Getting to Know Your Members
A LOT Better and Why DEI Matters

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Diversity

The broad spectrum of characteristics including race, color, ethnicity, national origin, gender, age, religion, language, disability, sexual orientation, gender identity, family structure, socioeconomic status, geographic differences, and diversity of thought and life experiences

1 NCUA, The Business Case for Credit Union Diversity and Inclusion.
**Inclusion**
The act of creating environments in which any individual or group can be and feel welcomed, respected, supported, and valued to fully participate. An inclusive and welcoming climate embraces differences and offers respect in words and actions for all people.²

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**Equity**
Improving equity is to promote justice, impartiality, and fairness within the procedures, processes, and distribution of resources by institutions or systems. Tackling equity issues requires an understanding of the underlying or root causes of outcome disparities within our society.³

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² Independent Sector, Why Diversity, Equity, and Inclusion Matter 10/6/2016

³ D5 Coalition, "What is DEI?"
Perceptions vs. Reality

Do you know (or think you know) the demographics of the communities you serve?

How do you find out?

Why does it matter?

Perception vs. Reality

This is an example of a quiz that we have shared with credit union professionals of all kinds: all the way from directors and management, to individuals new to the movement and young professionals.

The audience takes their best guess at the answers and then as a group, we discuss the real answers and why it matters to your credit union and your community.

Did You Know?

Gender in the United States

Women make up 50.8% of the US population compared to 49.2% for men.

The average male earns $70,466 per year, while the average female earns $52,828. This means that males earn 1.33 times what a female earns.
Did You Know?

Race & Ethnicity in the United States

Households that speak languages, other than English (sometimes or always) is 21.5%.
Foreign-born residents account for 13.7% of the population, and 93.2% of the population is a U.S. Citizen (2018).

Did You Know?

LGBTQ+ in the United States

The estimated LGBTQ+ population is 4.5% or 14.8M people - the population of VA & MI.
Only 15 U.S. states explicitly prohibit credit discrimination. Credit discrimination based on sexual orientation or gender identity is not otherwise protected.
**Did You Know?**

**Veterans in the United States**

Veterans make up 5.7% of the U.S. population, or 18.6M individuals - the population of IN, MO, and WI combined.

According to the Veterans Administration, the average age of a veteran is 58.

US Census Bureau; Annual update of American Community Survey (ACS), 2019 & VA.

**Did You Know?**

**Banking in the United States**

Unbanked individuals account for 6.5% of the population:
8.4M households
14.1M adults
6.4M children
This is the same as the population of NY.


**Did You Know?**

**Banking in the United States**

Underbanked individuals account for 18.7% of the population:
24.2M households
48.9M adults
15.4M children
This is the same as the population of CA, FL, and CT combined.

**Did You Know?**

**Poverty in the United States**

The poverty rate in the U.S. is 13.1%, however the income rate is $25,926 for a family of 4.
Consider instead, ALICE.
For example: Wisconsin
Poverty: 11%. ALICE: 23%. A full 1/3 of the state cannot afford basic needs.


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**Other Data Points**

Consider a variety of information to learn about your community:

- Hunger
- Housing
- Literacy
- Food Insecurity
- Commute Time
- Ability/Disability
- Senior Citizens
- Uninsured
- ...and many more!
Why does this all matter?

• You can’t serve your member, if you don’t know your member.

• The products and services that you are offering might not work for your future member.

• Does your organization look like your community?

Financial frustration & uncertainty can be detrimental to your members. How are we helping? How do we think we are helping but maybe we aren’t?
The Business Case

• There are MANY studies that have been done that show why DEI is important for creating strong businesses!

Example #1

“Organizations with above-average gender diversity and levels of employee engagement outperform companies with below-average diversity and engagement by 46% to 58%.”


Example #2

“Companies with ‘two-dimensional’ diversity are 45% more likely to report that they had captured a larger portion of the market and 70% more likely to have entered into a new market in the past year.”

Example #3

“The millennial and Gen Z generations are the most diverse in history: only 56% of the 87 million millennials in the country are white, as compared to 72% of the 76 million members of the baby boomer generation.”

CNN Money, “Millennial Generation is Bigger, More Diverse than Boomers,” interactive website.

Example #4

“Beyond changing national demographics, why are workers seeking more diverse and inclusive workplaces? Because 45% of American workers experienced discrimination and/or harassment in the past year.”

Gallup, “Build a Culture Where Every Employee Can Use Their Voice,” interactive website.

Example #5

“78% of employees who responded to a Harvard Business Review (HBR) study said they work at organizations that lack diversity in leadership positions.”

https://hbr.org/2013/12/how-diversity-can-drive-innovation
**Fully Embracing DEI**

- The organization’s approach to DEI cannot be only member-focused.
- The culture of the organization must mirror DEI initiatives.
- Creating a diverse, inclusive, and equitable culture comes from the top, including the Board of Directors.

**Four Global Mega-Trends**

- *Diversity of Markets*
- *Diversity of Customers*
- *Diversity of Ideas*
- *Diversity of Talent*
Internal Directive

- Leadership is on board, now what?
- Walk the walk - be clear with staff and members
- Do policies and procedures reflect what the credit union would like to do?
- Are employees encouraged to be their authentic self at work?
- Are there ramifications for what isn’t tolerated?

Opportunities

- Tailoring products and services to help members and future members.
- Offering education, over time, to assist your members and future members.
- Rethinking design of branch/ease of use for members and future members.
Opportunities

• Lending Products
  • Secured Credit Cards
  • Payday Alternative Loans
  • Longer-Term Auto Financing
  • Small Dollar Lending Program

Opportunities

• Other Services
  • Guaranteed Asset Protection (GAP)
  • Mechanical Breakdown/Warranty
  • Credit Life & Disability
• Underwriting Policies
  • Review risk matrix, rates of denial, credit terms, down payment requirements, “credit invisible” borrowers, etc.

Get Involved!

• Community service
• Civic group memberships
  • Become a member of local business organizations, neighborhood programs, other non-profits
• Chambers of Commerce
  • Not just the community chamber - LGBT COC, Hispanic COC, Tribal COC, Women-owned businesses, etc.
• Special business designations
  • AARP BankSafe, dementia-friendly businesses, LGBT friendly businesses, multi-lingual businesses
Resources

- Create internal resources to assist your members:
  - Community services.
  - 211.
  - Food banks, energy assistance, job assistance, etc.
  - Community-specific organizations.

- The Arc (arc.org) - For people with intellectual & developmental disabilities.
- Human Rights Campaign (hrc.org) - LGBTQ resources.
- United States Hispanic Chamber of Commerce (ushcc.org)
- NAACP (naacp.org)
- Energy Assistance - Government programs, as well as utility foundation programs

Resources

- African American Credit Union Coalition (aacuc.org)
- Inclusiv (inclusiv.org)
- Coopera (cooperacouncing.com)
- Your state league/association
- CU DEI Collective (cudeicollective.org)
- National Credit Union Administration (ncua.gov)
Resources

• Many more ideas:
  • Home Weatherization
  • Rent Assistance
  • Transportation Assistance
  • Long-term Care and Senior Care
  • Legal Assistance
  • Domestic Abuse
  • Elder Abuse
  • Mental Health Resources

Thank you!

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