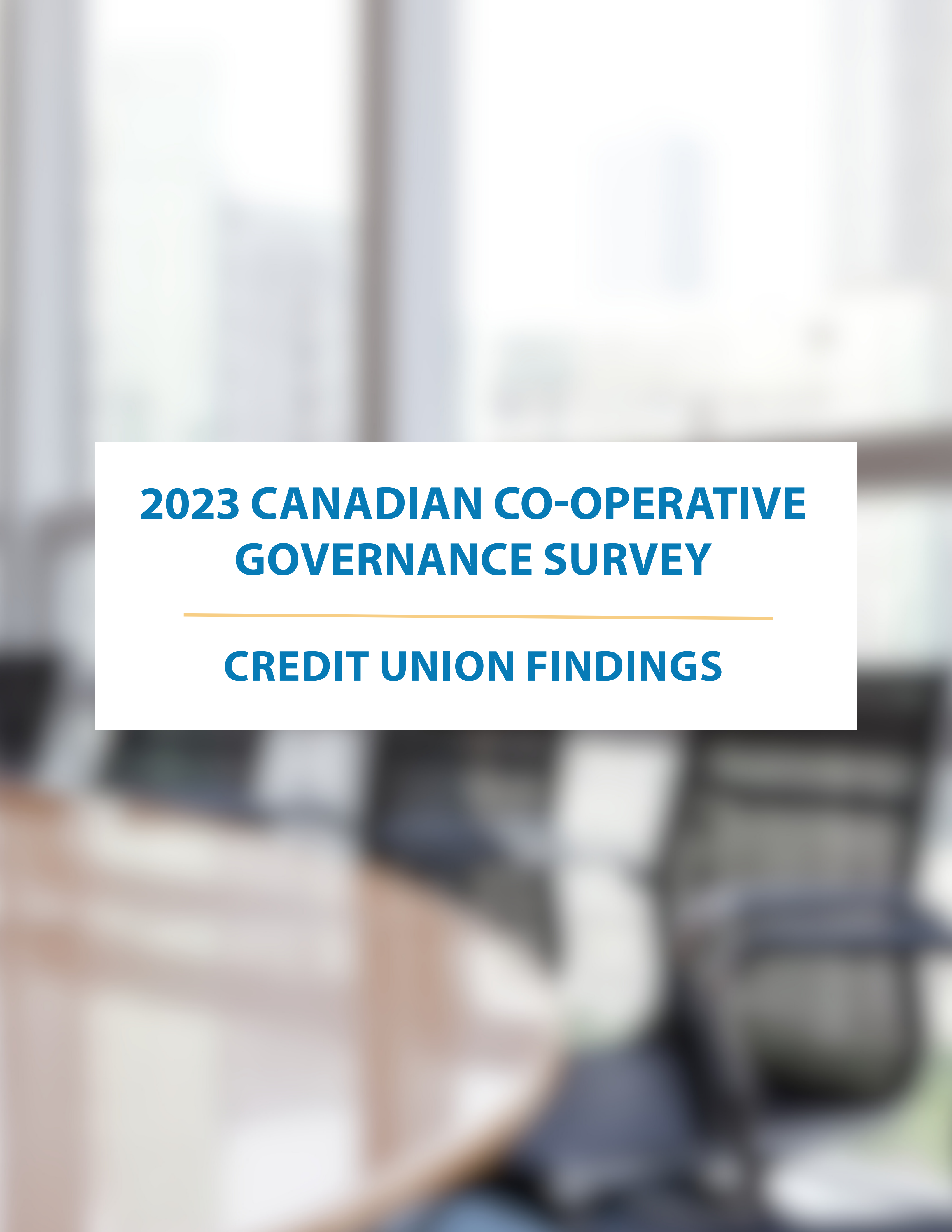

2023 CANADIAN CO-OPERATIVE GOVERNANCE SURVEY

CREDIT UNION FINDINGS

ABSTRACT

The co-operative sector is diverse, consisting of member-owned businesses operating in everything from insurance, to banking, to farming, to retailing and beyond. This diversity is also reflected amongst co-operative governance practices. The Canadian Co-operative Governance Survey gathers data and reports on those governance practices to support co-operatives in reflecting and benchmarking their practices against their peers. As part of that project, this report focuses on the governance practices of credit unions and it finds that, even within this sector, there is considerable diversity among small, medium, and large credit unions. Specifically, this report finds that boards on large credit unions tend to be younger and more demographically diverse and have proportionally more executive-level experience on the board of directors than medium and small credit unions. Meanwhile, medium and small credit union directors tend to be older, less diverse, and have served longer periods of time. This report further finds that credit unions generally have younger and more diverse boards than their non co-operative peers.

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1. Introduction

Effective governance frameworks and practices are cornerstones of nurturing democratic member control, ensuring diverse representation, and ensuring the sustainability of the organization. While governance must never be seen as a "one-size-fits-all" practice, co-operatives can improve on their governance practices by learning from others, a process that until recently has been challenging because of a dearth of quality data (Berner and Schlachter 2022).

In response to this need, the Canadian Centre for the Study of Co-operatives has conducted two waves of surveys, first in 2019 and again in 2021-22, and published asociated reports[1], that shared information about co-operative governance practices. As highlighted in the most recent report, however, it is important to recognize that Canada's co-operative sector is diverse and governance needs and practices will vary accordingly, suggesting a need for sector-specific reports. With that in mind, this report draws on the recent 2021-22 survey to examine the distinct governance practices of credit unions, including what we call their "board demographics," director compensation, board composition, term limits, and who wields the most influence in the board elections process.

Table 1 lists the 20 credit unions that participated[2].

Affinity Credit Union	Innovation Credit Union
Alterna Credit Union	Interior Savings Credit Union
Atlantic Edge Credit Union	Kingston Community Credit Union
Beaubear Credit Union	Libro Credit Union
Conexus Credit Union	Medirian Credit Union
Cornerstone Credit Union	Rocky Credit Union
Desjardins	Stride Credit Union
Dodsland Credit Union	Swan Valley Credit Union
East Coast Credit Union	Synergy Credit Union
First West Credit Union	TCU Financial

1 See for example "Co-ops and Credit Unions: 2023 Report from the Board Room," available here: https://usaskstudies.coop/documents/research-reports/canadian-co-operative-governance-wave-2-survey-report.pdf

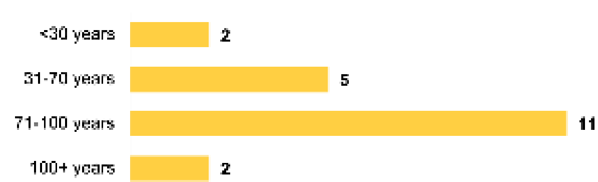
2. Board Demographics

As shown in Table 2, respondent credit unions have been around for a while, with an average age of 75 years. The youngest credit union in our sample has been in operation for 15 years (likely a 'new' credit union that resulted from a merger), while the oldest one has been serving its members for 122 years (as of the survey). As illustrated in Figure 1, only 2 credit unions were founded less than 30 years ago.

Table 2: Years in Business

Average	75
Minimum	15
25%	70
Median	79
75%	83
Maximum	122

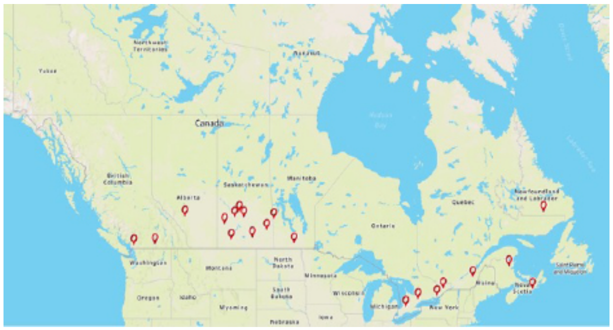
Figure 1: Number of Credit Unions by Years in Business



Participant credit unions come from every province and span urban and rural parts of the country. (see Figure 2).

2 Please note that not every organization answered every survey question, so "N" numbers in the following pages are based on the number that answered the question, not necessarily on the total number of organizations that participated. Where percentages are not based on the total of 20, we will indicate the actual number of responses in the text, i.e., (N=16), which indicates 16 respondents who answered that particular question. Meanwhile, "n" refers to the frequency of organizations that responded a certain way. For instance, n = 10 indicates that ten credit unions gave the same response to a particular question.

Figure 2: Map of Participating Credit Unions



2.1 Profile of Participating Organizations

In this section, we report on a range of statistics – medians, percentiles, minimums and maximums – to describe the participating credit unions in terms of their assets, revenue, number of members, number of employees[3].

Beginning with assets, Table 3 shows that the median asset level for surveyed credit unions was $1.7 billion, with half of the surveyed organizations holding asset levels ranging from $392 million (the 25th percentile) to $6.7 billion (the 75th percentile).

There was considerable variation in revenues among participating organizations, with revenue ranging from a minimum of $375,000 to a maximum of $20.4 billion. Median revenue was $25.6 million, with fifty percent of the surveyed co-operatives reporting revenues ranging from $8.6 million (the 25th percentile) to $61.4 million (the 75th percentile).

The median membership size was 50,857, with half of the credit unions having between 17,247 (the 25th percentile) and 141,496 members (the 75th percentile). The largest surveyed CU had 4 million members. Finally, the median number of employees for surveyed credit unions was 248. The number of employees, including full-time, part-time, and casual, ranged from a minimum of six to a maximum of fifty-four thousand.

The data in Table 3 suggest a diverse credit union sector, one that can be clustered according to size. To be able to more accurately benchmark our survey findings, through a comparison of assets, revenue, and size of membership, respondents were clustered into three groups: small, medium, and large.

Table 3: Attributes of Participating Respondents

Name	Average	Minimum	25%	Median	75%	Maximum
Assets (thousands $)	23,683,019	74,357	392,126	1,742,806	6,724,607	397,100,000
Revenue (thousands $)	1,087,507	375	8,593	25,572	61,449	20,405,000
# of Employees	3,117	6	74	248	787	54,000
# of Members[4]	304,181	1,502	17,247	50,857	141,496	4,000,000

3 We do not report on averages in this section because this statistic is influenced by a particularly large credit union in the sample data (i.e., the credit union with almost $400 billion in assets).
4 N = 18

The small group consists of credit unions with assets under $500m, revenue of under $10m, and a membership of fewer than 15,000 (n = 6). The medium group consists of credit unions with more than $500 million and under $2 billion in assets, revenue of more than $10 million and under $100 million, and more than 15,000 members but fewer than 100,000 (n = 7). Finally, the large group consists of six credit unions affiliated with the Large Credit Union Coalition, plus Desjardins (n = 7). These credit unions had more than $5 billion in assets, revenues of more than $100 million and more than 100,000 members. Table 4 summarizes the average and median assets, revenues, number of employees, and number of members for each of these three categories.

3. Board Composition

To explore credit union board composition, we look at the size of the board, the age of directors, the representation of members from different equity-seeking groups, whether surveyed credit unions incorporate diversity targets, and the number of directors coming from the same industry and/or have executive experience.

3.1 Board Size

The average board size of participating credit unions was 11, with a minimum of 7 and a maximum of 22 directors. Based on data from the Canada Spencer Stuart Board Index, this is identical to the average board size among the 100 largest publicly-traded companies. As Table 5 shows, there tends to be fewer board members in smaller credit unions then in medium and large credit unions.

Table 4: Attributes of participating credit unions grouped by size

	Average			**Median**		
Name	Small	Medium	Large	Small	Medium	Large
Assets (thousands $)	252,719	1,732,331	65,716,820	274,377	1,639,738	6,800,000
Revenue (thousands $)	5,343	29,861	3,072,722	6,368	25,744	140,631
Number of employees	38	262	8,610	40	224	900
Number of members	8,032[5]	39,921	737,668	7,026[6]	38,000	154,017

Table 5: Number of directors on the boards of participating credit unions grouped by size

Name	Average	Minimum	Median	Maximum
Small	9	7	10	12
Medium	11	10	12	12
Large	13	9	11	22

[5] N = 4
[6] N = 4

3.2 The Age of Board Members

Table 6 depicts the average age of participating credit union board members, showing that on average, board members in these credit unions was 56 years, seven years less than the average of 63 years for publicly-traded firms (Stuart, 2023). In general then, board members in credit unions are younger than their peers in publicly-traded companies. This is most dramatic in the 'under 50' categories, which accounted for 30% of credit union board members but only 5% of members in publicly-traded firms.

Table 6: Age of Board Members (in years) (N = 16)

Average	56
Minimum	27
25%	47
Median	58
75%	66
Maximum	78

Figure 3: Age Distribution of Board Members (in years) (N = 16)

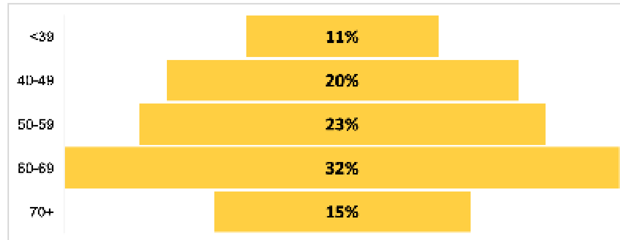


Table 7 explores the same data by credit union size, showing that the average age of participating credit union board members falls as the size of the credit union increases.

3.3 Time Served as a Board member

Table 8 shows that board tenured varied greatly among responding credit unions, with some members having less than a year of service while at the other extreme, some having served for as long as 39 years. On average, directors in the surveyed credit unions have held their board positions for five years.

Table 7: Age of board members grouped by credit union size

Name	Average	Minimum	25%	Median	75%	Maximum
Small	58	39	47	59	67	78
Medium[7]	57	28	49	61	67	76
Large[8]	54	27	45	56	63	73

[7] N = 5
[8] N = 5

Table 8: Years served on the board (N = 19)

Average	5
Minimum	-
25%	2
Median	4
75%	6
Maximum	39

Figure 4: Years served as a Board Member (N = 19)

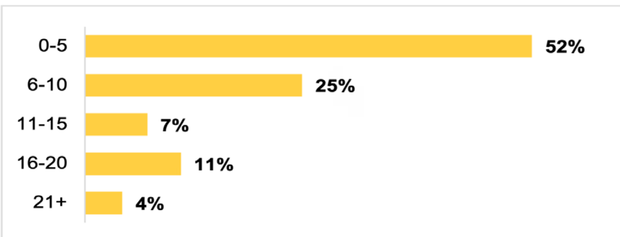


Table 9 depicts the same data by size, showing again that board members at smaller credit unions tend to have longer tenures, with an average of 11 years compared with 8 years at medium credit unions and 4 years at the largest.

3.4 Representation of Members of Different Equity-Seeking Groups on Boards

The average number of female director amongst reporting credit unions was 4, with representation ranging from one to seven female directors (see Figure 5). With an average board size of 11, this suggests that among participating credit unions, women represent 36 percent of an average credit union board, well above the average of 21.6 percent on other corporate boards (Statistics Canada 2022).

When we explore the same data by size of credit union, we observe that smaller credit unions had fewer female members on average (3) than their medium and larger-size credit unions (5 each).

Figure 5 Female directors on credit union boards (N = 19)

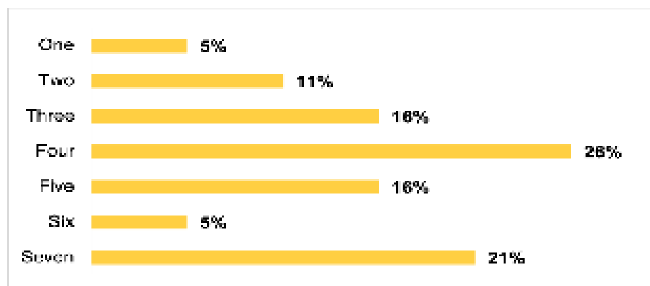
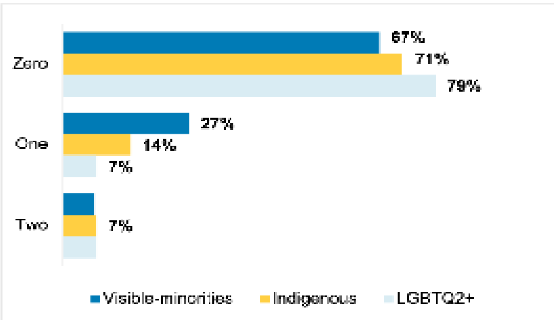


Table 9: Years Served on the Board by the Size of Credit Union

Name	Average	Minimum	25%	Median	75%	Maximum
Small	11	0	4.5	10	17	39
Medium	8	1	3	6	10	28
Large[9]	4	0	2	3	5	24

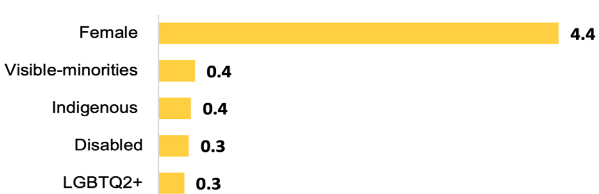
[9] N = 6

Figure 6: Visible minority[10], Indigenous[11], and LGBTQ2+[12] directors on credit union boards



Other equity-deserving groups had a much smaller presence on the participating credit unions' boards. Most respondents (67 percent) did not have directors who were part of a visible minority group and only one organization reported 2 directors belonging to this designation (see Figure 6). Similarly, 71 percent of participing credit unions said that none of their directors were Indigenous and 93 percent said that they do not have any persons with disabilities on their boards. Seventy-nine percent reported that they do not have anyone on their board who identifies as lesbian, gay, bisexual, transgender, queer, nonbinary, or two-spirited (LGBTQ2+).

Figure 7: Average number of equity-seeking members on CU boards



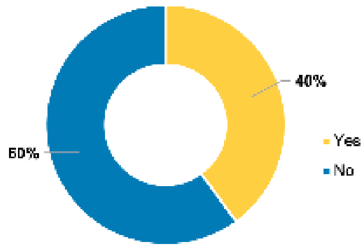
[10] N = 15
[11] N = 14
[12] N = 14

Again, we observe some important differences across small, medium and large credit union categories. At the four large credit unions on reported on these questions, 80% reported having at least one director who was a member of a visible minority, 50% had at least one director who was Indigenous, and 50% had at least one director who identified at LGBTQ2+.

By contrast, among medium-sized credit unions, we found that 80% did not have any directors who were of a visible minority, 60% did not have any directors who were Indigenous, 80% did not have any directors who identified as being disabled, and 100% did not have any LGBTQ2+ directors. Similar trends are observed at small-sized credit unions, all of which indicated they did not have any directors who were of a visible minority, Indigenous, and disabled, and 80% of which said they did not have any directors who are part of the LGBTQ2+ community.

Diversity targets can be a tool to change these outcomes. Figure 8 shows that most (60%) of the responding credit unions did not have established diversity targets. Among those with targets, emphasis was placed on ensuring representation across diverse geographical locations, genders, age groups, ethnicities, and cultures, aligning with the demographics of their membership. As articulated by one respondent, "Diversity and Inclusion aim to incorporate individuals with a spectrum of identities, abilities, backgrounds, cultures, skills, perspectives, and experiences, reflective of the evolving membership of cooperatives".

Figure 8: Diversity Targets



When the surveyed credit unions were compared by size, it was found that 57 percent of medium-sized credit unions did establish diversity targets, compared with 43 percent of large-sized credit unions, and 17% of small-sized credit unions established diversity targets.

Another dimension of diversity is geographical diversity. Credit unions often span vast distances and serving numerous local communities, including across urban and rural communities. Of the 78% (n = 14) of surveyed credit unions that said their operations span urban and rural geographies, 85% (n = 11) indicated that they seek representation across these two locations[13].

The survey also finds that credit union boards tend to be governed by people with little or no experience at the executive level of an organization in a like industry. Specifically, the survey found that, on average, surveyed credit unions had four directors with experience in the senior ranks of an organization, or just over a third of the board[14]. When the size of the credit union is considered, this finding ranged from small-sized credit unions having an average of two directors with executive-level experience on their board to between three and four directors in medium-sized credit unions to six directors in large-sized credit unions.

We also found that among participating credit unions, there was an average of two directors of their board that had sector-relevant (i.e. same industry) experience[15]. When size of the credit union was considered, this average ranged from less than one in small-sized credit unions to three in medium- and large-sized credit unions.

4. Term Limits

As shown in Figure 9, 15 out of 20 (75%) credit unions limited the length of time a member serves on the board before going up for re-election. Among these credit unions, 9 (60%) also limited the total number of years a director can serve before mandatory retirement. No participating credit union required directors to retire at a specific age. Moreover, among the credit unions with term limits, 93% limited directors to a three-year term before requiring directors to seek re-election, while 7% implemented a nine-year tenure before requiring directors to seek re-election.

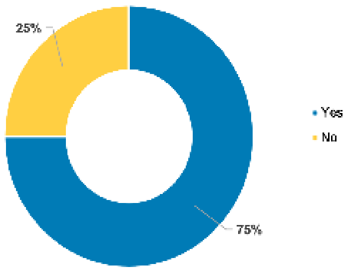
When taking into consideration the size of credit unions, we found that 86% of large credit unions, 57% of medium-sized credit unions, and 83% of small-sized credit unions had term limits, well above the norm outside the co-operative sector. A study conducted by Corporations Canada in 2022 revealed for example that only 17 percent of the 450 surveyed firms in its sample had implemented term limits or similar mechanisms for board renewal. Among those, 4 percent imposed restrictions based on directors' age, and 7 percent based on directors' tenure.

[13] Of the 14 surveyed credit unions that operated across urban and rural locations, one did not answer the subsequent question about seeking representation. This accounts for the discrepancy in percentages.

[14] N = 19

[15] N = 19

Figure 9: Number of credit unions with term limits for directors

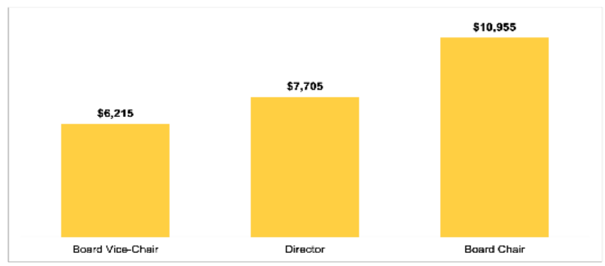


Board term limits offer a way approach to inject fresh perspectives into boardrooms, an important consideration given evolving challenges. They also promote systematic succession planning, enabling the seamless transition of skills and expertise within the board. Yet, they come with drawbacks. Term limits can undermine the continuity within the board, forcing valuable experienced, and knowledgeable directors to leave (Corporations Canada, 2022).

5. Board Compensation

Table 10 summarizes survey data on credit union board chair, vice-chair, secretary, and director compensation[16]. The presence of outliers influenced the data, resulting in skewed values; therefore, the medians are used rather than the averages. As seen in Figure 10, the median compensation for board chairs is approximately $11,000, while board vice-chairs receive just over $6,000, and directors receive $7,700. Meanwhile, only 21% of the surveyed credit unions compensated their board secretaries. The amounts ranged from $400 to $6,750. The average compensation amount was $761.

Figure 10: Median Board Compensation, in Canadian dollars (N = 19)



When we compare board compensation practices by size of credit union, we find that median compensation for the Board Chair, the Board Vice-Chair, and the Director predictably increased with size (see Table 11). For instance,

Table 10 Board compensation, in Canadian dollars (N = 19)

Name	Average	Minimum	25%	Median	75%	Maximum
Board Chair	169,308	0	1,288	10,955	34,038	3,005,906
Board Vice-Chair	8,758	0	581	6,215	14,082	35,547
Board Secretary[17]	761	0	0	0	0	6,750
Director	15,072	0	938	7,705	16,913	65,000

[16] N = 19. One surveyed credit union indicated that they do not compensate their directors.
[17] Table 9 does not show a median for the Board Secretary because the majority of respondents wrote $0.

the median annual compensation for the Board Chair for small-sized credit unions was $1,700, $9,000 for medium-sized credit unions, and $40,000 for large-sized credit unions. Table 11 provides two sets of statistics for large credit unions. The first set includes a very large credit union where the board chair also served as the chief executive officer. The second set removes this credit union from the sample to provide a more balanced view of compensation amounts in the rest of the system. In the full sample of large credit unions for example, the maximum board chair compensation comes in at more than $3 million; removing this outlier credit union drops this maximum to $81,600. Some but not all other statistical measures are similarly affected by omitting this outlier.

When comparing the total board compensation of credit unions of different sizes (see Table 12), we similarly find that total board compensation increases with credit union size. The median board compensation for small-sized credit unions was around $37,000; for medium credit unions, total board compensation (across all members)

Table 11 Board compensation by credit unions size, in Canadian dollars

	Name	Average	Minimum	25%	Median	75%	Maximum
Small[18]	Board Chair	3,493	-	56	1,713	6,140	10,410
	Board Vice-Chair	2,386	-	-	113	4,316	8,410
	Director	2,460	-	288	1,450	4,525	6,410
Medium	Board Chair	12,390	1,000	1,225	9,000	20,516	33,250
	Board Vice-Chair	8,247	700	925	6,750	14,539	19,350
	Director	7,144	500	925	4,500	12,503	18,150
Large	Board Chair	468,354	19,500	34,640	40,000	71,895	3,005,906
	Board Vice-Chair	14,732	-	6,250	12,400	21,340	35,547
	Director	33,810	12,400	16,100	31,365	47,853	65,000
Large[19] (N=6)	Board Chair	45,428	19,500	29,535	38,200	67,312	81,060
	Board Vice-Chair	13,388	-	1,875	11,200	23,797	35,547
	Director	30,249	12,400	14,875	23,932	46,647	65,000

Table 12: Total board compensation by credit union size, in Canadian dollars

Name	Average	Minimum	25%	Median	75%	Maximum
Small[20]	31,679	-	20,046	36,659	38,600	63,000
Medium	163,749	-	93,043	122,848	236,155	365,000
Large	727,993	221,088	310,000	388,000	730,445	2,405,975

18 N = 5
19 Of the large credit unions, one had their CEO also serve as their board chair. The board chair remuneration reflected the CEO salary and created a noticeable outlier. This revised table omits that particular credit union to reduce the outlier effects.
20 N = 5

was just under $123,000, while for large-sized credit unions, the median was $388,000. The large category also had the widest range of board compensation from a minimum of $221,000 to a maximum of $2.4 million.

6. Director Compensation

Almost all participating credit unions (95%) provided at least one type of compensation to their directors. The most common type of compensation – as seen in 65% of surveyed credit unions - was providing directors with an honorarium, with an average amount of $6,012 and a maximum of $40,530. Retainers varied more dramatically, with an average of $9,235 and a maximum of $65,000. Half of the surveyed organizations paid per-meeting fees to their directors with an average of $204 (see Table 13). Retainers and per-diem fees were used less frequently by credit unions: only 30% of surveyed credit unions provided a retainer, while only 25% paid per diems with an average rate of $98.

When these data are explored by size of credit unions, we find that larger credit unions were more likely to pay a retainer than medium and smaller credit unions.

With respect to per-meeting compensation, rates for small and medium-sized credit unions were similar, ranging from zero to $250 for smaller credit unions (average = $108) and zero to $400 for medium-sized credit unions (average = $164). Large-sized credit unions provided an average per-meeting fee of $325.

Table 13: Director compensation, in Canadian dollars

Name	Average	Minimum	25%	Median	75%	Maximum
Retainer	9,235	-	-	-	5,000	65,000
Per-Meeting Fee	204	-	-	50	363	1,375
Per Diem Fee	98	-	-	-	160	450
Honourarium	6,012	-	-	550	6,900	40,530

Table 14 Director compensation by credit union size, in Canadian dollars (N = 19)

	Name	Average	Minimum	25%	Median	75%	Maximum
Per-Meeting Fee	Small	108	-	25	125	150	250
	Medium	164	-	-	-	375	400
	Large	325	-	-	-	450	1,375
Honorarium	Small	2,117	-	25	1,250	4,350	5,200
	Medium	5,572	-	300	600	10,053	17,700
	Large	9,790	-	-	-	14,000	40,530
Retainer	Large	23,638	-	-	15,300	42,583	65,000

7. Director Reimbursement and Benefits

Table 15 shows that mileage was the most frequent type of reimbursement paid to directors, with 75% (15 out of 20) of participating credit unions reimbursing their directors for this expense. Half of the credit unions paid between $0.45 (the 25th percentile) and $0.61 (the 75th percentile) per kilometer.

Training allowances for directors were provided by 12 of the surveyed credit unions. Of those credit unions, the average reimbursement amount was $2,600, with a maximum of $15,000. Nine credit unions reimbursed their directors for orientation sessions (with amounts ranging from $60 to $500), eight paid for travel time (with amounts ranging from $25 to $500), and seven offered a computer equipment allowance (with amounts ranging from $200 to $1,800).

Only two credit unions provided a reimbursement for meeting preparation, whereas one credit union provided an internet allowance of $75 to its directors. Office supplies were not reimbursed by any of the participating credit unions.

Table 15: Director reimbursement, in Canadian dollars (N = 19)

Name	Average	Minimum	25%	Median	75%	Maximum
Orientation	149	-	-	-	375	500
Mileage for Travel	0.45	-	0.45	0.55	0.56	0.61
Travel Time	60	-	-	-	36	500
Training	2,611	-	-	1,000	4,500	15,000
Computer Equipment	416	-	-	-	743	1,800

Table 16 Director reimbursement by credit union size, in Canadian dollars (N = 19)

	Name	Average	Minimum	25%	Median	75%	Maximum
Mileage for Travel	Small[20]	0.46	-	0.46	0.56	0.58	0.61
	Medium	0.45	-	0.48	0.54	0.55	0.56
	Large	0.32	-	-	0.52	0.57	0.59
Orientation	Medium	186	-	-	100	375	450
	Large	193	-	-	-	425	500
Travel Time	Medium	18	-	-	-	39	50
	Large	132	-	-	-	213	500
Training	Medium	1,514	-	50	1,000	1,750	6,000
	Large	5,214	-	1,500	6,000	6,250	15,000

[20] N = 5

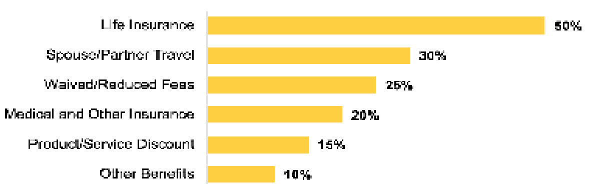
When the size of the credit unions are taken into consideration, we find that medium and large credit unions, on average, offer more types of reimbursements than smaller credit unions but that smaller credit unions pay more for some types of reimbursement.

As shown in Table 16, mileage for travel, small-sized organizations reimbursed their directors at a higher rate, averaging $0.46 per kilometer, compared to $0.45/km in medium-sized credit unions and $0.36/km in large-sized credit unions.

Half of medium-sized credit unions reimburse their directors for training between $50 (the 25th percentile) and $1,750 (the 75th percentile), whereas large organizations offer higher reimbursements ranging from $1,500 (the 25th percentile) to $6,300 (the 75th percentile).

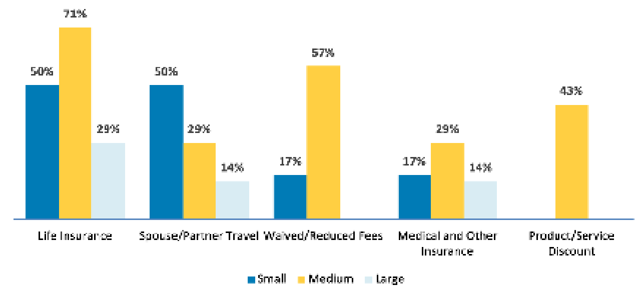
With regards to benefits, life insurance was the most frequent benefit participating credit unions provided to their directors (see Figure 11), while product and/or service discounts were the least frequently considered type of benefit (n=3).

Figure 11: Directors' Benefits



By size, small and medium credit unions were more likely to provide benefits to their directors than the large ones. Small credit unions offered life insurance and spouse/partner travel benefits, while medium organizations provide life insurance and waived/reduced fees (see Figure 12).

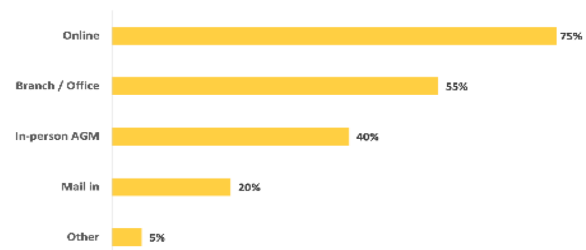
Figure 12: Directors' Benefits by Credit Union Size



8. Democratic Process

The governance survey also querried credit unions about their democratic process. The survey reveals that at 90% of the the surveyed credit unions, boards are elected by members at-large. For the other 10% however, directors are elected by delegates.

Figure 13: How Members Vote in Elections

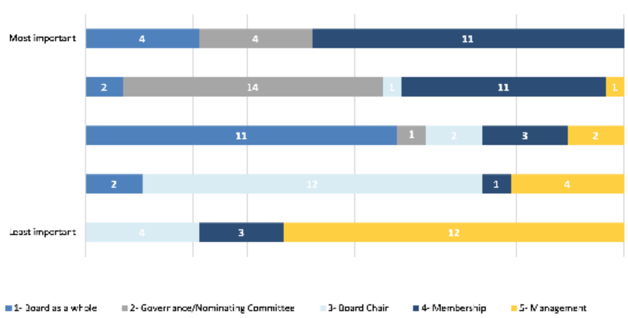


Surveyed credit unions were also asked about the way(s) in which their members can vote in director elections. As shown in Figure 13, 75% of surveyed credit unions said that their members can vote online while, 55% said members have the option of voting in branch. Only 40% of participating credit unions said their members can vote in person at the annual general meeting, a dramatic shift from before COVID when electronic voting was a rarity. Some 20% of respondents also said that members can vote via mail-in ballots.

When participating credit unions were asked which groups within the organization had the most influence on director elections and which had the least, more than half of the participants believed that the membership had the most influence on director selection (see Figure 14), followed by the governance/nominating committee, the board, and board chair. Finally, management was seen as having the least influence on director elections.

Small-sized credit unions were the more likely to say that the board of directors had the most influence on elections, followed by the governance/nominating committee, membership, management, then board chair.

Figure 14 Rank of influence on elections (N = 19)



9. Conclusion

The co-operative sector is diverse, consisting of member-owned businesses operating in everything from insurance, to banking, to farming, to retailing and beyond. As one might expect, this diversity finds expression in board governance. In this report, we look at one part of the co-operative sector – credit unions – and find that even within this sector, there is considerable diversity among small, medium, and large credit unions.

Specifically, we found that boards on large credit unions tend to be younger and more demographically diverse than medium and small credit unions. On average, directors on larger credit unions also tend to serve less time on the board, a trend that suggests larger credit unions value regular influxes of new board members – or simply have the capacity to recruit new competent board members. Whereas smaller credit unions appear to seek continuity and less turnover perhaps due to having a lower capacity for recruitment. We also found that larger credit unions tend to have proportionally more directors with executive-level experience on their board, a strength in an increasingly complex financial landscape but also potentially a weakness if it leads the credit union to distance itself too much from its general membership and causes an erosion of the perceptions, real or imagined, of democratic legitimacy.

Meanwhile, medium and small credit union directors tend to be older, less diverse, and have served longer periods of time. For example, as seen in Table 9, on average, directors in small credit unions have served an average of 11 years on the board and 8 years for medium-sized credit unions. These findings suggest that small- and medium-sized credit union boards could contemplate the need to devote additional strategic attention to the topic of succession planning in the future.

This study, like our previous reports, also reinforces the observation that co-operative governance is different than governance in non co-operatives. The data in this report show that credit unions generally have younger and more diverse boards than their non co-operative peers. They also tend to take into considerations things like geographic diversity and other forms of member diversity, considerations that rarely factors into governance at non co-operative businesses.

Most generally, the findings reinforce the important point that governance should never been seen as a 'one-size-fits-all exercise' or that 'best practices' can easily be imported from one context to another. That is not to say, however, that benchmarking practices are unimportant or should be discarded. On the contrary, this report shows that we think these comparisons can be valuable. As credit unions evolve, they – like other co-operatives – may find that they need to adapt their governance practices. If so, they can profitably look for examples of practices they could consider and modify suitably.

Ultimately, the findings presented in this report is aimed to provide credit unions a tool for reflection and benchmarking. As part of this project, participants of the survey can continue to conduct their own benchmarking analyses through the Canadian Co-operative Governance Dashboard. The next wave of the Canadian Co-operative Governance survey is planned for 2025. We hope that survey will garner even more participation amongst credit unions so that we can continue to provide timely and robust information on governance practices to the sector.

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