

2020 US Credit Union Board Compensation

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Innovation

In 2015, the Clarkson Centre and Filene Research Institute published *Should Credit Unions Pay Their Directors?* to shed light on the state of credit union director compensation in the US. Since 2015, five new states have allowed director compensation - New Jersey, North Dakota, Arizona, Colorado, and Oregon - bringing the total number of states that allow compensation to sixteen. In 2018, only 799 (15%) of the 5,489 credit unions across the country could, in fact, compensate their members. Our survey of 456 of the 799 credit unions that could provide some form of director compensation reveals that it remains rare, though compensation is more prevalent among larger credit unions.

In the latest report, we highlight some of the key trends and insights in director compensation from 2018.

What do the State Credit Union Acts Allow?

No Restriction

- Indiana
- Minnesota
- North Dakota*
- Tennessee
- New Jersey*
- Pennsylvania
- Rhode Island
- Wisconsin

Some Restrictions

- Arizona*
- Colorado*
- Oregon*
- Washington
- Texas

Act is silent

- Georgia
- Kentucky
- Maryland

* Denotes a state that allows some form of board compensation since 2015. South Dakota and Wyoming have no state-chartered credit unions in our data.

Methodology: The Johnston Centre used compensation data provided by the Credit Union National Association (CUNA) that was extracted from 2018 IRS Form 990 filings. Although we were provided the information in March of 2020, we were only able to find forms for 456 of the 799 state-chartered credit unions in 2018 among the 16 states in our study.

Board compensation is defined as any fee paid to a board member as disclosed in the Form 990 filing. Therefore, board pay can be any combination of a retainer, expenses and other reasonable payments. The term "paid board" refers to any credit union board that compensated at least one board member/officer. A "volunteer board" did not pay fees to board members/officers.

ONLY

15%

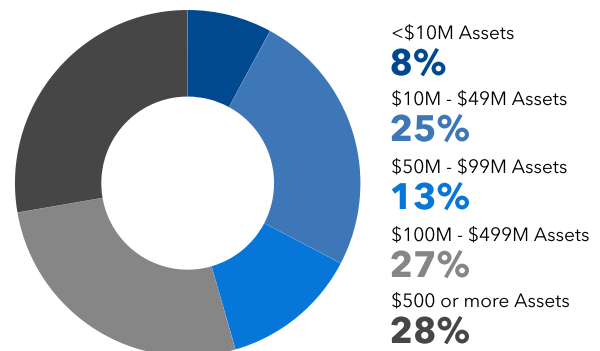
of credit unions that can provide board compensation have paid fees to at least one director.

ONLY

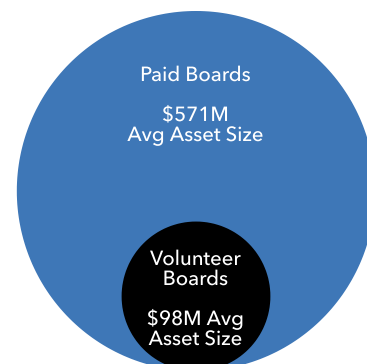
25%

of board members and officers were paid fees at credit unions that can provide compensation.

Most credit unions with paid boards have at least \$100M in assets



Size Matters: Larger credit unions are more likely to pay their boards.



BOARD TREASURER MEDIAN *

\$ 3,600

BOARD SECRETARY MEDIAN *

\$ 1,675

BOARD CHAIR MEDIAN *

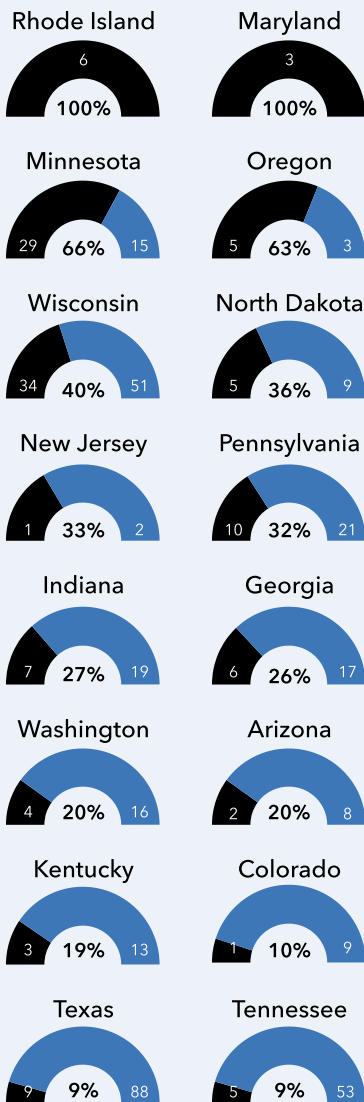
\$ 2,400

BOARD MEMBER MEDIAN *

\$ 1,800

Which credit unions are paying their boards?

Proportion of Paid Credit Union Boards by State



Average Pay for Paid Board Members by State

#	State	Average Assets (millions)	Proportion of board members that were paid (a)	Average Pay
1.	Oregon**	\$1,809	82%	\$ 16,345
2.	Arizona**	\$1,601	100%	\$ 16,121
3.	Georgia	\$868	51%	\$ 11,697
4.	Rhode Island	\$619	100%	\$ 10,589
5.	Colorado**	\$5,568 (b)	100%	\$ 6,934
6.	Washington	\$874	53%	\$ 6,172
7.	Texas	\$1,023	93%	\$ 4,436
8.	Indiana	\$582	84%	\$ 4,367
9.	New Jersey**	\$0.54 (b)	13% (c)	\$ 4,290 (b)
10.	Pennsylvania	\$117	81%	\$ 4,163
11.	Maryland	\$93	74%	\$ 3,584
12.	Kentucky	\$496	30%	\$ 3,037
13.	Tennessee	\$949	21%	\$ 2,638
14.	Minnesota	\$359	79%	\$ 2,290
15.	Wisconsin	\$200	81%	\$ 1,784
16.	North Dakota**	\$166	87%	\$ 1,128

* Median compensation per role was calculated from a sample that includes only those that were paid some fee and determined by the Johnston Centre to be primarily in that role.

** New US States that allow board compensation

(a) Indicates only the proportion of board members that received pay if a board compensated at least one member.

(b) Not an average since the number only represents a sample of one.

(c) Only one person among eight had received compensation in New Jersey in our data.