Roles & Responsibilities by Governing Partner Confidence Intervals

Element	Governing Partner	Average	Standard Error	Lower Confidence Level	Upper Confidence Level
Working effectively with the credit union's CEO	Board Chair	3.56	.134	3.30	3.83
	Board Member	3.67	.078	3.52	3.83
	CEO	3.18	.114	2.96	3.41
	Senior Management	2.88	.183	2.52	3.24
Making quality decisions	Board Chair	3.59	.133	3.33	3.86
	Board Member	3.48	.078	3.33	3.63
	CEO	3.30	.114	3.07	3.52
	Senior Management	2.88	.183	2.52	3.24
Ensuring that all its members regularly attend board meetings	Board Chair	3.44	.145	3.15	3.72
	Board Member	3.52	.084	3.35	3.69
	CEO	3.02	.123	2.78	3.27
	Senior Management	2.82	.199	2.43	3.22
Ensuring the governing policies are regularly updated	Board Chair	3.19	.162	2.87	3.51
	Board Member	3.52	.095	3.33	3.71
	CEO	3.00	.138	2.73	3.27
	Senior Management	2.65	.223	2.21	3.09

Table 7: Board Member Roles & Responsibilities by Governing Partner Confidence Intervals, Continued

Element	Governing Partner	Average	Standard Error	Lower Confidence Level	Upper Confidence Level
Respecting appropriate boundaries between board and senior management responsibilities	Board Chair	3.34	.153	3.04	3.65
	Board Member	3.36	.089	3.19	3.54
	CEO	3.05	.130	2.79	3.30
	Senior Management	2.47	.210	2.06	2.88
Engaging in the credit union's annual budget approval process	Board Chair	3.12	.148	2.83	3.42
	Board Member	3.35	.087	3.18	3.53
	CEO	3.02	.126	2.77	3.27
	Senior Management	2.59	.203	2.19	2.99
Articulating a clear mission statement	Board Chair	3.34	.156	3.04	3.65
	Board Member	3.24	.091	3.06	3.42
	CEO	2.59	.133	2.33	2.85
	Senior Management	2.47	.213	2.05	2.89
Identifying key risks faced by the credit union	Board Chair	3.12	.143	2.84	3.41
	Board Member	3.19	.083	3.03	3.36
	CEO	2.68	.122	2.44	2.92
	Senior Management	2.29	.196	1.91	2.68
Thinking strategically	Board Chair	3.06	.150	2.77	3.36
	Board Member	3.22	.088	3.04	3.39
	CEO	2.61	.128	2.36	2.87
	Senior Management	2.47	.205	2.07	2.88
Ensuring that its members maintain an appropriate level of financial literacy	Board Chair	3.10	.157	2.79	3.41
	Board Member	3.12	.090	2.94	3.29
	CEO	2.95	.131	2.70	3.21
	Senior Management	2.00	.211	1.58	2.42
Articulating a compelling future vision for the credit union	Board Chair	3.19	.167	2.86	3.52
	Board Member	3.08	.097	2.89	3.28
	CEO	2.66	.142	2.38	2.94
	Senior Management	2.41	.229	1.96	2.86
Ensuring that its members ask relevant questions regarding finance/accounting issues	Board Chair	2.91	.151	2.61	3.20
	Board Member	3.01	.089	2.84	3.19
	CEO	2.70	.128	2.45	2.96
	Senior Management	2.18	.207	1.77	2.58
Establishing clear metrics of success	Board Chair	2.94	.169	2.60	3.27
	Board Member	2.97	.099	2.77	3.16
	CEO	2.59	.144	2.31	2.87
	Senior Management	2.41	.231	1.96	2.87
Achieving the right balance between strategic and operational at board meetings	Board Chair	2.81	.175	2.47	3.16
	Board Member	3.01	.102	2.81	3.21
	CEO	2.48	.149	2.18	2.77
	Senior Management	2.00	.240	1.53	2.47

Table 7: Board Member Roles & Responsibilities by Governing Partner Confidence Intervals, Continued

Element	Governing Partner	Average	Standard Error	Lower Confidence Level	Upper Confidence Level
Regularly renewing board membership	Board Chair	2.71	.180	2.35	3.07
	Board Member	2.79	.105	2.59	3.00
	CEO	2.46	.157	2.15	2.77
	Senior Management	1.80	.259	1.29	2.31
Ensuring that all board members contribute significant value in the boardroom	Board Chair	2.69	.154	2.38	2.99
	Board Member	2.78	.090	2.60	2.95
	CEO	2.23	.132	1.97	2.49
	Senior Management	1.82	.212	1.41	2.24
Attracting people who have the right skills to serve on the board	Board Chair	2.66	.178	2.30	3.01
	Board Member	2.73	.104	2.53	2.94
	CEO	2.34	.152	2.04	2.64
	Senior Management	1.76	.245	1.28	2.25
Prioritizing demographic diversity during the nominations process	Board Chair	2.03	.193	1.65	2.41
	Board Member	2.51	.110	2.29	2.72
	CEO	2.20	.159	1.89	2.52
	Senior Management	1.81	.264	1.29	2.33

Table 8: Board Member Roles & Responsibilities by Asset Size Confidence Intervals

Question	Asset Size	Average	Standard Error	Lower Confidence Level	Upper Confidence Level
Working effectively with the credit union's CEO	Under \$500 million	2.50	.487	1.54	3.46
	\$500 - \$999 million	4.00	.689	2.65	5.35
	\$1 - \$2.99 billion	2.92	.199	2.53	3.31
	\$3 billion or greater	2.50	.487	1.54	3.46
Making quality decisions	Under \$500 million	2.50	.487	1.54	3.46
	\$500 - \$999 million	4.00	.689	2.65	5.35
	\$1 - \$2.99 billion	3.00	.199	2.61	3.39
	\$3 billion or greater	2.00	.487	1.04	2.96
Ensuring that all its members regularly attend board meetings	Under \$500 million	3.00	.487	2.04	3.96
	\$500 - \$999 million	3.00	.689	1.65	4.35
	\$1 - \$2.99 billion	3.08	.199	2.69	3.47
	\$3 billion or greater	1.00	.487	0.04	1.96
Ensuring the governing policies are regularly updated	Under \$500 million	3.00	.487	2.04	3.96
	\$500 - \$999 million	3.00	.689	1.65	4.35
	\$1 - \$2.99 billion	2.75	.199	2.36	3.14
	\$3 billion or greater	1.50	.487	0.54	2.46
Respecting appropriate boundaries between board and senior management responsibilities	Under \$500 million	2.50	.487	1.54	3.46
	\$500 - \$999 million	2.00	.689	0.65	3.35
	\$1 - \$2.99 billion	2.58	.199	2.19	2.97
	\$3 billion or greater	2.00	.487	1.04	2.96

Table 8: Board Member Roles & Responsibilities by Asset Size Confidence Intervals, Continued

Question	Asset Size	Average	Standard Error	Lower Confidence Level	Upper Confidence Level
Engaging in the credit union's annual budget approval process	Under \$500 million	2.50	.487	1.54	3.46
	\$500 - \$999 million	3.00	.689	1.65	4.35
	\$1 - \$2.99 billion	2.75	.199	2.36	3.14
	\$3 billion or greater	1.50	.487	0.54	2.46
Articulating a clear mission statement	Under \$500 million	2.00	.487	1.04	2.96
	\$500 - \$999 million	3.00	.689	1.65	4.35
	\$1 - \$2.99 billion	2.58	.199	2.19	2.97
	\$3 billion or greater	2.00	.487	1.04	2.96
Identifying key risks faced by the credit union	Under \$500 million	2.50	.487	1.54	3.46
	\$500 - \$999 million	2.00	.689	0.65	3.35
	\$1 - \$2.99 billion	2.50	.199	2.11	2.89
	\$3 billion or greater	1.00	.487	0.04	1.96
Thinking strategically	Under \$500 million	2.50	.487	1.54	3.46
	\$500 - \$999 million	3.00	.689	1.65	4.35
	\$1 - \$2.99 billion	2.58	.199	2.19	2.97
	\$3 billion or greater	1.50	.487	0.54	2.46
Ensuring that its members maintain an appropriate level of financial literacy	Under \$500 million	2.50	.487	1.54	3.46
	\$500 - \$999 million	2.00	.689	0.65	3.35
	\$1 - \$2.99 billion	2.17	.199	1.78	2.56
	\$3 billion or greater	0.50	.487	-0.46	1.46
Articulating a compelling future vision for the credit union	Under \$500 million	2.00	.487	1.04	2.96
	\$500 - \$999 million	3.00	.689	1.65	4.35
	\$1 - \$2.99 billion	2.50	.199	2.11	2.89
	\$3 billion or greater	2.00	.487	1.04	2.96
Ensuring that its members ask relevant questions regarding finance/accounting issues	Under \$500 million	2.50	.487	1.54	3.46
	\$500 - \$999 million	2.00	.689	0.65	3.35
	\$1 - \$2.99 billion	2.42	.199	2.03	2.81
	\$3 billion or greater	0.50	.487	-0.46	1.46
Establishing clear strategic metrics of success	Under \$500 million	3.00	.487	2.04	3.96
	\$500 - \$999 million	3.00	.689	1.65	4.35
	\$1 - \$2.99 billion	2.33	.199	1.94	2.72
	\$3 billion or greater	2.00	.487	1.04	2.96
Achieving the right balance of strategic and operational discussion at board meetings	Under \$500 million	2.00	.487	1.04	2.96
	\$500 - \$999 million	2.00	.689	0.65	3.35
	\$1 - \$2.99 billion	2.08	.199	1.69	2.47
	\$3 billion or greater	1.50	.487	0.54	2.46
Regularly renewing board membership	Under \$500 million	0.90	.692	-0.46	2.26
	\$500 - \$999 million	3.00	.689	1.65	4.35
	\$1 - \$2.99 billion	2.02	.208	1.61	2.43
	\$3 billion or greater	0.50	.487	-0.46	1.46

Table 8: Board Member Roles & Responsibilities by Asset Size Confidence Intervals, Continued

Question	Asset Size	Average	Standard Error	Lower Confidence Level	Upper Confidence Level
Ensuring that all board members contribute significant value in the boardroom	Under \$500 million	2.50	.487	1.54	3.46
	\$500 - \$999 million	2.00	.689	0.65	3.35
	\$1 - \$2.99 billion	1.83	.199	1.44	2.22
	\$3 billion or greater	1.00	.487	0.04	1.96
Attracting people who have the right skills to serve on the board	Under \$500 million	2.00	.487	1.04	2.96
	\$500 - \$999 million	2.00	.689	0.65	3.35
	\$1 - \$2.99 billion	1.92	.199	1.53	2.31
	\$3 billion or greater	0.50	.487	-0.46	1.46
Prioritizing demographic diversity during the nominations process	Under \$500 million	1.00	.487	0.04	1.96
	\$500 - \$999 million	2.00	.689	0.65	3.35
	\$1 - \$2.99 billion	1.93	.208	1.52	2.34
	\$3 billion or greater	1.50	.487	0.54	2.46

Table 9: Trust Confidence Intervals

Question	Average	Standard Error	Lower Confidence Level	Upper Confidence Level
Doing the right thing	3.46	.067	3.33	3.59
Doing what's best for all the credit union's members	3.40	.066	3.27	3.53
Clearly establishing the credit union's values	3.22	.066	3.09	3.35
Following through on its commitments	3.21	.066	3.08	3.34
Encouraging open dialogue in the boardroom	3.18	.066	3.05	3.31
Committing to a high level of transparency	3.18	.066	3.05	3.31
Making "mission-driven" decisions	3.15	.066	3.02	3.28
Building a leadership culture of trust	3.09	.066	2.96	3.22
Being consistently honest with their thoughts	3.04	.067	2.91	3.17
Putting aside personal opinions to support the will of the whole	2.93	.067	2.80	3.06
Ensuring the credit union serves the under-served	2.80	.067	2.67	2.93

Table 10: Trust by Governing Partner Confidence Intervals

Element	Governing Partner	Average	Standard Error	Lower Confidence Level	Upper Confidence Level
Doing the right thing	Board Chair	3.56	.145	3.28	3.85
	Board Member	3.54	.085	3.37	3.71
	CEO	3.32	.124	3.07	3.56
	Senior Management	3.18	.199	2.78	3.57
Doing what's best for all the credit union's members	Board Chair	3.5	.132	3.24	3.76
	Board Member	3.47	.077	3.32	3.62
	CEO	3.3	.112	3.07	3.52
	Senior Management	3.06	.181	2.70	3.42

Table 10: Trust by Governing Partner Confidence Intervals, Continued

Element	Governing Partner	Average	Standard Error	Lower Confidence Level	Upper Confidence Level
Clearly establishing the credit union's values	Board Chair	3.34	.148	3.05	3.64
	Board Member	3.41	.086	3.24	3.58
	CEO	2.89	.127	2.64	3.14
	Senior Management	2.76	.204	2.36	3.17
Following through on its commitments	Board Chair	3.37	.140	3.1	3.65
	Board Member	3.38	.081	3.22	3.54
	CEO	2.91	.119	2.67	3.14
	Senior Management	2.71	.192	2.33	3.08
Encouraging open dialogue in the boardroom	Board Chair	3.50	.169	3.17	3.83
	Board Member	3.25	.098	3.06	3.45
	CEO	2.98	.144	2.69	3.26
	Senior Management	2.71	.232	2.25	3.16
Committing to a high level of transparency	Board Chair	3.34	.163	3.02	3.67
	Board Member	3.31	.095	3.12	3.50
	CEO	3.02	.139	2.75	3.30
	Senior Management	2.53	.224	2.09	2.97
Making "mission-driven" decisions	Board Chair	3.12	.152	2.82	3.43
	Board Member	3.29	.088	3.12	3.47
	CEO	2.91	.130	2.65	3.17
	Senior Management	3.00	.209	2.59	3.41
Building a leadership culture of trust	Board Chair	3.28	.164	2.96	3.60
	Board Member	3.20	.096	3.01	3.39
	CEO	2.95	.140	2.68	3.23
	Senior Management	2.41	.225	1.97	2.86
Being consistently honest with their thoughts	Board Chair	3.37	.153	3.07	3.68
	Board Member	3.14	.091	2.96	3.32
	CEO	2.75	.131	2.49	3.01
	Senior Management	2.59	.210	2.17	3.00
Putting aside personal opinions to support the will of the whole	Board Chair	3.00	.175	2.66	3.34
	Board Member	3.22	.103	3.01	3.42
	CEO	2.57	.149	2.27	2.86
	Senior Management	2.18	.240	1.70	2.65
Ensuring the credit union serves the under-served	Board Chair	2.84	.176	2.49	3.19
	Board Member	2.95	.102	2.75	3.15
	CEO	2.55	.151	2.25	2.85
	Senior Management	2.53	.237	2.06	3.00

Table 11: Trust by Asset Size Confidence Intervals

Question	Asset Size	Average	Standard Error	Lower Confidence Level	Upper Confidence Level
Doing the right thing	Under \$500 million	3.00	.487	2.04	3.96
	\$500 - \$999 million	4.00	.689	2.65	5.35
	\$1 - \$2.99 billion	3.17	.199	2.78	3.56
	\$3 billion or greater	3.00	.487	2.04	3.96
Doing what's best for all the credit union's members	Under \$500 million	3.00	.487	2.04	3.96
	\$500 - \$999 million	4.00	.689	2.65	5.35
	\$1 - \$2.99 billion	3.00	.199	2.61	3.39
	\$3 billion or greater	3.00	.487	2.04	3.96
Clearly establishing the credit union's values	Under \$500 million	3.00	.487	2.04	3.96
	\$500 - \$999 million	3.00	.689	1.65	4.35
	\$1 - \$2.99 billion	2.75	.199	2.36	3.14
	\$3 billion or greater	2.50	.487	1.54	3.46
Following through on its commitments	Under \$500 million	3.00	.487	2.04	3.96
	\$500 - \$999 million	4.00	.689	2.65	5.35
	\$1 - \$2.99 billion	2.67	.199	2.28	3.06
	\$3 billion or greater	2.00	.487	1.04	2.96
Encouraging open dialogue in the boardroom	Under \$500 million	3.00	.487	2.04	3.96
	\$500 - \$999 million	4.00	.689	2.65	5.35
	\$1 - \$2.99 billion	2.67	.199	2.28	3.06
	\$3 billion or greater	2.00	.487	1.04	2.96
Committing to a high level of transparency	Under \$500 million	2.50	.487	1.54	3.46
	\$500 - \$999 million	4.00	.689	2.65	5.35
	\$1 - \$2.99 billion	2.42	.199	2.03	2.81
	\$3 billion or greater	2.50	.487	1.54	3.46
Making "mission-driven" decisions	Under \$500 million	3.00	.487	2.04	3.96
	\$500 - \$999 million	4.00	.689	2.65	5.35
	\$1 - \$2.99 billion	2.92	.199	2.53	3.31
	\$3 billion or greater	3.00	.487	2.04	3.96
Building a leadership culture of trust	Under \$500 million	2.00	.487	1.04	2.96
	\$500 - \$999 million	3.00	.689	1.65	4.35
	\$1 - \$2.99 billion	2.50	.199	2.11	2.89
	\$3 billion or greater	2.00	.487	1.04	2.96
Being consistently honest with their thoughts	Under \$500 million	2.50	.487	1.54	3.46
	\$500 - \$999 million	4.00	.689	2.65	5.35
	\$1 - \$2.99 billion	2.67	.199	2.28	3.06
	\$3 billion or greater	1.50	.487	0.54	2.46
Putting aside personal opinions to support the will of the whole	Under \$500 million	2.50	.487	1.54	3.46
	\$500 - \$999 million	4.00	.689	2.65	5.35
	\$1 - \$2.99 billion	2.08	.199	1.69	2.47
	\$3 billion or greater	1.50	.487	0.54	2.46

Table 11: Trust by Asset Size Confidence Intervals, Continued

Question	Asset Size	Average	Standard Error	Lower Confidence Level	Upper Confidence Level
Ensuring the credit union serves the under-served	Under \$500 million	3.00	.487	2.04	3.96
	\$500 - \$999 million	4.00	.689	2.65	5.35
	\$1 - \$2.99 billion	2.42	.199	2.03	2.81
	\$3 billion or greater	2.00	.487	1.04	2.96

Table 12: Engagement Confidence Intervals

Question	Average	Standard Error	Lower Confidence Level	Upper Confidence Level
Speaking with one voice after a decision has been made	3.24	.068	3.11	3.38
Being active team players	2.89	.068	2.75	3.02
Engaging all board members in the work of the board	2.87	.067	2.73	3.00
Participating in continuing education	2.81	.068	2.67	2.94
Ensuring that all board members serve as positive role models for their colleagues	2.78	.069	2.65	2.92
Ensuring that all board members come to board meetings prepared	2.76	.068	2.63	2.90
Ensuring that all board members balance their credit union responsibilities with other demands on their time	2.75	.070	2.61	2.88
Addressing conflicts between board members	2.64	.071	2.51	2.78
Remaining engaged between board meetings	2.64	.069	2.50	2.77
Engaging in community outreach	2.15	.069	2.02	2.29

Table 13: Engagement by Governing Partner Confidence Intervals

Element	Governing Partner	Average	Standard Error	Lower Confidence Level	Upper Confidence Level
Speaking with one voice after a decision has been made	Board Chair	3.25	.154	2.95	3.55
	Board Member	3.48	.090	3.31	3.66
	CEO	2.93	.133	2.67	3.19
	Senior Management	2.71	.211	2.29	3.12
Being active team players	Board Chair	2.87	.155	2.57	3.18
	Board Member	3.11	.092	2.93	3.29
	CEO	2.70	.133	2.44	2.97
	Senior Management	2.18	.213	1.76	2.60
Engaging all board members in the work of the board	Board Chair	2.91	.151	2.61	3.20
	Board Member	3.04	.087	2.87	3.21
	CEO	2.73	.129	2.47	2.98
	Senior Management	2.18	.207	1.77	2.58

Table 13: Engagement by Governing Partner Confidence Intervals, Continued

Element	Governing Partner	Average	Standard Error	Lower Confidence Level	Upper Confidence Level
Participating in continuing education	Board Chair	2.78	.149	2.49	3.07
	Board Member	3.00	.088	2.83	3.17
	CEO	2.64	.127	2.39	2.89
	Senior Management	2.20	.217	1.77	2.63
Ensuring that all board members serve as positive role models for their colleagues	Board Chair	2.87	.172	2.53	3.21
	Board Member	3.03	.103	2.83	3.24
	CEO	2.52	.145	2.24	2.81
	Senior Management	2.00	.233	1.54	2.46
Ensuring that all board members come to board meetings prepared	Board Chair	2.84	.161	2.53	3.16
	Board Member	2.96	.094	2.77	3.14
	CEO	2.50	.137	2.23	2.77
	Senior Management	2.24	.220	1.80	2.67
Ensuring that all board members balance their credit union responsibilities with other demands on their time	Board Chair	2.80	.140	2.52	3.08
	Board Member	2.98	.084	2.81	3.14
	CEO	2.49	.117	2.26	2.72
	Senior Management	2.18	.186	1.81	2.54
Addressing conflicts between board members	Board Chair	2.69	.189	2.32	3.06
	Board Member	2.81	.111	2.59	3.03
	CEO	2.49	.159	2.17	2.80
	Senior Management	2.07	.262	1.55	2.58
Remaining engaged between board meetings	Board Chair	2.72	.149	2.43	3.01
	Board Member	2.78	.090	2.61	2.96
	CEO	2.50	.127	2.25	2.75
	Senior Management	2.06	.204	1.66	2.46
Engaging in community outreach	Board Chair	2.03	.161	1.71	2.35
	Board Member	2.58	.095	2.40	2.77
	CEO	1.60	.138	1.32	1.87
	Senior Management	1.47	.218	1.04	1.90

Table 14: Engagement by Asset Size Confidence Intervals

Question	Asset Size	Average	Standard Error	Lower Confidence Level	Upper Confidence Level
Speaking with one voice after a decision has been made	Under \$500 million	2.50	.487	1.54	3.46
	\$500 - \$999 million	4.00	.689	2.65	5.35
	\$1 - \$2.99 billion	2.75	.199	2.36	3.14
	\$3 billion or greater	2.00	.487	1.04	2.96

Table 14: Engagement by Asset Size Confidence Intervals, Continued

Question	Asset Size	Average	Standard Error	Lower Confidence Level	Upper Confidence Level
Being active team players	Under \$500 million	2.50	.487	1.54	3.46
	\$500 - \$999 million	2.00	.689	0.65	3.35
	\$1 - \$2.99 billion	2.33	.199	1.94	2.72
	\$3 billion or greater	1.00	.487	0.04	1.96
Engaging all members in the work of the board	Under \$500 million	2.00	.487	1.04	2.96
	\$500 - \$999 million	3.00	.689	1.65	4.35
	\$1 - \$2.99 billion	2.33	.199	1.94	2.72
	\$3 billion or greater	1.00	.487	0.04	1.96
Participating in continuing education	Under \$500 million	2.90	.692	1.54	4.26
	\$500 - \$999 million	2.00	.689	0.65	3.35
	\$1 - \$2.99 billion	2.47	.208	2.06	2.87
	\$3 billion or greater	1.00	.487	0.04	1.96
Ensuring that all board members serve as positive role models for their colleagues	Under \$500 million	2.50	.487	1.54	3.46
	\$500 - \$999 million	2.00	.689	0.65	3.35
	\$1 - \$2.99 billion	2.17	.199	1.78	2.56
	\$3 billion or greater	0.50	.487	-0.46	1.46
Ensuring that all board members come to board meetings prepared	Under \$500 million	2.50	.487	1.54	3.46
	\$500 - \$999 million	2.00	.689	0.65	3.35
	\$1 - \$2.99 billion	2.50	.199	2.11	2.89
	\$3 billion or greater	0.50	.487	-0.46	1.46
Ensuring that all board members balance their credit union responsibilities with other demands on their time	Under \$500 million	2.50	.487	1.54	3.46
	\$500 - \$999 million	3.00	.689	1.65	4.35
	\$1b - \$2.99 billion	2.25	.199	1.86	2.64
	\$3 billion or greater	1.00	.487	0.04	1.96
Addressing conflicts between board members	Under \$500 million	1.90	.692	0.54	3.26
	\$500 - \$999 million	3.00	.689	1.65	4.35
	\$1b - \$2.99 billion	2.17	.199	1.78	2.56
	\$3 billion or greater	1.11	.692	-0.25	2.47
Remaining engaged between board meetings	Under \$500 million	2.50	.487	1.54	3.46
	\$500 - \$999 million	2.00	.689	0.65	3.35
	\$1b - \$2.99 billion	2.00	.199	1.61	2.39
	\$3 billion or greater	2.00	.487	1.04	2.96
Engaging in community outreach	Under \$500 million	1.50	.487	0.54	2.46
	\$500 - \$999 million	4.00	.689	2.65	5.35
	\$1b - \$2.99 billion	1.33	.199	0.94	1.72
	\$3 billion or greater	1.00	.487	0.04	1.96

Table 15: *Accountability Confidence Intervals*

Question	Average	Standard Error	Lower Confidence Level	Upper Confidence Level
Holding the CEO accountable for their annual performance goals	3.41	.070	3.27	3.55
Respecting the independence of the supervisory/audit committee	3.41	.069	3.28	3.55
Enforcing the credit union's board-level policies	3.26	.069	3.12	3.39
Using a quality process to allow all board members to provide input on the CEO's annual performance evaluation	3.21	.071	3.07	3.35
Holding senior management accountable to the agreed-upon strategic metrics of success	3.20	.070	3.07	3.34
Holding committees accountable for their role in helping implement the credit union's strategic plan	2.95	.069	2.81	3.08
Measuring the impact of the credit union's strategic plan	2.88	.068	2.75	3.02
Asking the hard questions that need to be asked	2.84	.068	2.71	2.98
Encouraging the supervisory/audit committee to conduct periodic assessments of its own work	2.73	.072	2.59	2.87
Holding each other accountable	2.60	.070	2.46	2.73
Conducting a periodic assessment of the whole board	2.46	.070	2.32	2.59
Making changes in response to the board's periodic assessment	2.34	.074	2.20	2.49

Table 16: *Accountability by Governing Partner Confidence Intervals*

Element	Governing Partner	Average	Standard Error	Lower Confidence Level	Upper Confidence Level
Holding the CEO accountable for their annual performance goals	Board Chair	3.52	.138	3.24	3.79
	Board Member	3.47	.081	3.31	3.63
	CEO	3.30	.117	3.07	3.53
	Senior Management	3.13	.198	2.74	3.52
Respecting the independence of the supervisory/audit committee	Board Chair	3.40	.142	3.12	3.68
	Board Member	3.57	.082	3.41	3.73
	CEO	3.26	.119	3.02	3.49
	Senior Management	3.00	.189	2.63	3.37
Enforcing the credit union's board-level policies	Board Chair	3.62	.133	3.36	3.89
	Board Member	3.27	.078	3.11	3.42
	CEO	3.12	.115	2.89	3.34
	Senior Management	2.81	.189	2.44	3.19
Using a quality process to allow all board members to provide input on the CEO's annual performance evaluation	Board Chair	3.47	.168	3.14	3.80
	Board Member	3.32	.101	3.12	3.52
	CEO	2.93	.148	2.63	3.22
	Senior Management	2.67	.274	2.13	3.21

Table 16: Accountability by Governing Partner Confidence Intervals, Continued

Element	Governing Partner	Average	Standard Error	Lower Confidence Level	Upper Confidence Level
Holding senior management accountable to the agreed-upon strategic metrics of success	Board Chair	3.17	.146	2.88	3.46
	Board Member	3.27	.084	3.11	3.44
	CEO	3.15	.125	2.90	3.39
	Senior Management	3.00	.200	2.61	3.39
Holding committees accountable for their role in helping implement the credit union's strategic plan	Board Chair	2.81	.149	2.52	3.11
	Board Member	3.13	.087	2.96	3.30
	CEO	2.76	.132	2.50	3.02
	Senior Management	2.63	.211	2.21	3.04
Measuring the impact of the credit union's strategic plan	Board Chair	3.06	.158	2.75	3.37
	Board Member	3.00	.093	2.82	3.18
	CEO	2.66	.134	2.39	2.92
	Senior Management	2.47	.216	2.04	2.90
Asking the hard questions that need to be asked	Board Chair	3.03	.158	2.72	3.34
	Board Member	2.99	.093	2.81	3.17
	CEO	2.59	.135	2.33	2.86
	Senior Management	2.35	.217	1.93	2.78
Encouraging the supervisory/audit committee to conduct periodic assessments of its own work	Board Chair	2.96	.206	2.56	3.37
	Board Member	2.87	.112	2.65	3.10
	CEO	2.36	.168	2.03	2.69
	Senior Management	2.50	.262	1.98	3.02
Holding each other accountable	Board Chair	2.78	.161	2.46	3.10
	Board Member	2.77	.097	2.58	2.96
	CEO	2.26	.140	1.99	2.54
	Senior Management	2.18	.220	1.74	2.61
Conducting a periodic assessment of the whole board	Board Chair	2.50	.221	2.06	2.94
	Board Member	2.62	.127	2.37	2.87
	CEO	2.28	.191	1.90	2.65
	Senior Management	1.94	.293	1.36	2.52
Making changes in response to the board's periodic assessment	Board Chair	2.50	.212	2.08	2.92
	Board Member	2.44	.118	2.21	2.67
	CEO	2.15	.188	1.78	2.52
	Senior Management	1.93	.289	1.36	2.50

Table 17: Accountability by Asset Size Confidence Intervals

Question	Asset Size	Average	Standard Error	Lower Confidence Level	Upper Confidence Level
Holding the CEO accountable for their annual performance goals	Under \$500 million	3.00	.487	2.04	3.96
	\$500 - \$999 million	4.00	.689	2.65	5.35
	\$1 billion – \$2.99 billion	2.91	.218	2.48	3.34
	\$3 billion or greater	3.00	.487	2.04	3.96
Respecting the independence of the supervisory/audit committee	Under \$500 million	2.50	.487	1.54	3.46
	\$500 - \$999 million	4.00	.689	2.65	5.35
	\$1 - \$2.99 billion	3.17	.199	2.78	3.56
	\$3 billion or greater	2.00	.487	1.04	2.96
Enforcing the credit union's board-level policies	Under \$500 million	2.50	.487	1.54	3.46
	\$500 - \$999 million	3.00	.689	1.65	4.35
	\$1 - \$2.99 billion	2.89	.208	2.48	3.30
	\$3 billion or greater	2.50	.487	1.54	3.46
Using a quality process to allow all board members to provide input on the CEO's annual performance evaluation	Under \$500 million	3.00	.487	2.04	3.96
	\$500 - \$999 million	NA	NA	NA	NA
	\$1 - \$2.99 billion	2.38	.244	1.90	2.86
	\$3 billion or greater	2.50	.487	1.54	3.46
Holding senior management accountable to the agreed-upon strategic metrics of success	Under \$500 million	2.50	.487	1.54	3.46
	\$500 - \$999 million	4.00	.689	2.65	5.35
	\$1 - \$2.99 billion	2.90	.208	2.49	3.30
	\$3 billion or greater	3.00	.487	2.04	3.96
Holding committees accountable for their role in forwarding the strategic plan	Under \$500 million	2.50	.487	1.54	3.46
	\$500 - \$999 million	4.00	.689	2.65	5.35
	\$1 - \$2.99 billion	2.44	.208	2.03	2.85
	\$3 billion or greater	2.50	.487	1.54	3.46
Measuring the impact of the credit union's strategic plan	Under \$500 million	3.00	.487	2.04	3.96
	\$500 - \$999 million	4.00	.689	2.65	5.35
	\$1 - \$2.99 billion	2.25	.199	1.86	2.64
	\$3 billion or greater	2.50	.487	1.54	3.46
Asking the hard questions that need to be asked	Under \$500 million	2.50	.487	1.54	3.46
	\$500 - \$999 million	4.00	.689	2.65	5.35
	\$1 - \$2.99 billion	2.42	.199	2.03	2.81
	\$3 billion or greater	1.00	.487	0.04	1.96
Encouraging the supervisory/audit committee to conduct periodic assessments of its own work	Under \$500 million	3.00	.487	2.04	3.96
	\$500 - \$999 million	4.00	.689	2.65	5.35
	\$1 - \$2.99 billion	2.50	.199	2.11	2.89
	\$3 billion or greater	0.11	.692	-1.25	1.47
Holding each other accountable	Under \$500 million	2.00	.487	1.04	2.96
	\$500 - \$999 million	4.00	.689	2.65	5.35
	\$1 - \$2.99 billion	2.17	.199	1.78	2.56
	\$3 billion or greater	1.50	.487	0.54	2.46

Table 17: Accountability by Asset Size Confidence Intervals, Continued

Question	Asset Size	Average	Standard Error	Lower Confidence Level	Upper Confidence Level
Conducting a periodic assessment of the whole board	Under \$500 million	1.50	.487	0.54	2.46
	\$500 - \$999 million	3.00	.689	1.65	4.35
	\$1 - \$2.99 billion	2.00	.199	1.61	2.39
	\$3 billion or greater	1.50	.487	0.54	2.46
Making changes in response to the board's periodic assessment	Under \$500 million	1.90	.692	0.54	3.26
	\$500 - \$999 million	3.00	.689	1.65	4.35
	\$1 - \$2.99 billion	1.92	.218	1.49	2.35
	\$3 billion or greater	1.50	.487	0.54	2.46



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