



2017 Voluntary Credit Union Diversity Self-Assessment Results

National Credit Union Administration
Office of Minority and Women Inclusion





2017 VOLUNTARY CREDIT UNION DIVERSITY SELF-ASSESSMENT RESULTS

The Dodd-Frank Act of 2010 encourages financial institutions, especially ones with over 100 employees, to conduct self-assessments of diversity and inclusion in their workforce and contracting activities. To that end the federal financial regulatory agencies (Board of Governors of the Federal Reserve System, Office of the Comptroller of the Currency, Federal Deposit Insurance Corporation, Securities and Exchange Commission, Consumer Financial Protection Bureau, and the National Credit Union Administration) collectively developed a set of diversity standards set forth in the Interagency Policy Statement Establishing Joint Standards for Assessing the Diversity Policies and Practices of Entities Regulated by the Agencies, signed on June 10, 2015. The standards cover the following areas:

1. Organizational commitment to diversity and inclusion;
2. Workforce profile and employment practices;
3. Procurement and business practices (supplier diversity);
4. Practices to promote transparency; and
5. Entities' self-assessment

The agencies designed the standards to provide a framework for a regulated entity to create and strengthen its diversity policies and practices. The agencies recognize that each entity is unique with respect to characteristics such as its size, location, and structure and that institutions that are small or located in remote areas face different challenges and have different options available to them compared to entities that are larger or located in more urban areas.

Using the joint standards, the NCUA created a voluntary Credit Union Diversity Self-Assessment tool to assist credit unions in evaluating their diversity and inclusion efforts. The CUDSA form reflects guidance for advancing workforce and supplier diversity and showcases best practices for demonstrating a commitment to diversity and inclusion. Credit unions first began using and voluntarily submitting the CUDSA annually to the NCUA's Office of Minority and Women Inclusion in 2016.

Profile of Credit Unions Submitting Self-Assessments

In 2016, 35 credit unions voluntarily submitted a diversity self-assessment to the NCUA. In 2017, CUDSA submissions increased by 84 percent, with 64 credit unions (38 federal and 26 state chartered credit unions) submitting self-assessments. A total of 84 unique credit unions have submitted self-assessments in the two reporting years. Fifteen credit unions submitted assessments for both years.



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The 64 credit unions that submitted diversity self-assessments in 2017 varied in the number of employees and asset size. The aggregate number of employees working at these credit unions represented 3 percent of those at all federally insured credit unions. Just under half reported 101 or more employees. Asset sizes ranged from \$1.5 million to \$9 billion with 48 of the 64 credit unions, or 75 percent, reporting \$100 million or more in assets. Data on these credit unions is shown in Figures A and B.

2017 CUDSA Submitter Profile – Employees and Asset Range

Total Employees	Credit Union Count	Asset Range	Aggregate Employees
0-49	25	\$1.5 Million-\$261 Million	544
50-100	9	\$120 Million-\$532 Million	692
101-500	26	\$279 Million-\$9 Billion	5,962
More than 500	4	\$2 Billion-\$3.5 Billion	2,799
Total	64		9,997

Figure A

Source: NCUA 12/31/2017 Call Report Data

CUDSA Submitter Profile by Asset Size and Submission Year

Asset Size	2017 Number	2017 Percent	Cumulative Percent	Number	Percent	Cumulative Percent	Number	Percent	Cumulative Percent
Submission year	2017	2017	2017	2016	2016	2016	Both Years	Both years	Both Years
Less than \$10 Million	3	5	5	5	14	14	1	7	7
\$10 M to less than \$50 M	6	9	14	0	0	14	0	0	7
\$50 M to less than \$100 M	7	11	25	5	14	28	4	26	33
\$100 M to less than \$500 M	18	28	53	7	20	48	1	7	40
\$500 M to less than \$1 Billion	18	28	81	8	23	71	4	27	67
More than \$1 Billion	12	19	100	10	29	100	5	33	100
Total	64	100		35	100		15	100	

Figure B

Source: NCUA



Summary of 2017 Submission Results

As reflected in Figure C, in 2017 about half of the respondents reported having a leadership and organizational commitment to diversity and taking steps to implement employment practices to demonstrate that commitment. The areas where few of the participating credit unions have established solid business practices are supplier diversity, transparency, and monitoring and assessing diversity policies and practices.

All Reporting Credit Unions (64 credit unions in 2017; 35 credit unions in 2016)

Diversity Self-Assessment Set of Standards	Affirmative Responses		Negative Responses	
	2017	2016	2017	2016
1. Leadership/Organizational Commitment to Diversity and Inclusion	46%	54%	54%	46%
2. Proactive Implementation of Employment Practices that Expand Outreach Efforts to Diverse Individuals	54%	53%	46%	47%
3. Consideration of Supplier Diversity in Procurement and Business Practices	7%	7%	93%	93%
4. Promotion of Transparency of Diversity and Inclusion Practices	16%	22%	84%	78%
5. Monitoring and Assessment of Diversity Policy and Practices	24%	22%	76%	78%

Figure C
Source: NCUA

Summary of Multiple Year Submission Results

Fifteen credit unions submitted the voluntary self-assessment in both 2016 and 2017. Their 2017 assets ranged from \$9.6 million to \$9 billion, and they individually employed between 4 and just under 700 employees.

As indicated in Figure D, in 2017 these 15 credit unions reported improvement over 2016 results in four of the five assessed areas. Perhaps this trend suggests that when credit unions repeat or continue to use this self-assessment tool, it will have a positive impact on their improvement in these areas. The outlier in these results is supplier diversity. This standard shows not only significantly low positive responses but also no improvement even from the 15 credit unions that responded both years. This suggests that even with awareness, the industry needs more guidance on supplier diversity.



Credit Unions Reporting in Both 2016 and 2017 (15 credit unions)

Diversity Self-Assessment Set of Standards	Affirmative Responses		Negative Responses	
	2017	2016	2017	2016
1. Leadership/Organizational Commitment to Diversity and Inclusion	72%	65%	28%	35%
2. Proactive Implementation of Employment Practices that Expand Outreach Efforts to Diverse Individuals	71%	63%	29%	37%
3. Consideration of Supplier Diversity in Procurement and Business Practices	7%	7%	93%	93%
4. Promotion of Transparency of Diversity and Inclusion Practices	26%	22%	74%	78%
5. Monitoring and Assessment of Diversity Policy and Practices	42%	25%	58%	75%

Figure D
Source: NCUA

Aggregate Results of 2017 Self-Assessments by Individual Standard

The aggregate results of the 2017 CUDSA submissions is summarized below by standard.

Standard 1 - Leadership/Organizational Commitment to Diversity and Inclusion

Successful diversity policies and practices generally begin at the top, with leadership that demonstrates its commitment by promoting diversity and inclusion both in employment and contracting, and by fostering an organizational culture that embraces diversity and inclusion. This leadership includes the board of directors, senior officials, and staff managing the daily operations.

In 2017, just under half of reporting credit unions, or 44 percent, indicated they had a written diversity policy; 56 percent do not. About half, or 48 percent, also reported having a senior level official who oversaw the diversity and inclusion strategies and initiatives at the credit union. The same percentage provided annual training on EEO and diversity.

Seventy-two percent of participating credit unions reported taking proactive steps to include a diverse pool of women and minorities or other diverse individual candidates for hiring, recruiting, retaining, or promoting employees and 67 percent reported taking proactive steps to include diverse candidates when selecting board members and senior management.



About half, or 52 percent, of the credit unions responding included diversity and inclusion considerations in their strategic plan for recruiting, hiring, retention, or promotion of their workforce. But only a small percentage indicated they included diversity and inclusion considerations in their strategic plan in contracting with vendors (14 percent) or provide periodic reports on diversity and inclusion to their board of directors or senior management (23 percent.)

Does my credit union:	Yes	No
1. Have a written diversity and inclusion policy approved by senior leadership, which includes the board of directors and senior management?	44%	56%
2. Have a senior level official to oversee our diversity and inclusion strategies and initiatives with knowledge of and experience in diversity and inclusion policies and practices?	48%	52%
3. Conduct training and provide educational opportunity on equal employment opportunities and diversity at least annually?	48%	52%
4. Take proactive steps to include a diverse pool of women and minorities or other diverse individual candidates for:		
a. Hiring, recruiting, retention, or promotion of our employees?	72%	28%
b. Selection of board member candidates and senior management?	67%	33%
5. Include diversity and inclusion considerations in our strategic plan for recruiting, hiring, retention, or promotion of our workforce?	52%	48%
6. Include diversity and inclusion considerations in our strategic plan in contracting with vendors?	14%	86%
7. Provide periodic (such as quarterly) progress reports on diversity and inclusion efforts to our board of directors or senior management?	23%	77%

Standard 2 - Proactive Implementation of Employment Practices that Expand Outreach Efforts to Diverse Individuals

Credit unions that promote the fair inclusion of minorities, women, or other diverse individuals in their workforces proactively work to expand the applicant pool to include diverse candidates, create a culture that values the contribution of all employees, and encourage a focus on these objectives when evaluating the performance of managers.

Most of the credit unions reporting in 2017 (86 percent), indicate they are implementing policies and practices to ensure equal employment opportunities for employees and applicants for employment. About half implement policies and practices that create or foster diverse applicant pools for employment opportunities including:

- Outreach to minority, women or other diverse individuals (56 percent);
- Outreach to educational institutions serving significantly or predominantly minority, women, or other diverse student populations (47 percent); and



- Participate in conferences, workshops, and other events that attract minorities, women, or other diverse individuals to inform them of employment and promotion opportunities (52 percent).

Just over half, or 56 percent, of the 64 reporting credit unions communicate employment opportunities through media reaching diverse populations and almost two-thirds, or 63 percent, cultivate such relationships with professional organizations or educational institutions that primarily serve minority, women, or other diverse individuals or organizations.

While only 41 percent of reporting credit unions periodically evaluate their diversity and inclusion programs and identify areas for future improvement, a little more than half, or 53 percent, report using analytical tools to assess workforce diversity. Forty-one percent report using analytical tools to assess the inclusiveness of employment practices for hiring, promotion, career development, internships, or retention by ethnicity, gender, or other diverse categories.

Only 42 percent say they hold management accountable for diversity and inclusion efforts such as ensuring those efforts align with business strategies or individual performance plans.

Does my credit union:	Yes	No
1. Implement policies and practices to ensure equal employment opportunities for employees and applicants for employment?	86%	14%
2. Implement policies and practices that create or foster diverse applicant pools for employment opportunities? These may include: a. Outreach to minority, women, or other diverse individuals? b. Outreach to educational institutions serving significant or predominantly minority, women or other diverse student populations? c. Participation in conferences, workshops, and other events that attract minorities, women, or other diverse individuals to inform them of employment and promotion opportunities?	56%	44%
3. Communicate employment opportunities through media reaching diverse populations, including publications or professional organizations and educational institutions predominantly serving minority, women, or other diverse populations?	56%	44%
4. Cultivate relationships with professional organizations or educational institutions that primarily serve minority, women, or other diverse individuals or organizations?	63%	37%
5. Evaluate our diversity and inclusion programs regularly and identify areas for future improvement?	41%	59%
6. Use analytical tools, including quantitative and qualitative data, to assess, measure, and track: a. Our workforce diversity at all levels, including supervisory and executive ranks,	53%	47%



Does my credit union:	Yes	No
b. The inclusiveness of our employment practices for hiring, promotion, career development, internships, or retention, by ethnicity, gender, or other diverse categories?	41%	59%
7. Hold management accountable for diversity and inclusion efforts such as ensuring these efforts align with business strategies or individual performance plans?	42%	58%

Standard 3 - Consideration of Supplier Diversity in Procurement and Business Practices

Credit unions are encouraged to craft and implement a supplier diversity policy and practices to expand outreach for contracting opportunities in minority- and women-owned businesses. This involves providing opportunities for diverse businesses to bid on certain contracts and informing them on how to do business with the credit union. The goal is to develop a competitive advantage by having a broad selection of available and diverse suppliers to choose from with respect to factors such as price, quality, attention to detail, and future relationship building.

Credit unions continue to report low levels of engagement in supplier diversity. In 2017, only 11 percent of the 64 reporting credit unions had a written supplier diversity policy that provided opportunities for minority- and women-owned businesses to bid on contracts. Twenty-eight percent had leadership support to incorporate supplier diversity into business planning cycles or initiatives. None had established a policy of soliciting bids from qualified minority- and women-owned businesses for a target percentage of contracts.

Just two of the 64 credit unions reported reaching out specifically to inform minority- and women-owned businesses, or affinity groups representing these constituencies, of contracting opportunities and how to do business with the credit union. Approximately one quarter, or 23 percent, use metrics to identify and track the amount spent procuring and contracting for goods and services, but only one or two of the 64 use metrics to identify and track the availability of diverse vendors and the amount spent with minority- and women-owned businesses or the changes related to those metrics over time. No credit unions reported tracking the percentage of contract dollars awarded to minority- and women-owned businesses by race, ethnicity, and gender as compared to total contract dollars awarded for the calendar year.

Ten of the 64 reporting credit unions indicated they participated in events that attracted minority- and women-owned businesses to inform them of contracting opportunities. But 98 percent report they do not maintain a listing of qualified minority- and women-owned businesses that may bid on contracting opportunities or have an ongoing process to publicize contracting opportunities. Only 5 percent encouraged prime contractors to use minority- and women-owned businesses subcontractors by incorporating this objective in their business contracts.



Does my credit union:	Yes	No
1. Have a written supplier diversity policy that provides opportunities for minority- and women-owned businesses to bid to deliver business goods and services to us?	11%	89%
2. Have leadership support to incorporate supplier diversity into business planning cycles or initiatives?	28%	72%
3. Encourage by policy that some percentage (for example, 33 percent) of our outside contracts solicit bids from qualified minority- and women-owned businesses?	0%	100%
4. Reach out specifically to inform minority- and women-owned businesses or affinity groups representing these constituencies of contracting opportunities and how to do business with us?	3%	97%
5. Use metrics to identify the baseline of and track: a. The amount we spend procuring and contracting for goods and services? b. The availability of relevant minority- and women-owned businesses? c. The amount we spend with minority- and women-owned businesses? d. The percentage of contract dollars awarded to minority- and women-owned businesses by race, ethnicity, and gender as compared to total contract dollars awarded for calendar year? e. The changes related to the above items over time?	23% 3% 2% 0% 2%	77% 97% 98% 100% 98%
6. Implement practices that promote a diverse supplier pool, which may include: a. Participation in conferences, workshops, and other events that attract minority- and women-owned businesses to inform them of our contracting opportunities? b. Maintain a listing of qualified minority- and women-owned businesses that may bid on upcoming contracting opportunities? c. Have an ongoing process to publicize our contracting opportunities? d. Encourage prime contractors to use minority- and women-owned subcontractors by incorporating this objective in their business contracts?	16% 2% 2% 5%	84% 98% 98% 95%

Standard 4 - Promotion of Transparency of Diversity and Inclusion Practices

Transparency and communication are essential aspects of assessing diversity policies and practices. Transparency does not require a credit union to share confidential and proprietary information. Credit unions can communicate information about their diversity and inclusion efforts through normal business methods, such as displaying information on their website, in promotional material, and in annual reports to members.



By communicating a commitment to diversity and inclusion, the credit union's plans for achieving diversity and inclusion, and the metrics used to measure success in workplace and supplier diversity, the credit union informs a broad constituency of current and potential members, employees, suppliers, and the general community about their affirmative efforts to promote diversity and inclusion. The publication of this information can make new markets accessible for minorities, women, and other diverse groups, and illustrate the progress made toward an important business goal.

In 2017, reporting credit unions indicated that most do not periodically compile information about efforts to enhance diversity and inclusion suitable for publication. In that year only:

- 42 percent compiled demographic information on workforce composition;
- 3 percent reported demographic information on supplier diversity;
- About one third, or 31 percent, compiled demographic information on board members and other officials;
- One fifth, or 20 percent, compiled information on sponsorships or partnerships with diverse organizations; and
- 17 percent compiled other information on diversity and inclusion efforts.

Most reporting credit unions did not make information on their diversity and inclusion strategic plan public. About one-third, or 34 percent, made their policy on commitment to diversity and inclusion in the workforce public. Only eight percent made their policy on commitment to supplier diversity public; and only five percent made public their efforts and progress toward achieving diversity and inclusion in workforce and contracting activities.

A slight majority of reporting credit unions, or 55 percent, publicized opportunities that promoted diversity and inclusion in employment and internship opportunities. Most, or 94 percent, did not publicize opportunities that promoted diversity and inclusion in their contracting opportunities. About one third, or 31 percent, publicized opportunities that promoted mentorship or development programs for employees. None of the reporting credit unions publicized opportunities that promoted diversity and inclusion in developmental programs for potential contractors.

Does my credit union:	Yes	No
1. Periodically compile information about our efforts to enhance diversity and inclusion suitable for publication, which may include:		
a. Demographic information on workforce composition (such as that found on an annual EEOC report)?	42%	58%
b. Demographic information on supplier diversity (contracting activities)?	3%	97%
c. Demographic information on the board members and other officials?	31%	69%
d. Information on sponsorships or partnerships with diverse organizations?	20%	80%
e. Other information on our diversity and inclusion efforts?	17%	83%



Does my credit union:	Yes	No
2. Make the following information public:		
a. Our diversity and inclusion strategic plan?	8%	92%
b. Our policy on the credit union's commitment to diversity and inclusion in the workforce?	34%	66%
c. Our policy on the credit union's commitment to diversity and inclusion to supplier diversity?	8%	92%
d. Our efforts and progress toward achieving diversity and inclusion in our workforce and contracting activities?	5%	95%
3. Publicize opportunities that promote diversity and inclusion, which may include:		
a. Employment and internship opportunities?	55%	45%
b. Contracting opportunities?	6%	94%
c. Mentorship or developmental programs for employees?	31%	69%
d. Developmental programs for potential contractors?	0%	100%

Standard 5 - Monitoring and Assessment of Diversity Policy and Practices

Credit unions with successful diversity policies and practices allocate time and resources to monitor and evaluate performance under their diversity policies and practices on an ongoing basis. The NCUA encourages credit unions to disclose their diversity policies and practices and related information to both the NCUA and the public.

About one third of the reporting credit unions, or 34 percent, conduct self-assessments of diversity policies and practices annually and modify them based on results of the self-assessment. Only 20 percent provided information pertaining to the self-assessment to the NCUA annually, and only a small percentage published information pertaining to efforts with respect to diversity standards.

Does my credit union:	Yes	No
1. Use the Diversity Standards identified above to conduct self-assessments of our diversity policies and practices annually?	34%	66%
2. Modify our diversity policies and practices based on the results of the Self-Assessment or evaluation of our diversity policies and practices?	33%	67%
3. Provide information pertaining to the self-assessment or evaluation of our diversity policies and practices to NCUA's OMWI director annually?	20%	80%
4. Publish information pertaining to our efforts with respect to the above diversity standards?	8%	92%



Conclusion

Diversity best practices are good business practices. Hiring qualified staff and vendors who reflect the diversity of the community provides a competitive advantage and enriches the member and employee experience. (For detailed explanation, see our [credit union business case for diversity](#).)

Business Case for Credit Union Diversity



The NCUA encourages all credit unions to adopt an organizational commitment to diversity and inclusion, implement it in a manner reflective of the credit union's size and other characteristics, and to conduct and submit the Annual Voluntary Credit Union Diversity Self-Assessment form to the NCUA Office of Minority and Women Inclusion annually.

Please direct questions about the Voluntary Credit Union Diversity Self-Assessment or this report to the NCUA's Office of Minority and Women Inclusion at omwimail@ncua.gov.

Learn more at www.ncua.gov/diversity-self-assessment.