Acumen *Insights*

IDEAS FOR LEADERS BUILDING WHAT'S NEXT

Who Will Still Be Here?

A succession plan identifies tomorrow's leaders. A retention strategy helps ensure they're still there when tomorrow arrives.

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THE QUESTION

What good is a succession plan if the people in it leave?

With formal succession planning requirements now in effect (NCUA, effective January 1, 2026), identifying future leaders is increasingly part of the governance agenda. But identifying a successor is only part of the challenge.

Succession planning identifies the future. Retention planning helps protect it.

51%

OF U.S. EMPLOYEES

are watching for or actively seeking a new job, and 30% of turnover could have been prevented with additional compensation or benefits

Source: Gallup, 2024

SUCCESSION PRESSURE

29%	of CEOs are 60+ years old
50%	of CEOs are 55+ years old
200%	potential cost to replace leaders and managers

Source: America's Credit Unions; Fortune

SUCCESSION RISK GOES BEYOND THE CEO

01 THE BENCH CAN WALK

Strong internal successors are attractive external candidates. Credit unions that develop future leaders without actively retaining them may inadvertently create talent for someone else.

02 REPLACEMENT IS EXPENSIVE

Leadership turnover carries significant financial consequences. Estimates suggest replacing leaders and managers can cost approximately 200% of salary.

03 BEYOND SALARY

For key executives, compensation goes beyond salary and bonuses. SERPs provide tailored benefits that reward long-term commitment.

04 BENEFITS BUILD CONTINUITY

SERPs can incorporate vesting requirements tied to tenure or performance goals—creating incentives for executives to stay while aligning their interests with the CU's continued success.

THE BOTTOM LINE

Succession and retention aren't separate strategies.

One identifies the leaders a credit union needs next.

The other helps keep them there.

Executive benefits can become a strategic human-capital investment—helping credit unions reward key leaders, strengthen continuity and protect the leadership pipeline they've worked to build.

ONE QUESTION FOR YOUR NEXT LEADERSHIP MEETING

If the CEO left tomorrow, is the strongest successor both ready—and likely to stay?

A name on a succession plan isn't enough. The real measure of leadership continuity is whether the institution has developed, engaged and retained the people capable of leading what comes next.