

**2011  
CUES<sup>®</sup>  
Executive  
Compensation  
Survey  
Executive Summary**



**Based on a Survey of  
Credit Union Executive Compensation  
Administered by enetrix, a Division of  
Gallup Inc.**

**The views of this manual are those of the authors.  
They do not necessarily represent the views of CUES.**



Watching your bottom line but still need to recruit top executives? Discover valuable compensation data and customizable reports with *CUES Executive Compensation Survey*. **Participate in the survey and receive a discount on the unlimited, online reporting feature.** The survey includes 14 executive-level positions and takes less than 20 minutes to complete. **Visit [survey.cues.org](http://survey.cues.org) to participate.** For help with your username and password, contact [surveysupport@cues.org](mailto:surveysupport@cues.org) or **866.508.0744**.

## **Introduction and Methodology**

CUES has been a trusted source for information about credit union executive compensation for more than 40 years. This report summarizes the results of the 2011 *CUES Executive Compensation Survey*.

This report contains all data submitted between May 1, 2010, and April 30, 2011. The findings are based on the responses of 467 CUES member and non-member credit unions. Corporate credit unions are not surveyed or included in the results.

All questionnaire data have been handled in the strictest confidence by **enetricx**. All data used to compile this report and all online reports are the property of CUES.

## **Publication of Survey Findings**

The database for the online report is updated as credit unions add or update salary information throughout the year. Because data is being accepted year-round, current data is always available throughout the year with the online reports.

## **Using Compensation Data**

We suggest that the most appropriate way to use the data in this survey is to:

1. Compare your credit union's executive pay practice to the median, average and percentile salaries for the credit union grouping relevant to you.
2. Consider how well your credit union matches the asset size, loan portfolio size, membership size and number of employees of other credit unions included in that particular data cut.
3. Select the target percentile most appropriate to your compensation philosophy.
4. Use the banking industry summaries as a reference point to guide your pay policies.

## Key Findings

Seventy-seven percent (77%) of the credit unions that participated in this year's survey also participated in last year's survey. This enables us to calculate a true change in salaries of repeat participants.

For these credit unions we found:

4.37% increase in CEO base salary (3.62% in 2010, 5.37% in 2009, 7.11% in 2008, 8.02% in 2007, and 8.50% in 2006). The \$200 to \$399 million asset size group had the largest average increase at 6.44%;

5.01% increase in CEO base salary plus bonus/incentive paid (2.54% in 2010, 4.76% in 2009, 7.34% in 2008, 8.50% in 2007, and 9.58% in 2006). The largest asset group averaged a 8.10% increase; and

5.07% increase in CEO total compensation (2.39% in 2010, 4.87% in 2009, 7.38% in 2008, 8.81% in 2007, and 9.75% in 2006). The \$200 to \$399 million asset group increased total compensation by 8.04%.

After several years of decline, the percentage increase in base salary has been increased year to year. Both the percentage increase for base plus bonus/incentive paid and percentage increase in total compensation increased sharply from last year's levels to levels more in line with past results.

- A total of 467 credit unions participated in the survey between May 1, 2010, and April 30, 2011; 398 provided CEO data.
- Average total compensation for CEOs ranged from \$85,694 for credit unions with assets between \$20 million to \$29.9 million to \$496,385 for credit unions with assets greater than \$1 billion. The overall average for CEO total compensation was \$261,478.
- Non-CEO executive compensation increases in total compensation ranged from 3.22% to 7.55% for repeat participants. The greatest percentage change was reported for the Business Development Executive.
- The top factors for determining CEO bonus/incentive awards remain the same as the last few years with board evaluation, earnings and loan growth rounding out the top three factors. The only difference is that board evaluations are now slightly higher than earnings.

## Comparison of Repeat Participants (Matched Sample)

### Percentage Change for CEO

The following table shows the average percent change for individual CEO compensation of **repeat participants**.

<b>By Asset Size</b>	<b>% Change for Base</b>	<b>% Change for Base + Bonus</b>	<b>% Change for Total Comp</b>
All Asset Categories	4.37%	5.01%	5.07%
<\$10 million	*NMS	NMS	NMS
\$10-19 million	NMS	NMS	NMS
\$20-29 million	0.59%	0.28%	-0.86%
\$30-49 million	1.81%	2.27%	2.30%
\$50-69 million	3.72%	4.65%	4.73%
\$70-99 million	2.64%	3.43%	6.19%
\$100-199 million	4.11%	3.37%	3.40%
\$200-399 million	6.44%	6.91%	8.04%
\$400-599 million	1.79%	2.52%	2.49%
\$600-999 million	5.01%	6.49%	5.72%
\$1 billion or more	6.43%	8.10%	7.16%

\* NMS – No Meaningful Sample

### Percentage Change for All Executive Positions

The percentage change in total compensation is substantially higher than the 2009-2010 year-to-year changes for all positions. In many cases, the percent change is more than 2 percentage points higher than reported last year.

<b>Position</b>	<b>% Change for Base</b>	<b>% Change for Base + Bonus</b>	<b>% Change for Total Comp</b>
Chief Executive Officer	4.37%	5.01%	5.07%
Executive Vice President	5.42%	6.19%	6.29%
Second Executive Officer	4.97%	5.42%	5.78%
Chief Operations Officer	4.36%	5.21%	5.77%
Chief Financial Officer	4.64%	5.43%	5.93%
Chief Lending Officer	5.12%	5.95%	6.62%
Branch/Member Services Executive	4.99%	5.21%	5.30%
Marketing Executive	4.08%	5.28%	5.81%
Human Resources Executive	4.35%	5.08%	5.63%
Information Systems/E-Commerce Executive	4.37%	5.12%	5.62%
Business Development Executive	7.30%	7.86%	7.55%
Business Lending Executive	3.04%	2.98%	3.22%
Senior CUSO Executive	5.20%	5.60%	5.45%
Collections Officer	5.93%	5.81%	5.72%
Legal Counsel Executive	4.87%	7.18%	6.05%

## Comparison of Non-Matched Sample Participants

### CEO Compensation Comparison by Asset Size

This table presents a comparison of salaries reported by survey participants from the two past survey years. This is a useful way to compare changes from one year to the next.

**A word of caution: This table is not limited to repeat participants.** As a result, the sample sizes differ for each year. Some credit unions may have shifted into the next higher range for asset size, which affects the comparisons. Therefore, year-to-year comparisons have limited validity for policy purposes.

By Asset Size	Median Base Salary		Median Base Salary + Bonus	
	2011 Survey	2010 Survey	2011 Survey	2010 Survey
All Asset Categories	\$227,459	\$215,363	\$257,108	\$241,313
<\$10 million	*NMS	NMS	NMS	NMS
\$10-19 million	NMS	\$86,674	NMS	\$90,808
\$20-29 million	\$83,495	\$78,833	\$85,025	\$80,511
\$30-49 million	\$101,785	\$95,060	\$108,011	\$100,106
\$50-69 million	\$109,720	\$114,247	\$116,062	\$119,127
\$70-99 million	\$129,977	\$121,149	\$142,043	\$128,359
\$100-199 million	\$156,626	\$158,064	\$169,688	\$170,644
\$200-399 million	\$211,815	\$209,453	\$236,279	\$231,927
\$400-599 million	\$246,866	\$258,002	\$277,098	\$285,333
\$600-999 million	\$311,484	\$294,962	\$357,531	\$334,707
\$1 billion or more	\$413,864	\$390,270	\$486,940	\$460,628

\* NMS – No Meaningful Sample

## Comparison of Non-Matched Sample Participants

### Compensation for All Executive Positions

This table presents a compensation comparison of all participants in the 2010 and 2011 survey. It is most useful to compare salary increases to credit unions that match yours in asset size rather than comparing credit unions of all sizes in aggregate as shown in the table below.

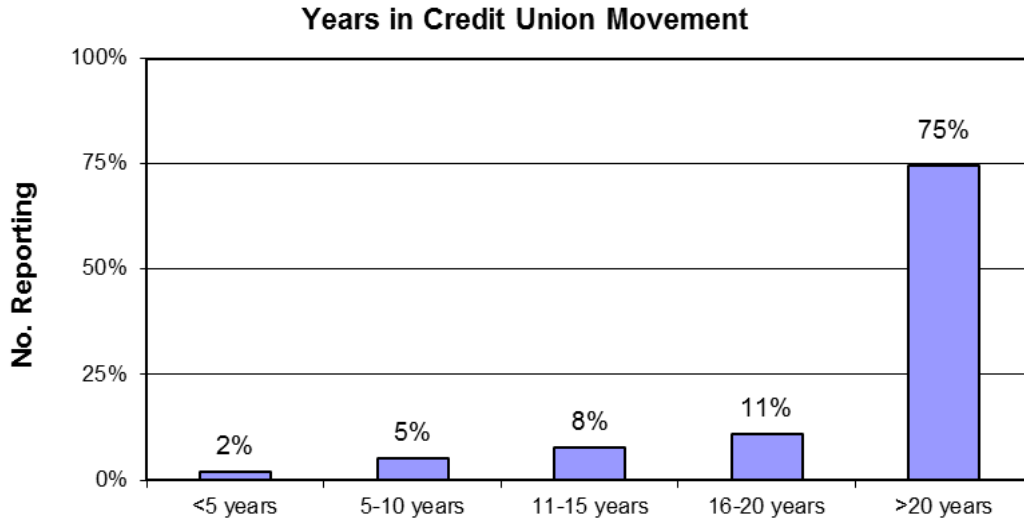
Again, we caution that the sample is not controlled for year-to-year comparisons.

Position	Median Base Salary		Median Base Salary + Bonus	
	2011 Survey	2010 Survey	2011 Survey	2010 Survey
Chief Executive Officer	\$227,459	\$215,363	\$257,108	\$241,313
Executive Vice President	\$161,763	\$148,491	\$179,454	\$161,961
Second Executive Officer*	\$144,043	\$131,751	\$160,702	\$143,171
Chief Operations Officer	\$132,519	\$121,287	\$145,286	\$130,156
Chief Financial Officer	\$133,266	\$123,184	\$146,849	\$132,579
Chief Lending Officer	\$113,502	\$105,901	\$123,695	\$113,205
Branch/Member Services Executive	\$105,132	\$97,603	\$115,935	\$105,325
Marketing Executive	\$99,909	\$93,864	\$108,517	\$99,818
Human Resources Executive	\$106,389	\$100,339	\$115,154	\$106,788
Information Systems/E-Commerce Executive	\$119,826	\$111,687	\$130,175	\$119,325
Business Development Executive	\$94,581	\$82,568	\$104,396	\$92,510
Business Lending Executive	\$111,189	\$107,875	\$121,222	\$114,864
Senior CUSO Executive	\$141,786	\$135,729	\$159,328	\$156,476
Collections Officer	\$75,599	\$67,768	\$80,377	\$71,403
Legal Counsel Executive	\$154,195	\$138,123	\$170,846	\$147,970

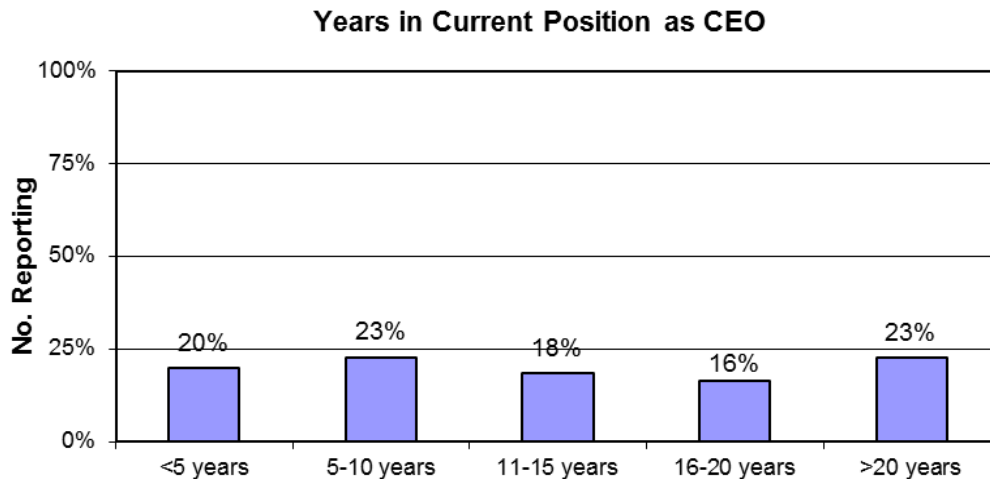
\*The survey does not ask for salary levels of the Second Executive Officer as a stand-alone position. Instead, users are asked to identify which job title (Executive Vice President, CFO, etc.) is identified as the “second” officer. This means, however, there is some double reporting in the survey results because a position could be reported as both a “second officer” and as another executive position.

## CEO Experience Levels

Eighty-six percent (86%) of responding CEOs have been involved in the credit union movement for more than 15 years. Approximately 2.0% have been involved in the credit union movement for less than five years.

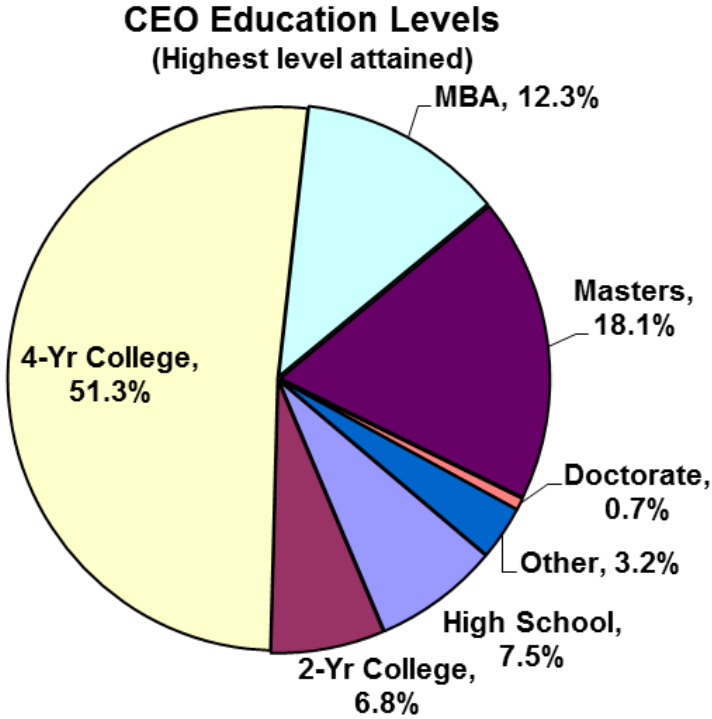


Twenty (20%) of credit unions participating in the survey have a CEO who has been in his or her current position for less than five years. Approximately 39% of CEOs have been in their current position for more than 15 years, and 23% have been in their current position for more than 20 years.



**CEO Educational Levels**

Credit union executives are well educated. The percentage reporting a master’s degree or higher remains at 31.1%, which equals the percentage from 2010.

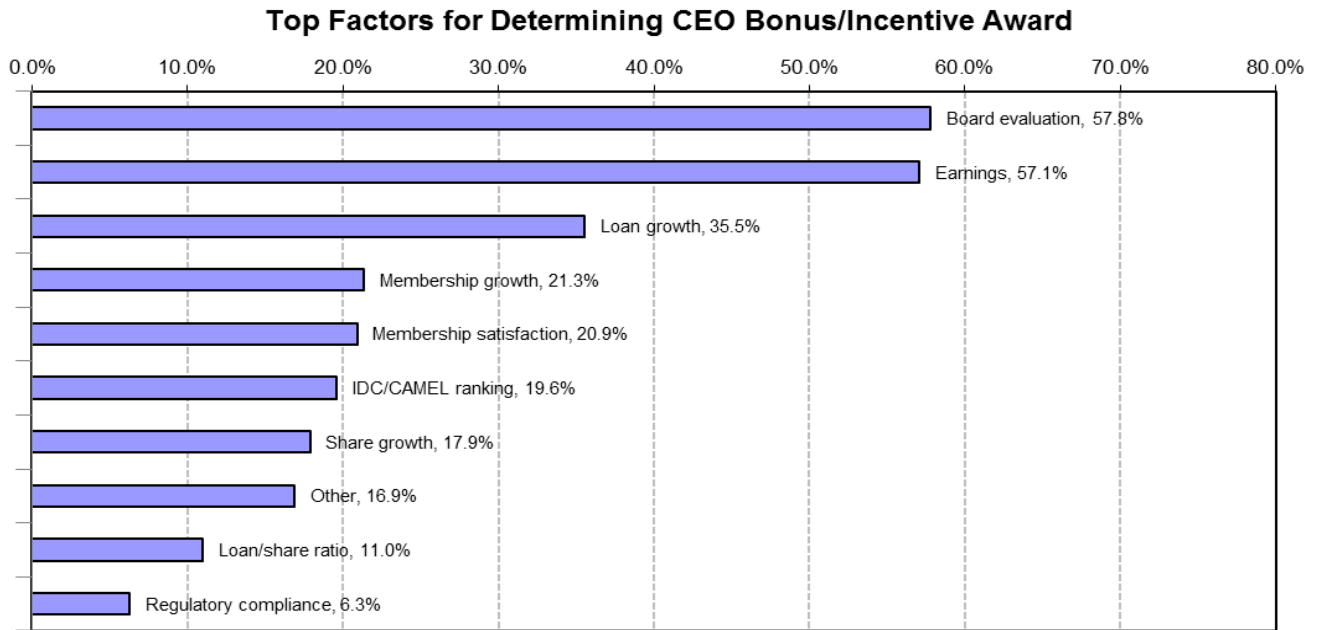


## Factors for Bonus/Incentive Awards

Respondents were asked to indicate the top three factors used to determine the CEO's bonus/incentive award. The top three factors have remained constant over the last few years.

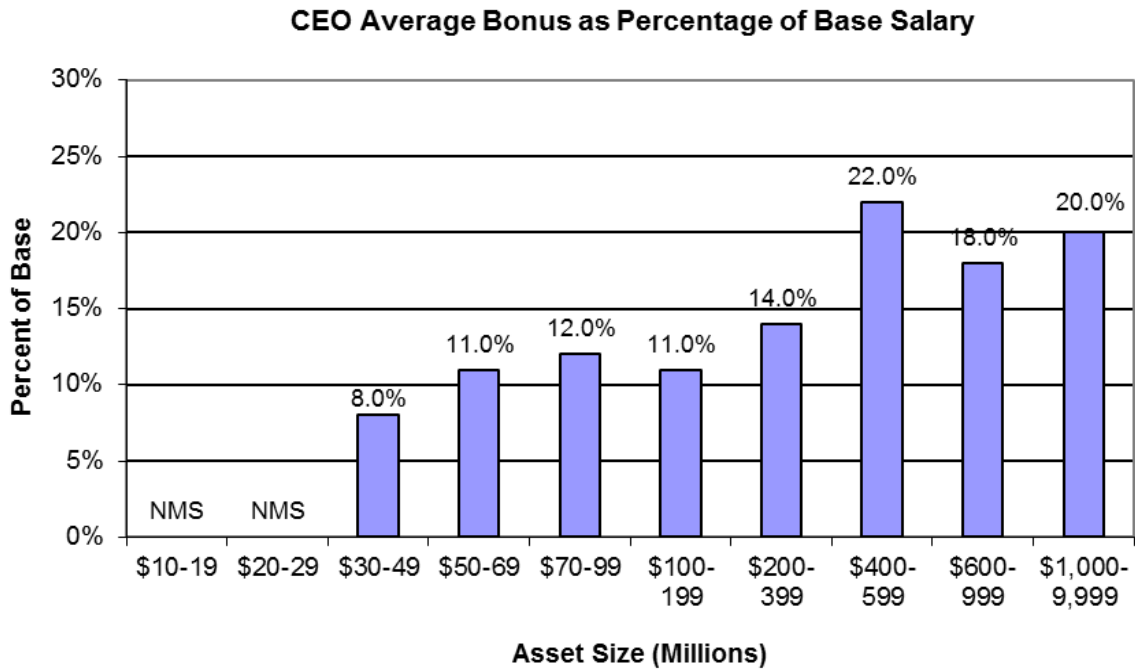
The top three factors reported were:

1. Board evaluation (57.8%)
2. Earnings (57.1%)
3. Loan growth (35.5%)



## CEO Bonus as Percentage of Salary

CEO bonus as a percentage of salary tends to rise as credit union asset size increases. Increasing emphasis on variable pay for the CEO and other executive positions is common in most other industry sectors, although the percentage of at-risk pay for credit union CEOs remains relatively modest compared to other industries.



## COMPENSATION OF SELECT EXECUTIVE POSITIONS – COMPARISON OF CREDIT UNION WITH BANKING PAY PATTERNS

Comparative compensation data for six select executive positions is presented here. Banking industry data was drawn from two current, independent compensation survey sources. These sources are:

- Independent Community Bankers of America (ICBA) Compensation Survey
- American Bankers Association (ABA) Compensation Survey

The method of comparison involved the selection of five comparable executive positions included in the above banking surveys as well as the *CUES Executive Compensation Survey* and the development of five asset categories to provide appropriate comparisons. **enetrrix** also conducts the ICBA and ABA surveys as online services for those associations.

Compensation data was averaged, by position, for the two banking surveys to provide meaningful comparisons to the CUES executive survey data.

It is important to note the comparisons made within this section consider only cash compensation (i.e., base salaries and total compensation). Benefits, long-term incentives (i.e., phantom stock and other compensation vehicles) and perquisites are not included in the analysis.

### Chief Executive Officer (CEO) Comparison

Asset Size	CU Median Base Salary	Bank Median Base Salary	CU Median Total Compensation	Bank Median Total Compensation
< \$100 Million	\$105,000	\$135,245	\$115,245	\$142,235
\$100 to \$249 Million	\$150,500	\$158,520	\$167,273	\$166,548
\$250 to \$499 Million	\$217,975	\$213,126	\$244,169	\$245,674
\$500 to \$999 Million	\$281,498	\$260,000	\$328,145	\$276,504
> \$1 Billion	\$413,385	\$364,555	\$504,584	\$446,800

### Chief Operating Officer (COO) Comparison

Asset Size	CU Median Base Salary	Bank Median Base Salary	CU Median Total Compensation	Bank Median Total Compensation
< \$100 Million	\$73,210	\$79,165	\$75,552	\$86,015
\$100 to \$249 Million	\$89,032	\$94,675	\$93,098	\$98,515
\$250 to \$499 Million	\$120,224	\$141,660	\$124,059	\$161,188
\$500 to \$999 Million	\$142,064	\$175,000	\$157,378	\$186,660
> \$1 Billion	\$196,609	\$238,350	\$224,011	\$244,897

### Chief Financial Officer (CFO) Comparison

Asset Size	CU Median Base Salary	Bank Median Base Salary	CU Median Total Compensation	Bank Median Total Compensation
< \$100 Million	\$72,352	\$98,967	\$76,400	\$99,595
\$100 to \$249 Million	\$89,753	\$100,397	\$96,304	\$107,676
\$250 to \$499 Million	\$110,000	\$124,632	\$120,230	\$147,375
\$500 to \$999 Million	\$151,412	\$151,882	\$167,192	\$163,250
> \$1 Billion	\$189,378	\$185,016	\$217,920	\$202,300

### Chief Lending Officer (CLO) Comparison

Asset Size	CU Median Base Salary	Bank Median Base Salary	CU Median Total Compensation	Bank Median Total Compensation
< \$100 Million	\$64,900	\$106,250	\$68,900	\$111,856
\$100 to \$249 Million	\$83,840	\$104,932	\$88,969	\$113,304
\$250 to \$499 Million	\$103,748	\$125,824	\$113,791	\$131,603
\$500 to \$999 Million	\$129,000	\$150,279	\$141,544	\$162,295
> \$1 Billion	\$160,000	\$175,000	\$184,435	\$184,002

## Branch/Member Services Executive Comparison

Asset Size	CU Median Base Salary	Bank Median Base Salary	CU Median Total Compensation	Bank Median Total Compensation
< \$100 Million	\$51,324	\$78,750	\$51,772	\$80,950
\$100 to \$249 Million	\$71,008	\$88,259	\$72,800	\$90,381
\$250 to \$499 Million	\$84,325	\$103,455	\$89,259	\$115,000
\$500 to \$999 Million	\$114,254	\$114,797	\$125,004	\$131,250
> \$1 Billion	\$143,592	\$156,670	\$161,916	\$172,024

\* NMS – No Meaningful Sample

## Human Resources Executive Comparison

Asset Size	CU Median Base Salary	Bank Median Base Salary	CU Median Total Compensation	Bank Median Total Compensation
< \$100 Million	\$57,261	*NMS	\$57,343	NMS
\$100 to \$249 Million	\$69,500	\$67,796	\$74,620	\$72,730
\$250 to \$499 Million	\$91,727	\$78,500	\$96,500	\$79,685
\$500 to \$999 Million	\$112,200	\$93,420	\$117,309	\$95,610
> \$1 Billion	\$144,175	\$112,012	\$163,051	\$124,625

\* NMS – No Meaningful Sample

---

**Participate now and receive a 30-day trial to the compensation survey reports that everyone's talking about! Call 866-508-0744 to take advantage of this special offer.**