

MESSAGES

Credit union CEO Compensation

Main Messages:

- The data show credit union CEO compensation is reasonable. That's especially true considering credit union CEOs earn no stock benefits since credit unions are member-owned financial cooperatives.
 - Total salary and other compensation for credit union CEOs is significantly less than for bank CEOs.
 - As one would expect, larger credit unions tend to offer their CEOs higher compensation than smaller credit unions—but CEOs of comparably sized banks still earn far more.
 - Compensation for today's credit union CEOs must be sufficient to attract the talent necessary to manage financial institutions that in many cases offer their members a complete menu of financial services and act as stewards for their members' savings.
-

SUPPORTING POINTS FOR MAIN MESSAGES...

- NCUA reports average credit union CEO compensation of \$77,500. Using alternative data sources that allow for banking institution comparisons, CUNA finds credit union CEO compensation averages about \$79,000. For banks, the average is over four times greater: \$353,000.
- Much of the difference between bank and credit union CEO compensation is because credit unions are much smaller than banks, on average. But even comparing like-sized institutions, credit union CEO compensation is much lower than for bank CEOs.
- CEOs of small banks (assets under \$250 million) are paid almost two and a half times what CEOs of small credit unions earn (without accounting for any stock-based compensation to small bank CEOs.)
- CEOs of banks with between \$250 million and \$1 billion in assets are paid almost one and a half times what CEOs of similar-sized credit unions earn.
- CEOs of banks with over \$1 billion in assets are paid almost twice what CEOs of similar sized CEOs earn.

(continued on next page)

- CEOs of the nation's largest banks earned an average of \$13 million in 2005 according to SEC filings. Salary and bonus accounts for only 41% of the total compensation for these CEOs. Long-term compensation such as stock options and grants accounts for 57% of total compensation. The remaining 2% of total big-bank CEO compensation arises from things such as long-term disability premiums, car allowances, and supplemental income plans.
- The highest-paid bank CEO earned \$23 million in 2005. In all, five big-bank CEOs earned over \$20 million in the year.

