

*Credit Unions Advancing*  
**DIVERSITY,  
EQUITY, &  
INCLUSION**

**NORTHWEST CREDIT UNIONS' DEI TASK FORCE RECOMMENDATIONS**

*Hosted By:*



# CONTENTS

<b>OVERVIEW</b> .....	4
-----------------------	---

## **CREDIT UNIONS AS EMPLOYERS**

Recommendation 1.....	7
-----------------------	---

*Conduct organizational benchmarking and provide leadership education.*

Recommendation 2.....	8
-----------------------	---

*Commit staff time to ongoing DEI work.*

Recommendation 3.....	10
-----------------------	----

*Develop an Employee Resource Group (ERG) program or a cross-functional team to empower and support communities within your credit union.*

Recommendation 4.....	11
-----------------------	----

*Encourage cultural competency.*

Recommendation 5.....	12
-----------------------	----

*Audit hiring and promotion processes to ensure diversity and equity in policy, process, and practices.*

Recommendation 6.....	13
-----------------------	----

*Proactively connect employees from historically marginalized communities to development opportunities the credit union offers to support their growth, promotion, and retention.*

Recommendation 7.....	13
-----------------------	----

*Provide DEI training for hiring managers and recruiting staff, including implicit bias awareness training and interviewing best practices.*

Recommendation 8.....	14
-----------------------	----

*Develop a plan for attracting, recruiting, and inviting underrepresented talent to join the credit union team.*

## **CREDIT UNIONS AS FINANCIAL INSTITUTIONS**

Recommendation 9.....	15
-----------------------	----

*Invest time in researching and understanding the specific demographics of your community.*

Recommendation 10.....	16
------------------------	----

*Conduct a DEI audit.*

Recommendation 11.....	16
------------------------	----

*Develop inclusive and equitable product design processes that address the specific needs of historically underserved populations.*

Recommendation 12.....	18
------------------------	----

*Adopt strategies to increase supplier diversity.*

## CREDIT UNIONS AS COMMUNITY PARTNERS

Recommendation 13.....20  
*Work to understand the unique issues impacting the communities your credit union serves.*

Recommendation 14.....21  
*Make a commitment to deep and sustained engagement in service of your community.*

Recommendation 15.....22  
*Invest time and resources in community organizations and approach community partnerships through a lens of empathy, relationship-building, and shared accountability.*

## CONCLUSION

Appendix A – Glossary of Terms.....24

Appendix B – Task Force Participating Credit Unions.....27



# OVERVIEW

The Northwest Credit Union Movement comprises more than 170 credit unions in Idaho, Oregon, and Washington. Nearly 60 percent of this region’s population enjoys the benefits of being a member of a credit union, which means more than 8.1 million consumers are part of this cooperative financial system.

Over the last 100 years, not-for-profit credit unions entered our nation’s financial services landscape to bring access, voice, democratic control, and direct accountability to the diverse groups of individuals and small businesses they serve.

Founded with a “people helping people” mission, credit unions have long worked to equitably build and inclusively serve diverse memberships in their communities. The strength of the Credit Union Movement is in the diversity of its many unique memberships, which together create a united fabric of access to affordable financial services.

## An Intentional Focus on Diversity, Equity, and Inclusion

As the needs of consumers and communities have continued to evolve, the Northwest Credit Unions’ Diversity, Equity, and Inclusion Task Force convened to recommend best practices for credit unions to advance their DEI work.

Hosted by the Northwest Credit Union Association and the Northwest Credit Union Foundation, the Task Force included 26 credit union professionals from across the region. The broad range of participants are passionately committed to advancing DEI and offer recommendations that can build on the credit union legacy of “people helping people.”

The Task Force worked tirelessly to discover, review, and discuss the best DEI-related tools, practices, and resources available within the reach of participating credit unions and their relationships through the broader Movement.



The Northwest Credit Union Association (NWCUA) is the trade association representing more than 170 not-for-profit, cooperative credit unions in Idaho, Oregon, and Washington, and their 8.1 million consumer members.

The Association is the unifying voice for credit unions with state and federal legislators; helps credit unions shoulder a weighty compliance burden; provides abundant professional development opportunities; and partners with members to communicate the Credit Union Difference in local and national media.



**The Task Force focused on identifying actionable strategies and processes that could support Northwest credit unions’ DEI work in their roles as employers, financial institutions, and community partners.**

Recognizing that DEI practices are unique to each credit union and community, the Task Force created recommendations that encompass race, religion, gender, sexuality, age, and historically disadvantaged groups.

During the Task Force’s discussions, our nation was also focused on racial equity. This served as a backdrop and inspiration for the entire body of the Task Force’s work.

It is recognized that DEI work is a long-term journey which advances in stages. Each credit union's journey is unique, and each credit union should determine its own path, desired outcomes, and timeline.

The following best practices and recommendations celebrate the work credit unions have done and are doing to holistically serve their members and communities. This document is also a resource to help them accelerate their efforts to be the best employers, the best financial institutions, and the best community partners they can be.

In its review of best practices, the Task Force examined the work of credit unions across the country and the Northwest. This document shares several case studies. In addition, NWCUA and NWCUF have committed to hosting and maintaining an online [DEI Resource Library](#), which houses an evolving catalog of research, case studies, and other collateral. We encourage credit unions to share their insights in this centralized collaboration hub. NWCUA and NWCUF also are developing an online discussion community, which will allow credit unions to continue to learn and share in a real-time environment. Strategic Link is another resource that supports Northwest credit unions in their DEI work.



Powered by a network of credit unions, the Northwest Credit Union Foundation (NWCUF) is uniquely positioned to harness and deliver resources that strengthen the financial lives of people and communities throughout the region.



Serving as a collaborative hub, Strategic Link harnesses the power of cooperative intelligence to connect NWCUA member credit unions with leading business partners in the industry. These world-class partners provide innovative solutions designed to help credit unions save money, stay up to date with emerging trends, deliver cutting-edge technology, and ultimately better serve their diverse memberships.

*Throughout this document, you will encounter various DEI terms. We encourage you to review the Glossary of Terms prior to reading the recommendations, to ensure familiarity with these definitions and their context within this document.*

**GLOSSARY OF TERMS**



**RESOURCE LIBRARY**



## Best Practices and First Steps for Credit Union Executive Leadership and Boards to Advance DEI Work

**Develop a commitment to DEI work** your credit union can individually own and prioritize as an employer, financial institution, and community partner. Advance this work through the lens of your credit union’s history and the current and potential markets it serves or intends to serve. Credit unions are always working to understand their demographics and the unique needs of their ever-changing membership. Be bold in your commitment to ensuring your membership’s diversity is reflected in the work you do.

**Articulate a clear DEI vision statement** centered on the market and communities you serve. Embody the Credit Union Movement’s “people helping people” philosophy. Many Northwest credit unions have already taken this step, and you can find examples of DEI vision statements in the NWCUA DEI Resource Library.

**Ground your vision in data to anchor your work** in the focus areas of employers, financial institutions, and community partners. Market data needs to continue to drive the approach to operationalizing DEI within individual credit unions. Seek understanding through internal and external demographic data collection, and quantitative and qualitative data analysis. Then, identify realistic target metrics to inform your approach to this work in your market. Set goals and metrics with the understanding that DEI work is a journey and a long-term investment. The vision each unique credit union sets needs to come from an informed place, knowing the members, employees, and communities being served. When credit unions focus their visions and strategies as employers, financial institutions, and community partners, they can make a difference in the lives of their members.



# RECOMMENDATIONS FOR CREDIT UNIONS AS EMPLOYERS

*With credit unions' philosophy of "people helping people," it is important to begin by looking internally to ensure employees are provided with environments in which they can thrive. Creating an environment where employees feel a sense of belonging has the strongest relationship to employee engagement. Belonging is linked to better job performance, lower turnover, and reduction in sick days.*

*As a first step, credit unions can seek to understand the demographics of their employees and communities through internal and external data. This data can then serve as a baseline to identify target metrics.*

## Recommendation 1: Conduct organizational benchmarking and provide leadership education.

It is important to have benchmarks and to track progress toward organizational goals. An initial survey (recommended below) could help direct where your organization begins this work, as well as inform leadership on next steps. Transparency with this data and process will also build trust with your employees.

Leaders need a foundational understanding of the "why" behind this work, so they can eventually support and engage employees on their journeys. They should understand the history of their community, as both a culture and an industry, and use that knowledge to build a foundation for a path forward. We focus on education in this area because some people appreciate the story to support the data. This education will create space to talk about diversity, equity, inclusion, and creating cultures of belonging—ultimately normalizing these conversations within the organization.

### ACTION STEPS

1. Identify specific DEI goals driven by your market data to create benchmarks for evaluation and accountability for leadership and employees. It's okay to start small, with initial goals focused on understanding the demographics of your staff and board leadership in a manner that aligns with the market/community you serve.



The inclusive culture of the institution will never exceed the capacity of the CEO and the board," said John Bissell, President and CEO of Greylock Federal Credit Union in Pittsfield, Massachusetts.

"There needs to be alignment from the top down in the vision and mission of the organization as it relates to diversity, equity, and inclusion efforts."

Greylock FCU began its DEI journey a number of years ago. Based on the credit union's experience, Bissell recommends that credit unions slow down and pace their work to ensure they are not doing harm. "After setting a vision, leadership invests deeply in self-reflection," he said, "then start with all staff accessing basic cultural competency training."



- a. Conduct a board and leader survey to determine how much they know about DEI in general, and the level of representation or the ability to champion the needs of the credit union's membership and employee base.
- b. Outline current board and leadership demographics through data.
- c. Evaluate current employee diversity and sentiment data (engagement survey, other feedback opportunities).
- d. To gather baseline data, have employees complete an annual DEI engagement and demographic survey, and compare the results each year.
- e. Be transparent with your data, plan of action, and accountability measurements. Share information with employees and consider sharing with members.
- f. As part of your accountability steps, create a DEI policy or policies for the organization, the board, and for staff. Key components to consider including in your policies:
  - i. Overarching organization statement on cultural equity, focused on inclusion.
  - ii. Your organization's definitions of diversity, equity, and inclusion.
  - iii. Diversity initiative goals your organization wants to achieve.
- g. Purposefully explore the diversity on your board and in your leadership group to ensure your demographics reflect your employees, your field of membership, and the communities you serve.

2. Develop a comprehensive, organization-wide DEI education plan, then implement and review it on a regular basis. Ensure your plan calls out components of diversity that are important to your credit union, such as race, religion, ethnicity, sexual orientation, and disadvantaged or underserved communities. This plan might initially focus on board and executive education and engagement, and then expand to include all employees. Consider working with a specialized DEI consultant to facilitate this work. Each organization's work should be grounded in a solid understanding of its unique history, the ever-evolving composition of the community, and market growth.

- a. Credit union executives are encouraged to collaborate across the industry to share best practices, communicate shared experiences, and support each other's efforts.
- b. Leverage existing industry expertise in DEI; learn from those who are willing to share their work within their organizations and consider how you might apply their learning within your credit union.



## Recommendation 2: Commit staff time to ongoing DEI work.

Dedicate time and resources to create and participate in industry activities that allow for DEI learning and reflection, such as conferences, collaboratives, task forces, and Employee Resource Groups (ERGs) or cross-functional teams. These activities should focus on supporting historically marginalized employee groups in your organization. This action demonstrates the importance of DEI to employees and the board. It also ensures that there is accountability to the work and results.

### ACTION STEPS

When beginning to develop your organization's goals and DEI mission statement, consider allocating resources toward a dedicated role in the DEI space. While not all organizations have the resources to hire an employee focused mainly on DEI, there are some things credit unions of all sizes can consider:

- 1. If Select Employer Group (SEG)-based, connect with the SEG group to explore partnership opportunities in advancing DEI work.

In Portland, Oregon, OnPoint Community Credit Union has a dedicated DEI Program Manager and a DEI Program Coordinator to support DEI advancement. OnPoint's key areas of focus include:

- Meaningful opportunities for employees to engage in learning more about historical and current inequities, and how they, as employees, could play a role in creating more inclusive spaces. Participation is not mandatory, but is highly encouraged and supported.
- A community partnership strategy that includes financial contributions and opportunities to volunteer for nonprofits, while seeking input from community partners to help inform what products and services would be most relevant to diverse communities.
- A focus on working with vendors owned by veterans, women, and people who identify as LGBTQ+ and BIPOC.



We realize that having the resources to dedicate full-time employees to advancing DEI work is a huge advantage. If our program model can help other credit unions, we would be honored to share information and to collaborate with them."

Josephine Davis, DEI Program Manager,  
OnPoint Credit Union

2. Collaborate with other credit unions in your region to partner on this work and potentially share the costs of external resources. Utilize training resources that are offered free-of-cost or as part of NWCUA/CUNA affiliation, such as the CUNA e-School materials, NWCUA programming, online content, and other resources. Participate in DEI initiatives or organizations, such as CU Pride, Global Women's Leadership Network, the African-American Credit Union Coalition, and the CU DEI Collective.

[CU Pride](#)



[Global Women's Leadership Network](#)



[African-American Credit Union Coalition](#)



[CU DEI Collective](#)



3. Identify who in the credit union is responsible for DEI work and include that information in the employee's job description. Assign specific metrics and ensure compensation is appropriate if responsibilities have been added. As with any important discipline in a credit union, such as marketing or financial, this work is best led by professionals with expertise, and it is recommended that it not be considered "volunteer."

4. Participate in NWCUA Councils, NWCUA's online community for DEI-related discussions, and listservs to connect with peers in the Credit Union Movement. Specifically, the HR & Trainers, Lenders, and Marketing, Business Development, and Community Outreach Councils discuss topics related to advancing DEI work.

[Diversity, Equity, & Inclusion Online Forum](#)



## Recommendation 3: Develop an Employee Resource Group (ERG) program or a cross-functional team to empower and support communities within your credit union.

ERGs and cross-functional teams can build community, provide support, and contribute to personal and professional development in the work environment. They provide a resource for leadership regarding employee/community issues, needs and policies. These programs can advance a respectful and inclusive credit union culture. ERGs give employees from traditionally marginalized groups a place to feel a sense of connection and belonging.

Smaller organizations can utilize cross-functional teams to nurture diverse perspectives, innovation, and inclusivity. Cross-functional teams break down silos and encourage specialists from various disciplines to work toward important goals. Cross-functional collaboration generates fresh ideas and deeper insights while building a sense of common purpose, which strengthens organizational unity. Additionally, credit unions can look to industry groups, partners, and networks to give employees a place to feel connected and included. For example: CU Pride, Global Women's Leadership Network, the African American Credit Union Coalition, and the CU DEI Collective all offer networking opportunities.

### ACTION STEPS

1. Build or participate in an ERG program that includes leadership guidance and support, training, and growth opportunities. Budget to compensate employees to lead these groups; compensation is an important way to demonstrate the value these employees are bringing to the organization, and further demonstrates your organization's commitment to DEI.
2. Smaller organizations can launch cross-functional teams or consider partnering with other credit unions to nurture diverse perspectives, innovation, and inclusivity.
3. Provide specific DEI and leadership training for individuals interested in leading ERGs or cross-functional councils. Best practices suggest that the training be provided by a DEI-specific outside source or consultant. The training should address all elements of diversity, including race, ethnicity, disability rights, and other human differences.



The University of Wisconsin Credit Union intentionally deepened its commitment to cultural competency in 2014 and has continued to evolve its work. Today, UW Credit Union has six ERGs addressing the unique needs of communities including LGBTQ+, Black, women, young professionals, Latinx, and a "Green Team" focused on environmental stability.

Recommendations of the ERGs have resulted in UW credit union taking actions to serve diverse communities. As examples, Juneteenth is a recognized holiday, and updates to the online banking platform allow members to share the names and pronouns they use, so employees can provide respectful, relevant services.

For UW, their experience is that leadership support and employee engagement are critical for an ERG program to be successful.

“

It is critical to have a strong commitment from organizational leadership," said Jaimes Johnson, Director of Community Partnerships. "We are very fortunate that much of the success of our work is based on the commitment of our CEO, Paul Kundert. With employees' engagement, you get alignment with the mission."

## Recommendation 4: Encourage cultural competency.

Present programs that provide opportunities to learn about the different cultures, races, religions, and backgrounds represented by your team and communities. These programs can facilitate an environment of open and honest communication and allow teams to become familiar with diversity-related terms. As a result, managers can become stronger mentors and coaches to their employees.

### ACTION STEPS

1. Utilize the Intercultural Development Inventory (IDI). The IDI is a cross-cultural assessment of intercultural competence used by thousands of organizations to achieve diversity and inclusion goals and outcomes. You can find more information about the IDI in the Resource Library.
2. Communicate regularly with all employees about local and international cultural practices and events. For decades, credit unions have celebrated their communities, members, and employees by participating in initiatives such as “Meet the Members Day,” showing their support for Black History Month and Pride Month, and celebrating individual holidays and awareness days like Autism Sunday, International Day of Women and Girls in Science, Diwali, and more. They have also sponsored community service days on “International Credit Union Day” to support food banks, senior centers, and children’s health organizations. Explore the resources provided by the World Council of Credit Unions (WOCCU) to introduce your team to the innovative ways credit unions are serving diverse populations in other nations.
3. Encourage participation in local micro-communities, including credit union Chapters and young professional groups, to connect your team with other local credit union professionals.
4. Develop employee affinity groups or Employee Resource Groups. Creating opportunities for employees to network and share common ground outside of job-specific subjects can help build stronger connections and encourage individuals to bring their authentic selves to their jobs. Employee affinity groups support people who share common cultures and backgrounds, helping them connect and celebrate their individuality. It also may inspire them to involve others in their culture and identity, creating organization-wide conversations.



[Northwest Micro-Communities](#)



## Recommendation 5: Audit hiring and promotion processes to ensure diversity and equity in policy, process, and practices.

It is important to understand the structural barriers that exist in many organizations. The traditional hiring process can be heavily biased in multiple ways: language in job posts, automated screening that could reject qualified talent, managers or recruiters not well-versed in working with diverse groups of people, and compensation practices that might hinder the earning power of under-represented groups.

### ACTION STEPS

1. Through internal and external data, seek to create baseline target hiring metrics that are representative of the community your organization serves. Take a proactive and creative outreach approach to organizations that recruit candidates from under-represented populations in your membership and communities such as Asian, Hispanic, and Black, Indigenous, People of Color (BIPOC).
2. Support DEI-specific training for recruiters and hiring managers.
3. Review automated recruiting processes and automated screening to ensure they are including diverse representative talent.
4. Audit job postings for biased language.
5. Examine the necessary requirements and qualifications for the position, and the language used to describe it.
6. Consider balanced representation in the interview process and panels to ensure there is a diversity of perspectives in the hiring process.
7. Consider the practice of “blind resumes” and “blind interviews.” This strategy hides details such as a candidate’s name, college, address, hobbies, or year of graduation to allow recruiters and hiring managers to focus on the candidate’s skills and experience.
8. Examine background screening and credit-checking processes to ensure these are not creating barriers for candidates from diverse backgrounds.



Implicit Bias



## **Recommendation 6: Proactively connect employees from historically marginalized communities to development opportunities the credit union offers to support their growth, promotion, and retention.**

Traditional mentoring programs tend to foster relationships that benefit those who look like or share other common traits (e.g. school affiliations or social connections) with current leaders. Creating mentoring and sponsorship programs with the objective of diversifying leadership and supporting a wide variety of talent may help your employees and your organization. Best practices suggest establishing an infrastructure to support this focus before implementing a specific diverse talent recruiting strategy.

### **ACTION STEPS**

1. Develop the framework for your credit union to support both mentoring and sponsorship programs. A mentor provides guidance and support to a mentee who is usually less experienced in a specific area, industry, or topic. A sponsor advocates for the person they are sponsoring, creating opportunities the sponsored individual otherwise may not have had access to.
2. Provide roadmaps for career development and progression, including pay transparency, skill-building, and job postings.
3. Offer support and training on DEI competencies and elements of diversity such as race, culture, and gender. Also ensure leaders understand the difference between mentoring and sponsorship, race, culture, gender, and other DEI competencies.
4. Ensure ongoing evaluation of your development program's progress. Questions to consider include: How effectively has the program elevated new talent? How satisfied are participants with their mentors?



## **Recommendation 7: Provide DEI training for hiring managers and recruiting staff, including implicit bias awareness training and interviewing best practices.**

Once hiring managers have received training and have become aware of biases, they can identify ways to address them. If there is awareness around hiring, promotion, and the progression of structural practices, education can help individuals understand how they operate within that system and identify opportunities for continuous improvement.

### **ACTION STEPS**

1. Unconscious bias training is a first step in this process. It is recommended that a reputable trainer or partner provide this training. Consider providing it to all hiring managers on an annual basis and incorporating it into other trainings throughout the year.
2. Support recruiters and senior leaders with additional bias training to help them identify and coach potentially biased behavior.

3. Continue the training by sharing data with managers and recruiters on their progress. Consider questions like: What are the diversity measurements the credit union is looking for, and how many diverse candidates are being interviewed? Is the hiring panel diverse and representative?



## Recommendation 8: Develop a plan for attracting, recruiting, and inviting underrepresented talent to join the credit union team.

Once credit unions have taken the steps to ensure their current employees feel welcome and supported, and their hiring managers have the knowledge to interview and hire with equity in mind, the organization is in a great position to be mindful about how to bring diverse talent into the organization.

### ACTION STEPS

1. Take a thoughtful approach to employment branding to ensure your visual and written communications to future candidates accurately reflects your current employee base.
2. Share your DEI policies and values externally, in a way that will accurately resonate with your current employees.
3. Engage in proactive outreach to groups and professional organizations that support diverse groups through job postings, career fairs, and other hiring situations.
4. Share metrics around recruiting and hiring underrepresented groups and ensure hiring managers are engaging in practices to limit bias and creating awareness around any biased practices.
5. Encourage employees from underrepresented groups to participate in referral programs.



### CONCLUSION

*Robust DEI programs help employees become comfortable showing up authentically every day. Employees who feel they can be authentic and express their thoughts, emotions, and perspectives at work are more engaged and experience more job satisfaction.*

Employee satisfaction and engagement is a key component of being an employer of choice. According to the McKinsey study, “Why Diversity Matters,” companies in the top quartile for gender-diverse executive suites were 15 percent more likely to generate above-average profitability.

Credit unions with a diverse staff are better positioned to understand and meet the needs of their current and potential membership. Diverse perspectives can help solve problems, resulting in more innovative products and services as well as inclusive delivery of those solutions.

# RECOMMENDATIONS FOR CREDIT UNIONS AS FINANCIAL INSTITUTIONS

*Credit unions are uniquely positioned to understand and meet the financial needs of all people. Through their products and services, credit unions help their members reach key milestones in their lives, such as purchasing a first car, saving for a rainy day, moving into a new home, growing a family, preparing for retirement, and much more.*

*The following actionable recommendations are crafted with a focus on helping credit unions understand the specific demographics of their community, enhance audit and product development processes, and adopt specific strategies to work with suppliers and vendors from all backgrounds.*

## **Recommendation 9: Invest time in researching and understanding the specific demographics of your community.**

To better understand the unique community your credit union serves, best practices suggest investing time in researching its demographics, including current and potential members. The tools listed in the Resource Library, many of which are cost-free, can help you and your team understand the composition of your current and potential membership and communities, including ethnic communities, language barriers, access to transportation, median income, access to technology, age and sex, citizenship, access to housing, and more.

Additionally, it is important to clarify what questions you are seeking market analysis on. Data can uncover gaps and create opportunities for your credit union to deepen its relationships with the community.

### **Olympia Credit Union took intentional steps to meet the needs of the Puget Sound's underserved LGBTQ+ community.**

That journey started with community outreach. The lessons learned from intentional outreach and listening resulted in the credit union taking many actions, including changing its branch restroom signs from "Men" and "Women" to simply "Restroom," so any visitor to the branch could have access.

Olympia CU also discovered its core system had pronoun ability. If members shared they had more than one name identity, or if they advised the credit union what pronouns they used, the information was noted in the system. That helps employees provide more welcoming service that meets members where they are.

“

Reach out and ask the community you are trying to serve, if they were to become members, what services they would like, and ask what their current financial institutions are not doing to meet their needs. You just start listening, getting involved, hearing, and improving your processes.”

Tammy Doles-Roberts  
CEO, Olympia Credit Union,  
Olympia, Washington

[READ MORE](#)



## ACTION STEPS

1. Conduct a market analysis of your field of membership, including current and potential members. You will find many resources in the Resource Library that are free of charge, as well as more advanced resources that are available for purchase.
2. Formally research and report on your credit union's history of serving the community, which could include a review of past and current community partnerships relative to current and future membership.
3. Identify gaps and opportunities by comparing your credit union's data with community demographic data. Hyper-local data, such as neighborhood-level information, may paint a more accurate picture of the specific needs for each community.
4. Use this data in your product analysis and development processes to inform your team's next steps.

### Recommendation 10: Conduct a DEI audit.

Conduct a DEI audit to assess your credit union's financial products, services, and vendors to establish baselines, benchmarks, and long-term goals aligned with a DEI vision. An audit can help your credit union determine strategies and efforts to move the journey forward — and DEI consultants can often help with or lead an audit. Risk policy, pricing, and access to services should all be considered as part of the audit.



## ACTION STEPS

1. Develop an audit process to:
  - a. Identify and assess current practices, products, and services.
  - b. Identify the process that is used to determine new products.
  - c. Determine potential barriers to reaching underserved members of your community through pricing, access to services, etc.
2. Identify key areas of focus, such as policies and practices, products, services, and access. Once identified, assign sponsors to lead each area of focus.



### Recommendation 11: Develop inclusive and equitable product design processes that address the specific needs of historically underserved populations.

Products and services are central to every financial institution's offerings. By developing product design processes that seek to understand and address the specific needs of underserved communities, credit unions can have an even bigger impact on the lives of their members.

You demonstrate genuine care for the people you serve when you develop products and services designed to meet their needs.

## ACTION STEPS

1. Utilize focus groups, surveys, and relationships with local thought leaders to conduct a deep-dive analysis into the challenges and strengths of your community members.
2. Design product or service features that remove barriers for marginalized consumers. Use components of “design to the edges” as a roadmap for your team to consider the unique needs of members or potential members who fall outside of the “norm.”

### DESIGN TO THE EDGES



3. Determine who needs to be involved in this work internally. This will vary based on your credit union’s size and organizational design. Ensure this internal team has access to training and resources so a shared language can be developed and used when pursuing this work.
4. Establish a product and service-focused DEI committee that includes leadership and employees. Focus on representation from all levels of the organization to create a platform where everyone has a voice. Adopt a charter to keep the committee’s efforts aligned with the vision. This committee will consider the input gathered from community and member stakeholders as part of Action Step #1.
5. Partner with other credit unions. Through affiliations like Juntos Avanzamos, credit unions can connect with other credit unions working with Hispanic and Latinx consumers. Affiliations through these networks can help credit unions talk about risk management within the context of access and inclusivity — such as credit risk for approving loans or consumer reporting when it comes to new accounts.

**Idaho Central Credit Union serves more than 430,000 members in a state where 28% of the population is Latinx.**

To serve Latinx consumers, the credit union works closely with community organizations and state agencies, and with credit union partners Coopera and Juntos Avanzamos, an organization that connects the Hispanic community to financial institutions that are equipped to serve them.

## Diversity Loan Program

In 2021, WECU in Bellingham, Washington, launched a Diversity Loan Program to increase funding options for minorities, women, and veterans who own small businesses. Leveraging a State of Washington program, some of WECU’s borrowers will have the opportunity to access an interest rate reduction of up to 2%

The credit union is also extending a more lenient credit policy to borrowers.



When we are assessing every loan application, we are putting an emphasis on inclusion. Our focus is ensuring these loans are approved and not declined.”

*Kent Bouma,  
VP, Business Banking,  
WECU*

[READ MORE](#)



Being a designated Juntos Avanzamos credit union is a first step in helping Latinx consumers. They are able to find us and feel comfortable knowing that we have this designation. Once they contact us, then we are able to help them achieve financial success utilizing our products and services.”

*Brenda Worrell,  
Chief Operating Officer,  
Idaho Central Credit Union*

6. Ensure policies are updated and aligned with the products and services being promoted.
7. Establish DEI benchmarks as part of product usage goals and ensure a scheduled review of product usage as compared to these DEI metrics.
8. Develop relationships with nonprofits, including the Northwest Credit Union Foundation, to form and participate in programs that help offset risk by maintaining a pool of loan-loss reserves.
9. Investigate Community Development Financial Institutions (CDFI) and Minority Depository Institutions (MDI) certifications and associated grant opportunities as part of an overall strategy and commitment to serving your community.

**Northwest Credit Union Foundation**



**CDFI Fund**



10. Consider evaluating the use of alternative means of measuring creditworthiness for community members with limited credit histories.
11. Prioritize the representation of underserved communities within the credit union when delivering and promoting services. If this step is missed, there is a risk that not all members or potential members will be aware of the products developed to improve their financial well-being.



## **Recommendation 12: Adopt strategies to increase supplier diversity.**

Increase support for diverse suppliers through a review and revision of vendor management, procurement policy, and procedures to formalize an equitable approach to vendor relationships. According to the Harvard Business Review article, *Why You Need a Supplier Diversity Program*, “A diverse supplier is a business that is at least 51-percent owned and operated by an individual or group that is part of a traditionally underrepresented or underserved group. Common classifications are small-business enterprises (SBEs), minority-owned enterprises (MBEs), and woman-owned enterprises (WBEs). Over time, the definition of diversity has expanded to businesses owned by other minority groups such as LGBTQ+, veterans, and proprietors with disabilities.”



Obtaining such classifications can be costly and time intensive, and it’s recommended that credit unions take intentional steps to increase supplier diversity even if the individual suppliers have not obtained formal certifications.

Inclusive procurement delivers broader societal benefits by generating economic opportunity for disadvantaged communities. An inclusive procurement strategy widens the pool of potential suppliers and promotes competition in the supply base, which can improve product quality and drive down costs. By providing more sourcing options, inclusiveness also can make supply chains more resilient and agile — an increasingly important advantage. NWCUA’s service corporation, Strategic Link, is a hub to connect with business partners and a resource for Northwest credit unions looking to increase support for diverse suppliers and vendors.

## ACTION STEPS

1. Connect with Strategic Link to access diverse business partners as well as public and private resources focused on increasing supplier diversity.
2. Consider working with a supplier diversity consultant who can advise your organization on procurement policy, training, and communication strategies. They can also help you conduct an internal analysis of procurement policies and procedures using the following guiding principles:
  - a. Develop a business case for your supplier diversity program.
  - b. Define your program's scope and certification policies.
  - c. Set clear, actionable, and measurable goals.
  - d. Create a reporting framework.
  - e. Outline a training and communication plan. Learn about and develop relationships with MWSBE-certifying agencies (varies by region/state).



## STRATEGIC LINK



## CONCLUSION

*Credit unions have a unique opportunity to make a tangible difference by supporting their members' financial well-being. Communities benefit when credit unions center their products and services on the members they are serving.*



# RECOMMENDATIONS FOR CREDIT UNIONS AS COMMUNITY PARTNERS

*At their core, credit unions exist to improve the financial well-being of all people. Strong relationships with community organizations can help credit unions deepen community engagement in support of their mission. Partnerships with community-based organizations can allow for unique opportunities to serve unbanked/underbanked and marginalized people in every community.*

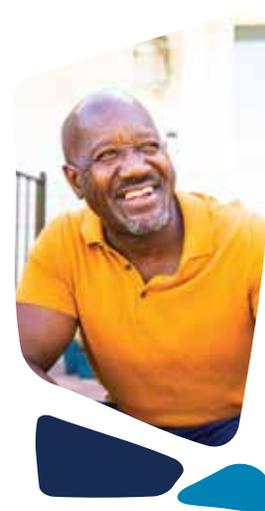
*Credit unions are an integral part of the communities they serve, and the following actionable recommendations are crafted with a focus on helping credit unions deepen existing—and develop new—relationships with nonprofits and other community organizations. When a credit union develops an understanding of nonprofit and community needs, it can mobilize to ensure broader access to financial services.*

## **Recommendation 13: Work to understand the unique issues impacting the communities your credit union serves.**

It is important to review and understand the history of the communities your credit union serves and what issues continue to impact historically marginalized groups within your community. Developing an awareness of your credit union community's history provides context for present-day conditions.

The Credit Union Movement has a long history of serving the underserved.

Through certifications and designations such as Community Development Financial Institutions (CDFI), Low-Income Credit Union (LICU), Minority-Depository Institution (MDI) and Juntos Avanzamos, credit unions are working to understand the needs of marginalized communities.



### **ACTION STEPS**

1. Examine your current community engagement and community partnerships to establish your credit union's baseline. Get to know the nonprofits, small businesses, and organizations in your credit union's community and think holistically about how you engage with them. NWCUA, NWCUF, and Strategic Link service providers can help credit unions explore CDFI certification, Juntos Avanzamos certification, and other pathways designed to help with this work.



2. Provide your credit union with opportunities to learn about your community’s history, particularly the stories of historically marginalized individuals and groups.
  - a. Conduct trainings and/or offer self-guided learning opportunities. (Consider relying on local nonprofit leaders with knowledge of the community’s history.)
3. Educate your employees about your current relationships with community organizations and groups. Leverage these partnerships to provide learning opportunities to your staff and potentially your membership, too.
4. Understand the current state of economic inequality.
  - a. Partner with local nonprofits that work with underrepresented communities to collect and track data measuring accessibility and eligibility for banking products and services.
  - b. Follow local and national data tracking economic outcomes for underrepresented populations, such as United Way’s ALICE data.
5. Review and update your corporate giving strategy to focus on underrepresented populations.



Tukwila, Washington-based BECU increased its corporate giving strategies in 2020 to meet the needs and address the challenges its communities are facing.



As a credit union family, we’re committed to becoming a more equitable, diverse and inclusive cooperative, both internally and externally. We’ve developed a path forward that includes creating more inclusive policies, practices and programs. An example of this work is a \$5 million commitment over the next five years through the Black Community Development Project (BCDP). The donations and grants through the project support Black-led nonprofits improving the Black community’s overall emotional, physical and financial health and well-being. The BCDP is the first step in a larger, long-term investment in programs supporting Black, Indigenous and People of Color (BIPOC) communities. Our credit union philosophy of people helping people jump-started BECU’s founding and still drives us today. BECU’s resources allow us to continue reaching out to those who need it most.”  
 BECU’s Report to Membership 2020

**UNITED WAY’S ALICE DATA** 

**Recommendation 14:  
 Make a commitment to deep and sustained engagement in service of your community.**

Credit unions were formed to break down barriers and provide access to affordable financial services. They seek to empower financial well-being through inclusive practices and delivery of products and services.

The financial services industry continues to grow more competitive, and credit unions—with a not-for-profit, cooperative structure that puts people over profit—are uniquely positioned to take the lead by recognizing the diversity of their communities and the opportunities to build on their “people helping people” legacy.

**READ MORE** 

## ACTION STEPS

1. Envision the desired future state for your community and your credit union. Consider collaborating with nonprofit and community partners to develop a shared vision for a thriving community.
2. Gain your leadership and staff's commitment to engage with nonprofit partners.
3. Build up resources and knowledge within your team to support deeper community engagement.
4. Through a structured program and on an ongoing basis, ask your community partners how you can help them. Trust what they tell you.



Seattle Credit Union's Beacon Hill Branch.

### **Recommendation 15: Invest time and resources in community organizations and approach community partnerships through a lens of empathy, relationship-building, and shared accountability.**

History has proven that marginalized and diverse populations are disproportionately impacted by systemic issues, including homelessness, domestic violence, generational poverty, mental health, and more. By partnering closely with community-based organizations, credit unions can develop and implement unique solutions for a variety of populations. To address the issues impacting marginalized communities holistically, it is imperative that we understand what diverse populations need to navigate and overcome challenges.

Credit unions can create powerful partnerships with community organizations and nonprofits that are vested in and knowledgeable about the DEI space. Key partnerships can help identify and leverage resources for greater impact.

## ACTION STEPS

1. Evaluate your credit union's ability/capacity to partner with nonprofits in a sustainable manner.
2. Build trust in and among your communities.
  - a. Consider having your credit union leaders participate in board service for organizations and nonprofits in the community.

### **Seattle Credit Union supports more than 50 community partners, including El Centro de la Raza in Beacon Hill.**

President and CEO Richard Romero, who himself arrived in America as a four-year-old immigrant, invested time in building trust with El Centro de la Raza's leadership.

Seattle Credit Union committed to developing products and services El Centro de la Raza's team requested, such as citizenship and ITIN real estate loans.

Today, a Seattle Credit Union branch is located inside the organization's facility.

Sustained community partnerships, Romero says, help the community, and grow the credit union's membership, so that it can serve even more people.



I had to prove I was there to help, and would not promise them the world and then back away just because it might be difficult."

*Richard Romero, President and CEO, Seattle Credit Union*

[READ MORE](#)



3. Partner with community organizations and nonprofits whose missions, values, and objectives in the DEI space align with those of your credit union. Share information about the similarities between credit unions and nonprofits.
4. Credit unions in the same geographic area may consider joining forces in partnering with the same community organization or nonprofit to amplify their collective impact.
5. Identify partners and/or funding and build a coalition of community partners dedicated to action.
6. Engage community partners by providing channels for them to share their stories. Consider spotlighting their initiatives in your newsletter, annual report, social media channels, employee intranet, website, etc.
7. Provide an environment in which your stakeholders feel safe if they acknowledge how past decisions may have had unintentional consequences of exclusion. Commit to ongoing improvement together.
8. Consider providing support to community-based organizations and nonprofit partners over a dedicated period of time (versus sponsorship of one-off events), and then track and evaluate the impact. Seek sponsorships that include opportunities for your team's participation and have a presence in the community. Ideally, sponsorship opportunities should include several events.



## More Than Money

At Point West Credit Union in Portland, community partnerships are about much more than donating money. Community Advocate, Mary Vasquez, commits 400 hours of support and volunteerism each year to community organizations.



The community partners are going to be representing you, talking about you, so you want to make sure that your mission is aligned and that you have that open conversation about who you are, who you stand for, and then that relationship grows. Over time, we grow together."

*Mary Vasquez, Community Advocate, Point West Credit Union*

## CONCLUSION

*Credit unions have a long history of engaging with the communities they serve. Understanding the history of your community and the issues impacting marginalized people will inform your credit union's community engagement and partnership strategies. Credit unions can partner with and support community-based organizations to further their shared mission of helping people.*

# APPENDIX A – GLOSSARY OF TERMS

---

The following definitions may be helpful to build your understanding of diverse communities. These are quoted directly from a variety of publications and entities. It is recommended that you review the terms prior to your consideration of the Task Force recommendations.



## DIVERSITY

“Diversity is a relational concept. It shows up in the composition of teams and organizations, and it is measured based on a collective whole. In this way, diversity refers to ‘difference’ within a given setting. So, while a person is not ‘diverse,’ they may bring a diverse range of experiences. From appearance to thought, likes or dislikes, and identity. Diversity of identity may relate to socialized and visible race, gender identity, religion, nationality, body shape or size, age, or sexual orientation, to name a few.”

[SOURCE >](#)



## EQUITY

“Equity is promoting justice, impartiality, and fairness within the procedures, processes, and distribution of resources by institutions or systems. Tackling equity issues requires an understanding of the root causes of outcome disparities within our society”

[SOURCE >](#)



## INCLUSION

“Inclusion is an outcome to ensure those that are diverse actually feel and/or are welcomed. Inclusion outcomes are met when you, your institution, and your program are truly inviting to all. The degree to which diverse individuals are able to participate fully in the decision-making processes and development opportunities within an organization or group.”

[SOURCE >](#)



## BIPOC

“POC is a widely used term for all people of color, but now a different acronym is suddenly gaining traction on the internet – BIPOC, which stands for Black, Indigenous, People of Color. People are using the term to acknowledge that not all people of color face equal levels of injustice. They say BIPOC is significant in recognizing that Black and Indigenous people are severely impacted by systemic racial injustices.”

[SOURCE >](#)



## RACIAL EQUITY

“Racial equity is the condition that would be achieved if one's racial identity no longer predicted, in a statistical sense, how one fares. When the term is used, we are thinking about racial equity as one part of racial justice, and thus we also include work to address root causes of inequities, not just their manifestation. This includes elimination of policies, practices, attitudes, and cultural messages that reinforce differential outcomes by race or that fail to eliminate them.”

[SOURCE >](#)



## STRUCTURAL/SYSTEMIC RACISM

“Racism is a system. It is not an individual character flaw, nor a personal moral failing, nor a psychiatric illness. It is a system (consisting of structures, policies, practices, and norms) that structures opportunity and assigns value based on phenotype, or the way people look. And what are the impacts of this system? It unfairly disadvantages some individuals and communities. When [society talks] about racism at all in this country, it is usually discussed in this context. But at the same time that the system is unfairly disadvantaging some individuals and communities, it is also unfairly advantaging other individuals and communities. This issue of white privilege is much less frequently discussed in this

country. Yet even more profoundly, the system of racism undermines realization of the full potential of our whole society because of the waste of human resources.”

[SOURCE >](#)



### ETHNICITY

“Race refers to physical differences that groups and cultures consider socially significant, while ‘ethnicity’ refers to shared culture, such as language, ancestry, practices, and beliefs.”

[SOURCE >](#)



### PEOPLE WITH DISABILITIES

“An individual with a disability is defined by the ADA as a person who has a physical or mental impairment that substantially limits one or more major life activities, a person who has a history or record of such an impairment, or a person who is perceived by others as having such an impairment.”

[SOURCE >](#)



### GENDER IDENTITY

“One’s innermost concept of self as male, female, a blend of both or neither – how individuals perceive themselves and what they call themselves. One’s gender identity can be the same or different from their sex assigned at birth.”

[SOURCE >](#)



### GENDER EXPRESSION

“External appearance of one’s gender identity, usually expressed through behavior, clothing, haircut, or voice, and which may or may not conform to socially defined behaviors and characteristics typically associated with being either masculine or feminine.”

[SOURCE >](#)



### LGBTQ+

“An acronym for ‘lesbian, gay, bisexual, transgender and queer.’”

[SOURCE >](#)



### AAPI

In the 2000 U.S. Census, the Federal Government defines “Asian American” to include persons having origins in any of the original peoples of the Far East, Southeast Asia, or the Indian subcontinent. “Native Hawaiian and Other Pacific Islander” includes Native Hawaiian, Samoan, Guamanian or Chamorro, Fijian, Tongan, or Marshallese peoples and encompasses the people within the United States jurisdictions of Melanesia, Micronesia, and Polynesia. The previous “Asian and Pacific Islander” (API) category was separated into “Asian Americans” and “Native Hawaiians and Other Pacific Islanders” (NHOPI).

[SOURCE >](#)



### EMPLOYEE RESOURCE GROUPS (ERGS) AND AFFINITY GROUPS

“Employee Resource Groups are voluntary, employee-led groups whose aim is to foster a diverse, inclusive workplace aligned with the organizations they serve.

They are usually led and participated in by employees who share a characteristic, whether it's gender, ethnicity, religious affiliation, lifestyle, or interest. The groups exist to provide support and help in personal or career development and to create a safe space where employees can bring their whole selves to the table. Allies may also be invited to join the ERG to support their colleagues.”

[SOURCE >](#)

[READ MORE](#)





### **IMPLICIT BIAS**

“Also known as unconscious or hidden bias, implicit biases are negative associations that people unknowingly hold. They are expressed automatically, without conscious awareness. Many studies have indicated that implicit biases affect individuals’ attitudes and actions, thus creating real-world implications, even though individuals may not even be aware that those biases exist within themselves. Notably, implicit biases have been shown to trump individuals’ stated commitments to equality and fairness, thereby producing behavior that diverges from the explicit attitudes that many people profess. The Implicit Association Test (IAT) is often used to measure implicit biases with regard to race, gender, sexual orientation, age, religion, and other topics.”

[SOURCE >](#)



### **UNDERREPRESENTED GROUPS**

“A group that is less represented in one subset (e.g., employees in a particular sector, such as IT) than in the general population. This can refer to gender, race/ethnicity, physical or mental ability, LGBTQ+ status, and many more. Also referred to as minorities, underrepresented minorities, or marginalized populations.”

[SOURCE >](#)

# APPENDIX B TASK FORCE PARTICIPATING CREDIT UNIONS



**Thank you for considering the Northwest Credit Unions' Diversity, Equity, and Inclusion Task Force's compilation of recommendations and best practices for credit unions to advance their work as employers, financial institutions, and community partners. Advancement of DEI work is ongoing and will continue to evolve.**

*Credit unions have long worked to equitably build and inclusively serve the increasingly diverse memberships in their communities. The strength of the Credit Union Movement is in the diversity of its many unique memberships, which together create a united fabric of access to affordable financial services.*

*This work is dedicated to the staff, leadership, and board directors who help credit union members have a voice in their financial well-being.*

---

## **Northwest Credit Unions' Diversity, Equity, and Inclusion Task Force**

*Hosted by*



*We appreciate the cooperative work of credit unions to share ideas, inspiration, and learnings. The case studies presented in this document are not considered endorsements but rather are shared as examples of DEI advancement.*

