

# Prize-Linked Savings in Credit Unions in 2019

As with previous years, prize-linked savings (PLS) products continued to grow in 2019. An additional 1.8 million people gained access to PLS products last year, bringing the total to 5.3 million consumers who now have the option to build savings in a fun and engaging way. Each PLS product described here experienced growth, including Save to Win (STW), the largest product currently offered; WINcentive Savings Accounts (WSA), offered by the Minnesota Credit Union; and Lucky Savers (LS), which is based in New York. Twenty-five states are now offering PLS products, with the number of credit unions offering PLS products increasing to 234 (an increase of 32 since 2018).

Of note is the population served by these products. More than 65% of accountholders are financially vulnerable, yet were able to save an average of over \$1,600—well above the \$400 typically needed to cover a financial emergency.<sup>1</sup> A PLS product was the first savings product for many of these accountholders, and between 11% and 20% joined their credit union specifically to access the PLS product. As members build savings through these engaging products, over 57% also report that they are more likely now to use other financial products at their credit union.

## 2019 Highlights:

**234** credit unions participating

**25** participating states

**14,178** new accounts

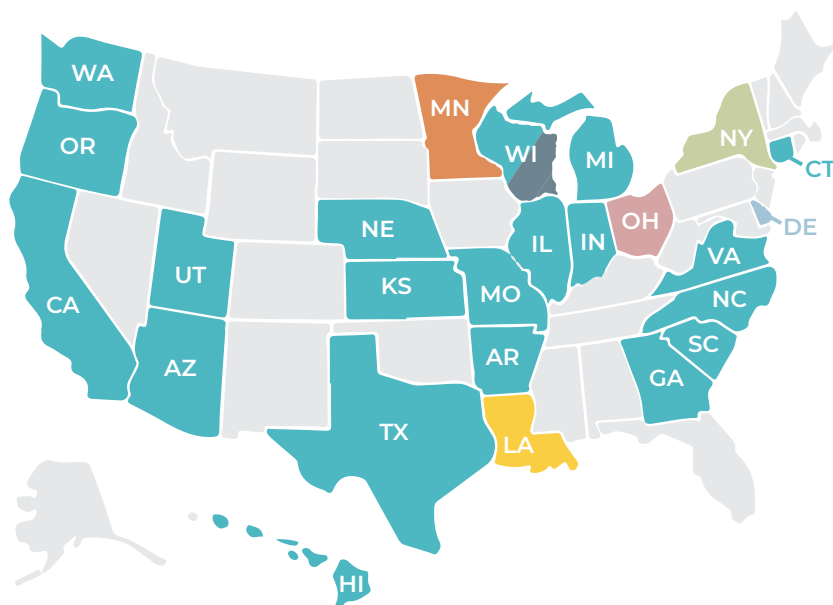
**\$88,751,328.85** saved

**8,424** winners

**67%-79%** financially vulnerable accountholders

## Participating States

- Save to Win
- Lucky Savers
- Savers Sweepstakes
- WINcentive
- Lucky Lagniappe
- Del-One
- Bucks for Buckeyes



## Since 2009

**Over \$223 million** cumulative savings in accounts

**\$2,027** average saved in account

**45,955** winners announced

**Over 110,000** cumulative individual accounts since launch

**Nearly 4 million** total prizes awarded to winners



## Accountholder Demographics<sup>2</sup>

**67%-79%**

were financially vulnerable

**35%-57%**

were asset poor

**52%-72%**

had no emergency savings

**40%-60%**

were low- to moderate-income

**43%-63%**

were not regular savers

**46%-57%**

had high debt

**53%-71%**

had never had a CD before

## Quotes from Participating Credit Unions

“ [PLS is] a relationship-building product. Members enjoy it and our staff love talking about it.”

“ A fun way to save and a unique way to attract members.”

“ It's a unique product that brings some fun to saving money. MNCUN makes it so easy to participate.”

“ Excellent product to encourage saving, especially to those who may not normally save on a routine basis. It's a way to build up an emergency account or saving for a specific purpose. It offers members another benefit to belong to your credit union, and a fun way to encourage saving.”

## Effects on Consumer Relationships With Credit Unions

**76%-93%**

said that the product makes them more excited about credit unions

**57%-82%**

said that building savings would make them more likely to use other products

**11%-20%**

joined specifically for a PLS product

Commonwealth would like to thank the following organizations for their efforts in this work: Michigan Credit Union League, Minnesota Credit Union Network, the New York Credit Union Association, the Wisconsin Credit Union League and the Louisiana Credit Union League. Finally, we would like to thank all participating credit unions in each state for promoting prize-linked savings, thereby making savings engaging and fun for their members.

<sup>1</sup>Financial Vulnerability is defined as accountholders who are not regular savers, asset poor, low- to moderate-income, had high debt, or had no emergency savings.

<sup>2</sup>Calculations range from the lowest to highest between products.

