

2021 Credit Union Diversity Self-Assessment Results Report



NCUA
National Credit Union Administration

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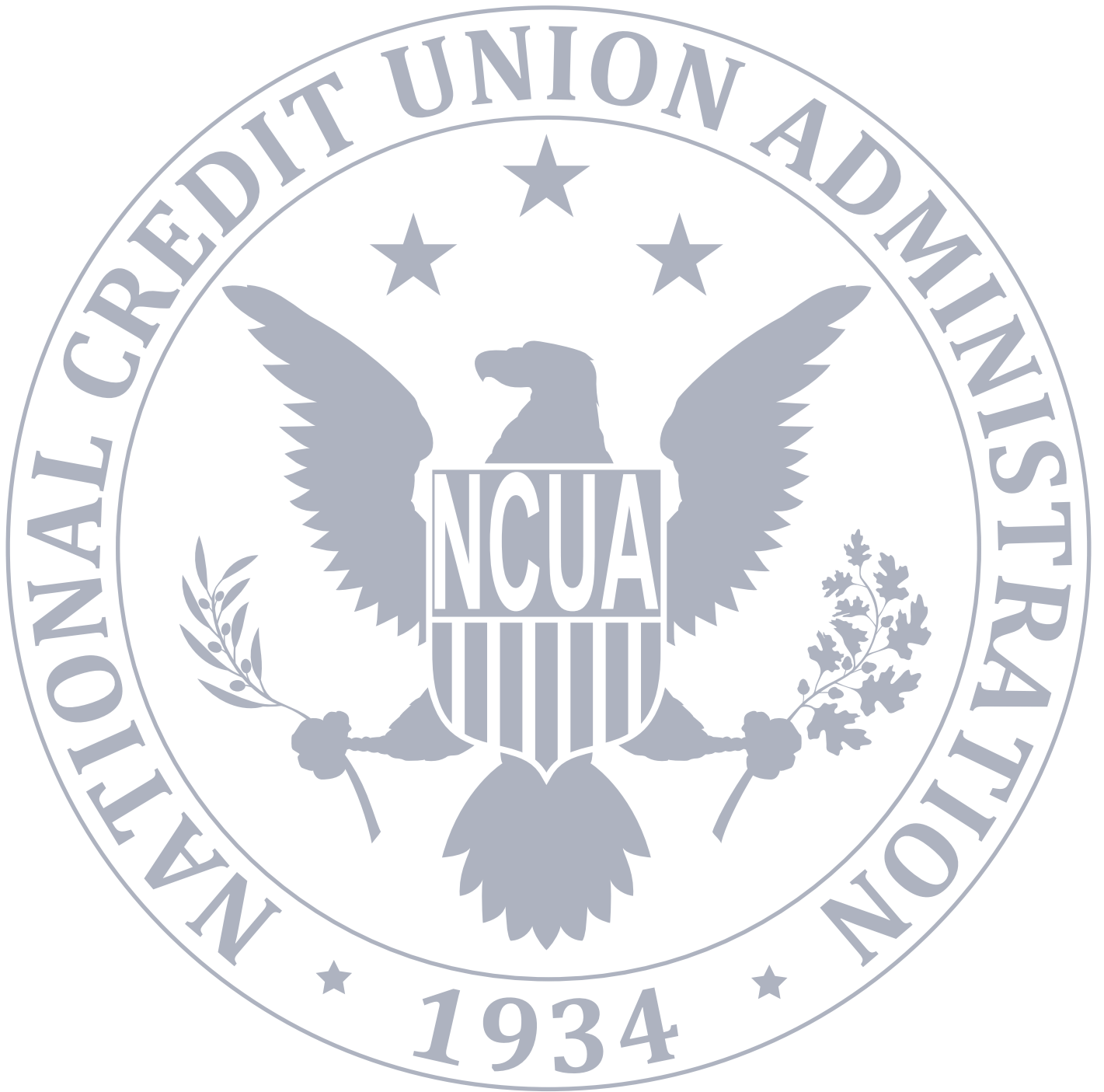


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Executive Summary

In 2021, diversity, equity, and inclusion (DEI) continued to make headway within organizations and industries throughout the nation. Across the private, non-profit and the government sectors, DEI continued to gather momentum as a strategic imperative and an essential element of an organization's plans for success. DEI has become even more important as the nation continued to weather the COVID-19 pandemic. Its intentional approach for staying connected and engaged in interpersonal interactions and communications directly address the isolation and stress many experienced while working exclusively at home.

Research studies have made a compelling business case for embracing and adopting DEI processes and behaviors as vital for an organization's future. These studies confirm the compelling financial argument for diversity and inclusion, and note that the relationship between diversity in the leadership of organizations and their financial outperformance has only solidified over time.

Credit unions are no exception. DEI is a driver for innovation that can grow credit union membership, improve the employee and member experiences, and advance the wellbeing of the communities credit unions serve. These factors benefit individual credit unions and, ultimately, strengthen the credit union system as a whole.

Beyond inclusion, focusing on equity is a central element in fully deploying the power of DEI. Equity, in its application, fosters fairness, opens equal opportunity and access for employees, and helps develop the communities credit unions serve.

To that end, the NCUA continues to administer and promote participation in the Credit Union Diversity Self-Assessment (CUDSA). The CUDSA is a valuable tool to help credit unions assess, guide, and monitor their diversity-related efforts and compare their progress with peer organizations.

In 2021, 240 credit unions submitted self-assessments. This represents a 28.3 percent increase over the 187 self-assessments submitted in 2020.

The responding credit unions varied in the number of employees and asset size. The aggregate number of employees working at the responding credit unions represent 15.6 percent of employees at all federally insured credit unions. Asset sizes ranged from less than \$1 million to \$15 billion, with 185 of the 240 responding credit unions, or 77 percent, reporting \$100 million or more in assets. Eighty-three of the credit unions reporting in 2021 had assets of more than \$1 billion.

Based on the CUDSA submissions the NCUA received for 2021:

- Approximately 61 percent of responding credit unions reported a leadership and organizational commitment to diversity.
- Fifty-six percent noted taking steps to implement employment practices demonstrating that commitment.
- Thirty-one percent of the reporting credit unions monitored and assessed their diversity practices.
- Supplier diversity and transparency of diversity and inclusion practices remained areas for improvement.
- Eleven percent of the reporting credit unions reported having a supplier diversity program in 2021.
- Twenty-three percent indicated their credit union had transparent diversity and inclusion practices.

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

- A strong leadership and organizational commitment to diversity;
- A low-level of engagement when it comes to supplier diversity;
- A solid record of improvement in all areas assessed for those credit unions submitting CUDSAs in consecutive years;
- A consistent pattern of women making up the majority of the management ranks in 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; and
- A lack of credit unions publishing 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 4.8 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.

The NCUA encourages credit unions to implement, and continually improve, DEI policies and practices, given the benefits enjoyed by diverse and inclusive organizations. Conducting the self-assessment helps credit unions identify challenges and opportunities to advance DEI and focus on specific areas where they can derive the most positive impact. Sharing their results assists the NCUA in monitoring and assessing DEI within the credit union system.

About the CUDSA

History and Background

The NCUA deployed the CUDSA in 2016 to comply with [Section 342 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010](#), which requires certain agencies to assess the diversity and inclusion practices of their respective regulated entities (credit unions, in the NCUA's case). In 2015, these financial services 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](#) to facilitate a self-assessment process.

This statement also encouraged 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. The agencies grouped the joint standards into these five areas, or sets of 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.

Methodology

Each year, the NCUA contacts all federally insured credit unions to request information about processes, procedures, successes, and challenges in advancing their internal DEI through its Credit Union Diversity Self-Assessment.

As of October 2022, the CUDSA will be accessible to individual credit unions through a custom link issued by the NCUA. The CUDSA reporting period will be narrowed to a four-month period starting on October 1 and ending January 31 of the following year. During the four-month reporting window, a credit union may start the CUDSA at any time, save it, and then complete it later.

Alternatively, a credit union can access and download a copy of the CUDSA at any time during the year. This allows credit unions to use the form during monthly board meetings or periodic strategic planning sessions as a guide to improving their diversity and inclusion practices year-round. All CUDSA submissions received during the four-month reporting period will be included in that year's CUDSA annual report.

The aggregated self-assessment data enables the NCUA to monitor progress and trends in credit union diversity-related activities. The results are included in the NCUA's annual Office of Minority and Women Inclusion (OMWI) Report to Congress and in this annual report of the self-assessment results. OMWI only shares aggregated results and does not identify specific credit unions. In addition, CUDSA data from credit unions are not accessible to or shared with the supervision function of the NCUA.

Potential Benefits

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 CAMELS rating. By itself, the CUDSA remains a useful tool for credit unions to guide their DEI journey. Simply stated, there are many benefits of completing the CUDSA and no risk to credit unions in sharing their diversity and inclusion assessment data with the NCUA.

CUDSA data also helps the NCUA serve as a resource to credit unions by identifying areas where additional support 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.

Previous CUDSA results reports are located on the [NCUA's website](#).

Employment Profile of Federally Insured Credit Unions

As of December 31, 2021, there were 4,954 federally insured credit unions, a decrease of 145 credit unions from the previous year. That total included 3,112 federal chartered credit unions and 1,842 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, 2021, Call Report data.

Employment at federally insured credit unions increased from 324,219 at year-end 2020 to 325,120 at year-end 2021. At that time, 3,833 credit unions, representing 77.4 percent of all federally insured credit unions, employed fewer than 50 personnel. Only 680 credit unions, or 13.7 percent, had 101 or more total employees, and these credit unions collectively employed 77.7 percent of the 325,120 employees working at all federally insured credit unions.

Figure 1: Federally Insured Credit Union Employees

Employees	2021 Number of Credit Unions	Percent of Total Credit Unions	2021 Number of Employees	Percent of Total Employees
Fewer than 50 employees	3,833	77.4%	41,583	12.8%
50 to 100 employees	441	8.9%	31,099	9.6%
101 to 500 employees	571	11.5%	125,023	38.4%
501 or more employees	109	2.2%	127,415	39.2%
TOTAL	4,954	100%	325,120	100%

Source: NCUA Call Report Data as of December 31, 2021

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 in credit unions with assets of \$100 million or more.

Figure 2: 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	51.4%	48.6%	65.3%	34.7%	31.5%	68.5%	22.6%	77.4%	16.9%	83.1%
Average Net Worth Ratio	13.0%	11.5%	13.6%	13.1%	10.7%	10.2%	9.9%	10.2%	10.3%	10.0%
Average CAMEL	2.1	2.0	2.2	2.2	1.8	1.9	1.6	1.7	1.5	1.5
Number of Credit Unions	2,547	2,407	2,070	1,099	342	742	65	222	70	344

Source: NCUA Call Report Data as of December 31, 2021

Profile of Credit Unions Submitting Self-Assessments

In 2021, 240 credit unions submitted self-assessments. This represents a 28.3 percent increase over the 187 self-assessments submitted in 2020. Since 2016, more than 400 discrete credit unions submitted self-assessments, with four credit unions submitting assessments for each of the six reporting years. Figure 3 provides a historical breakdown of submitters by asset size over the past five years.

Figure 3: Submitter Profile – Asset Size and Submission Year

Asset Size	2017		2018		2019		2020		2021	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than \$10 million	3	4.7%	7	8.6%	6	5.1%	10	5.4%	10	4.2%
\$10 million to less than \$50 million	6	9.4%	13	16.1%	24	20.5%	23	12.3%	30	12.5%
\$50 million to less than \$100 million	7	10.9%	3	3.7%	10	8.6%	13	7.0%	15	6.3%
\$100 million to less than \$500 million	18	28.1%	23	28.4%	25	21.3%	38	20.3%	65	27.1%
\$500 million to less than \$1 billion	18	28.1%	20	24.7%	21	18.0%	29	15.5%	37	15.4%
More than \$1 billion	12	18.8%	15	18.5%	31	26.5%	74	39.5%	83	34.6%
Total	64	100.0%	81	100.0%	117	100.0%	187	100.0%	240	100.0%

Source: NCUA Call Report Data

The credit unions that responded varied in the number of employees and asset size. The 240 credit unions that submitted a self-assessment in 2021 represent only 4.8 percent of all federally insured credit unions as of December 31, 2021. While the NCUA encourages all credit unions to use the CUDSA as a tool to guide their diversity programs, the agency understands it may receive 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 2021 represented 15.6 percent of employees at all federally insured credit unions. In 2021, 18.1 percent of credit unions with between 101 and 500 employees and 28.4 percent of credit unions with 501 or more employees submitted a self-assessment. Asset sizes of credit unions responding in 2021 fell within the \$21,000 and \$15 billion range, with 185 of the 240 credit unions, or 77.1 percent, reporting \$100 million or more in assets, as shown in Figure 3.

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 2021, approximately 94 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 61.1 percent of the management employees and 37.5 percent of the board members, respectively. These percentage figures remained nearly identical to those in 2020.

Figure 4: 2021 Self-Assessment Submitter Profile – Employees and Asset Range

Total Employees	Credit Union Count	Asset Range	Aggregate Employees
0 – 49	89	\$21K – \$730M	1,704
50 – 100	28	\$128M – \$896M	1,986
101 – 500	92	\$385M – \$11B	20,954
More than 500	31	\$2B – \$15B	26,006
Total	240	\$21K – \$15B	50,650

Source: NCUA Call Report Data as of January 15, 2022

Figure 5: 2021 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	26,965	68.9%	4,646	61.1%	513	37.5%
Men	12,173	31.1%	2,960	38.9%	854	62.5%
Gender Not Identified	2,255		402		73	
American Indian or Alaska Native	266	0.8%	21	0.4%	8	0.7%
Asian	1,318	4.0%	196	3.4%	31	2.7%
Black or African American	3,401	10.2%	505	8.7%	170	15.0%
Hispanic or Latino Only	6,655	20.0%	826	14.2%	86	7.6%
Two or More Races	807	2.4%	98	1.7%	10	0.9%
Native Hawaiian or Other Pacific Islander	149	0.4%	22	0.4%	2	0.2%
White	20,007	60.3%	4,082	70.3%	780	68.7%
Unspecified/Not Known	595	1.8%	54	0.9%	49	4.3%
Race/National Origin Not Identified	8,295		2,210		305	
Total	41,493	100%	8,008	100%	1,440	100%

Source: NCUA Call Report Data as of January 15, 2022

Figure 5

Credit unions that shared workforce data in 2021 reported that 60.3 percent of all employees and 70.3 percent of management employees are White — a decrease of approximately 4 percentage points each from 2020. Hispanics or Latinos made notable gains and comprised 20.0 percent of all employees, while Black/African Americans made up 10.0 percent. Hispanics or Latinos ranked second to Whites for management employees at 14.2 percent, followed by Blacks/African Americans, who represented 8.7 percent of management-level

employees. These credit unions also reported that 15.0 percent of the board members were Black/African-American, and 7.6 percent were Hispanic or Latino.

Native Hawaiians and Other Pacific Islanders continue to be the least represented demographic group 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 20.0 percent of all employees, 27.6 percent of management employees, and 21.2 percent of board members, respectively.

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

Summary of 2021 Submission Results by Broad Standard

Figure 6 summarizes self-assessment responses from 2017 through 2021 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 to identify areas for improvement.

Sixty-one percent of responding credit unions reported a leadership and organizational commitment to diversity, 56 percent reported taking steps to implement employment practices to demonstrate that commitment, and 31 percent reported monitoring and assessing their diversity policy and practices, respectfully. As in previous years, supplier diversity and transparency of diversity and inclusion practices remained areas for improvement.

Figure 6: Average Responses for Broad Standards

Diversity Self-Assessment Standard	Affirmative Response				
	2017	2018	2019	2020	2021
	64	81	117	187	240
1. Leadership/Organizational Commitment to Diversity and Inclusion	46%	57%	56%	60%	61%
2. Proactive Implementation of Employment Practices that Expand Outreach Efforts to Diverse Individuals	54%	47%	48%	57%	56%
3. Consideration of Supplier Diversity in Procurement and Business Practices	7%	5%	8%	10%	11%
4. Promotion of Transparency of Diversity and Inclusion Practices	20%	14%	17%	21%	23%
5. Monitoring and Assessment of Diversity Policy and Practices	24%	30%	29%	29%	31%

Source: NCUA Credit Union Diversity Self-Assessment Data

Consecutive Year Submission Results

Since the CUDSA launched in 2016, approximately 400 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 have shown marked improvement in their diversity-related policies and practices over time.

Eighty-four of the 187 credit unions submitting a self-assessment in 2020 also submitted a self-assessment in 2021. The asset size range for these credit unions was between \$7 million and \$15 billion. Collectively, these credit unions employed approximately 20,500 individuals, with a range of between 0 and 2,204 employees.

As indicated in Figure 7, these 84 credit unions reported year-over-year improvement in all five broad standards and higher affirmative responses than credit unions that did not report in consecutive years.

**Figure 7: Credit Unions Reporting in 2020 and 2021
(84 Credit Unions)**

Diversity Self-Assessment Standard	Affirmative Responses	
	2020	2021
1. Leadership/Organizational Commitment to Diversity and Inclusion	68%	75%
2. Proactive Implementation of Employment Practices that Expand Outreach Efforts to Diverse Individuals	68%	72%
3. Consideration of Supplier Diversity in Procurement and Business Practices	13%	15%
4. Promotion of Transparency of Diversity and Inclusion Practices	27%	32%
5. Monitoring and Assessment of Diversity Policy and Practices	39%	48%

Source: NCUA Credit Union Diversity Self-Assessment Data

Four credit unions submitted CUDSA results in each of the six years the NCUA has collected the self-assessment. The results, shown in Figure 8, indicate higher levels of engagement in most of the assessed areas over the past five years. Most notably, in 2021, 100 percent of these four credit unions reported affirmative responses to the second Diversity Self-Assessment standard.

**Figure 8: Credit Unions Reporting in Consecutive Years (2017 – 2021)
(4 Credit Unions)**

Diversity Self-Assessment Standard	Affirmative Responses				
	2017	2018	2019	2020	2021
1. Leadership/Organizational Commitment to Diversity and Inclusion	77%	79%	81%	81%	75%
2. Proactive Implementation of Employment Practices that Expand Outreach Efforts to Diverse Individuals	85%	92%	93%	88%	100%
3. Consideration of Supplier Diversity in Procurement and Business Practices	8%	13%	10%	15%	12%
4. Promotion of Transparency of Diversity and Inclusion Practices	33%	38%	33%	37%	38%
5. Monitoring and Assessment of Diversity Policy and Practices	67%	71%	75%	71%	75%

Source: NCUA Credit Union Diversity Self-Assessment Data

Aggregate Results of 2021 Self-Assessment by Individual Standard

The aggregate results of the 2021 CUDSA submissions are summarized below by each individual diversity self-assessment standard. However, 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 more than half (53 percent) reported having a written diversity and inclusion policy approved by senior leadership. Seventy-nine 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 (68 percent); included diversity and inclusion considerations in their strategic plan for employment actions (72 percent); and regularly conducted training and provided educational opportunities on diversity and inclusion (64 percent).

Fewer of the reporting credit unions included diversity and inclusion considerations in their strategic plans for contracting with vendors (40 percent) or provided regular progress reports on their diversity and inclusion efforts to their credit union's leadership (38 percent).

Figure 9 contains the 2021 aggregated results for Standard 1.

Figure 9: Affirmative Responses for Diversity Standard 1 in 2021

In a manner reflective of our size and other characteristics, our credit union:	Yes
1. Has a written diversity and inclusion policy approved by senior leadership, including the board of directors and senior management.	53%
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.	68%
3. Regularly conducts training and provides educational opportunities on equal employment opportunity and on diversity and inclusion.	64%
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.	79%
b. Selection of board member candidates and senior management.	73%
5. Includes diversity and inclusion considerations in our strategic plan for recruiting, hiring, retention, and/or promotion of our workforce.	72%
6. Includes diversity and inclusion considerations in our strategic plan in contracting with vendors.	40%
7. Provides regular (such as quarterly) progress reports on diversity and inclusion efforts to our board of directors or senior management.	38%

Source: NCUA Credit Union Diversity Self-Assessment Data

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.

Eighty-four percent of credit unions reporting in 2021 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,

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

Forty-four percent of the responding credit unions communicated employment opportunities through media targeting diverse populations, and 57 percent cultivated relationships with professional organizations or educational institutions that primarily serve these populations.

To ensure their diversity programs are having the intended results, 57 percent of reporting credit unions regularly evaluated their programs and identified areas for future improvement. Sixty-two percent used analytical tools to assess, measure, and track their workforce diversity, and 53 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-two percent of the responding credit unions reported holding management accountable for diversity and inclusion efforts.

Figure 10 contains the 2021 aggregated results for Standard 2.

Figure 10: Affirmative Responses for Diversity Standard 2 in 2021

In a manner reflective of our size and other characteristics, our credit union:	Yes
1. Implements policies and practices to ensure equal employment opportunities for employees and applicants for employment.	84%
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.	58%
b. Conducting outreach to educational institutions serving significant or predominately minority, women, or other diverse student populations.	47%
c. Participating in conferences, workshops, and other events that attract minorities, women, or other diverse individuals to inform them of employment and promotion opportunities.	51%
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.	44%
4. Cultivates relationships with professional organizations or educational institutions that primarily serve minority, women, or other diverse individuals or organizations.	57%
5. Evaluates our diversity and inclusion programs regularly and identifies areas for future improvement.	57%
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.	62%
b. The inclusiveness of our employment practices for hiring, promotion, career development, internships, or retention, by ethnicity, gender, or other diverse category.	53%
7. Holds management accountable for diversity and inclusion efforts, for example by ensuring these efforts align with business strategies or individual performance plans.	42%

Source: NCUA Credit Union Diversity Self-Assessment Data

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, 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, technical ability, 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 2021, 12 percent of the reporting credit unions (an increase of 1 percent point over 2020) had a written supplier diversity policy that provided opportunities for minority- and women-owned businesses to bid on contracts. Thirty-six percent had leadership support to incorporate supplier diversity into business planning cycles or initiatives. Five percent had an established policy to solicit bids from a certain number or percentage of diverse businesses, and 8 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 tracking supplier diversity, 25 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. Eight percent of reporting credit unions tracked the availability of relevant minority- and women-owned businesses to compete in their contracting opportunities. Seven 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 6 percent tracked metric changes over time.

Sixteen percent of reporting credit unions indicated they participated in events aimed at minority- and women-owned businesses to inform them of contracting opportunities. However, 92 percent reported they did not maintain a listing of qualified minority- and women-owned businesses that could bid on upcoming contracting opportunities. Five 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 by the NCUA in 2018, provides guidance to credit unions on how to establish or enhance a supplier diversity program.

Figure 11 contains the 2021 aggregated results for Standard 3.

Figure 11: Affirmative Responses for Diversity Standard 3 in 2021

In a manner reflective of our size and other characteristics, our credit union:	Yes
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.	12%
2. Has leadership support to incorporate supplier diversity into business planning cycles or initiatives.	36%
3. Has an established policy to solicit bids from a certain number or percentage of qualified minority- and women-owned businesses.	5%
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.	8%
5. Uses metrics to identify a baseline and track:	
a. The total amount we spend annually buying and contracting goods and services.	25%
b. The availability of relevant minority- and women-owned businesses to compete in our contracting opportunities.	5%
c. The amount we spend with minority- and women-owned businesses.	8%
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.	7%
e. The changes related to the above items over time.	6%
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.	16%
b. Maintaining a listing of qualified minority- and women-owned businesses that may bid on upcoming contracting opportunities.	8%
c. Having an ongoing process to publicize our contracting opportunities.	5%
7. Encouraging prime contractors to use minority- and women-owned subcontractors by incorporating this objective in their business contracts.	9%

Source: NCUA Credit Union Diversity Self-Assessment Data

Standard 4 – Promotion of Transparency of Diversity and Inclusion Practices

This set of standards relates to the transparency of diversity and inclusion efforts, which demonstrate 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 these plans 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 can also open access to a broader market and attract diverse groups. Additionally, transparency illustrates ongoing progress in meeting a credit union's diversity and inclusion objectives.

Transparency does not require sharing confidential or proprietary information, however. 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. Reporting credit unions indicated that most do not periodically compile information to publicize their efforts to enhance diversity and inclusion in their institutions. In 2021,

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

In 2021, 36 percent of reporting credit unions made public their policy or commitment to diversity and inclusion in the workforce, and 16 percent publicly shared their diversity and inclusion strategic plan. Seven percent made the policy on their commitment to supplier diversity public, and 17 percent publicized their efforts and progress toward achieving diversity and inclusion in their workforce and contracting activities.

Fifty-two percent of the 240 credit unions reporting in 2021 publicized opportunities that promoted diversity and inclusion in their employment and internship opportunities. Most (92 percent) did not publicize opportunities that promoted diversity and inclusion in their contracting opportunities. Slightly more than one third (35 percent) publicized opportunities that promoted mentorship or development programs for employees, and 4 percent publicized opportunities that promoted diversity and inclusion in developmental programs for potential contractors.

Figure 12 contains the 2021 aggregated results for Standard 4.

Figure 12: Affirmative Responses for Diversity Standard 4 in 2021

In a manner reflective of our size and other characteristics, our credit union:	Yes
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).	33%
b. Demographic information on supplier diversity (contracting activities).	5%
c. Demographic information on the board members and other officials.	27%
d. Information on sponsorships or partnerships with diverse organizations.	33%
e. Other information on our diversity and inclusion efforts.	32%
2. Makes the following information public:	
a. Our diversity and inclusion strategic plan.	16%
b. Our policy on the credit union's commitment to diversity and inclusion in the workforce.	36%
c. Our policy on the credit union's commitment to diversity and inclusion to supplier diversity.	7%
d. Our efforts and progress toward achieving diversity and inclusion in our workforce and contracting activities.	17%
3. Publicizes opportunities that promote diversity and inclusion, which may include:	
a. Employment and internship opportunities.	52%
b. Contracting opportunities.	8%
c. Mentorship or developmental programs for employees.	35%
d. Developmental programs for potential contractors.	4%

Source: NCUA Credit Union Diversity Self-Assessment Data

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. Fifty-four percent of the reporting credit unions in 2021 conducted an annual self-assessment or evaluation of their diversity policies and practices, and 42 percent reported modifying their policies and practices based on these assessment results. Ten percent of reporting credit unions published information about assessing or monitoring their diversity policies and practices, and 18 percent completed and submitted the CUDSA form to the NCUA on an annual basis.

Figure 13 contains the 2021 aggregated results for Standard 5.

Figure 13: Affirmative Responses for Diversity Standard 5 in 2021

In a manner reflective of our size and other characteristics, our credit union:	Yes
1. Conducts a self-assessment or evaluation of our diversity policies and practices annually.	54%
2. Modifies our diversity policies and practices based on the results of the self- assessment or evaluation of our diversity policies and practices.	42%
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.	18%
4. Publishes information pertaining to our assessment of our diversity policies and practices.	10%

Source: NCUA Credit Union Diversity Self-Assessment Data

Summary

2021 marks the sixth consecutive year the NCUA has collected diversity data from credit unions using the voluntary CUDSA.

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

- A strong leadership and organizational commitment to diversity;
- A low level of engagement when it comes to supplier diversity;
- A solid record of improvement in all areas assessed for those credit unions submitting CUDSAs in consecutive years;
- A consistent pattern of women making up the majority of the management ranks in credit unions with assets under \$100 million while men comprise the majority of the management ranks in credit unions with assets above \$100 million; and
- A lack of credit unions publishing information pertaining to their assessment of their own diversity policies and practices.

It is important to note that the credit unions submitting self-assessments represent only 4.8 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.

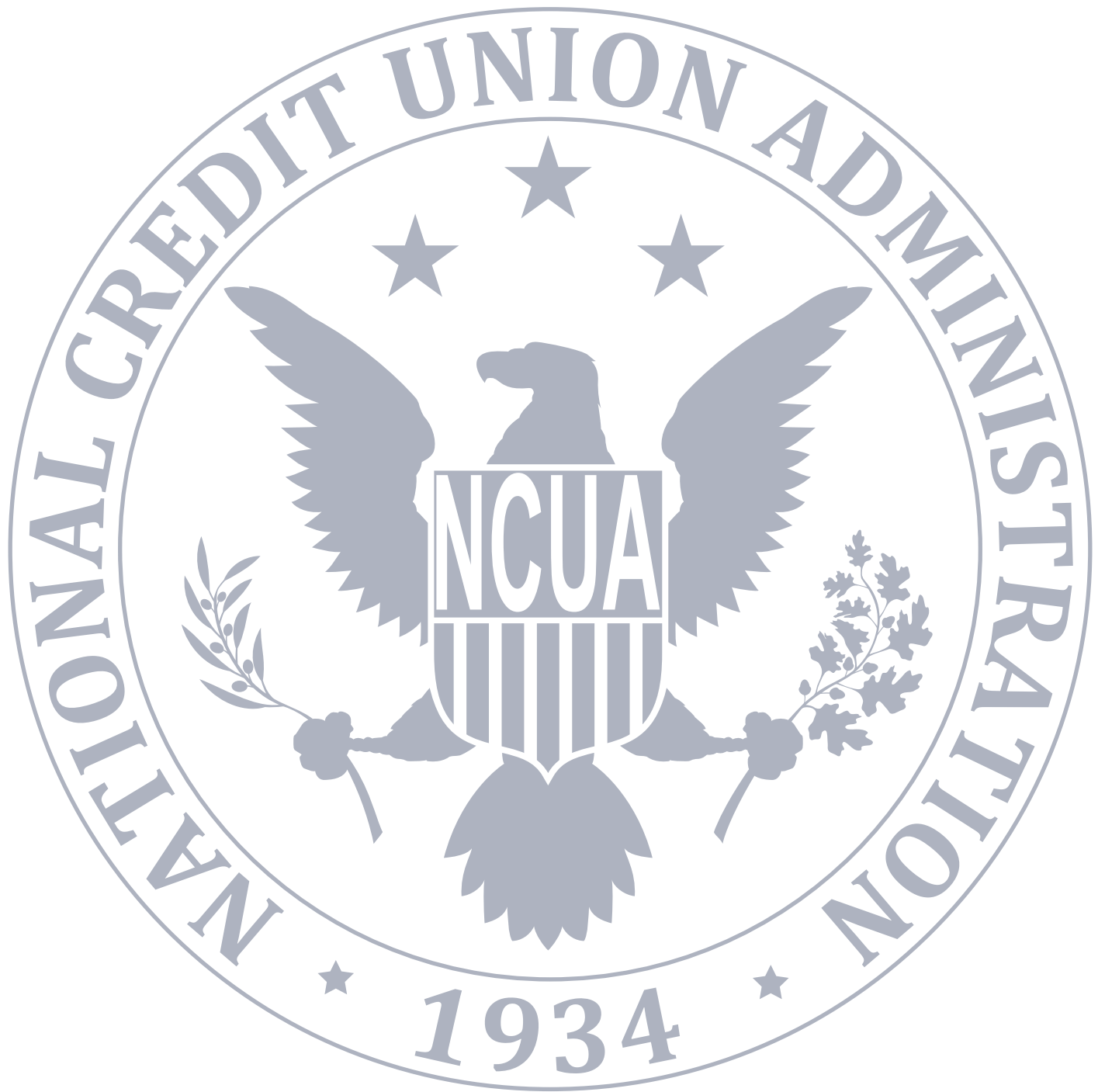
In 2021, CUDSA submissions increased by 28.3 percent, with 240 credit unions submitting a self-assessment. A majority (61 percent) of these credit unions reported a leadership and organizational commitment to diversity, and 56 percent reported taking steps to implement employment practices to demonstrate that commitment. Credit unions that submitted the self-assessment in both 2020 and 2021 also showed 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.

To improve the CUDSA user experience and enhance the security of credit unions submitting the CUDSA, the NCUA plans to modify how credit unions can access the CUDSA and submit it to the agency. Starting in October 2022, the NCUA will issue custom links to each federally insured credit union with an invitation to complete and submit their CUDSA. Credit unions will have a four-month window (October 2022 – January 2023) to use their unique link to provide their submissions. Submissions received through January 31 will be included in the prior year report.

Whether through one standard or all five of them, credit unions can use the CUDSA to improve and build on various aspects of their diversity and inclusion efforts. 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-monitoring of a credit union's diversity and inclusion efforts.

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





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