

How Truist Used Prize-Based Incentives to Generate \$37 Million in Savings

OCTOBER 2022

As part of BlackRock's Emergency Savings Initiative, Truist in collaboration with Commonwealth conducted a pilot test offering rewards for opening savings accounts and making regular deposits, resulting in \$37 million saved over the six-month pilot.

Executive Summary

Banks and other financial services providers are well-positioned to provide the emergency savings tools that are key to improving financial security and building wealth for Americans living on low and moderate incomes (LMI). Emergency savings reduces the financial impact of unexpected expenses and helps mitigate the stress of financial insecurity. [Data compiled by the Federal Reserve](#) indicate that, among households making under \$60,000 a year, 58% have less than \$400 set aside to navigate the unexpected. High-quality emergency savings options from established financial institutions can be particularly effective and widely accessible.

Truist—one of the nation's ten largest commercial banks—has developed tools and approaches that support clients on their path to financial confidence. Through BlackRock's Emergency Savings Initiative (ESI), Commonwealth and Truist collaborated to test a savings program designed to help the bank's clients build emergency savings as a financial safety net to prevent the unexpected from turning into a crisis.

Providing savers with the chance to earn prizes for starting and building emergency savings accounts is an intervention with a proven record of success. [Commonwealth's research and work piloting and scaling prize-linked savings programs](#) has generated billions of dollars in savings deposits.

Truist's *Start. Save. Win! Savings Sweepstakes* program incentivized savings through monthly prize drawings. Every savings deposit of \$25—up to five per month—earned a prize entry. In each of the six months of the pilot, 20 sweepstakes participants garnered a \$500 reward and another 21 received \$100.

The *Start. Save. Win! Savings Sweepstakes* proved successful at encouraging new account openings and savings deposits. Truist sent targeted outreach, through email and direct mail, to about 500,000 clients. Over 25,000 households opened savings accounts, generating \$37 million in savings over the six month program. Many of the targeted clients—41%—grew their savings balances by \$125 or more within three months, and 27% had incremental savings above \$400. Participants were more likely to use digital channels for account opening than a similar comparison group prior to the campaign launch, and 88% kept their accounts open for more than three months.



EMERGENCY
SAVINGS

TRUIST 

CHALLENGE

Help financially vulnerable banking clients create a safety net through emergency savings

APPROACH

Test if prize-based incentives are effective in motivating new account openings and supporting ongoing savings

SOLUTION

A sweepstakes campaign rewarding regular deposits into a newly-opened savings account

RESULTS

Over 25,000 households opened accounts, 88% kept accounts open at least three months, and \$37 million was saved over six months

The pilot demonstrated that sweepstakes programs are effective for driving behavioral changes that increase savings. Participants responded to the sweepstakes by embracing new banking behaviors, making savings deposits that maximized opportunities to win, and keeping accounts open so they could continue to participate. The experience also highlighted the importance of building awareness of the prize opportunity and strengthening client engagement.

Commonwealth's partnership with Truist affirmed the power of prize-based incentives to support households living on LMI in establishing savings habits and having access to critical resources for coping with financial emergencies.

Partnering to Build Innovative Emergency Savings Solutions

Commonwealth and Truist are partners in BlackRock's ESI to make enhancing access to high-quality emergency savings solutions for people living on LMI a priority of both the private and public sectors.

Truist is one of the nation's ten largest commercial banks. Headquartered in Charlotte, North Carolina with a presence across several states, it works to support clients on their path to financial confidence. Truist joined the ESI to leverage the expertise of leading nonprofits to build out a sustainable and scalable program that inspires and builds better lives and communities.

Commonwealth is a national nonprofit committed to building financial security and opportunity for financially vulnerable people through innovation and partnerships. We bring our proven approach of consumer research to gain insights, prototype testing of new tools, and scaled adoption of proven strategies. Our groundbreaking research and work piloting and scaling prize-linked savings programs has generated billions of dollars in savings and led to policy changes enabling financial institutions to offer these accounts.

Piloting an Incentivized Emergency Savings Program

Truist and Commonwealth focused on developing a program to help financially vulnerable Americans build emergency savings as a financial safety net to prevent the unexpected—a car repair, broken eyeglasses, a surprise utility bill—from turning into a crisis. The pilot program targeted Truist's clients without savings accounts. Participants could open an account designed to be accessible to people living on LMI, with features such as no minimum opening balance and no monthly maintenance fees.

The six-month pilot utilized a prize-based sweepstakes model, offering \$75,000 in prize money to incentivize savings deposits. The program—titled *Start. Save. Win! Savings Sweepstakes*—began in July 2021. The sweepstakes structure included:



Every savings deposit of \$25 earned one prize entry



Up to five entries could be earned each month
(through December 2021)



Monthly prize drawings



Each month: 20 \$500 winners, 21 \$100 winners

The pilot also included an outreach and engagement campaign, starting with a landing page with information describing the program and detailing the official rules. There was formal outreach to roughly half a million Truist clients without savings accounts (around 200,000 via email and 300,000 through direct mail). Those opening the qualifying savings account were eligible for the *Start. Save. Win! Savings Sweepstakes* and received engagement emails throughout the pilot period.

Succeeding in Building Emergency Savings

The *Start. Save. Win! Savings Sweepstakes* successfully generated both engagement and savings:



The campaign significantly drove positive client behaviors. A majority of targeted clients utilized digital channels for account opening: 52% of accounts were opened online, compared to the prior rate of 41% among a similar population. The account retention rate for targeted clients after three months (88%) was well above the 50% rate among a comparable group. The ability of many clients to accumulate significant emergency funds over time evidenced sustained savings habits.

Reflecting on Insights Gained

The *Start. Save. Win! Savings Sweepstakes* offered proof of concept: the prize incentives drove behavioral changes that led to an increase in savings for a majority of the targeted clients.

Commonwealth surveyed those who opened an account during the pilot to understand their awareness of and engagement with the *Start. Save. Win! Savings Sweepstakes*. The survey found two principal areas that could be improved:

- **Awareness** – The savings incentives, when known, motivated deposits to increase the probability of winning, but awareness could be improved and enhanced through additional communication to clients, such as by highlighting winner stories.
- **Engagement** – The sweepstakes could be made more engaging by nudging through email, text, or in the app (such as reminders of upcoming prize drawings), enabling clients to track their prize entries and learn how to earn more, and multiplying chances to win for meeting specific deposit or account balance milestones.

Emergency savings is top of mind during periods of economic uncertainty. Clients are looking to their primary financial institutions for guidance and tools that will help them build financial security. Programs designed to facilitate and motivate emergency savings must establish clear objectives, have incentives that are aligned with the desired client and institutional outcomes, and use communications that nudge participants toward positive behaviors. The *Start. Save. Win! Savings Sweepstakes* provides additional evidence of how these components can come together to encourage new savings.

Looking Ahead to Scale the Initial Success

Truist is committed to supporting clients in building emergency savings, and the positive impacts of the *Start. Save. Win! Savings Sweepstakes* present a strong foundation for continued innovation to drive savings behavior and, ultimately, increased financial security.

As Truist and Commonwealth continue to explore future opportunities to support Truist clients in saving and building financial security, the following lessons from the pilot will inform those efforts:

- Expanding outreach and marketing to increase awareness among a wider audience of clients for future savings innovation programs
- Engaging Truist branch teammates to build client awareness
- Prioritizing proven outreach and engagement strategies (email and digital communication, including nudges)
- Ensuring program design aligns client needs, institutional priorities, and best practices for driving emergency savings behavior

Well-designed emergency savings programs such as the *Start. Save. Win! Savings Sweepstakes* offer a proven approach to increasing customer engagement and reducing financial vulnerability.

To improve the financial security of your customers through an innovative emergency savings product or program, reach out to Brian Gilmore at info@buildcommonwealth.org to learn more about how we can help.



Commonwealth is a national nonprofit building financial security and opportunity for financially vulnerable people through innovation and partnerships. Black, Latinx, and women-led households disproportionately experience financial insecurity due in large part to longstanding, systemic racism and gender discrimination. Addressing these issues is critical to Commonwealth's work of making wealth possible for all. For nearly two decades, Commonwealth has designed effective innovations, products, and policies enabling over 1.5 million people to accumulate more than \$6 billion in savings. Commonwealth understands that broad changes require market players to act. That's why we collaborate with consumers, the financial services industry, employers, policymakers, and mission-driven organizations. The solutions we build are grounded in real life, based on our deep understanding of people who are financially vulnerable and how businesses can best serve them. To learn more, visit us at www.buildcommonwealth.org.



Truist Financial Corporation is a purpose-driven financial services company committed to inspiring and building better lives and communities. Truist has leading market share in many high-growth markets in the country, and offers a wide range of services including retail, small business and commercial banking; asset management; capital markets; commercial real estate; corporate and institutional banking; insurance; mortgage; payments; specialized lending; and wealth management. Headquartered in Charlotte, North Carolina, Truist is a top 10 U.S. commercial bank with total assets of \$545 billion as of June 30, 2022. Truist Bank, Member FDIC. Learn more at Truist.com.



BlackRock announced a \$50 million philanthropic commitment to help millions of people living on low to moderate incomes gain access to and increase usage of proven savings strategies and tools — ultimately helping them establish an important safety net. The size and scale of the savings problem requires the knowledge and expertise of established industry experts that are recognized leaders in savings research and interventions on an individual and corporate level. Led by its Social Impact team, BlackRock is partnering with innovative industry experts Common Cents Lab, Commonwealth, and the Financial Health Network to give the initiative a comprehensive and multilayered approach to address the savings crisis. Learn more at www.savingsproject.org.



commonwealth

BUILDCOMMONWEALTH.ORG

22 BATTERYMARCH ST., SUITE 501

BOSTON, MA 02109