

Prize-Linked Savings in Credit Unions in 2016



In 2016, Prize-Linked Savings (PLS) products expanded rapidly, doubling the number of states with PLS products from 6 to 12. Two new branded products - Lucky Savers (LS) in New York and WINcentive Savings Accounts (WSA) from the Minnesota Credit Union Network - were launched. These new launches and the expansion of Save to Win (STW) led to over 3.3 MM people now having access to PLS products.

Along with this exciting growth, the most financially vulnerable families continued to be served. More than 80% of the people using a PLS product were financially vulnerable and saved an average of \$2,429 dollars - higher than the \$400 average amount needed to cover financial emergencies.¹ As members continue to build savings, 62% report that they are more likely to use other financial products.

Key Highlights for 2016

153
Credit Unions

12
Participating
States

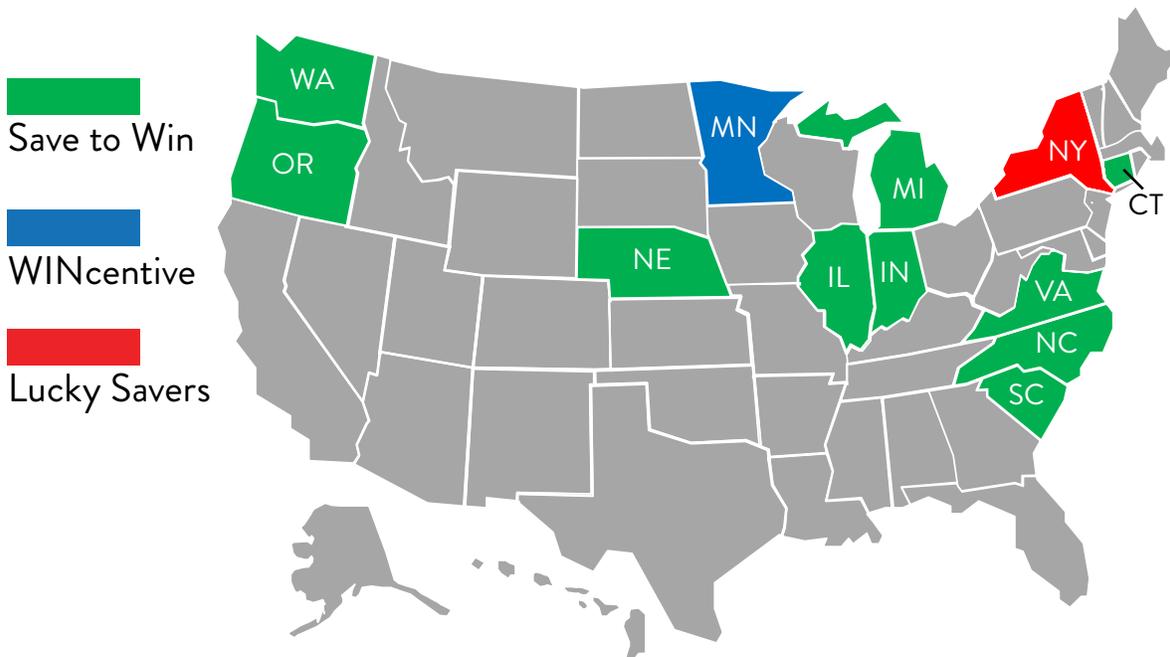
28,453
Accounts

\$69,115,553
Saved

5,406
Winners

82-89%
Financially
Vulnerable

STATES OFFERING PRIZE-LINKED SAVINGS



PRIZE-LINKED SAVINGS 2009 - 2016

Over \$175,000,000
cumulative savings in accounts
since launch

\$2,429
average saved in account

25,262
winners since launch

Over 75 Thousand
cumulative individual
accounts since launch

\$2.37 Million
total prizes awarded to
winners



ACCOUNTHOLDER DEMOGRAPHICS²

82-89% of accountholders were financially vulnerable ³	
33-39% of accountholders are not regular savers	49-59% of accountholders had no emergency savings
32-39% of accountholders were asset poor	52-64% of accountholders had never had a CD before
51-52% of accountholders had high debt	46-65% of accountholders were LMI

“I would definitely recommend other Credit Unions look into using WINcentive; it is a fun product with lots of potential for member engagement”

EFFECTS ON CONSUMER RELATIONSHIPS WITH CREDIT UNIONS

80-82% of accountholders said that the PLS product makes them more excited about their Credit Union
62% of accountholders said that building their savings would make them more likely to use other financial products at their Credit Union
10-15% of accountholders joined their Credit Union for the PLS products

“A benefit of the account is exposure to current and potential members. The product has helped in retaining members that may have otherwise closed their accounts.”

-Representatives from participating WINcentive Credit Unions

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For more information on Commonwealth’s Prize-Linked Savings work, visit us at buildcommonwealth.org/work/prize-linked-savings

¹\$400 is the estimated cost to cover an emergency taken from the Federal Reserve’s “Report on the Economic Well-Being of U.S. Households” in 2015

²Calculations range from the lowest to highest between products.

³Financial Vulnerability is defined as accountholders who are not regular savers, asset poor, low to moderate income, had high debt, or had no emergency savings