Seven Conversations That Belong in Your Boardroom

What We're Seeing on the Road



Presented by

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Different credit unions. Remarkably similar conversations.

What keeps showing up in planning sessions across the country

The circumstances change. The strategic questions do not.

1 Different markets

Rural, urban, SEG-based, community-chartered

2 Different sizes

From small teams to billion-dollar institutions

3 Same pressure

Relevance, capacity, leadership, technology, growth

4 Same challenge

Choosing what deserves attention now

Today is not about adding seven new priorities. It is about identifying the two or three conversations that matter most for your credit union.

Seven conversations that belong in your boardroom

A strategic scan for 2026 and beyond

1	2	3	4	5	6	7
Growth & Relevance	The Business Model	Talent & Succession	Technology, AI & Capacity	Partnerships & Scale	Mission as Strategy	Governance & Focus

The goal is not seven priorities.

The goal is better choices.

POLL QUESTION #1

Cynthia’s lens: Your balance sheet is your strategy

Financial capacity determines which strategic choices are truly available

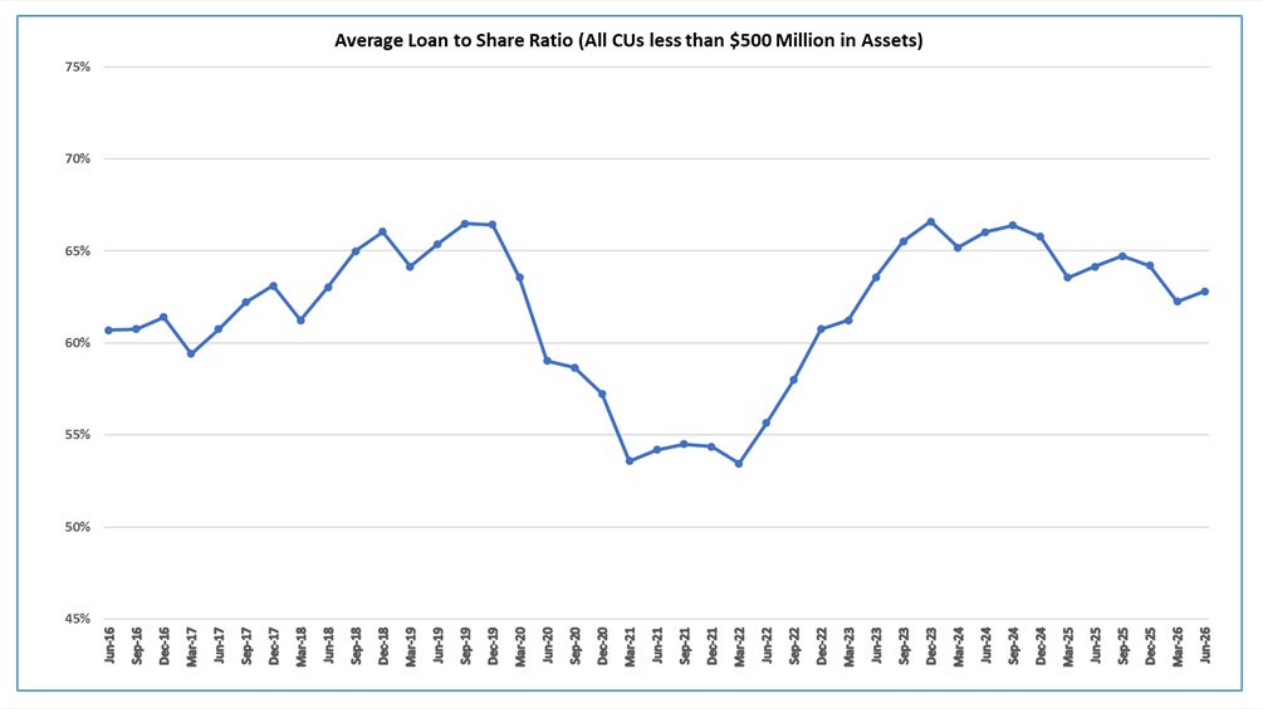
Every strategic decision eventually flows through the balance sheet.

Growth requires capacity. Capacity requires intentional balance-sheet leadership.

LOAN GROWTH	Liquidity
DEPOSIT STRATEGY	Funding cost
INVESTMENTS	Future earnings
INTEREST-RATE RISK	Resilience

Adequate liquidity is integral to lending growth goals

- Loans are generally more profitable than investments. Identify lending opportunities for growth across different loan products
- If interest rates increase, real estate lending could slow further from already low origination levels. Develop or continue to offer alternative real estate products, including home equity loans and lines of credit.



DEPOSIT STRATEGY

Funding costs

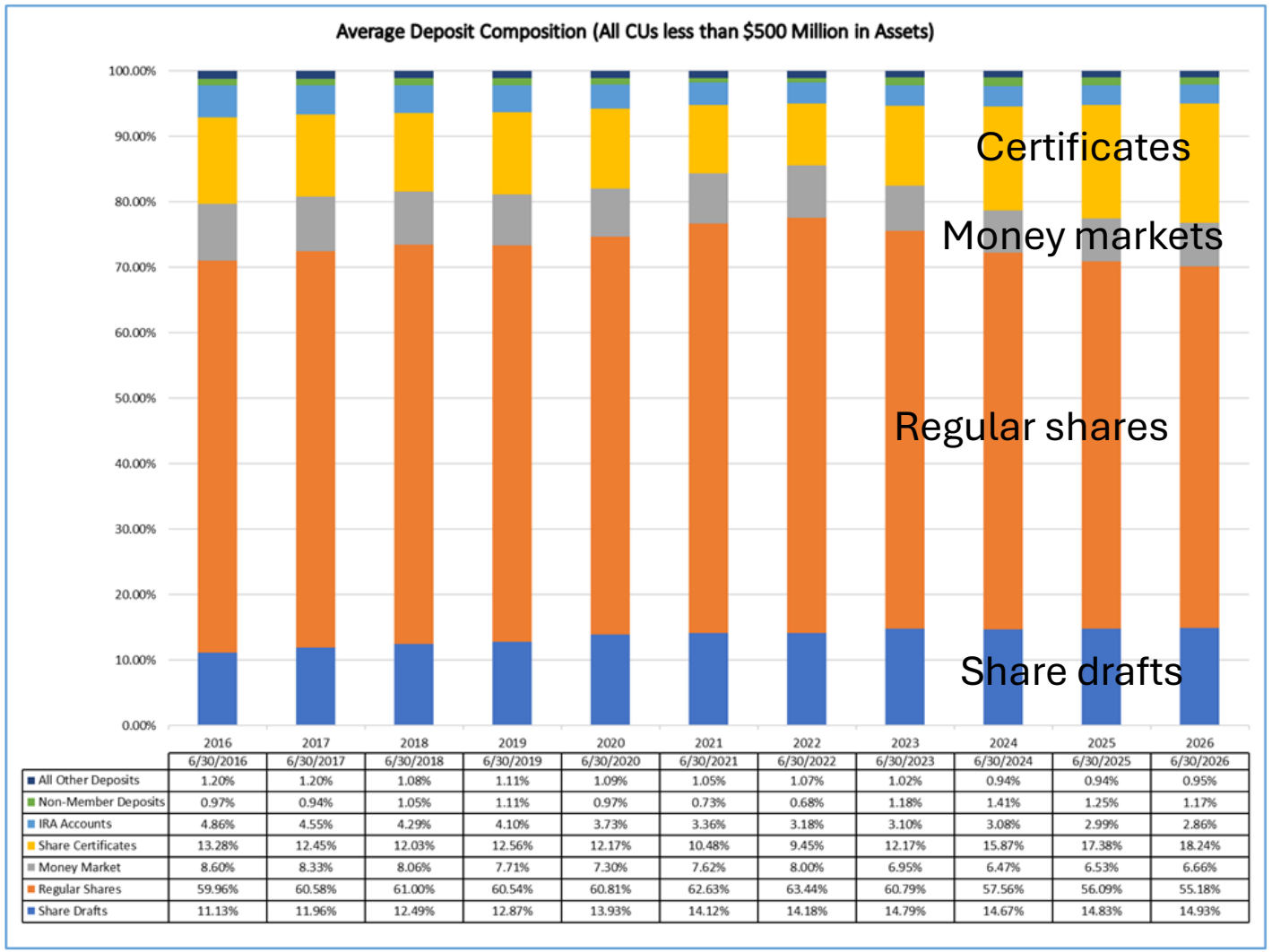
Prioritize membership and core deposit growth.

Replace aging member deposits

Remain focused on ways to attract new members and develop lasting deposit relationships

Strategize about ways to grow core deposits, that include regular shares and share drafts

DEPOSIT TRENDS



	6/30/2016	6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021	6/30/2022	6/30/2023	6/30/2024	6/30/2025	6/30/2026
All Other Deposits	1.20%	1.20%	1.08%	1.11%	1.09%	1.05%	1.07%	1.02%	0.94%	0.94%	0.95%
Non-Member Deposits	0.97%	0.94%	1.05%	1.11%	0.97%	0.73%	0.68%	1.18%	1.41%	1.25%	1.17%
IRA Accounts	4.86%	4.55%	4.29%	4.10%	3.73%	3.36%	3.18%	3.10%	3.08%	2.99%	2.86%
Share Certificates	13.28%	12.45%	12.03%	12.56%	12.17%	10.48%	9.45%	12.17%	15.87%	17.38%	18.24%
Money Market	8.60%	8.33%	8.06%	7.71%	7.30%	7.62%	8.00%	6.95%	6.47%	6.53%	6.66%
Regular Shares	59.96%	60.58%	61.00%	60.54%	60.81%	62.63%	63.44%	60.79%	57.56%	56.09%	55.18%
Share Drafts	11.13%	11.96%	12.49%	12.87%	13.93%	14.12%	14.18%	14.79%	14.67%	14.83%	14.93%

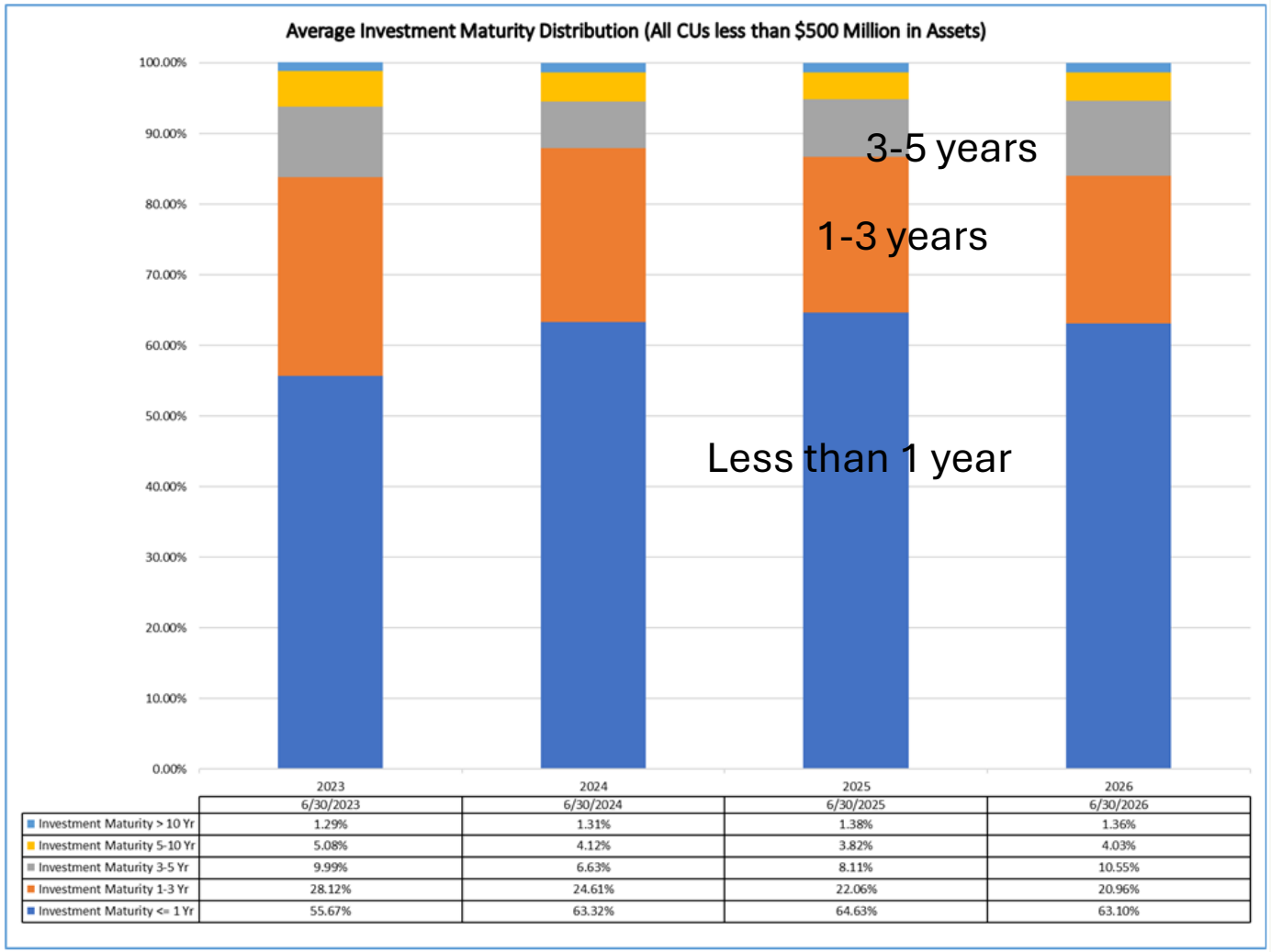
INVESTMENTS

Future earnings & liquidity

Evaluate opportunities to improve investment income.

- Many credit unions currently have relatively low interest-rate risk and hold a high proportion of short-term investments.
- Where appropriate, management may want to reevaluate investment strategies and extend the maturity ladder to improve net interest income. This will also help the down-shock results.
- Accepting a reasonable amount of additional interest rate risk may improve earnings while keeping overall IRR exposure within established policy limits.

INVESTMENT MATURITY TRENDS



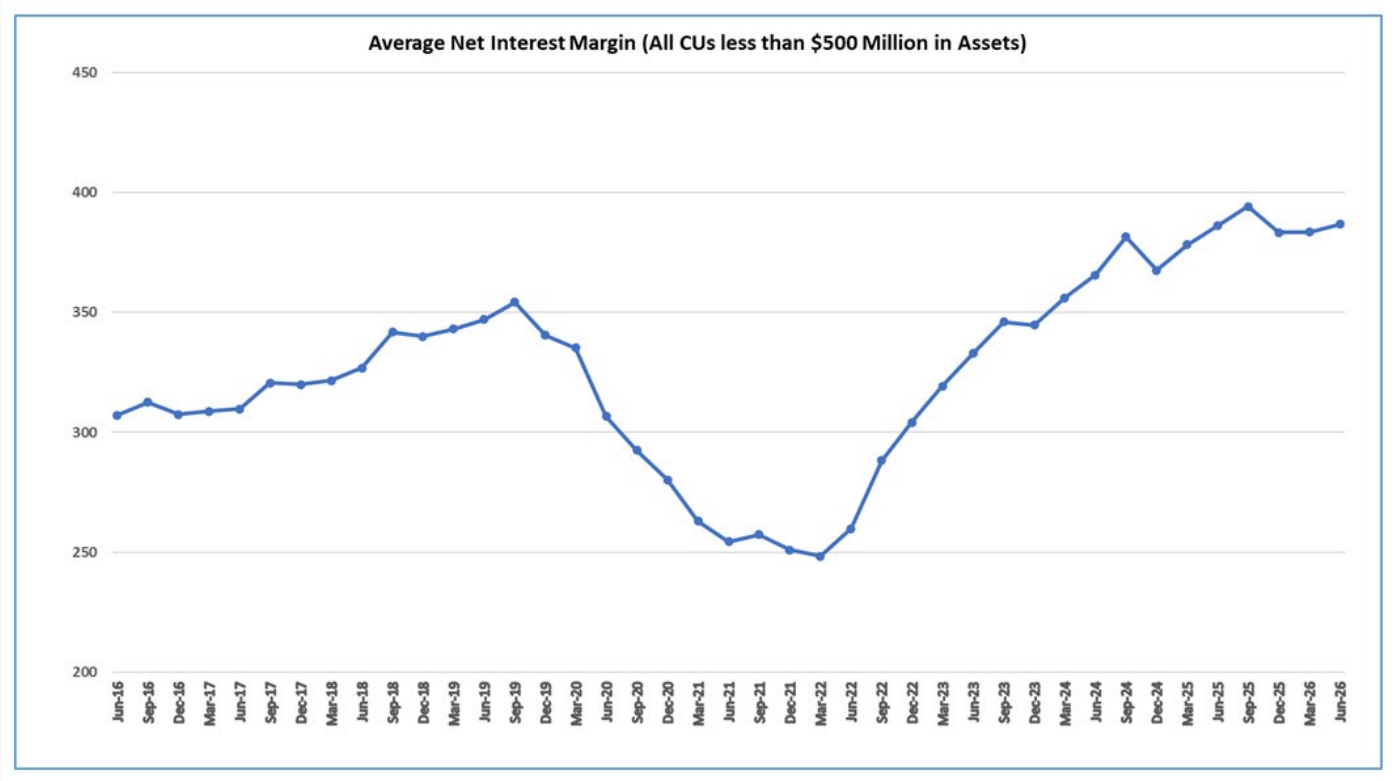
	2023	2024	2025	2026
	6/30/2023	6/30/2024	6/30/2025	6/30/2026
Investment Maturity > 10 Yr	1.29%	1.31%	1.38%	1.36%
Investment Maturity 5-10 Yr	5.08%	4.12%	3.82%	4.03%
Investment Maturity 3-5 Yr	9.99%	6.63%	8.11%	10.55%
Investment Maturity 1-3 Yr	28.12%	24.61%	22.06%	20.96%
Investment Maturity <= 1 Yr	55.67%	63.32%	64.63%	63.10%

EARNINGS

Net interest income, ROA, and Capital

Maintain a strong focus on earnings and capital.

- Management should maintain a strong net interest margin when setting loan and dividend rates.
- Control operating expenses and maintain adequate net income to preserve or strengthen the net worth ratio.
- Strong earnings and capital provide the flexibility to deal with unknown variables, like COVID or interest rate shocks, that have the potential to limit a credit union's long-term financial viability.



Plan for interest-rate uncertainty.

- From a balance sheet management standpoint, the future direction of interest rates remains uncertain, with conflicting economic signals providing little clear guidance.

- Rather than positioning the balance sheet for one specific rate forecast, the credit union should develop its balance sheet and budget strategies to perform reasonably well in both rising- and falling-rate environments.

POLL QUESTION #2

1. Growth & Relevance

Relevance first. Growth follows.

WHAT WE'RE SEEING

A healthy credit union today can still be becoming less relevant tomorrow.

Across planning sessions, the strongest organizations are making intentional choices before circumstances force them to.

WHAT LEADERS ARE DOING DIFFERENTLY

- Define the members and communities they are uniquely positioned to serve
- Study demographic and economic shifts instead of relying on historical growth engines
- Align products, outreach and partnerships around real member needs
- Treat relevance as an ongoing leadership responsibility

BOARDROOM QUESTION

Who will your credit union need to serve differently over the next five years to remain relevant?

2. The Business Model

Stability is not the same as sustainability.

WHAT WE'RE SEEING

The gap is widening between institutions intentionally evolving and those maintaining the status quo.

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WHAT LEADERS ARE DOING DIFFERENTLY

- Connect business strategy to capital, liquidity, pricing and funding
- Differentiate rather than trying to compete on scale
- Invest limited resources where they create the greatest long-term value
- Continually test whether legacy operations still support the future

BOARDROOM QUESTION

Does the business model that got us here still work for where we're going?

3. Talent & Succession

Succession is an organizational capacity issue.

WHAT WE'RE SEEING

Leadership development is no longer simply an HR initiative. It is a sustainability issue.

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WHAT LEADERS ARE DOING DIFFERENTLY

- Develop leaders before vacancies occur
- Cross-train to reduce single-person dependencies
- Make culture and values part of performance expectations
- Build leadership experience throughout the organization

BOARDROOM QUESTION

Do we have the people and leadership capacity to execute the strategy we are creating?

4. Technology, AI & Capacity

Strategy drives technology, not the other way around.

WHAT WE'RE SEEING

Small credit unions may not be able to outspend larger competitors. They can out-focus them.

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WHAT LEADERS ARE DOING DIFFERENTLY

- Start with a member need or operational problem
- Use automation to eliminate repetitive work and create staff capacity
- Improve the employee experience and the member experience together
- Experiment, learn and leverage partners rather than trying to build everything

BOARDROOM QUESTION

Where should technology make us better, faster, and more capable?

5. Partnerships & Scale

You do not have to build everything yourself.

WHAT WE'RE SEEING

Partnerships can turn limited internal capacity into broader strategic capability.

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WHAT LEADERS ARE DOING DIFFERENTLY

- Use CUSOs, fintechs and trusted partners to expand capabilities
- Build community relationships that create trust and referral pathways
- Share expertise and infrastructure where collaboration creates scale
- Treat partnerships as strategic infrastructure, not just vendor relationships

BOARDROOM QUESTION

What do we no longer need to build or do ourselves?

6. Mission as Strategy

Mission and margin can reinforce one another.

WHAT WE'RE SEEING

Purpose becomes powerful when it changes products, lending, partnerships and investment decisions.

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WHAT LEADERS ARE DOING DIFFERENTLY

- Define the financial problems the credit union is uniquely positioned to solve
- Connect community development to lending, growth and member relationships
- Measure both financial performance and community impact
- Use partnerships and outside resources to expand what is possible

BOARDROOM QUESTION

What problem are we uniquely positioned to solve for the people and communities we serve?

7. Governance & Strategic Focus

The board's highest-value work is future-focused.

WHAT WE'RE SEEING

High-performing boards focus on stewardship: keeping the credit union relevant, sound and mission-ready for the next generation.

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WHAT LEADERS ARE DOING DIFFERENTLY

- Keep governance distinct from day-to-day management
- Invest board time in emerging trends and consequential choices
- Build trust with the CEO while maintaining accountability
- Create room for healthy challenge, diverse perspectives and difficult conversations

BOARDROOM QUESTION

Are we spending enough boardroom time talking about where we are going rather than where we have been?

POLL QUESTION #3

Strategic Priority Filter

Move from seven important conversations to the two or three that matter most now

Not every good idea deserves equal attention.

MISSION

Does it strengthen who we exist to serve?

MARGIN

Does it improve long-term financial sustainability?

CAPACITY

Do we have the people, systems and resources to execute?

IMPACT

Will it materially change member or organizational outcomes?

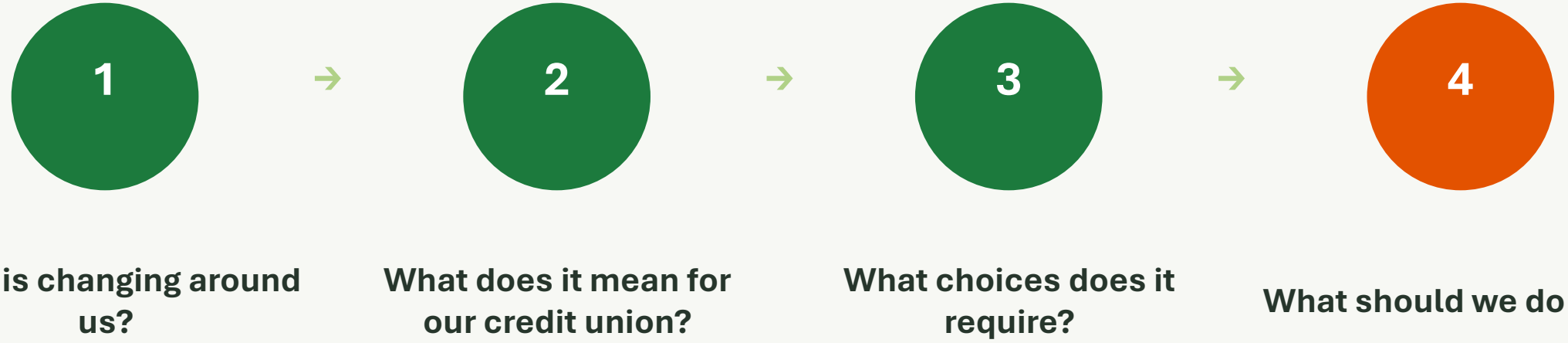
FILTER TO FOCUS

Which TWO or THREE conversations should shape our next planning cycle?

The answer should influence budget, staffing, technology, partnerships, goals and board agendas.

Bring the conversation back to the boardroom

Strategy should be continuous, not an annual event



What is changing around us?

What does it mean for our credit union?

What choices does it require?

What should we do next?

Try one thoughtful strategic conversation at every board meeting.

Over time, that habit keeps the board focused on the opportunities, challenges and decisions that shape long-term success.

WHAT SHOULD HAPPEN NEXT?

What is possible?

What will it take?

Are we prepared to do the work?

Perspective → Clarity → Confidence → Results

Questions & Conversation

Scott Butterfield • Your Credit Union Partner | Cynthia Walker • Mark H. Smith, Inc.



Who We Are

Built for Credit Unions. Driven by Impact.

We're a team of strategists, listeners, and advocates who help credit unions turn perspective into clarity, clarity into confidence, and confidence into results.

57 Strategic Planning Sessions in 2025	**55** CDFI Grants in 2025	**30** States Served in 2025	**600+** Strategic Plans & Consulting Engagements
$300M+ Grants & Capital Secured Over the Past Decade	**$5M-$2B** Client Asset Range	**200+** Published Articles Over the Past Decade	**15+** Years Serving Credit Unions

Small and mission-driven credit unions deserve a future. We're here to help make that happen.

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