

EXECUTIVE BENEFITS

Recruitment and Retention: The Right Executive Benefits Can Be a Clear Advantage.

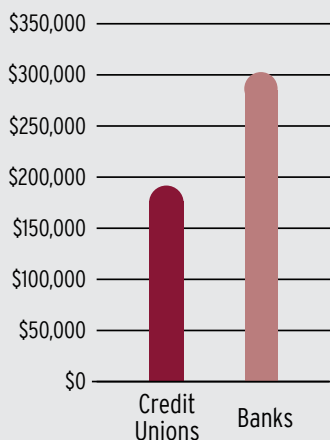


There is no substitute for leadership.

It's an inescapable truth: a financial institution is only as strong, stable, and successful as its leadership team. Unfortunately, executive turnover and fierce competition for the best CEOs and managers can make it very difficult for your credit union to develop and maintain a consistent team of top-shelf talent. Can your credit union compete with major industry players waving heftier paychecks and attractive stock options at high-quality candidates?

Median CEO Total Cash Compensation at Credit Unions and Banks

(Does not include bank stock options and grants)



Bank data source:
The Delves Group's 2007 Bank Cash Compensation Survey

Credit union data source:
CUNA's 2008-2009 CEO Total Compensation Survey

Closing the compensation —and benefits—gap.

There is great disparity between banks and credit unions when we compare top executive compensation. Credit union CEO cash compensation is 5% to 35% lower than bank CEOs in similar sized institutions. This doesn't include any stock grants and stock options bank CEOs may receive, meaning there's an even greater disproportion in overall compensation.

Bring greater stability and success to your credit union.

It's time to take a hard look at your executive benefits. Too many credit unions rely on out-of-date packages that ignore real-world executive concerns. It's time to develop a competitive and contemporary package. It's time to add innovative plans and programs. It's time to recruit and retain the very best executive candidates—before they join the competition!

An Executive Benefits Specialist from CUNA Mutual Group will help you evaluate your current benefits package, provide key suggestions for improving your program, and help implement innovative methods for funding it. CUNA Mutual also offers new funding solutions that could offset the rising cost of employee and executive benefits. With Total Benefits Pre-Funding, CUNA Mutual can help shift benefit costs from a liability to an asset on your credit union's balance sheet.

Critical challenges for credit unions today

CHALLENGE #1: CREDIT UNIONS ARE EXPERIENCING SEVERE TURNOVER AND EXECUTIVE CHURN.

Executive turnover and retirement is on the rise. In the next ten years, two of every five credit union CEOs will be eligible for retirement.¹ *Business Week* notes that management turnover was way up in 2006. CEOs came and went at a 30% higher rate.²

¹ CUNA's 2007-2008 Complete Credit Union Staff Salary Survey Report.

² "Hello, Goodbye" *Business Week*, 1/22/07.

CHALLENGE #2: EXECUTIVE COMPENSATION PACKAGES ARE GETTING MORE COMPETITIVE.

To remain competitive, more and more credit unions are offering increasingly diverse benefits, such as long-term care and split-dollar insurance, to supplement executive cash compensation as part of their total package. It's important for credit unions to not only evaluate what they're offering, but also consider what they're not offering.

CHALLENGE #3: THE RISING COSTS OF BENEFITS ARE TAKING A TOLL ACROSS ALL INDUSTRIES.

Even a cursory glance at today's headlines reveals a growing concern across the nation's companies and organizations regarding the rising cost of benefits. Leading credit unions are discovering the advantage of offsetting these costs through powerful pre-funding plans.

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Meeting executive expectations means hiring more top candidates.

Exemplary leaders and executives are always in demand. You have to proactively build a foundation of loyalty and security with your top executives to keep them from looking at “greener” pastures, because there will be banks and other for-profits looking to steal away your top talent. Secure your best people and create a more stable and smooth succession strategy with CUNA Mutual.

A strong benefits package should at least meet the expectations of top executive talent. But these expectations continually change with new legislation, trends, etc. That’s why keeping your benefits package contemporary is one way you’ll keep it competitive. Our broad spectrum of benefits solutions includes:

- 457(b) Deferred Compensation Plan
- 457(f) Supplemental Retirement Plan
- Split-Dollar Life Insurance
- Executive Bonus Plan
- Executive Long-Term Care Plan
- Executive Disability Plan
- Key Person Insurance
- Total Benefits Pre-Funding

CUNA Mutual can help you develop an executive benefits package that is innovative, up-to-date, and affordable. With our no-fee assessment, your Executive Benefits Specialist can evaluate your current package and then investigate ways to recruit, reward, and retain more top talent and offset the rising costs of providing benefits. Contact your Executive Benefits Specialist or our Service Center at 800.356.2644, ext. 1035 for more information.

Total Benefits Pre-Funding can turn a liability into an asset.

Credit unions are struggling to deliver top-shelf benefits while trying to manage the rising cost of benefits. In response, CUNA Mutual’s innovative Total Benefits Pre-Funding option allows your credit union to invest funds that will offset the costs of providing premium executive and employee benefits. This decreases the burden on your operational budget and creates the opportunity to amplify your benefits program.

The right expert can help you attract the right executive.

CUNA Mutual’s Executive Benefits Specialists are committed to helping you comprehensively evaluate your executive benefits strategy, then design the best solutions. No other provider understands the credit union industry like CUNA Mutual. We have over 3,800 participants in over 1,300 credit unions using a wide array of Executive Benefits solutions. Now is the time to discuss building a better leadership team through a better benefits package.

CUNA Mutual Group is a leading provider of financial services to credit unions, their members, and valued customers worldwide. With more than 70 years of market commitment, CUNA Mutual’s vision is unwavering: to be a trusted business partner who delivers service excellence with customer-focused, best-in-class products and market-driven innovation.

Visit execben.cunamutual.com or call 800.356.2644, ext. 1035 for more information.



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