Seventy credit union CEOs gathered for the 2nd annual CUNA CEO Council Conference in Irving, TX.

The CEOs narrowed down a list of topics and held two roundtable sessions in which they broke into facilitated groups for discussion. Each CEO self-selected two of the three topics to participate in.

The Top 3 Topics were:
1) Attracting talent for staff and board
2) Attracting deposits and liquidity concerns
3) Technology Utilization/Implementation
   - Staying relevant
   - Data security
   - Expertise to deal with fin-tech

Additional topics considered included:
- Bank Acquisitions
- Cannabis Banking
- CECL
- Core Conversions and Insourcing vs Outsourcing
- Differentiation Strategy
- Organizational Culture
- True Member Growth

The following is a summary of observations, conclusions, recommendations, and suggested actions CEOs might consider as they are thinking about their approach to addressing these issues in their credit unions.

1) Attracting Talent for Staff and Board

On the Staff Side:
- Creating culture of fun
- Increase entry-level wages
- Stay bonus, student loan repayment, referral incentives, flex hours, child/maternity care, training, Mission-centered workplace (what is CU’s “why”?)
- Senior management retirement package: split dollar, cafeteria plan
- Use recruiter for senior staff
- Scoring risk of leaving
- Food—the great equalizer!
- Onboarding program for new employees; employee ambassadors
- Pay for talent with premium rates over market
- No limit PTO; other time incentives (time vs $$)
- Work remotely; flex hours; child care resources
- Focusing on attracting vs retaining
- Professional development and career paths that demonstrate how CU is committed to employee development (education, working for other CUs, etc.)

On the Board Side:
- Board governance program
- Term limits
- Intentions sheet to identify remaining service
- Recruiter use for Board (ExecRanks?)
- Use matrix to fill gaps in knowledge or diversity, assess skill sets
- Advisory Board

2) Attracting Deposits and Liquidity Concerns

- Everyone has this problem; examiners want more liquidity and to see plans
- LTS is high; many CUs in excess of 100%; regulators are concerned
- Deposit run-off—stock market, consumer spending, other institutions; stock market correction will cause influx of deposits
- Some CEOs haven’t managed in rising rate environment; regulators either; adjusting expectations for what is reasonable
- Staff: need training on how to solicit deposits; staff may never have worked in a high-rate environment
- Don’t get stuck with heavy deposits or high-rate CDs if rates suddenly fall. Add Chief Deposit Officer to staff.
- Potential Solutions:
  - Rate matching (although this is reactive)
  - Tiered savings rates
  - Build relationships with muni/school district
  - Private banking ($400K+ members); a small number of members likely hold high percentage of deposits
- Retain deposits, money market tiered w/90 day 3%
lump sum payment, high yield checking stipulations
- KASASA partnerships
- More deposits from commercial members—
  commercial lending and ops partner
- Cannabis business deposits
- Companion accounts (CD and another account w/
  higher rate)
- Patronage dividend viability
- Staff incentives for deposits (like done with loans)
- Prize-linked savings (in states where legal—and an
  alternative to casino gambling!)
- Step-up CDs
- TurboSave (response to 72 and 84 mo auto loans—
  loan payment with bp discount to deposit)
- Non-member deposit using SimpliCD
- Demonstrating and communicating CU difference
- Selling pools of loans (non-interest income)
- FHLB borrowing
- Relationship pricing: pay higher deposit rates to
  members with loans
- Sell loan participations to increase liquidity
- Consider non-member deposits

3) Technology Utilization/Implementation

• Data breaches: not if but when; good best practice to outline with cybersecurity bond company. All CUs need an incident response plan.
• Contact centers = pseudo IT help desk for members; how to retrain EEs; outsourcing more difficult. Interacting with staff can be difficult, especially web chat because many issues are too technical to provide effective replies.
• ITMs: works for some, not others; cost an issue; consider model; work with veterans on implementation; new markets preferred over existing for placement; supplementary—another component of omni-channel; video can supplement ITMs but can’t replace them
• Members are rating tech-heavy CUs highly on NPS/other member service metrics
• Apps: Venmo is popular with young people. App adoption/use for young members (Millenials and Gen Z) is peer-influenced; preferences are constantly changing
• Storing info in cloud—security, access when disaster strikes

Action Items:

1) Watch for additional coverage of these topics in CUNA CEO Council resources, including Community discussions, virtual roundtables, the 2019 CEO Council Conference, and white papers.
2) Mark your calendars! Plan to join us for future CEO-only sessions at:
   a. The 2019 CUNA Governmental Affairs Conference (GAC) March 10-14 in Washington, DC
   b. The 2019 America’s Credit Union Conference (ACUC) June 17-20 in Orlando, FL
   c. The 2019 CEO Council Conference (TBD dates and location)
3) If you are not yet a member of the CEO Council and would like to continue these conversations with your credit union CEO peers, join at www.cunacouncils.org.

Credit union CEOs share insights during a roundtable discussion about attracting talent for staff and Board.