

Prize-Linked Savings Pilot

- Save to Win launched January 2009 at 8 Michigan credit unions
- This pilot program offers a \$100,000 grand prize to people who save as little as \$25 during 2009
- Monthly prizes totaling \$5,000 per credit union are also awarded throughout year
 - Prizes vary from \$15 to \$400
- Every \$25 deposit into this interest-bearing certificate is another chance to win, up to 10 entries per month

History

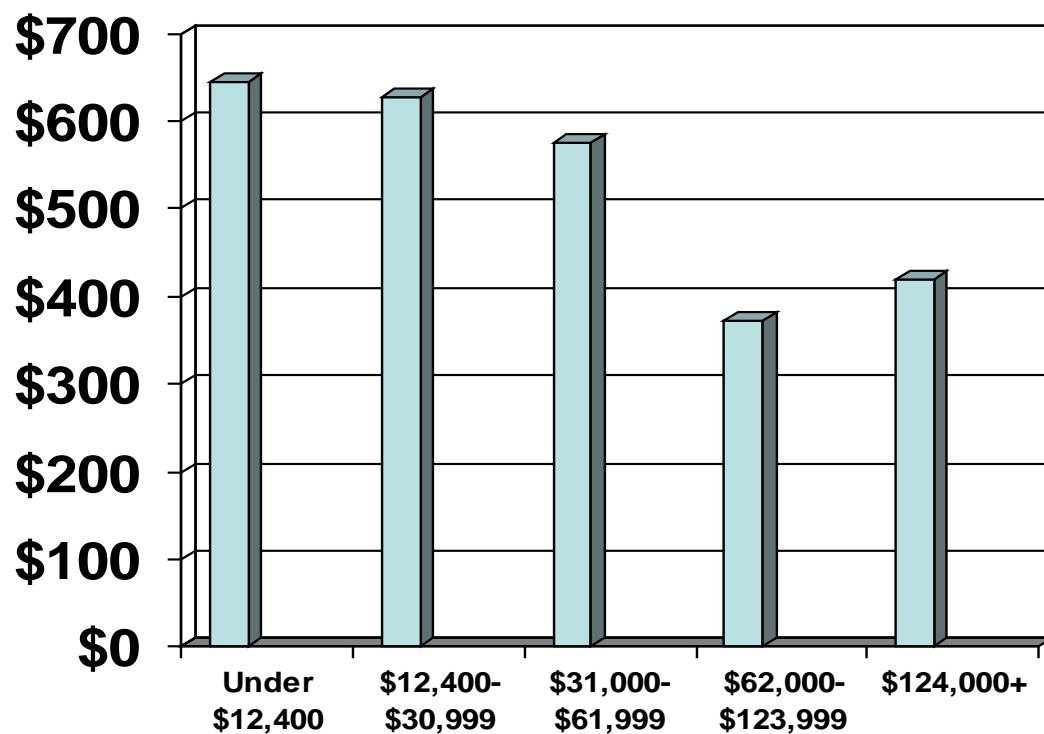
April 08	Business concept and mission submitted to CFSI for grant
July 08	Discussion begin with MCUL (CU Access & Growth), Filene and D2D
July 29, 08	Webinar seeking Cu interest in pilot
July 08 to now	2x weekly conference calls
Aug 08	Pilot period officially begins
Fall 08	Implementation activities begin at CUs
Nov 08-Jan 09	Marketing materials developed, approved, printed, distributed by CUGS
Jan 1, 09	CU Access & Growth rolled into Modest Means Council
Jan 09	7 CUs launch product; research and data collection begin
March 1, 08	Last CU launches product

Prize-Linked Savings

- Participating credit unions:
 - Central Macomb Community
 - Christian Financial
 - Communicating Arts
 - ELGA
 - E&A
 - Frankenmuth
 - NuUnion
 - Option 1
- Sponsoring organizations:
 - MCUL
 - Filene Institute
 - Doorways 2 Dreams Fund
 - Center for Financial Services Innovation
 - Wal-mart

Prize-Linked Savings Pilot

- Why are we trying this?
 - Americans love games of chance
 - In 2006, we spent \$516 per household on state lotteries
 - Lower income Americans spend a larger share of their incomes on lotteries than higher income Americans



Prize-Linked Savings Pilot

- Marketing materials were developed to promote Save to Win at participating credit unions
 - Statement stuffers
 - Lobby posters
 - Brochures
 - Web banner
 - Official rules website, www.michigansavingsraffle.org

Prize-Linked Savings Pilot Marketing Images



SAVE TO WIN



IT'S A WIN-WIN
SITUATION!

Prize-Linked Savings Pilot

- Public relations campaign launched on local, state and national level
 - Filene features story picked up by the wires
 - CFSI's Jennifer Tescher had article in American Banker
 - Local coverage—Fox2 Detroit, WDIV in Detroit, Flint Journal, Lansing State Journal
 - Credit Union industry—CU Times and CU Journal

Prize-Linked Savings

- Participating credit unions are:
 - Central Macomb Community
 - Christian Financial
 - Communicating Arts
 - ELGA
 - E&A
 - Frankenmuth
 - NuUnion
 - Option 1
- Members are eligible if they are over age 18 and residents of Michigan

Prize-Linked Savings Pilot

- Progress through 3/31/2009:
 - 4,232 accounts opened (42% of goal for year)
 - \$866,387 deposited in Save to Win certificates
 - Average account balance \$204.72
 - CUs attribute 220 new members and \$36,000 new dollars to Save to Win product

Prize-Linked Savings Pilot

- Research component part of program
 - To understand consumers that are attracted to this product
 - To see how it affects savings habits
 - To study cost-effectiveness of program on national level
- Early statistics from surveys (through 3/31/09)
 - 37% of accountholders have \$5,000 or less in financial assets and savings
 - 61% have spent money on lottery or gambling in the last six months
 - 42% report household income less than \$40K
 - 66% have less than a college education
 - 55% have no savings plan
 - 37% are over age 55