

2020 Credit Union Diversity Self-Assessment Results Report



NCUA
National Credit Union Administration

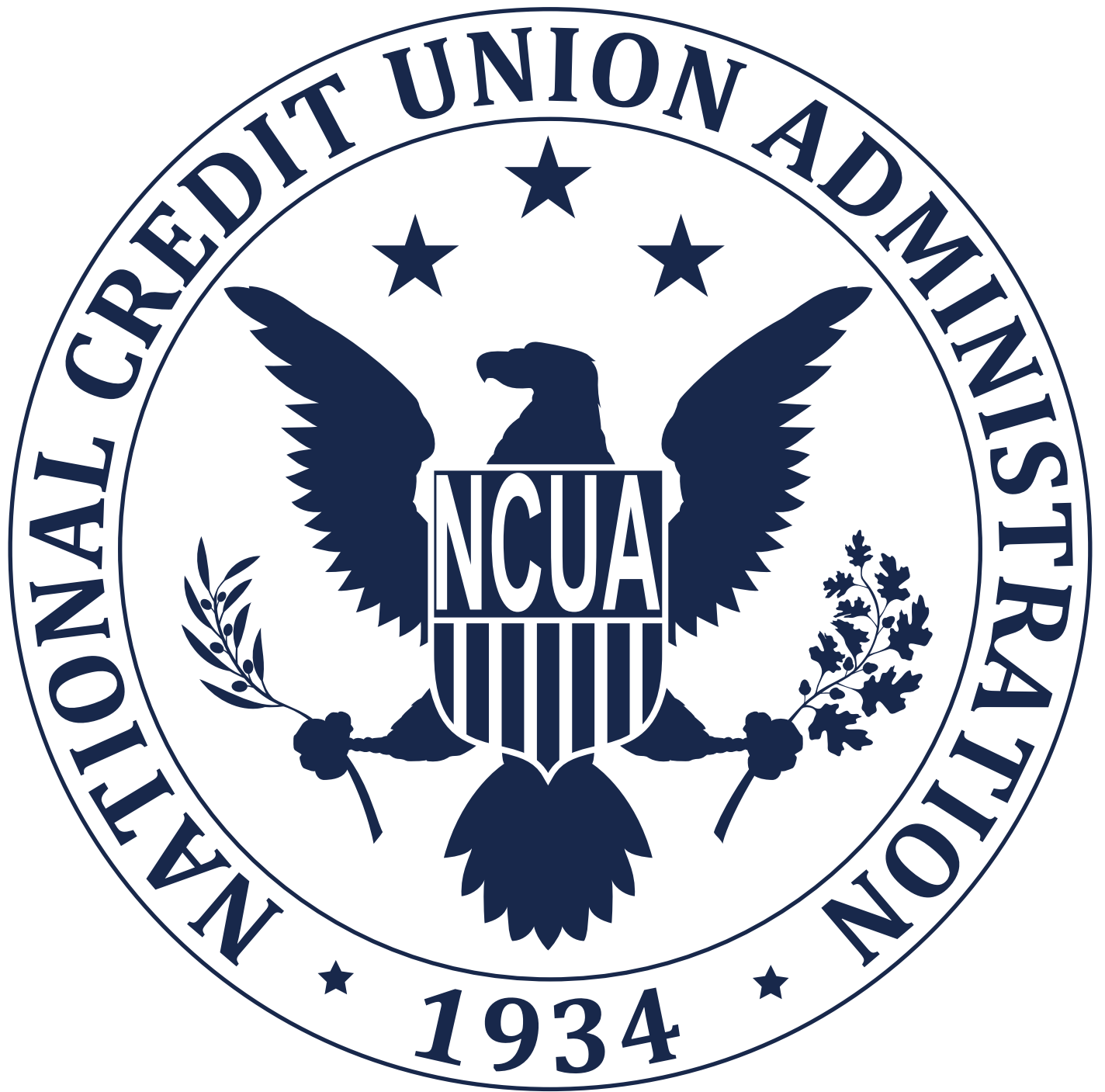


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Executive Summary

Diversity, equity, and inclusion took center stage in 2020 as the nation struggled with racial unrest and the COVID-19 pandemic rapidly spread throughout the world. Clearly, 2020 was a year like no other – one that highlighted the effects of systemic racism and exposed the inequities experienced by marginalized groups in our nation.

By practicing diversity, equity, and inclusion, institutions can take steps to mitigate the inequities in society. The business case for diversity in credit unions is simple: it makes good business sense to have board members, managers, and employees reflect the community the credit union serves. Diversity leads to better service, greater innovation, better solutions, increased membership, and an enriched member and employee experience. These factors make credit unions strong and sustainable, and ultimately strengthen the entire credit union system.

But beyond the business case, practicing diversity, equity, and inclusion in the credit union system is the right thing to do. It breeds fairness, opportunity, and access in many communities that have been historically marginalized.

The voluntary [Credit Union Diversity Self-Assessment](#) (CUDSA) outlines best practices for creating a more diverse and inclusive credit union. Credit unions are increasingly using this tool to assess, guide, and monitor their diversity-related efforts. In 2020, 188 credit unions (115 federal and 73 state-chartered, federally insured) submitted self-assessments. This represents a 59.3 percent increase over the 118 self-assessments submitted in 2019.

The responding credit unions varied in the number of employees and asset size. The aggregate number of employees working at the responding credit unions represents 13 percent of employees at all federally insured credit unions. Asset sizes ranged from \$1.2 million to \$16.3 billion with 142 of the 188 credit unions, or 76 percent, reporting \$100 million or more in assets. Seventy-three of the credit unions reporting in 2020 had assets of more than \$1 billion.

The Credit Union Diversity Self-Assessment categorizes the best practices under five major standards:

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.

Approximately 60 percent of responding credit unions reported a leadership and organizational commitment to diversity, while 58 percent noted taking steps to implement employment practices to demonstrate that commitment. Twenty-nine percent of the reporting credit unions monitored and assessed their diversity practices. As in previous years, supplier diversity and transparency of diversity and inclusion practices remained areas for improvement. In 2020, only 10 percent of the reporting credit unions reported having a supplier diversity program and just 21 percent indicated their credit union was transparent with their diversity and inclusion practices.

Diversity and inclusion drive positive results in organizations, including credit unions, by contributing to innovation, productivity, talent acquisition and retention, employee engagement, and more. The NCUA encourages credit unions to implement policies and practices to improve their levels of diversity and inclusion as a means for enjoying the benefits of such a practice. Conducting the self-assessment helps credit unions identify challenges and opportunities to advance diversity and inclusion, while sharing their results assists the NCUA in monitoring and assessing diversity and inclusion within the credit union system.

Introduction

The NCUA strongly supports diversity, equity, and inclusion throughout the credit union system and seeks to stay abreast of trends and progress made in credit union diversity-related activities. Since 2016, the NCUA has encouraged credit unions to share their diversity and inclusion successes and challenges by completing and submitting the [Credit Union Diversity Self-Assessment](#). The CUDSA is voluntary; it is not part of the NCUA or state regulatory examination processes and it has no impact on a credit union's CAMEL¹ rating. Simply stated, there are many benefits of completing the CUDSA and no risk to credit unions in sharing diversity and inclusion assessment data with the NCUA.

Available year-round, the CUDSA contains proven best practices and serves as a tool to help assess and guide a credit union's diversity efforts. A credit union may start the CUDSA any time during the year, save it, and then complete it later. This allows credit unions to use the form during monthly board meetings or periodic strategic planning sessions and complete it incrementally. In using it this way, the CUDSA becomes a guide to improve diversity and inclusion practices within a credit union and beyond. Although the CUDSA is available year-round, the cut-off date for submission of the annual CUDSA is January 15 of the following year.

For five years, the NCUA has collected diversity self-assessments from credit unions. Pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, the NCUA is responsible for assessing the diversity policies and practices of its regulated entities. In 2015, the financial institution regulatory agencies collectively established the diversity standards set forth in the 2015 [Interagency Policy Statement Establishing Joint Standards for Assessing the Diversity Policies and Practices](#)² to facilitate a self-assessment process. The agencies grouped the joint standards into these five areas, or sets of standards:

The Credit Union Diversity Self-Assessment contains best practices for credit union diversity. Access the self-assessment at www.cudiversity.ncua.gov.

1 CAMEL is an acronym for Capital Adequacy, Asset Quality, Management, Earnings and Liquidity/Asset-Liability Management. CAMEL is an internal rating system used for evaluating the soundness of credit unions on a uniform basis, the degree of risk to the National Credit Union Share Insurance Fund and for identifying those institutions requiring special supervisory attention or concern.

2 Office of the Comptroller of the Currency; Board of Governors of the Federal Reserve System; Federal Deposit Insurance Corporation; Bureau of Consumer Financial Protection; Securities and Exchange Commission; and the National Credit Union Administration.

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 standards provide a framework for a financial institution to create or strengthen its diversity policies and practices. This statement also encourages credit unions and other financial institutions, especially those with 100 or more employees, to conduct annual self-assessments of diversity and inclusion practices and policies related to workforce and contracting activities.

Using the joint standards, the NCUA created the [CUDSA](#) to help with the assessment process, provide guidance for advancing diversity and inclusion in credit unions, and highlight best practices for demonstrating a commitment to diversity and inclusion. Credit unions began conducting and voluntarily submitting self-assessments to the NCUA's Office of Minority and Women Inclusion (OMWI) in 2016.

The aggregated self-assessment data enables the NCUA to monitor progress and trends in credit union diversity-related activities. OMWI only shares aggregated results and does not identify specific credit unions. The results are included in the NCUA's annual [OMWI Report to Congress](#) and in this annual report of the self-assessment results. Previous CUDSA results reports are located on the [NCUA's website](#).

CUDSA data also helps the NCUA serve as a resource to credit unions by identifying areas where additional guidance to advance diversity efforts could be useful. For example in 2018, the NCUA issued the [Credit Union Guide to Supplier Diversity](#) after identifying that many credit unions reported low levels of engagement in this area.

Employment Profile of Federally Insured Credit Unions

The number of federally insured credit unions declined by 137 (2.6 percent) in 2020. As of December 31, 2020, there were 5,099 federally insured credit unions. That total included 3,185 federally chartered credit unions and 1,914 state-chartered credit unions that are federally insured. Figure 1 shows the reduction in the number of credit unions within various ranges of total employment levels, based on December 31, 2020 Call Report data.

Employment at federally insured credit unions increased from 323,815 at year-end 2019 to 324,219 at year-end 2020. At that time, 3,970 credit unions, representing 77.8 percent of all federally insured credit unions, employed fewer than 50 personnel. Only 687 credit unions, or 13.5 percent, had 101 or more total employees, and these credit unions collectively employed 76.7 percent of the 324,219 employees working at all federally insured credit unions.

Federally Insured Credit Union Employees

Employees	2020 Number of Credit Unions	Percent of Total Credit Unions	2020 Number of Employees	Percent of Total Employees
Fewer than 50 employees	3,970	77.8%	44,456	13.7%
50 to 100 employees	442	8.7%	31,178	9.6%
101 to 500 employees	575	11.3%	123,698	38.2%
501 or more employees	112	2.2%	124,887	38.5%
TOTAL	5,099	100%	324,219	100%

Source: NCUA Call Report Data as of December 31, 2020

Figure 1

Figure 2 provides a snapshot of the gender diversity of credit union senior managers. Women comprised a slight majority of credit union managers and chief executive officers; however, women managers and CEOs outnumbered men only in credit unions with less than \$100 million in assets. Men represented the majority of the CEOs leading credit unions with \$100 million or more in assets.

Gender of Credit Union Managers and CEOs

	All Credit Unions		Less than \$100 million in Assets		\$100 – \$500 million in Assets		\$500 million – \$1 billion in Assets		Over \$1 billion in Assets	
	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men
Gender Representation (in percent)	51.8%	48.2%	65.3%	34.7%	29.9%	70.1%	19.0%	81.0%	16.5%	83.5%
Average Net Worth Ratio	13.4%	11.7%	13.9%	13.3%	11.0%	10.4%	10.0%	10.3%	10.5%	10.2%
Average CAMEL	2.1	2.0	2.1	2.2	1.8	1.9	1.6	1.8	1.5	1.5
Number of Credit Unions	2,643	2,456	2,211	1,176	318	745	53	226	61	309

Source: NCUA Call Report Data as of December 31, 2020

Figure 2

Profile of Credit Unions Submitting Self-Assessments

In 2020, 188 credit unions (115 federal and 73 federally insured, state-chartered) submitted self-assessments. This represents a 59.3 percent increase over the 118 self-assessments submitted in 2019. Since 2016, approximately 275 discrete credit unions have submitted self-assessments, with six credit unions having submitted assessments for each of the five reporting years. Figure 3 provides a historical breakdown of submitters by asset size.

Submitter Profile – Asset Size and Submission Year

Asset Size	2016		2017		2018		2019		2020	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than \$10 million	5	14.3%	3	4.7%	7	8.6%	6	5.1%	10	5.3%
\$10 million to less than \$50 million	0	0.0%	6	9.4%	13	16.0%	24	20.3%	23	12.2%
\$50 million to less than \$100 million	5	14.3%	7	10.9%	3	3.7%	10	8.5%	13	6.9%
\$100 million to less than \$500 million	7	20.0%	18	28.1%	23	28.4%	25	21.2%	39	20.7%
\$500 million to less than \$1 billion	8	22.9%	18	28.1%	20	24.7%	21	17.8%	30	16.0%
More than \$1 billion	10	28.6%	12	18.8%	15	18.5%	32	27.1%	73	38.8%
Total	35	100.0%	64	100.0%	81	100.0%	118	100.0%	188	100.0%

Source: NCUA Call Report Data

Figure 3

The credit unions that responded varied in number of employees and asset size. The 188 credit unions that submitted a self-assessment in 2020 represent only 3.7 percent of all federally insured credit unions as of December 31, 2020. While the NCUA encourages all credit unions to use the Credit Union Diversity Self-Assessment as a tool to guide their creation of a new diversity program, or assess and enhance an existing program, it is reasonable to receive only a limited number of diversity profiles from small credit unions with few or no employees.

The aggregate number of employees working at the credit unions responding in 2020 represented 13.6 percent of employees at all federally insured credit unions. In 2020, 13.7 percent of credit unions with between 101 and 500 employees and 22 percent of credit unions with 501 or more employees submitted a self-assessment. Asset sizes of credit unions responding in 2020 ranged from \$1.2 million to \$16.3 billion, with 142 of the 188 credit unions, or 75.5 percent, reporting \$100 million or more, as shown in Table 4.

2020 Self-Assessment Submitter Profile – Employees and Asset Range

Total Employees	Credit Union Count	Asset Range	Aggregate Employees
0 – 49	65	\$1.2M – \$326.6M	1,125
50 – 100	19	\$114.7M – \$1.0B	1,326
101 – 500	79	\$356.0M – \$10.2B	20,130
More than 500	25	\$2.3B – \$16.3B	21,381
Total	188	\$1.2M – \$16.3B	43,962

Source: NCUA Call Report Data as of December 30, 2020

Figure 4

In 2018, the NCUA modified the CUDSA to include a section to collect workforce data by gender, race, and national origin. Of credit unions submitting CUDSA results in 2020, approximately 86 percent provided at least some of this demographic data. As shown in Figure 5, 69 percent of the employees at these credit unions are women, as are 59.9 percent of the management employees and 33.6 percent of the board members, respectively.

2020 Self-Assessment Submitter Workforce Profile

Gender and Race/National Origin	All Employees		Management Employees Only		Board Members Only	
	Number	Percent	Number	Percent	Number	Percent
Women	22,442	69.0%	3,602	59.9%	335	33.6%
Men	10,108	31.0%	2,415	40.1%	662	66.4%
Gender Not Identified	4,185		355		19	
American Indian or Alaska Native	132	0.5%	22	0.5%	4	0.5%
Asian	1,048	4.0%	145	3.2%	31	4.1%
Black or African American	2,836	10.9%	382	8.4%	109	14.3%
Hispanic or Latino Only	4,223	16.2%	496	10.9%	49	6.5%
Two or More Races	530	2.0%	67	1.5%	5	0.7%
Native Hawaiian or Other Pacific Islander	82	0.3%	9	0.2%	1	0.1%
White	16,918	64.8%	3,393	74.4%	532	70.0%
Unspecified/Not Known	350	1.3%	44	1.0%	29	3.8%
Race/National Origin Not Identified	10,616		1,866		304	
Total	36,735		6,424		1,064	

Source: NCUA Credit Union Self-Assessment Data as of January 15, 2021

Figure 5

Credit unions that shared workforce data in 2020 reported that 64.8 percent of all employees and 74.4 percent of management employees are White. Hispanics or Latinos made up 16.2 percent, and Black/African Americans made up 10.9 percent of all employees. Hispanics or Latinos ranked second to Whites for management employees at 10.9 percent, followed by Blacks/African Americans, who represented 8.4 percent of management employees. These credit unions reported that 14.3 percent of the board members were Black/African American, and 6.5 percent were Hispanic or Latino.

Native Hawaiians and Other Pacific Islanders were the least represented demographic within credit unions sharing workforce profile data, while American Indians and Alaska Natives were the second least represented group among management as well as employees. Of the credit unions sharing workforce profile data, race/national origin was not identified for 28.9 percent of all employees, 29.1 percent of management employees, and 28.6 percent of board members.

The NCUA encourages more credit unions to share this information with OMWI by completing the Workforce Profile section of the CUDSA to allow for further analysis of the demographic make-up and employment trends within the credit union system.

Summary of 2020 Submission Results by Broad Standard

Figure 6 summarizes self-assessment responses from 2016 through 2020 for each of the five broad standards for assessing diversity within regulated entities. Each standard contains several specific components. For example, Standard 2 contains seven specific components related to the credit union’s proactive implementation of employment practices that expand outreach to diverse individuals. The specific components assess whether the credit union has established diversity and inclusion best practices, such as implementing policies and practices to ensure equal employment opportunities for employees and applicants for employment, and whether the credit union evaluates its diversity and inclusion programs regularly and identifies areas for future improvement.

Sixty percent of responding credit unions reported a leadership and organizational commitment to diversity, 58 percent reported taking steps to implement employment practices to demonstrate that commitment, and 29 percent reported monitoring and assessing their diversity policy and practices. As in previous years, supplier diversity and transparency of diversity and inclusion practices remained areas where few of the reporting credit unions have established solid business practices.

Average Responses for Broad Standards

Diversity Self-Assessment Standard	Affirmative Response				
	2016	2017	2018	2019	2020
	35	64	81	118	188
1. Leadership/Organizational Commitment to Diversity and Inclusion	54%	46%	57%	56%	60%
2. Proactive Implementation of Employment Practices that Expand Outreach Efforts to Diverse Individuals	53%	54%	47 %	48%	58%
3. Consideration of Supplier Diversity in Procurement and Business Practices	7%	7%	5%	8%	10%
4. Promotion of Transparency of Diversity and Inclusion Practices	22%	20%	14%	17%	21%
5. Monitoring and Assessment of Diversity Policy and Practices	22%	24%	30%	29%	29%

Source: NCUA Credit Union Diversity Self-Assessment Data

Figure 6

Consecutive Year Submission Results

Since the CUDSA launched in 2016, approximately 275 discrete credit unions have submitted the self-assessment to the NCUA's OMWI for at least one year. Historically, credit unions that submitted the self-assessment in two or more consecutive years show marked improvement in their diversity-related policies and practices from year to year.

A majority, or 80 of the 118 credit unions submitting a self-assessment in 2019, also submitted a self-assessment in 2020. The asset size range for these credit unions was between \$2 million to just over \$10 billion. Collectively, these credit unions employed approximately 17,000 individuals, with a range of between 0 and 945 employees.

As indicated in Figure 7, these 80 credit unions reported year-over-year improvement in all five broad standards and reported higher affirmative responses than credit unions that did not report in consecutive years.

Credit Unions Reporting in 2019 and 2020 (80 Credit Unions)

Diversity Self-Assessment Standard	Affirmative Responses		Negative Responses	
	2019	2020	2019	2020
1. Leadership/Organizational Commitment to Diversity and Inclusion	64%	67%	36%	33%
2. Proactive Implementation of Employment Practices that Expand Outreach Efforts to Diverse Individuals	58%	68%	42%	32%
3. Consideration of Supplier Diversity in Procurement and Business Practices	9%	14%	91%	86%
4. Promotion of Transparency of Diversity and Inclusion Practices	22%	27%	78%	73%
5. Monitoring and Assessment of Diversity Policy and Practices	36%	39%	64%	61%

Source: NCUA Credit Union Diversity Self-Assessment Data

Figure 7

Six credit unions submitted CUDSA results in each of the five years the NCUA has collected them. The results, shown in Figure 8, indicate progressive improvement and higher levels of engagement in most of the assessed areas from 2016 to 2020.

Credit Unions Reporting in Consecutive Years (2016 – 2020) (6 Credit Unions)

Diversity Self-Assessment Standard	Affirmative Responses				
	2016	2017	2018	2019	2020
1. Leadership/Organizational Commitment to Diversity and Inclusion	71%	77%	79%	81%	81%
2. Proactive Implementation of Employment Practices that Expand Outreach Efforts to Diverse Individuals	67%	85%	92%	93%	88%
3. Consideration of Supplier Diversity in Procurement and Business Practices	10%	8%	13%	10%	15%
4. Promotion of Transparency of Diversity and Inclusion Practices	28%	33%	38%	33%	37%
5. Monitoring and Assessment of Diversity Policy and Practices	46%	67%	71%	75%	71%

Source: NCUA Credit Union Diversity Self-Assessment Data

Figure 8

Aggregate Results of 2020 Self-Assessments by Individual Standard

The aggregate results of the 2020 CUDSA submissions are summarized below by each individual standard. It is important to note that these results represent only a small portion of existing federally insured credit unions and may not be representative of the entire credit union system.

Standard 1 – Leadership/Organizational Commitment to Diversity and Inclusion

The foundation of most successful diversity and inclusion programs is an organizational commitment to diversity and inclusion, and leadership that not only promotes those values in employment and contracting, but fosters an organizational culture that embraces them.

As in previous years, a majority of the responding credit unions reported a strong leadership and organizational commitment to diversity and inclusion, and close to half (46 percent) reported having a written diversity and inclusion policy approved by senior leadership. Eighty-five percent of these credit unions were taking proactive steps to include a diverse pool of candidates when hiring, recruiting, retaining, and promoting employees, and 73 percent were taking similar steps in the selection of board member candidates and senior management.

Most of the reporting credit unions have a senior-level official who oversaw their diversity and inclusion strategies and initiatives (71 percent); included diversity and inclusion considerations in their strategic plan for employment actions (69 percent); and regularly conducted training and provided educational opportunities on diversity and inclusion (65 percent).

Fewer of the reporting credit unions included diversity and inclusion considerations in their strategic plans for contracting with vendors (35 percent) or provided regular progress reports on their diversity and inclusion efforts to credit union leadership (36 percent).

Figure 9 contains the 2020 aggregated results for Standard 1.

In a manner reflective of our size and other characteristics, our credit union:	Yes	No
1. Has a written diversity and inclusion policy approved by senior leadership, including the board of directors and senior management.	46%	54%
2. Has a senior-level official with knowledge of and experience in diversity and inclusion policies and practices to oversee our diversity and inclusion strategies and initiatives.	71%	29%
3. Regularly conducts training and provides educational opportunities on equal employment opportunity and on diversity and inclusion.	65%	35%
4. Takes proactive steps to include a diverse pool of women and minorities or other diverse individual candidates for:		
a. Hiring, recruiting, retention, or promotion of employees.	85%	15%
b. Selection of board member candidates and senior management.	73%	27%
5. Includes diversity and inclusion considerations in our strategic plan for recruiting, hiring, retention, and/or promotion of our workforce.	69%	31%
6. Includes diversity and inclusion considerations in our strategic plan in contracting with vendors.	35%	65%
7. Provides regular (such as quarterly) progress reports on diversity and inclusion efforts to our board of directors or senior management.	36%	64%

Source: NCUA Credit Union Diversity Self-Assessment Data

Figure 9

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

These standards measure a credit union’s efforts to identify and communicate employment opportunities to diverse candidates, create a culture that values the contribution of all employees, and hold management accountable for diversity and inclusion.

Approximately 91 percent of credit unions reporting in 2020 had policies and practices in place to ensure equal employment opportunities for employees and applicants. Many also reported having policies and practices that create or foster diverse applicant pools for employment opportunities. In addition:

- Sixty percent conducted outreach to minority, women and other diverse individuals;
- Forty-eight percent conducted outreach to educational institutions serving these groups; and
- Fifty-seven percent participated in conferences, workshops, and other events that attracted diverse individuals to inform them of employment and promotion opportunities.

Forty-five percent of the responding credit unions communicated employment opportunities through media targeting diverse populations and 58 percent cultivated relationships with professional organizations or educational institutions that primarily serve these populations.

To ensure their diversity programs are having the intended results, 53 percent of reporting credit unions regularly evaluated their programs and identified areas for future improvement. Approximately 67 percent used analytical tools to assess, measure, and track their workforce diversity, and 55 percent used these tools to monitor the inclusiveness of their employment practices.

Effective diversity programs charge management with reinforcing behaviors and establishing or maintaining a culture that embraces diversity and inclusion. They also hold management accountable for effectively leading these efforts. Forty-three percent of the responding credit unions reported holding management accountable for diversity and inclusion efforts.

Figure 10 contains the 2020 aggregated results for Standard 2.

In a manner reflective of our size and other characteristics, our credit union:	Yes	No
1. Implements policies and practices to ensure equal employment opportunities for employees and applicants for employment.	91%	9%
2. Implements policies and practices that create or foster diverse applicant pools for employment opportunities. These may include:		
a. Conducting outreach to minority, women, or other diverse individuals. ³	60%	40%
b. Conducting outreach to educational institutions serving significant or predominately minority, women, or other diverse student populations.	48%	52%
c. Participating in conferences, workshops, and other events that attract minorities, women, or other diverse individuals to inform them of employment and promotion opportunities.	57%	43%
3. Communicates employment opportunities through media reaching diverse populations, including publications or professional organizations and educational institutions predominantly serving minority, women, or other diverse populations.	45%	55%
4. Cultivates relationships with professional organizations or educational institutions that primarily serve minority, women, or other diverse individuals or organizations.	58%	42%
5. Evaluates our diversity and inclusion programs regularly and identifies areas for future improvement.	53%	47%
6. Uses analytical tools, including quantitative and qualitative data, to assess, measure, and track:		
a. Our workforce diversity at all levels, including supervisory and executive ranks, by race, ethnicity, gender, or other diverse categories.	67%	33%
b. The inclusiveness of our employment practices for hiring, promotion, career development, internships, or retention, by ethnicity, gender, or other diverse category.	55%	45%
7. Holds management accountable for diversity and inclusion efforts, for example by ensuring these efforts align with business strategies or individual performance plans.	43%	57%

Source: NCUA Credit Union Diversity Self-Assessment Data

Figure 10

³ “Other diverse individuals or organizations” refer to those identified in your own established diversity and inclusion policies, which could consist of persons with disabilities, veterans, millennials, or lesbian/gay/bisexual/transgender individuals as examples.

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

Supplier diversity is the practice of intentionally including a diverse supplier pool when procuring goods and services for a business or organization. Diverse suppliers are generally defined as small, women-owned, minority-owned, or veteran-owned businesses, or businesses owned by individuals from other groups that have been historically underrepresented, such as persons with disabilities or individuals from the lesbian, bisexual, gay, transgendered, and queer community.

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

As in prior years, few of the reporting credit unions reported engagement in this area. This may be due, in part, to the vast range of procurement needs of the responding credit unions. Smaller credit unions with minimal procurement needs may simply fill them through the local office supply store or through online purchases, and thus, may be unable to determine whether the supplier meets the definition of “diverse.” Moreover, smaller credit unions generally do not have enough procurement needs to justify a formal supplier diversity program. Other credit unions receive significant sponsor support, thereby eliminating the need for the credit union to establish its own supplier diversity program.

In 2020, 11 percent of the reporting credit unions had a written supplier diversity policy that provided opportunities for minority- and women-owned businesses to bid on contracts. Thirty-four percent had leadership support to incorporate supplier diversity into business planning cycles or initiatives. Four percent had an established policy to solicit bids from a certain number or percentage of diverse businesses and 7 percent reported outreach efforts to inform diverse suppliers of contracting opportunities and how to do business with the credit union.

Regarding the use of metrics to identify a baseline and tracked supplier diversity, 23 percent tracked the amount spent procuring and contracting for goods and services, and 5 percent tracked the amount spent annually with minority- and women-owned businesses. Five percent of reporting credit unions tracked the availability of relevant minority- and women-owned businesses to compete in their contracting opportunities. Four percent tracked the percentage of dollars awarded to diverse businesses by race, ethnicity, and gender as compared to total contract dollars awarded for the calendar year; and 4 percent tracked metric changes over time.

Fifteen percent of reporting credit unions indicated they participated in events aimed at minority- and women-owned businesses to inform them of contracting opportunities. However, 93 percent reported they did not maintain a listing of qualified minority- and women-owned businesses that could bid on upcoming contracting opportunities. Six percent reported having an ongoing process to publicize their contracting opportunities, and 9 percent encouraged prime contractors to use minority- and women-owned business subcontractors by incorporating this objective in their business contracts.

The [Credit Union Guide to Supplier Diversity](#), published in 2018, provides guidance on how to establish or enhance a supplier diversity program.

Figure 11 contains the 2020 aggregated results for Standard 3.

In a manner reflective of our size and other characteristics, our credit union:	Yes	No
1. Has 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. Has leadership support to incorporate supplier diversity into business planning cycles or initiatives.	34%	66%
3. Has an established policy to solicit bids from a certain number or percentage of qualified minority- and women-owned businesses.	4%	96%
4. Conducts targeted outreach specifically to inform minority- and women-owned businesses or affinity groups representing these constituencies of contracting opportunities and how to do business with us.	7%	93%
5. Uses metrics to identify a baseline and track:		
a. The total amount we spend annually buying and contracting goods and services.	23%	77%
b. The availability of relevant minority- and women-owned businesses to compete in our contracting opportunities.	5%	95%
c. The amount we spend with minority- and women-owned businesses.	5%	95%
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 the calendar year.	4%	96%
e. The changes related to the above items over time.	4%	96%
6. Implements 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.	15%	85%
b. Maintaining a listing of qualified minority- and women-owned businesses that may bid on upcoming contracting opportunities.	7%	93%
c. Having an ongoing process to publicize our contracting opportunities.	6%	94%
7. Encouraging prime contractors to use minority- and women-owned subcontractors by incorporating this objective in their business contracts.	9%	91%

Source: NCUA Credit Union Diversity Self-Assessment Data

Figure 11

Standard 4 – Promotion of Transparency of Diversity and Inclusion Practices

This set of standards relates to transparency of diversity and inclusion efforts, which represent a deep level of commitment. Credit unions are encouraged to be transparent by sharing their diversity and inclusion efforts, including their goals and accomplishments. Publicly communicating plans for achieving diversity and inclusion informs a broad constituency of current and potential members, employees, and suppliers, as well as the public, about the credit union's efforts to promote diversity and inclusion. Publishing this information has the potential of opening access to a broader market and attracting diverse groups, and it illustrates ongoing progress in meeting a credit union's diversity and inclusion objectives.

Transparency does *not* require sharing confidential or proprietary information. Credit unions can communicate information about their efforts through normal business methods, such as displaying information on their website, in promotional material, and in annual reports to members.

The results for this portion of the self-assessment revealed that even the reporting credit unions with established diversity and inclusion programs are not actively publicizing their efforts. In 2019, reporting credit unions indicated that most do not periodically compile information suitable for publication about efforts to enhance their diversity and inclusion. In 2020, only:

- Thirty-five percent published demographic information on workforce composition;
- Four percent published demographic information on supplier diversity;
- Twenty-seven percent published demographic information on board members and other officials;
- Thirty-seven percent published other information on diversity and inclusion efforts; and
- Twenty-four percent published information on sponsorships or partnerships with diverse organizations.

In 2020, only 28 percent of reporting credit unions made public their policy or commitment to diversity and inclusion in the workforce, and only 8 percent publicly shared their diversity and inclusion strategic plan. Six percent made their policy on their commitment to supplier diversity public, and 13 percent publicized their efforts and progress toward achieving diversity and inclusion in their workforce and contracting activities.

Forty-nine percent of the 188 credit unions reporting in 2020 publicized opportunities that promoted diversity and inclusion in their employment and internship opportunities. Most (93 percent) did not publicize opportunities that promoted diversity and inclusion in their contracting opportunities. Slightly more than one third (34 percent) publicized opportunities that promoted mentorship or development programs for employees, and 3 percent publicized opportunities that promoted diversity and inclusion in developmental programs for potential contractors.

Figure 12 contains the 2020 aggregated results for Standard 4.

In a manner reflective of our size and other characteristics, our credit union:	Yes	No
1. Periodically publishes information about our efforts to enhance diversity and inclusion, which may include:		
a. Demographic information on workforce composition (such as that found on an annual EEOC report).	35%	65%
b. Demographic information on supplier diversity (contracting activities).	4%	96%
c. Demographic information on the board members and other officials.	27%	73%
d. Information on sponsorships or partnerships with diverse organizations.	37%	63%
e. Other information on our diversity and inclusion efforts.	24%	76%
2. Makes 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.	28%	72%
c. Our policy on the credit union's commitment to diversity and inclusion to supplier diversity.	6%	94%
d. Our efforts and progress toward achieving diversity and inclusion in our workforce and contracting activities.	13%	87%
3. Publicizes opportunities that promote diversity and inclusion, which may include:		
a. Employment and internship opportunities.	49%	51%
b. Contracting opportunities.	7%	93%
c. Mentorship or developmental programs for employees.	34%	66%
d. Developmental programs for potential contractors.	3%	97%

Source: NCUA Credit Union Diversity Self-Assessment Data

Figure 12

Standard 5 – Monitoring and Assessment of Diversity Policy and Practices

The fifth set of diversity standards relates to monitoring and assessing diversity and inclusion policies and practices. Forty-seven percent of the reporting credit unions in 2020 conducted an annual self-assessment or evaluation of their diversity policies and practices, and 41 percent reported modifying their policies and practices based on these assessment results. Only 8 percent of reporting credit unions published information about assessing or monitoring diversity policies and practices, and 21 percent completed and submitted the CUDSA form to the NCUA on an annual basis.

Figure 13 contains the 2020 aggregated results for Standard 5.

In a manner reflective of our size and other characteristics, our credit union:	Yes	No
1. Conducts a self-assessment or evaluation of our diversity policies and practices annually.	47%	53%
2. Modifies our diversity policies and practices based on the results of the self-assessment or evaluation of our diversity policies and practices.	41%	59%
3. Provides information pertaining to the self-assessment or evaluation of our diversity policies and practices to the NCUA's Office of Minority and Women Inclusion director annually.	21%	79%
4. Publishes information pertaining to our assessment of our diversity policies and practices.	8%	92%

Source: NCUA Credit Union Diversity Self-Assessment Data

Figure 13

Summary

The year 2020 marks the fifth consecutive year the NCUA has collected diversity data from credit unions using the voluntary CUDSA. Approximately 275 individual credit unions have submitted a self-assessment to the NCUA for at least one of those five years.

Over this period, the results have shown that responding credit unions continuously report:

- A strong leadership and organizational commitment to diversity.
- Low engagement with supplier diversity.
- Year-over-year improvement in all areas assessed for credit unions submitting in consecutive years.
- Women make up the majority of the management ranks of credit unions with assets under \$100 million while men make up the majority of the management ranks in credit unions with assets above \$100 million.
- Few credit unions publish information pertaining to their assessment of their diversity policies and practices.

It is important to note that the credit unions submitting self-assessments represent only 3.7 percent of existing credit unions; thus, these findings and the results in this report should not be interpreted as representative of the entire credit union industry.

In 2020, CUDSA submissions increased by 59 percent, with 188 credit unions submitting a self-assessment. A majority (60 percent) of these credit unions reported a leadership and organizational commitment to diversity, and 58 percent reported taking steps to implement employment practices to demonstrate that commitment.

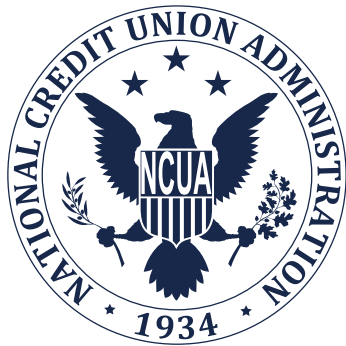
Credit unions that submitted the self-assessment in consecutive years show marked improvement from year-to-year in all of the five broad standards.

The NCUA encourages all credit unions to routinely monitor and evaluate performance related to their diversity policies and established practices and to disclose, whenever appropriate, diversity policies, practices, and related information to both the NCUA and the public. The NCUA recommends credit unions use the CUDSA, which contains diversity best practices, as a principal tool to establish a diversity and inclusion roadmap for themselves.

Whether through one standard or all five of them, credit unions can use the CUDSA to work on various aspects of their diversity and inclusion posture. Along the way, they can extract benefits as described in this report. Ultimately, completing and submitting a CUDSA to the NCUA annually can serve as a useful exercise in self-directing diversity and inclusion efforts.

The NCUA accepts self-assessments year-round; however, the cut-off date for annual submissions is January 15 of the following year.

Please direct questions about this report to the NCUA's OMWI at omwimail@ncua.gov.



Office of Minority and Women Inclusion
1775 Duke Street
Alexandria, VA 22314
703 518-1650
OMWlmail@ncua.gov

NCUA.gov

