

Prize-Linked Savings in Credit Unions in 2017



In 2017, Prize-Linked Savings (PLS) products continued to expand and reach more people. All three of the PLS products highlighted in this piece saw growth, from the flagship Save to Win (STW) product to the two new products from 2016, WINcentive Savings Accounts (WSA) from the Minnesota Credit Union and Lucky Savers (LS) based in New York. The number of states with PLS products grew to 13, the number of credit unions offering PLS products jumped to 165, and the number of consumers with access to PLS products increased by five hundred thousand, reaching 3.8MM by year's end.

The population these products continue to serve is as important as their growth. More than 75% of accountholders were financially vulnerable and saved an average of over \$2,400. For many PLS accountholders, this was their first savings product. Between 9-14% joined their credit union to access the PLS product. As members build savings through these engaging products, over 60% also report that they are more likely now to use other financial products at their credit union.

Key Highlights for 2017

165
Credit Unions

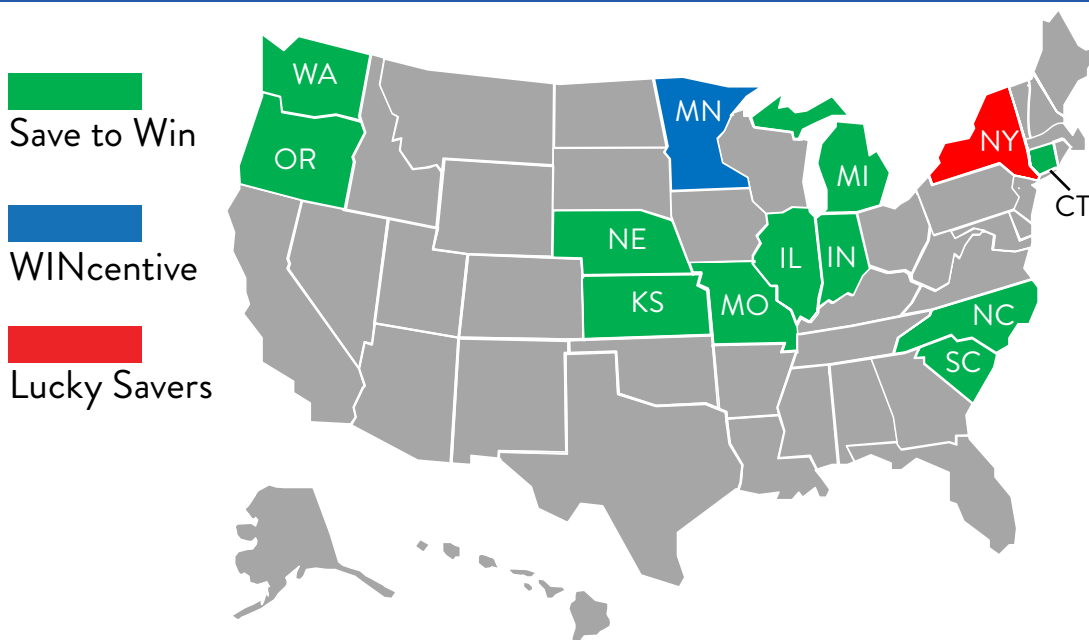
13
Participating States

32,191
Accounts

\$72,951,416
Saved

5,379
Winners

86-90%
Financially
Vulnerable



SINCE 2009...

Over \$190,000,000
cumulative savings in accounts
since launch

\$2,409
average saved in account

30,641
winners since launch

Over 82,000
cumulative individual
accounts since launch

\$2.73 Million
total prizes awarded to
winners

ACCOUNTHOLDER DEMOGRAPHICS²

86-90% of accountholders were financially vulnerable ³	
40-67% of accountholders are not regular savers	51-66% of accountholders had no emergency savings
37-57% of accountholders were asset poor	58-60% of accountholders had never had a CD before
49-52% of accountholders had high debt	37-63% of accountholders were LMI



Quotes from
Participating Credit
Unions

“Having excited members about a service is more valuable than just about anything else.”

“We have utilized the product in special events to promote membership and savings.”

“Another savings alternative for consumers that have difficulty saving.”

“Our credit union has seen an increase in the number of members who have opened a secondary type of savings account.”

EFFECTS ON CONSUMER RELATIONSHIPS WITH CREDIT UNIONS

72-80% of accountholders said that the PLS product makes them more excited about their Credit Union
60-63% of accountholders said that building their savings would make them more likely to use other financial products at their Credit Union
9-14% of accountholders joined their Credit Union for the PLS products

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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