



**Gallagher**

Insurance | Risk Management | Consulting

**2024**

**Executive Compensation  
and Benefits Survey**

**EXECUTIVE  
SUMMARY**

# Executive Compensation and Benefits

The demand for highly skilled and successful leaders continues to grow, creating a competitive market for proven talent. A competitive market means job candidates are receiving top dollar offers, with the best candidates receiving multiple top offers. To help prevent their executives from entering the job market, credit unions have several compensation and benefit tools to leverage.

Understanding how a credit union's executive compensation and benefits compare against peers is an important task that should be conducted annually and certainly in preparation for recruiting. It is in the credit union's best interests to retain its key leaders and top performers. Losing these critical players can have several negative impacts on the organization.

## Benchmark against your peers

Benchmarking compensation and benefits for the entire leadership and management team, from the chief executive officer to the department managers, provides a starting point for developing effective retention and reward strategies. This survey provides numerous data points to help support and document decisions.

## Retention and reward strategies

Executive benefits, or nonqualified benefit plans, are an effective tool for credit unions to retain and reward their key leaders. These include split dollar, 457(f), 457(b), incentive, bonus and death benefit only plans. Nonqualified plans are especially attractive because they can be customized to the individual, specific situation, and strategic needs of the credit union. Split dollar plans, in particular, can mitigate the expense of the benefit, generate income for the credit union, and provide tax-free retirement income to the participant. The survey includes data on usage and design.

# Key Findings

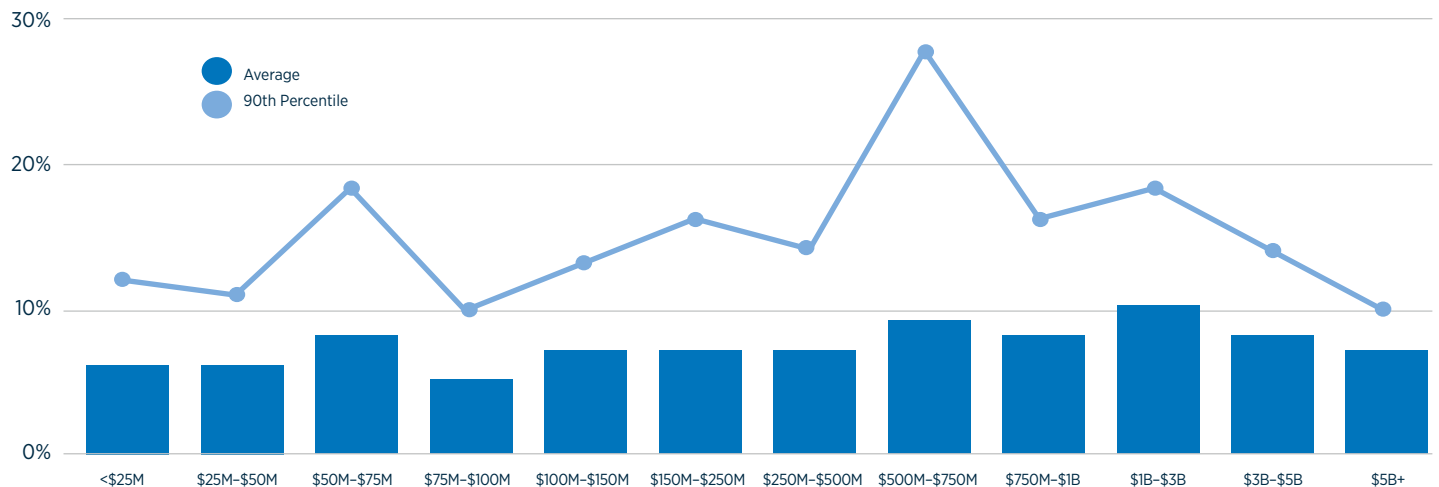
## 1. CEO SALARY INCREASES

For two years in a row, the average CEO annual salary increase is 7%. This is more than double since 2014. The average CEO salary grew 12%, from \$191,000 last year to \$214,000 this year.

The demand for exceptional talent is fueled by aggressive strategic goals, mergers, focus on succession planning, and CEO retirements.

This chart compares average versus 90th percentile increases across all salary ranges. It demonstrates the range between average and top increase.

### CEO Annual Salary Increase



## 2. CEO ANNUAL BONUS OR INCENTIVE

The average target bonus is 20% of salary and increases with asset size. This is up from 14% last year.

### Target Bonus as a Percentage of Salary

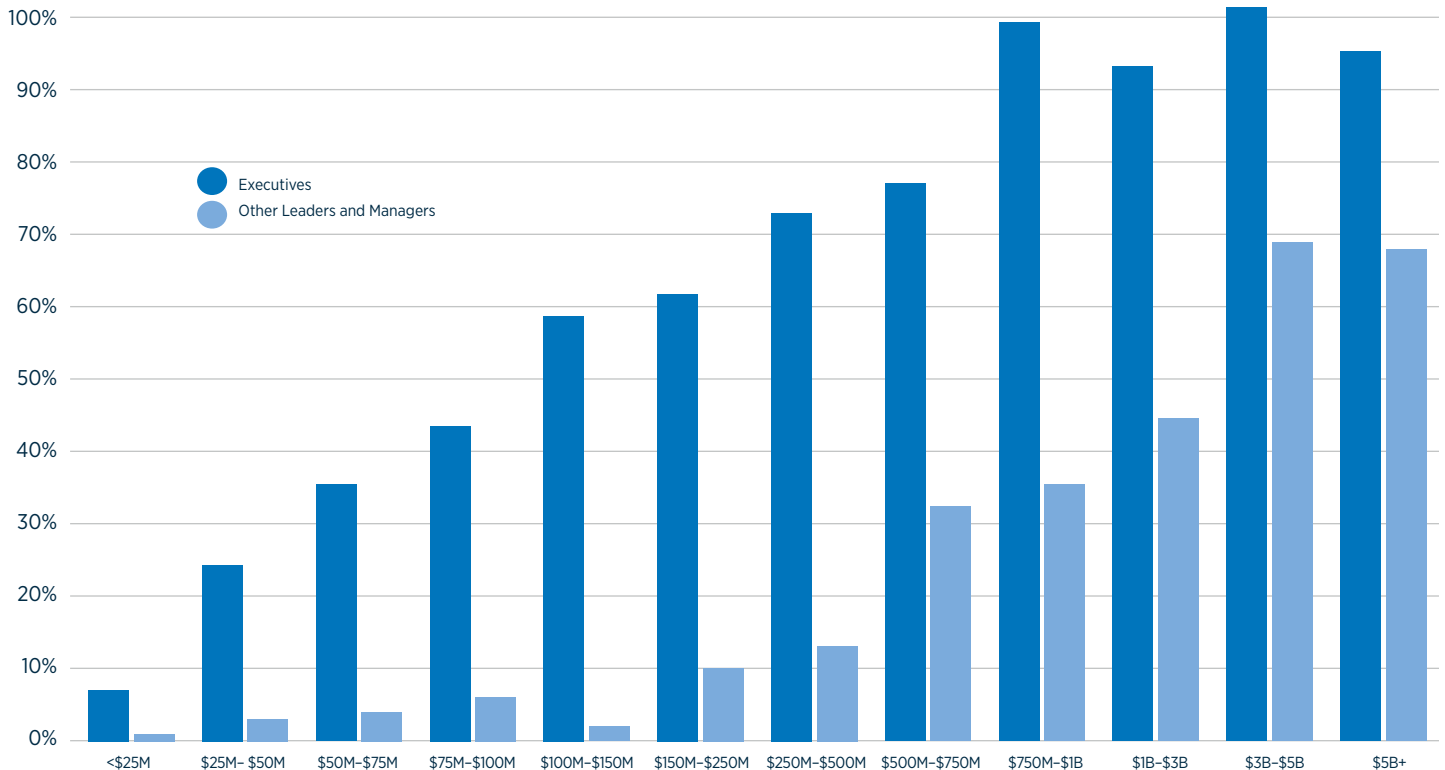
PERCENTILE	<\$25M	\$25M-\$50M	\$50M-\$75M	\$75M-\$100M	\$100M-\$150M	\$150M-\$250M	\$250M-\$500M	\$500M-\$750M	\$750M-\$1B	\$1B-\$3B	\$3B-\$5B	\$5B+
10th	2%	2%	3%	3%	4%	3%	6%	5%	4%	9%	20%	24%
25th	3%	4%	5%	4%	6%	6%	8%	10%	8%	17%	25%	28%
40th	4%	5%	6%	9%	8%	9%	11%	14%	13%	23%	30%	41%
50th	5%	6%	7%	10%	10%	10%	14%	17%	15%	25%	35%	50%
60th	6%	8%	10%	11%	11%	11%	15%	20%	20%	27%	36%	55%
75th	12%	10%	12%	21%	17%	19%	20%	25%	24%	30%	40%	60%
90th	20%	18%	16%	30%	27%	25%	30%	26%	29%	40%	50%	66%

## 3. NONQUALIFIED BENEFIT PLANS

Among credit unions with \$100 million in assets and greater, 75% of executives and 23% of other leaders and managers receive a nonqualified benefit plan. As the asset size grows, so does usage of nonqualified benefit plans for both groups.

Credit unions can use a variety of nonqualified benefit plans to retain and reward their key leaders and top performers. These plans help bridge the gap between traditional retirement vehicles (401(k)s, IRAs) and the income needs of highly compensated individuals.

### Nonqualified Benefit Plan Usage

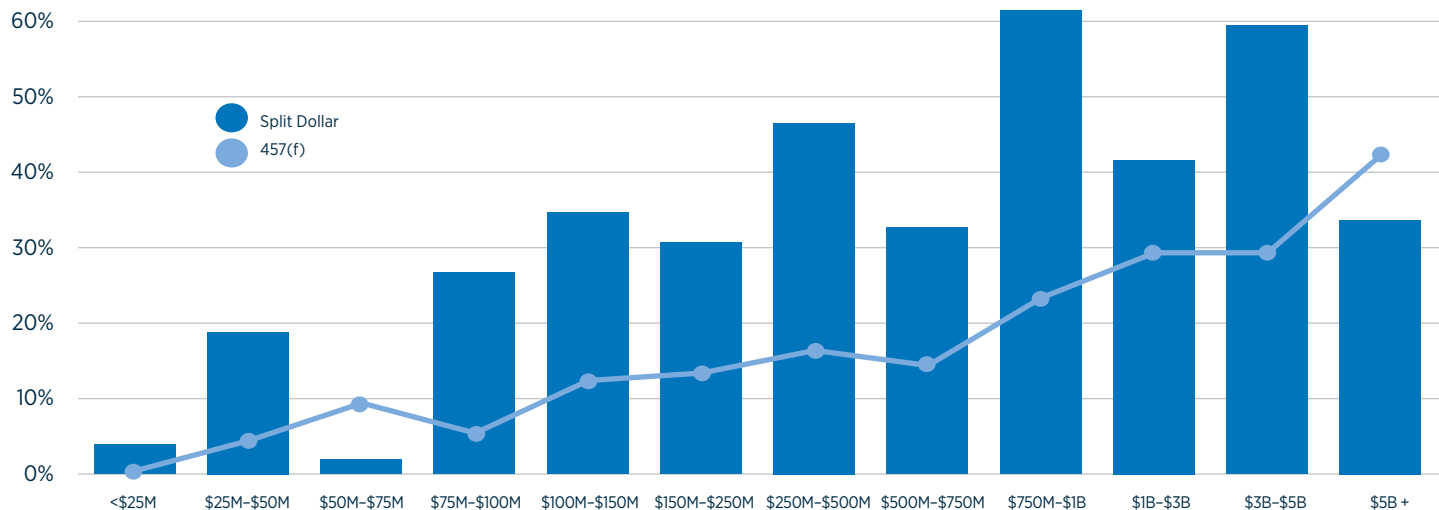


## 4. SPLIT DOLLAR PLANS

Split dollar plans are provided to CEOs by 21% of all credit unions. Among credit unions with \$250 million in assets or greater, 45% provide a split dollar plan to their CEO.

This chart shows the separate usage of split dollar and 457(f) plans for CEOs, by asset size.

### CEO Split Dollar vs 457(f) Usage



## 5. SPLIT DOLLAR TARGET PERCENTAGE

For split dollar plans based on pre-retirement salary, the median target percentage is 60%.

Split dollar plans provide tax-free retirement income for a stated number of years. At the conclusion of the plan, the credit union's original expense is repaid with interest.

### Benefit as Percent of Pre-Retirement Salary

PERCENTILE	TARGET BENEFIT
10th	40%
25th	50%
40th	60%
50th	60%
60th	70%
75th	70%
90th	80%

## 6. CEO RETIREMENT AGE

This year, 29% of CEOs are aged 60 years and older. Although this percentage has not changed much over time, and it's not surprising that the top executive is older, it's important to acknowledge the impact of CEOs nearing retirement on recruiting, succession planning and retention. If one were to consider how, in this post-pandemic era, it's not uncommon to hear of early retirements, then knowing that half of CEOs are aged 55 years and older may prompt some concern.

### CEO Age

SIZE	60 YEARS AND OLDER
<\$25M	28%
\$25M-\$50M	28%
\$50M-\$75M	24%
\$75M-\$100M	22%
\$100M-\$150M	28%
\$150M-\$250M	27%
\$250M-\$500M	32%
\$500M-\$750M	25%
\$750M-\$1B	39%
\$1B-\$3B	33%
\$3B-\$5B	35%
\$5B+	34%

# About the Gallagher Executive Compensation and Benefits Survey

First introduced in 2007, this annual survey was created to better understand the compensation and benefits offered to credit union executives. The report supports credit union boards and executives in making data-driven decisions about total compensation.

The 2024 report includes data from 725 credit unions and their 2,530 executives. Data is provided for the chief executive officer and the next four executives in order of descending salary. This survey looks at other executives relative to the CEO in terms of salary because it is challenging to match titles and functional responsibilities across all asset sizes.

New this year:

- CFO-specific data
- CEO employment agreement
- CEO severance pay

All credit unions across the country (federal charters, state charters and privately insured) received an invitation to participate.

## All US Credit Unions vs Survey Respondents

		ALL US CREDIT UNIONS *	SURVEY RESPONDENTS
<b>Charter Type</b>	Federal	61%	57%
	State	36%	42%
	Private	2%	2%
<b>NCUA Region</b>	Eastern	33%	31%
	Southern	34%	30%
	Western	32%	38%
<b>Total Assets</b>	<\$25M	36%	12%
	\$25M-\$50M	13%	9%
	\$50M-\$75M	8%	7%
	\$75M-\$100M	6%	6%
	\$100M-\$150M	7%	11%
	\$150M-\$250M	7%	11%
	\$250M-\$500M	8%	13%
	\$500M-\$750M	3%	5%
	\$750M-\$1B	3%	5%
	\$1B-\$3B	6%	15%
	\$3B-\$5B	2%	3%
	\$5B +	2%	4%
	Average	\$438,992,504	\$950,365,679
	Median	\$52,281,817	\$199,077,400

\* Source: NCUA Call Report, December 2023

# About the Gallagher Executive Benefits team

**600**

Active Credit  
Union Clients

**\$5.5B**

Assets Under  
Management\*

Focus on  
Retention, Rewards  
and Recruiting

Executive  
Compensation and  
Benefits Surveys

High-touch  
Service and  
Infrastructure

Gallagher's Executive Benefits team consults with credit unions on recruiting, retaining and rewarding their key leaders. We help you secure your future through leadership continuity and aligning executive performance with strategic goals. Gallagher specializes in nonqualified benefits, such as split dollar plans, 457(f) plans, life insurance, and bonus and incentive plans. Our experience includes compensation benchmarking, investment asset management and charitable donation accounts.

Learn more at [www.GallagherExecBen.com](http://www.GallagherExecBen.com)

\*For Gallagher's Executive Benefits team as of March 31, 2024.

## Detailed Data Charts/Full Report

The Gallagher Executive Compensation and Benefits report contains data for the CEO, the next four executives by salary, and the CFO. There are also sections on staff and board benefits.

This report is provided as a complimentary resource to survey participants and Gallagher Executive Benefits clients. To request the full report, visit <https://www.ajg.com/us/nafcu-gallagher-executive-compensation-and-benefits-survey-report/> or scan the QR code to the right.



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