



REPORT

# Savings Revolution: Showcasing the Credit Union Difference while Helping Members Meet Financial Goals

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## **ACKNOWLEDGMENTS**

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Filene thanks PSCU for their ongoing support, especially of our i<sup>3</sup> innovation program. We also wish to thank the credit unions featured in this report.



# Table of Contents

<b>4</b>	<b>EXECUTIVE SUMMARY</b>
<b>6</b>	<b>CHAPTER 1</b> The Struggle to Be Financially Capable
<b>11</b>	<b>CHAPTER 2</b> Credit Unions Think They're Positioned to Help—But Are They? (And Can They Prove Their Impact?)
<b>13</b>	<b>CHAPTER 3</b> The Beginning of a Revolution
<b>15</b>	<b>CHAPTER 4</b> Delivering on the Promise of Open Innovation
<b>40</b>	<b>CHAPTER 5</b> Gender Issues: How Men and Women Respond to Savings Revolution
<b>41</b>	<b>CHAPTER 6</b> Could Savings Revolution Become Part of a National Branding Campaign?
<b>43</b>	<b>CHAPTER 7</b> The Hollywood Moment
<b>44</b>	<b>CHAPTER 8</b> Where Can Savings Revolution Go from Here?
<b>47</b>	<b>CHAPTER 9</b> Conclusion
<b>49</b>	<b>ENDNOTES</b>
<b>50</b>	<b>LIST OF FIGURES</b>
<b>51</b>	<b>ABOUT THE AUTHORS</b>
<b>52</b>	<b>ABOUT FILENE</b>

# Executive Summary

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## Overview

In 2008, a Filene i<sup>3</sup> team envisioned a contest where families would compete to improve their finances in front of a nationwide audience. In the years since, 14 credit unions have launched their own programs based on the concept.

## MEET THE AUTHORS

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Reality programs have dominated the American television landscape for over a decade. The desire to witness the highs and lows of people “just like us” draws viewers in by the millions each week. But what if the power of the media spotlight could be used to inspire Americans to improve their financial lives? GECU of El Paso, Texas, saw this opportunity and developed Savings Challenge—a media-centric competition that featured teams being coached toward their financial goals while vying for prize money.

One Filene i<sup>3</sup> team was intrigued by this concept and took the idea a step further by developing Savings Revolution—envisioned to be a nationwide program to help families recover from the financial crisis while positioning the credit union system as consumers’ best resource for a better financial future.

Although a nationwide Savings Revolution reality show never materialized, credit unions have launched their own programs. What have been the key success factors and what might credit unions have done differently? How can other credit unions implement similar programs?

## What Is the Research About?

Families at nearly every income level continue to live on the edge of financial disaster. Historically, credit unions have positioned themselves as institutions dedicated to helping these consumers rather than focusing on profit. But is the credit union system effectively communicating this philosophy?

This report analyzes various programs developed over the past decade that put a unique twist on helping consumers improve their financial situation—by encouraging financial goal setting and establishing a framework of friendly competition to see which consumers come closest to hitting their goals. At the same time, the report explores the successes—and challenges—that programs have experienced in elevating their brand identity and shining a positive light on the unique philosophy of the credit union system.

## What Are the Credit Union Implications?

Competitions such as Savings Challenge and Savings Revolution, when planned and implemented effectively, can be useful in helping credit

unions communicate their benefits. Key implementation considerations for a successful program include:

#### Prepare

- Identify key segments you wish to focus on.
- Consider partnering with local media to raise awareness and generate interest.
- Establish a distinct savings or debt reduction product with a specific program tie-in.

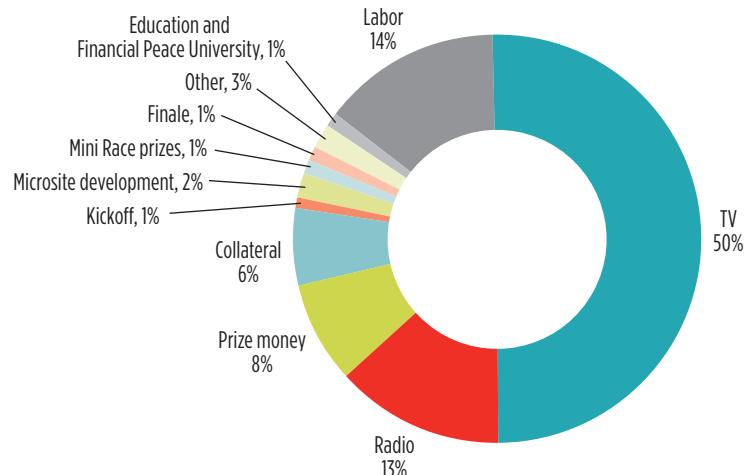
#### Launch

- Ensure credit union employees participate by generating excitement and awareness.
- Launch an at-home or online opportunity for members not competing publicly.
- Provide regular media updates to maintain interest and momentum.

#### Evaluate

- Establish and report on key metrics to highlight the program's success.
- Collect feedback from contestants, employees, and other members.
- Continue to monitor the progress of contestants beyond the program's conclusion.

#### WRIGHT-PATT CREDIT UNION PROGRAM EXPENSES



# Savings Revolution: Showcasing the Credit Union Difference while Helping Members Meet Financial Goals



## CHAPTER 1

### The Struggle to Be Financially Capable

In a perfect world, all consumers would be financially capable. They'd know where they were spending their money. They'd be able to cover this month's expenses with this month's income. And they'd have a nice nest egg set aside to handle both unexpected expenses and milestones like college and retirement.

Unfortunately, the real world doesn't look much like the perfect one.

*Some populations have an especially tenuous grip on financial solvency, including new Americans, minority groups, young families, young adults (particularly those who entered the job market at the height of the recession), military personnel, and pre-retirees.*

Families at nearly every income level are living on the edge, struggling to balance income and expenses. A report released by JPMorgan Chase & Co. in May 2015, using data from 100,000 of its customers, showed that households at every level saw a high degree of income volatility—as much as 30% from month to month.<sup>1</sup> This was not necessarily because they'd had a big life change, such as a job loss, but because of the day-to-day reality of the patchwork quilt that makes up many people's work life. The study also found that the vast majority (the bottom 80% in annual income among all customers studied) did not have sufficient savings to help them weather this uncertainty. These findings are supported by the US Financial Diaries research discussed below, which also shows a great deal of volatility across income levels.

Some populations have an especially tenuous grip on financial solvency, including new Americans, minority groups, young families, young adults (particularly those who entered the job market at the height of the recession), military personnel, and pre-retirees.

These struggling consumers most frequently turn to family, credit cards, and alternative financial services providers such as payday lenders for help.

## Recent Studies Illustrate the Challenges

A small sampling of recent studies and research reports illustrates the challenges many American consumers face when it comes to financial capability.

### From Financial Literacy to Financial Capability—A Filene Colloquium

Although this colloquium was held in 2012, the insights would likely be similar if the event were held today. Filene's main researcher on the program, Annamaria Lusardi, shared the following thoughts on the average consumer:

- They don't understand their financial contracts.
- Their behavior generates fees, interest payments, and other costs that they can ill afford.
- More than 20% of all consumers have used high-cost borrowing (like payday lending).

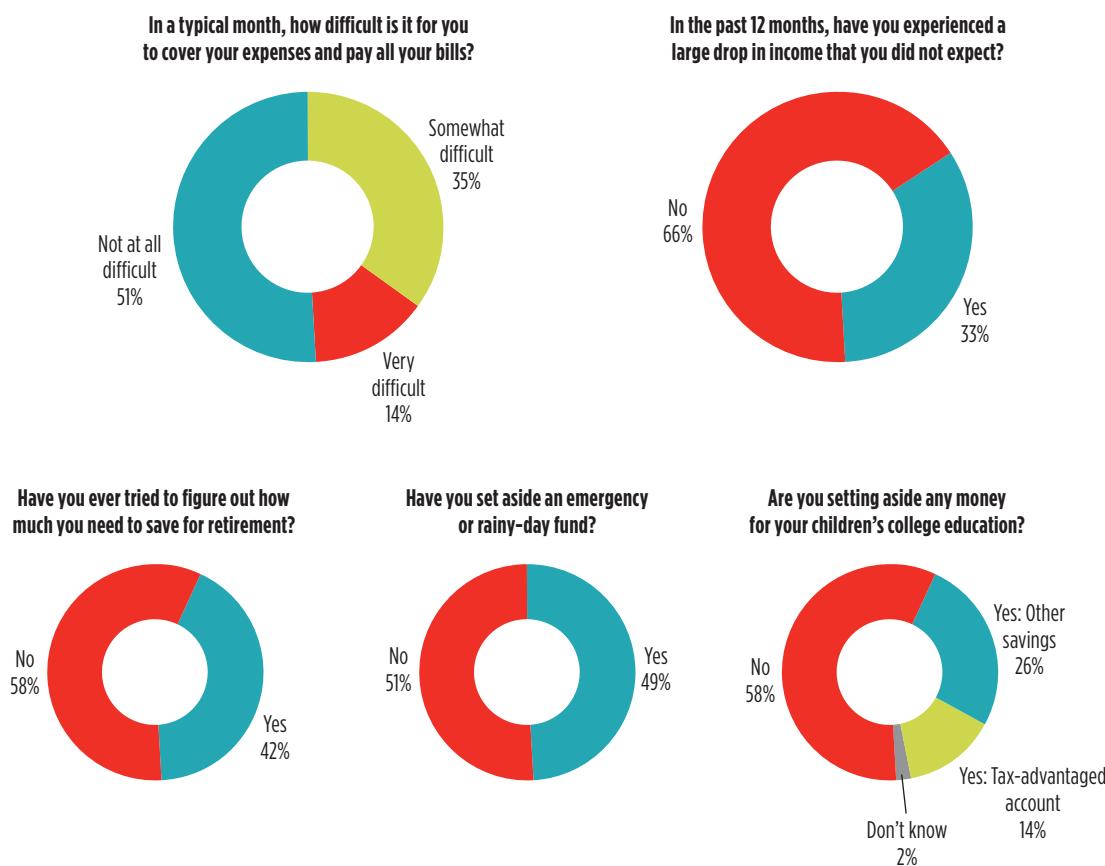
- Many don't have emergency savings, leaving them vulnerable to unexpected financial shocks.
- They lack financial knowledge—which negatively impacts them and the larger economy.

Other findings shared that day were based on a 2009 national Financial Capability Study that showed additional signs of financial distress (see Figure 1).

Too many consumers compromise their financial well-being because they don't understand some of the most basic issues that affect their financial lives. And although credit unions may perceive themselves as offering the products and services their members need for financial solvency, unless members share this opinion, credit unions still have work to do.

**FIGURE 1**

**SIGNS OF FINANCIAL STRAIN**



*Source: Financial Capability in the United States, prepared for FINRA Investor Education Foundation by Applied Research & Consulting LLC, December 1, 2009, [www.finrafoundation.org/web/groups/foundation/@foundation/documents/foundation/p120536.pdf](http://www.finrafoundation.org/web/groups/foundation/@foundation/documents/foundation/p120536.pdf).*

The implications for the credit union system are:

- Families continue to struggle financially.
- It's important to analyze households' assets and liabilities.
- When it comes to solutions, one size doesn't fit all.

## US Financial Diaries

The struggles faced by many of today's consumers were also illustrated in a research study by Filene Research Fellow Jonathan Murdoch. This study was launched in mid-2014 and followed more than 200 low- and moderate-income households over the course of a year. It used both quantitative and qualitative research to learn more about participating households' experiences related to assets and debt, cash flow, financial instruments, employment, financial goals, and attitudes about money.

Following is some background information on the families who participated in this study:

- Participants were from four regions: California, Eastern Mississippi, Ohio/Kentucky, and New York City.
- 67% were above the poverty line; 33% were below it.
- Annual incomes ranged from \$6,000 to \$83,000, with a median of \$22,000.
- The average family size was three.
- The participants were racially diverse: 33% were African American, 28% Latino, 25% white/Caucasian, and 11% Asian.
- The majority had at least one transaction account at a bank. Families in Eastern Mississippi reported the lowest percentage at 81%.

Initial insights uncovered during the research include:

- Struggling families often have income that fluctuates significantly, making it difficult to budget and plan. For poor households, up to 25% of their income may be hard to predict, versus 9%–15% in higher income households.<sup>2</sup>
- Income variability is often the result of factors outside the person's control (health, public transportation, immigration status) or barriers that are hard to overcome (education level).
- Even those with steady jobs can have varying incomes.
- Short-term and part-time jobs are common: The Federal Reserve reports that 20% of US employment is part-time.<sup>3</sup>

- Participants value financial stability over higher income, with 77% prioritizing stability.
- Financial products can't increase household income but are perceived as helping to manage it better.

### *Income variability is often the result of factors outside the person's control.*

Products or behaviors that helped or could help participating families manage financial fluctuations include:

- Overdraft arrangements.
- Payday loans.
- Managing float (the delay between payments being initiated and posted).
- Credit cards.
- Informal financial arrangements with family/friends—after credit cards (which were used by 55% of participants), this type of loan was the second most common form of credit at 41%.
- Savings groups arranged through circles of family/friends.
- Money guard—someone who performs a gatekeeper function and monitors a person's spending.
- Learning how to manage income spikes to create a cushion against income dips (e.g., the ability to prepay bills, direct deposit of a portion of paychecks into a savings account, "smoothing" out of irregular pay).
- Real-time balance information—budgeting occurs not just day to day, but sometimes hour to hour.
- Innovative, safe, and affordable forms of credit that are structured to support repayment.

## **Moving Beyond Financial Education to Financial Capability**

While financial education is certainly a worthy goal, education alone isn't enough to ensure an individual's financial stability. As the US Financial Diaries study confirms, human nature tends to get in the way of our best-laid financial plans. Most of us have bought something we really couldn't afford; have been so sure of a potential raise that we purchased something in anticipation of it; or have faced bad luck, like an unexpected layoff or illness, that had a negative impact on our finances.

To have real financial capability—what the Center for Financial Services Innovation (CFSI) defines as a “set of behaviors that lead to tangible improvement in your financial health like increased savings or better credit scores”<sup>4</sup>—consumers need financial education, plus products and support that incorporate at least one of the following:

- **Relevance.** Must address the consumer’s concerns/needs and motivate them to change.
- **Timeliness.** Information must be delivered at a time that coincides with the consumer’s decision making.
- **Actionability.** Consumers must see a link between financial capability and resources.
- **Continuity.** Programs must drive long-term relationship building.<sup>5</sup>

*38% of low-income earners think it's more practical to accumulate significant savings by winning the lottery than by following a systematic plan for savings.<sup>6</sup>*

## CHAPTER 2

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# Credit Unions Think They’re Positioned to Help—But Are They? (And Can They Prove Their Impact?)

Consumers are struggling.

Credit unions historically have positioned themselves as institutions that put people before profits and focus on “people helping people.” The credit union system is certainly aware that many members face financial challenges and has made efforts to address them.

But are credit unions doing as good a job as they’d like to be? Are they offering the products and services that members really need? And are they effective at getting the word out about them?

If a past Filene research project is any indication, consumers are readily parroting the marketing messages they've heard in recent years. Credit union members offered marketing-driven responses to a question asking why they chose a credit union:

- Price.
- Convenience.
- Service.
- Trust.<sup>7</sup>

But do they really believe what they're saying? A deeper dive into these responses uncovered behavioral inconsistencies (e.g., a large number of interviewees said branch location was critical, but they rarely if ever visited the branch) and illustrated that personal finance isn't always rational. From that research we learned the following:

- It can be better to align products and services along behavioral characteristics rather than demographic profiles.
- Credit unions might do better to focus on ideas and experiences rather than products and services—for instance, people don't buy a mortgage, they buy a place to live.
- There's a benefit to creating a sense of collaboration with the member. Members sometimes feel frustrated when the teller has a screenful of information about them that isn't shared with the member. A shared, private experience—say, in a separate area—where the member has access to all the information that the credit union employee is seeing could be valuable.

### *Credit unions might do better to focus on ideas and experiences rather than products and services.*

Another Filene study shows that in a post-recessionary world, it's critical for credit unions to be transparent, fair, and able to show how their actions impact members and the community.<sup>8</sup> Currently credit unions are not necessarily doing a good job of communicating the benefits that both members and the larger community derive from credit unions, but the author of the report, Bruce Cahan, argues that credit unions can improve by doing the following:

- Using technology—especially technology made affordable through pooled resources—to show how credit unions are improving members' quality of life.
- Developing flexible programs that realign credit unions with their original mission and help members and communities in challenging times (e.g., payment deferrals during community emergencies).

- Creating programs designed to meet the needs of vulnerable populations.
- Launching experiments with the sharing economy.
- Making efforts to rebrand the credit union as a knowledge transfer hub.

## CHAPTER 3

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# The Beginning of a Revolution

Credit unions know consumers are struggling and want to help them. But how?

GECU (\$2.2 billion [B] in assets; 330,000 members) in El Paso, Texas, knew it would take something out of the ordinary—especially given the financial diversity of its members and community.

*Credit unions know consumers are struggling and want to help them. But how?*

That “something” was a contest called the Savings Challenge, which GECU pioneered in 2007. Members applied and six teams (a combination of families, couples, and individuals) were selected to compete for \$30,000 in prizes. Each participant was assigned a coach who met with them face to face at least once a month and sometimes also participated in phone or e-mail coaching. The coach was a middle-management-level GECU employee who helped participants set and achieve savings and debt reduction goals during the yearlong competition. Each competitor was called upon to share their financial story in a public way in news stories and in a wide variety of paid media, including television—each filmed video vignettes in English and Spanish that ran on a local television station—billboards, and blogs.

“We wanted to encourage our entire membership base to change the way they think about money by sharing the experience of the participants,” said Teresa Montoya, senior vice president of marketing at GECU. “By sharing the real-life experience of the participants we were able to engage the entire community in the experience. We felt the Savings Challenge would be a revolutionary approach to a growing problem in our society and it was.”

*“We felt the Savings Challenge would be a revolutionary approach to a growing problem in our society and it was.”*

The Savings Challenge coaches shared savings strategies, debt reduction techniques, and sound money management principles with the participants. “It took real courage for the participants to face the truth about their finances,” Montoya said. “They had to put their faith, trust, and money in the hands of GECU financial coaches they’d never met and share their progress with all of El Paso watching. It made a lasting impact on our participants’ lives and our community.”

That impact on participants can be summed up in hard dollars—over the four years the program ran (2007–2010), contestants saved a combined \$174,000 and reduced their collective debt by \$282,000—but it’s impossible to know just how many people’s lives were changed by watching the competition unfold and thinking “I can do that, too.”

*Over the four years the program ran (2007–2010), contestants saved a combined \$174,000 and reduced their collective debt by \$282,000.*

“The Savings Challenge definitely created excitement,” said Crystal Long, the CEO at GECU. “People still remember it and talk about it. One of the contestants worked in a hospital pharmacy where she was eager to share what she learned from the program with fellow employees.”

GECU modified the program targets over the course of the promotion to touch all walks of life: one year the credit union focused on college students, another year on small business owners. To keep staff interested and engaged, GECU used games—including their own version of “The Price is Right.”

“If we relaunched the Savings Challenge in the future, GECU would leverage the power—and affordability—of social media and would look for more external assistance,” Long said. “We’d try to tap into local community partners and look for more support through the Prosperus initiative (a financial empowerment initiative of GECU that collaborates with community partners), too.”

## i<sup>3</sup>ers Know a Good Idea When They See It

Each year Filene selects a group of next-generation credit union executives to join a two-year program known as i<sup>3</sup>—Ideas, Innovation, Implementation. Filene divides participants into teams and asks each team to innovate on behalf of credit unions by tackling a consumer challenge.

In 2008, one of the i<sup>3</sup> teams had a member from GECU who shared the credit union’s experience with the Savings Challenge program. The group quickly recognized the potential

this program could have at a larger level and proposed Savings Revolution—which they described as “Weight Watchers for your wallet.”

Savings Revolution had two main components:

1. **Savings Challenge.** This would be an event, like the one held at GECU. The credit union would select participants for a long-term competition, and the contest winner would be the one who most closely reached or exceeded their financial goals. Participants would be assigned a coach who would help set goals and oversee and support their achievements, and progress would be monitored via media channels—to increase program visibility, support participant accountability, and encourage viewers to change their own savings or spending habits.
2. **Savings Revolution.** The credit union system has long been attempting to tackle the problem of a national branding/awareness campaign. Could nationwide implementation of the program help position credit unions as consumers’ best resource for a better financial future?

## CHAPTER 4

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# Delivering on the Promise of Open Innovation

Inspired by the Savings Revolution proposal (and the most accurate information Filene was able to collect), 13 additional credit unions and two credit union organizations eventually created their own version:

- A+ Federal Credit Union.
- Amoco Federal Credit Union.
- Central Ohio Chapter of Credit Unions.
- CommunityAmerica Credit Union.
- Connex Federal Credit Union.
- Credit Union Association of New Mexico.
- E Federal Credit Union.
- Educators Credit Union.

- Florida Commerce Credit Union.
- FORUM Credit Union.
- Jamaica Police Cooperative Credit Union.
- KEMBA Financial Credit Union.
- Summit Credit Union.
- Vantage Credit Union.
- Wright-Patt Credit Union.

Of these, five credit unions ran long-term programs, some of which are still operating today. The following sections give an overview of what they experienced and learned.

## A+ Federal Credit Union

**Headquarters:** Austin, Texas

**Assets:** \$1.16B

**Members:** 123,407

**Program run dates:** Ran a family-centric program in 2007; has held three high school programs and one community college program since that time. A final program was held during the 2014–2015 school year.

**Original goals:** “Our hope was to use this program to help the community gain a better understanding of the role that credit unions can play in their financial success: that our mission and day-to-day role is to improve their financial health,” said Kelsey Balcaitis, community education director for the marketing department at A+ FCU.

### Program Elements

The program initially followed the “family” format of many of the other programs, but after the first year the credit union switched to a youth-centric program. Two of the main reasons for the switch: cost (the prize money for the family version of the program was quite a bit higher than the student version) and the planned opening of the credit union’s first high school branch (the credit union wanted to have a high-impact event to launch it).

“Attracting youth is a critical goal for our credit union—roughly a quarter of our membership is under age 18—and we decided to focus the program on this target,” said Kerry Parker, CEO at A+ FCU.

*“Attracting youth is a critical goal for our credit union.”*

A+ FCU has run different versions of the program over the years. The first three competitions took place at one of its four high school branches, and this past year (the 2014–2015 school year) the program was a competition between all four high school branches—teachers, students, and the entire school competed. The prize was \$1,000 each for the student and staff winners and \$5,000 for the winning high school. The credit union previously ran a competition at a local community college.

Program goals were set by the participants themselves and usually focused on saving. The credit union's primary goal was to increase financial education among the student population; the students tended to be focused on winning the prize money and meeting their savings goals.

*The credit union's primary goal was to increase financial education among the student population.*

Students opt into the program by filling out an application, which is designed to prove their interest and commitment. The high school program originally included dedicated coaches who worked with the students to help determine and meet their individual goals, but this later became optional. Participants were expected to attend workshops, present financial information to their classmates, write blog posts, and complete online financial education courses.

## Marketing Channels

- Posters at the participating school.
- Flyers in the branch.
- Staff visits to the classrooms/lunchrooms.
- Social media.
- E-mail.

## Annual Costs

When only one high school was involved, the credit union estimated its hard costs at roughly \$15,000–\$20,000; with this year's four-school program, the costs were likely closer to \$30,000 (including prize money). This does not account for the time that branch staff and the community education specialist spent on the program.

## Working with External Partners

A+ FCU worked with the participating high schools to promote and schedule events.

## Measuring Success

“This program has been a good way to kick off a new branch in a high school,” Parker said. “It’s also valuable simply because it’s critical to attract members at a younger age. There’s a lot of research to show that members who join a credit union between the ages of 10 and 15 will use your products and services at a significantly higher rate than those who join between the ages of 25 and 27.”

“Although we can’t point to specific portfolio growth as a result of the competition—there were too many concurrent promotions and marketing going on at the same time—it does create an opportunity for us to get high school kids thinking about their finances and the impact their choices have,” Balcaitis said.

*“It does create an opportunity for us to get high school kids thinking about their finances and the impact their choices have.”*

The credit union introduced participants to basic financial concepts like budgets, how to track spending, and how a credit report works.

## Key Learnings

Although A+ FCU hasn’t had the results it hoped for with the program, it will continue to try to engage students and feels it learned a lot from Savings Revolution.

“It’s extremely challenging to keep kids engaged and committed for an entire school year,” Balcaitis said. “I think it would be better to run a shorter program—maybe a 30-day challenge. We do currently focus our financial education on whatever might be pertinent that month—say, how to spend less on prom—but we could do that with a shorter program, too.”

*“It’s extremely challenging to keep kids engaged and committed for an entire school year.”*

“We’re currently doing a research study about gamification, especially with the youth market,” Parker said. “Maybe that will be a good place to focus our efforts and one that doesn’t require such a high commitment on the part of our staff.”

“To keep the program fresh and meaningful, I think the savings challenge needs to be somewhat different every year so that it reflects your community’s needs,” Balcaitis said. “But you have to be able to figure out how to address that need without too big a commitment of time and resources.”

A+ FCU is also applying lessons learned through Savings Revolution to a partnership with local Boy Scouts who are working toward their Eagle ranking. “The Boy Scouts have a financial education badge and a lot of the educational components of the savings challenge are a good fit,” Parker said.

The credit union runs six summer financial camps for youth each year (four four-hour days for students in grades 3–8 and a one-day Financial Boot Camp for high school students) and has had good success with those. “Those commitments are a lot easier than a nine-month one!” Parker said.

## Educators Credit Union

**Headquarters:** Racine, Wisconsin

**Assets:** \$1.5B

**Members:** 160,000

**Program run dates:** Originally operated from 2008–2012; will likely reinstate in 2016.

**Original goals:** Educators was approached by the local YMCA about the possibility of working together to run a program about having a healthy overall lifestyle and including financial health in that mix. “We’d heard about the Savings Revolution and it seemed like a good program to tap into,” said Shannon Huot, assistant vice president for marketing at Educators.

## Program Elements

**Length:** Nine months (each year).

**Goal:** Reduce debt by 3% over the natural amount participants would pay down or increase savings by 5% and improve their credit score.

**Prize:** Winning family received \$10,000.

During the first year, the credit union had 800 applicants for six spots. “This was a big learning experience for us,” Huot said. “It was pretty overwhelming.”

In choosing participants, the credit union looked for:

- Complete applications.
- People who had achievable goals—Educators didn't want to set families up for failure and also didn't want to choose people who didn't need that much help.
- A diversity of people, backgrounds, needs, marital status, and geographic locations.
- A willingness to share their experience, work with coaches, be on TV, etc.

The selection process typically required two to three interviews. Those who weren't selected received a personal invitation to work with the credit union individually to improve their financial position.

The credit union used words like “mentor” and “coach” throughout the process. “People responded to this language,” Huot said.

### *The credit union used words like “mentor” and “coach” throughout the process.*

#### **Year 1: Family Program Only**

Participants had “sweat equity” in the program: They met with their coach every month and attended workshops (a different one every month, which was open to the general public, too).

Workshops were held at the local Y (as per their partnership). There were typically about 20 attendees each month (besides the participants) and some came every month.

#### **Year 2: Added an At-Home Version That Allowed Everyone to Participate Online**

- Members had to open a VIP Savings account (described below) to participate.
- Participants could download a booklet or get one at the local branch. This booklet had a list of tasks participants had to complete. Participants got a gift card for completing steps and were also entered into drawings for bigger prizes (\$250–\$1,000).
- Participants were asked to pick a short-term goal that could be accomplished over a seven- to nine-month period (reduce debt, increase savings, etc.)
- Participants had their credit score pulled three times over the course of the program to help determine how their actions impacted their score.

- The credit union also offered a “What’s My Score” program free to members and the community. “Anyone who wanted could come into the credit union and get a soft pull credit score and history,” Huot said.
- At-home participants were invited to seminars; some seminars were also offered online.
- A group of dedicated coaches worked with the online participants, and members could connect with them through the help desk.

*“Anyone who wanted could come into the credit union and get a soft pull credit score and history.”*

### Year 3

Based on things learned from Year 2, the credit union changed the following with their at-home program:

- Had participants sign a pledge card. “We found that people were more likely to stay true to their goals if they did this,” Huot said.
- Held prize drawings quarterly instead of at the end of nine months, which was how long participants had to wait the previous year. “We learned that was too long,” Huot said.

Participation for the at-home program:

- First year: 100 people
- Second through fourth years: 200 people

### VIP Savings

Educators developed a number of products during their program run, one of which was VIP Savings. This product has several features designed to encourage those with little or no savings:

- Open an account with \$20 and make a deposit (even one cent!) monthly for 12 consecutive months and get a \$25 reward and a 1/4% increase on a CD.
- APY of 2% on balances up to \$2,500.
- When the 12 months is up, the money goes into a prime share savings account (a lot of members reopen it as a VIP Savings account).
- Withdrawals in the first year face a \$10 fee, which helps people to think before making a withdrawal.

“This was when the economy was at its lowest,” Huot said. “We had 18,000 members sign up for these the first year—we found that many were for custodial accounts or for millennials.”

*“We had 18,000 members sign up for these the first year—we found that many were for custodial accounts or for millennials.”*

## Marketing Channels

- Micro-site.
- Video blog for families.
- Online forum for at-home participants.
- Workshops.
- TV (local Fox News station).

## Annual Cost

Educators spent roughly \$50,000–\$60,000 per year on the program; this included prizes, staffing, media buys, and marketing materials. “We feel very fortunate that we had a budget to run this program,” Huot said. “This program aligned with our strategic goals of educating and advising members, so that’s helped justify our budget.”

## Working with External Partners

Educators worked with the local YMCA and a local television station. “The media time wasn’t free, but it was at a discounted rate because it was a community event,” Huot said. “The TV station has been supportive of our efforts and has interviewed families and promoted workshops and the at-home version.”

Educators did not partner with other credit unions, their league, or many outside organizations. They preferred to be in control of the savings challenges and felt fortunate that their budget allowed them to do this.

## Measuring Success

The participant goal in the first year was to reduce debt by 3% over the natural amount they would pay down or increase savings by 5%. Many families exceeded the goal by 120%–130%. In general, the credit union found that participants either exceeded their goal significantly or did not even come close to reaching the goal, but most did well.

*The participant goal in the first year was to reduce debt by 3% over the natural amount they would pay down or increase savings by 5%. Many families exceeded the goal by 120%–130%.*

Educators keeps in touch with about half of the participating families through annual meetings and social media. “Families will often let us know when they have major life events,” Huot said.

The credit union shared this story as an example of long-term connections and benefits:

*One participant was a single mother from the first season. When she started the Savings Challenge with us her son and daughter were both high school students. When we would meet for monthly training sessions, she told me that as she was getting her finances together she was noticing other changes. She said that as she gained confidence to deal with her finances she noticed that she was sleeping better and that she had lost weight. So she started to share the health benefits of her journey at our monthly meetings.*

*Over the years I have seen her son graduate from high school and he graduated from college last year; her daughter graduated from high school and is now in college. Last summer, I had the opportunity to attend her wedding and she’s also volunteered to share her story as the keynote speaker in our local Money Conference event.*

## Key Learnings

- In the first year, five of the six families met their goal and each received a large prize (multiple large prizes were given out only in the first year). The credit union stayed in touch with the families and at the one-year mark found that three of the five families hadn’t touched their prize money.
- The credit union discovered that the \$10,000 prize wasn’t that much of a carrot—people were more excited about the lifestyle changes and what they were able to achieve than they were about the money.
- The program illustrated the importance of communication: Many of the people who participated in the program said that a lack of communication with their spouse or partner had been one of the things that got them into trouble with money.
- It’s important to pick the right participants and the right coaches/mentors.
- It’s critical to have a good support system in place for the coaches and mentors so they don’t burn out. “I think it’s best to have two or three coaches to deal with the

families in the contest,” Huot said. “These people have to be willing to go above and beyond. They’ll likely be working with the families outside normal business hours and outside the branch.”

- It’s a good idea to have a community forum for the at-home players so they have a chance to share their thoughts and concerns.
- People like incentives, even something small like movie passes. “They have to be short term—people don’t want to wait months to win something,” Huot said.
- Reality shows are appealing to people. “They like the aspect that ‘You’re like me and going through similar challenges. You can do it and I can do it!’ ” Huot said.

*Many of the people who participated in the program said that a lack of communication with their spouse or partner had been one of the things that got them into trouble with money.*

## Stopping the Program and Potentially Starting It Again

The credit union took a break from the program after 2012 because it wanted to focus its resources on technology upgrades. Educators felt it was critical to make these upgrades in order to best serve their members.

“We’re hoping to reinstate the program in 2016,” Huot said. “If we do relaunch, we’ll still focus on six families/couples, but the program will probably be more tech-oriented—especially with handheld devices.”

## FORUM Credit Union

**Headquarters:** Indianapolis, Indiana

**Assets:** \$1B

**Members:** 120,000

**Program run dates:** 2009–present

**Why the program was a good fit:** “We liked the fact that it was geared to overall financial wellness, not selling a product or service,” said Andrew Spirrison, vice president of retail delivery at FORUM.

**Original Goals:**

- Be a financial resource for members and the community.
- Encourage participants to become smart savers.
- Promote FORUM’s unique, money-saving products.

- Increase products per member.
- Help branch, call center, and lending areas reach their goals.

**Program name:** Save It Up

**Program elements:** Individuals—including nonmembers—have always been able to participate in the program. What's changed over the years have been the categories, the number of steps required to participate, and whether or not the products were tied to the program.

Some of the iterations and key elements are described below.

### **Save It Up 2013**

Members completed 20 steps toward financial wellness, set goals, and earned points. Earning points allowed them to enter drawings for quarterly and annual prizes.

### **Weekly 5 Club**

This is a prize-based savings account. Currently there are 1,431 of these accounts. Members make a weekly deposit, which makes them eligible to both enter a weekly lottery (\$25 prize) and win larger prizes (from \$150 to \$5,000) that are awarded annually. The features include:

- \$25 deposit required to open account.
- \$5 deposit per week required to play.
- 3–12-month play period of the member's choosing.
- Members can open up to five accounts (members must have \$250 in one account before opening another).

### **New Savings Programs for 2015**

#### **52-Week Challenge**

- 486 members participating as of April 2015.
- Incremental savings program.
- Members save \$1 the first week, \$2 the second week, \$3 the third week, etc., for a total of \$1,378 in savings at the end of the year.
- Competitive dividend rate.
- Funds released on December 31 each year.
- Those who successfully save at least \$1,378 are automatically entered to win an additional \$1,378.

## Saving for a Reason

- 32 members participating as of April 2015.
- Each member is asked to save toward a dream they have and set an individual goal.
- Members set their goal amount and the time frame for achieving it.
- Automatic transfers make saving simple.

## Other Tools Available to Members

- An online budgeting worksheet and free credit checks at the branch.

## Marketing Channels

- Newsletter.
- In-branch marketing (TVs, posters).
- Website.
- ATM screens.
- Branch events.

## Annual Program Cost

- 200 hours in staff time.
- \$2,000 in printed materials.

## Working with External Partners

“We haven’t found it necessary to work with outside partners,” Spirrison said. “We don’t have a media partner, and the local league chapter is aware of the program but hasn’t worked with FORUM.”

## Measuring Success

It’s been challenging to measure the program’s success, but Spirrison believes the Saving for a Reason component will be an exception; because participating members have a measurable goal, it will be easier to determine whether they’ve met it.

Program participation has grown over the years:

- In the first few years, there were fewer than 50 participants per year.
- In 2013, 253 members participated and 350 goals were achieved.
- In 2014, 446 members participated, but they only accomplished 355 goals (which illustrates the challenge of getting those who sign up to actually participate).

**FIGURE 2****FORUM 52 WEEK CHALLENGE PROGRAM DATA**

Generational segment	Total HH	Total svcs	Svcs/HH	Total accs	Accs/HH	Total profit	Dep HH	Dep accs	Dep balance	Loan HH	Loan accs	Loan balance
Unidentified segment	1	2	2.00	2	2.00	-\$74	1	2	\$13,497	0	0	\$0
Gen Y	105	314	2.99	540	5.14	\$112	105	469	\$625,511	42	67	\$444,573
Gen X	128	456	3.56	858	6.70	\$21,418	128	716	\$1,285,713	74	128	\$1,582,315
Baby boomers	161	562	3.49	986	6.12	\$5,100	161	808	\$1,727,203	96	167	\$1,338,512
Traditionalists	20	70	3.50	126	6.30	-\$3,787	20	103	\$806,869	13	20	\$192,921
<b>TOTALS</b>	<b>415</b>	<b>1,404</b>	<b>3.38</b>	<b>2,512</b>	<b>6.05</b>	<b>\$22,769</b>	<b>415</b>	<b>2,098</b>	<b>\$4,458,793</b>	<b>225</b>	<b>382</b>	<b>\$3,558,321</b>

Note: HH = households, Svcs = services, Accs = accounts, Dep = deposit.

## A Key Program Benefit

“We now have the ability to pull data on the 400+ members who are currently enrolled in our savings program,” Spirrison said. “This is a great way to learn more about our generational segments.”

*“We now have the ability to pull data on the 400+ members who are currently enrolled in our savings program.”*

## Program Challenges

Spirrison shared a number of challenges FORUM’s program has faced over the years:

- People sign up for programs and then don’t participate.
- In 2013, at sign-up participants had to opt-in to get a newsletter, which was the main source of communication. Many did not and the credit union has now changed the program to a default opt-in.
- People are busy and it’s hard to get them to commit to events. There is a lot of interest in programs like the Dave Ramsey classes ([daveramsey.com](http://daveramsey.com)), but people often do this through their church.

# Summit Credit Union

**Headquarters:** Madison, Wisconsin

**Assets:** \$2.2B

**Members:** 146,000

**Program run dates:** 2009–present

## Original Goals

The credit union's goal is to help community members create wealth and financial success. Education is a cornerstone of Summit's efforts to achieve this goal, and the credit union felt that this program gave them a platform to share this story. The timing for the program launch was perfect: It was at the height of the recession and a lot of people in the community were focused on their financial challenges.

## Program Elements

Summit calls their version of the program Project Money. There are two components: a competition that involves four “families” (a family can be an individual, a couple, or a larger family group) who are improving their financial health throughout the year, and a play-at-home feature. Summit strives to choose participants who represent a diversity of financial situations, family types, and backgrounds.

Applicants selected to compete are assigned a coach who works with them throughout the competition, motivating them to reduce debt, build savings, and change their financial habits to create a sustainable and wealth-building future.

## A Program That Goes Beyond the Participants

Applicants who are not selected to compete in the primary component of the program have the opportunity to work with a financial coach one-on-one at Summit through a program called PM2. Summit has found this to be quite effective: One member was able to increase their savings by \$7,000 and reduce their debt by \$8,000 by working with a financial coach twice a month in June and July 2014 and once a month in December 2014.

Here's what a member had to say about their experience:

*I'm writing to thank you for the time and programs that Summit Credit Union provides to help people get out of debt and get control of their finances. Two years ago I applied for Project Money and didn't make it to the final four, but participated in PM2.*

*Even though I didn't "win" PM2, I appreciated the coaching Summit provided. Along with the coaching at Summit and support of Penny Duane (PM winner in 2011 and coworker), Dave Ramsey's Financial Peace University, and the support of coworkers and my family, I can happily report that as of today I am **debt free**. My next goal is three to six months of expenses saved in an emergency fund and then getting an apartment and investing for retirement and saving for a down payment on a house.*

Also available to Summit members is Red SHOES, a financial wellness program targeted specifically to women. This program is designed to give participants specific steps and support toward improving their financial position. Red SHOES participants get a workbook, online education and tracking tools, the chance to connect with a coach/mentor, and invitations to seminars and events.

## Marketing Channels

Summit relies heavily on a media partnership with a local television station. This partnership includes both paid media and news opportunities.

Summit also uses the following to promote Project Money:

- Blogs—the Project Money web page and blog posts attracted 45,500 page views in 2014.
- Monthly e-mails.
- Seminars and other educational events.
- Summit website.
- Social media.
- Outdoor events (in some years).

## Annual Costs

Summit declined to share a cost figure but said it includes the media partnership, in-branch marketing materials, web, social media, and staff time to cover program administration and coaching.

## Working with External Partners

The only external partner Summit works with is a local television station. "Creating a true partnership with this station has been critical," said Rebecca Gerothanas, senior vice president of operations at Summit Credit Union. "You need to work with someone who believes

in your program and its goals and is looking for ways to effectively tell your story. We do have some paid advertising with the station, but it goes beyond that.”

## Measuring Success

The program has created strong financial benefits for the participants: Over the life of the program, Project Money contestants have increased their savings by \$192,000 and reduced their debt by \$256,000. But it goes beyond the numbers. Said Gerothanas, “Summit has discovered the program is an exercise in identifying and breaking down financial habits that don’t work and creating new financial habits that do work—individualized to specific personalities. They break the cycle of debt and plan debt pay-off, while also coaching a mentality of being mindful, setting priorities, and saving to build wealth. It’s a careful balance and it takes time—but the process works and builds sustainability over a lifetime.”

*Over the life of the program, Project Money contestants have increased their savings by \$192,000 and reduced their debt by \$256,000.*

She also added, “The thing that participants stress is the huge difference this program makes on their entire life—not just on their finances. Families tell us that it improves their family communication and their ability to work as a team. Participants’ kids get involved—even the elementary age kids start to say, ‘Is it in the budget?’ just from being in an environment that openly talks about money and what can and can’t be done with it.”

Although Summit doesn’t formally track the long-term financial progress of Project Money contestants, they do have periodic check-ins and updates and have worked with the contestants on media requests and a program recap video that’s currently in the works. “We continue to see financial success from program participants,” Gerothanas said. “They’re buying homes, dream vacations, or home remodeling projects paid for in cash, spreading their success stories to coworkers, friends, and family.”

*“We continue to see financial success from program participants.”*

It’s impossible to know just how many people’s lives have been touched by Project Money, but Gerothanas believes the program has had a substantial impact. “We often have people coming into the credit union or calling us asking for guidance on their finances because of Project Money.”

Project Money is just one of the many financial initiatives sponsored by Summit. Other programs designed to help improve members' financial lives include:

- High school branches.
- Online financial education targeted at Gen Y.
- Project Teen Money—a program targeted to local high school students that was awarded first place in a North American competition for youth programs sponsored by Credit Union National Association (CUNA) in 2014. Six high school students shared money management tips with their peers in a video format and competed for scholarships.
- Financial education seminars in the community.
- “Your Money”—a partnership with a local television station that shares financial tips and tools.

## Key Learnings

“Spend a lot of time up front before you launch,” Gerothanas said. “We’ve tweaked some of the marketing tools, the media training, etc., over time, but fundamentally the program hasn’t changed much over the years.”

Participants have stressed the importance of structure, focus, and accountability. “We often hear that this program is successful because it forces people to be accountable,” Gerothanas stressed.

## Savings Revolution: Members’ Perspectives

Work on this report coincided with the launch of the 2015 edition of Summit Credit Union’s Project Money program (its version of Savings Revolution). Summit was kind enough to connect Filene with two of its contestants—Becca Reisdorf and Joel Wallschlaeger—so we could learn why they applied for Project Money and what they hope to gain from the program.

**How long have you been Summit Credit Union members?** Becca has been a member for nearly 20 years—she joined the credit union because her parents belonged—and Joel previously had his accounts at a bank.

**What motivated you to apply for Project Money?** “Although we both have good jobs [Becca is a registered dietitian and Joel works at a local brewery] and make good money, at the end of the month we were always scraping by,” Becca said. “We don’t have savings and we’re tired of the stress. I don’t

want to be 70 years old and still working because I didn't manage my finances better. Plus, we need to start saving for college."

**Did you have any hesitations about applying?** "My initial reaction was, 'I don't need any help to manage my money,' but clearly that's not really the case," Joel said.

**How have you tried to cut down on spending/build savings in the past?** "I've consolidated my credit cards but I've never really saved," Joel said.

Becca had used the "52-week" strategy—saving \$1 the first week, \$2 the second, etc. "But that was always with the intent of spending—I'd save for a vacation or similar," Becca said. "I didn't have any long-term savings."

**What are you most/least looking forward to during the contest?** "We just bought a house and, as you can imagine, there are a lot of things that you need—or want!" Joel said. "It's hard not to buy those things."

"I'm looking forward to a sense of financial security—not wondering where my money's going each month and living paycheck-to-paycheck," Becca said. "My friends and family are excited to see how we do and to learn from our experience."

Both Becca and Joel are comfortable with the public sharing that's part of the program—videos, interviews, blog posts, etc.

**You've been in the program for a few weeks. What are your initial impressions?** "We have to track and document all of our spending and it's been eye-opening to start to see where our money is really going," Joel said. "We've been using the iSpending app, which is extremely helpful."

**How has this experience affected your view of Summit Credit Union?** "I've always had positive experiences with Summit but it wasn't a relationship. Now, I can't believe how much they feel like family," Becca said.

The couple even decided to get their mortgage through Summit. "We were almost set to get our mortgage through another source," Becca said. "But when we started as Project Money contestants we found out there were mortgages we could qualify for."

"I've always used a bank in the past," Joel said. "It wasn't a negative experience but it wasn't welcoming either. I feel like I can go into Summit, talk with someone, and get the help I need."

Both liked the fact that those who didn't get selected to participate in the competition were still offered help with a personal mentor.

**Where do you see yourself in 5, 10, and 25 years?** At 5 years, the couple hopes to be debt free except for their mortgage and to have a six-month savings fund. At 10 years, when they'll have a child in college, they'd like to be able to help with college and have the freedom to do a bit of traveling. And

in 25 years, they hope to have their mortgage paid off and to be either retired or on the verge of retirement.

**What is the biggest benefit of Project Money?** “Sure, it would be great if we won the prize, but the real benefit is getting help to establish new habits and gaining a sense of financial security,” Becca said. “It’s clear that this competition is about improving your life: setting and achieving reasonable goals and making long-term changes. We’re excited to have this opportunity.”

## Wright-Patt Credit Union

**Headquarters:** Beavercreek, Ohio

**Assets:** \$3B

**Members:** 300,000

**Program run dates:** October 2008—present

### Original Goals

- Wright-Patt Credit Union (WPCU) wanted to increase awareness in the marketplace. The credit union had been in business for 75 years and had 1,000 select employee groups (SEGs) but only 53% unaided name awareness, which it felt should be better.
- The credit union realized there was anecdotal evidence that WPCU had helped its members, but this tended to be generational. The credit union felt Savings Revolution would help to communicate that message to a wider audience and also wanted to position this as a philanthropic program with the business community.
- WPCU wanted to create awareness and get people talking about debt: “People are embarrassed about debt and keep going down the same road with debt-related problems,” said Tracy Fors, vice president for marketing and business development at WPCU. “We hoped this program would help them get past that.”
- The credit union believed the program could serve as a cornerstone and foundation for its financial education efforts and would help demonstrate WPCU’s brand in action: that WPCU is a different type of financial institution.

### Program Elements

For the first two years, WPCU ran a program called Savings Race, where the participants’ goals were to reduce debt and increase savings. Within these parameters, participants could choose whatever goal was of interest to them.

The timing of the first contest was helpful, as it was right at the beginning of the recession. People were looking for safety, wanted to figure out how to save, and liked the idea of a credit union—other financial institutions had left a bad taste in their mouths.

Over the years, WPCU has created more targeted programs that fit credit union and member needs.

## Savings Race—Home Edition

During the recession, no one was buying a house. How could WPCU give members the confidence to buy while positioning themselves as a partner in this purchase?

WPCU created a special program curriculum linked to home buying that focused on:

- How to buy a home.
- What to look for in a real estate agent.
- Determining which loan is most appropriate.
- Affordability of loan payments.

WPCU partnered with nonprofits to find people who could benefit from the program.

## Savings Race—College-Bound Edition

WPCU wanted to increase awareness of the coming bubble on student loan debt and be good stewards for members. The college version of Savings Race promoted the value of:

- Saving early.
- Reducing debt.
- Making sure parents are funding retirement.

This version was unique because while students were the initial focus of the campaign, their parents were invited to participate with them.

The program's curriculum included:

- Basic financial education.
- Student and parent versions of money management.
- How to choose a college.
- Being mindful of career path when borrowing money (i.e., what can you afford to borrow based on your intended career?).

## Savings Race—Health and Financial Fitness Edition

This version ran just as the Affordable Care Act was implemented and drew attention to the link between health and money. It helped people see the stress caused by not being a good money manager and the fact that facing an unexpected health crisis without money to pay for it caused more stress.

The program's goal was to show people that they could tackle both their physical and financial health together—a big commitment.

The results were good for participants: WPCU found that people's health age—also known as their "fitness age," which is defined by how well your body functions physically relative to how well it should based on your age<sup>9</sup>—decreased, their savings went up, their weight went down, and they were happier and healthier.

## Savings Race—Road to Retirement Edition

This is the most recent, and final, version of the program. WPCU recognized that planning for retirement can be a confusing process, filled with many roadblocks and detours. Obstacles such as too much debt and not enough savings keep a lot of people from developing a road map toward retirement.

*Obstacles such as too much debt and not enough savings keep a lot of people from developing a road map toward retirement.*

Savings Race—Road to Retirement Edition helped families plan today for tomorrow's dreams of retirement. The goals were to improve understanding of the costs of living during retirement and to create defined retirement plans for each family with a focus on increasing retirement and overall savings and reducing debt. This edition increased participants' household net worth the most—an average of \$46,000.

## At-Home Version: Savings Race U

The competition provides a platform to develop and promote Savings Race U, WPCU's financial education program that helps all families improve their finances. Savings Race U expanded upon many of the same concepts and tools used during the race to benefit the general membership and community. Members learn how to be better stewards of their finances, thus creating stronger, more financially educated members.

- Since 2013, WPCU has provided over 12,000 hours of financial education to more than 3,000 members and residents.

- The Savings Race U curriculum is now offered on a rolling calendar throughout the year.
- Special Savings Race Edition events—e.g., the College Bound Mini Conference and Home Buying Seminars—are also scheduled throughout the year.

## Marketing Channels

The credit union felt television was the critical media channel, especially being included in the 5:00 and 6:00 p.m. newscasts and being introduced by the anchors. Radio was not seen as playing a role and social media was seen as having little impact.

## Annual Cost

The program costs approximately \$225,000 each year, which includes an estimated \$30,000 in credit union staff time. A typical program budget is allocated as shown in Figure 3.

## Working with External Partners

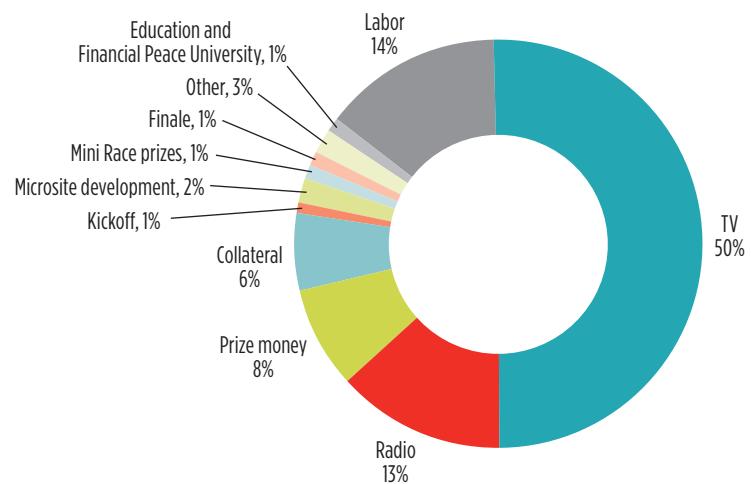
Having a television station that viewed this program as a partnership was seen as key to program success. The credit union felt that having the segment as part of the news lineup and using anchors to both tell the story and introduce the news segment were critical, along with rotating ads on the station. The campaign kickoff is a news event; wrap-up is a 1.5-hour finale. The credit union worked with the television station and visited with families on site once a week at a location that represented them; this sometimes meant working with businesses in the community. The television station provided free commercial development, the talent of the anchors, and additional spots to support the partnership.

WPCU also felt the programs strengthened key partnerships in their community and opened doors to future opportunities with a local university, health network, and hospital.

## Measuring Success

The credit union feels the program has been wildly successful in achieving its awareness goals. “WPCU is in the news for nine-plus months of the year because of this program,” Fors said.

**FIGURE 3**  
**TYPICAL PROGRAM BUDGET**



Random third-party surveys conducted in 2014 found the following:

- WPCU now has 70% name recognition (Marshall Marketing Survey), up from 53% prior to the program.
- 85% of respondents have positive or neutral feelings about WPCU.
- 60% of respondents can articulate what the Savings Race is and that it's at WPCU.

### *WPCU now has 70% name recognition, up from 53% prior to the program.*

In addition, 75,000 WPCU members and local residents indicated that the Savings Race has made a difference in their lives by helping increase their financial stability by reducing debt, increasing savings, and achieving personal financial goals.

### **Helping Members and the Cooperative**

WPCU reports that the 35 participating families had an increase in collective net worth of nearly \$1.1 million (M)—more than \$31,000 per family. They also had:

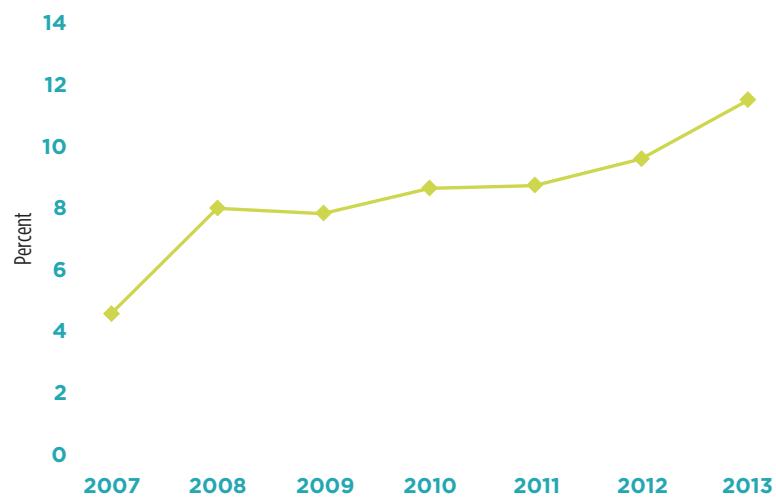
- An average credit score increase of 43 points.
- 6.91 strategic relationships per member for those on savings teams vs. 3.74 for non-team members, representing success for the credit union.

### **Other Results with at Least Some Link to the Program**

Since developing Savings Race in 2008, WPCU has felt there is a direct correlation between member, market share, and loan growth as well as the growth of WPCU products and the promotion of these products during respective Race seasons:

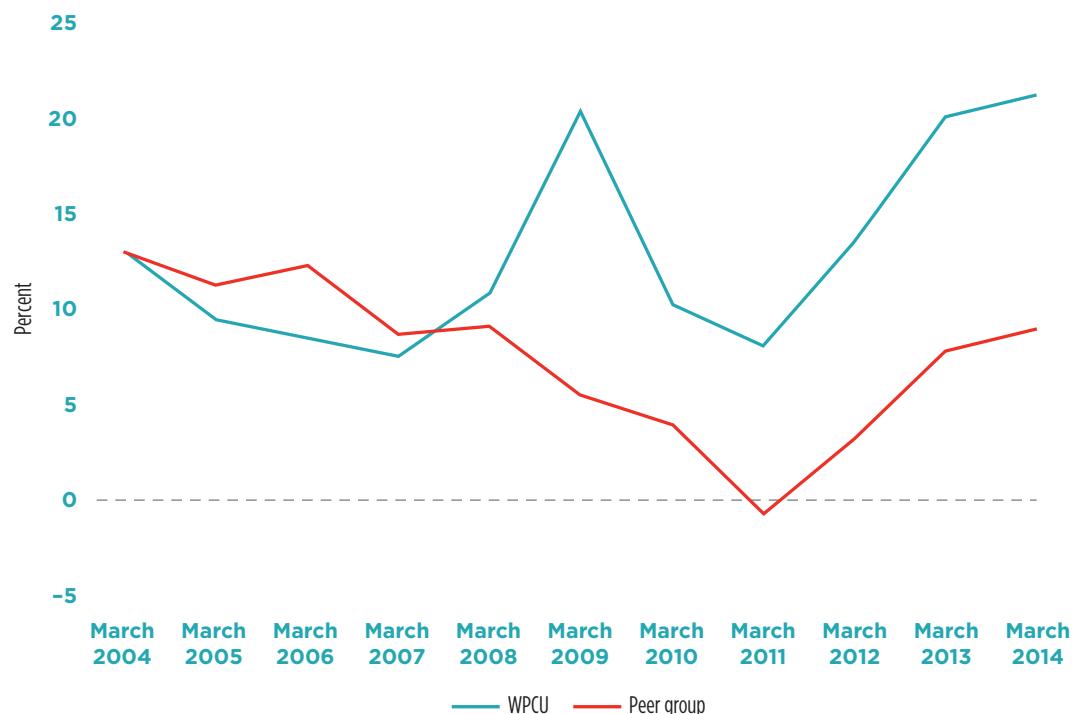
- **Member growth.** WPCU's member growth has outpaced population growth in the Miami Valley area since the inception of the Savings Race—65% growth for WPCU versus 1% for the six-county Miami Valley area between July 2007 and July 2013. WPCU has grown by 102,200 members while the area has grown only by 14,716.

**FIGURE 4**  
**WPCU, DEPOSIT MARKET SHARE IN MIAMI VALLEY**



**FIGURE 5**

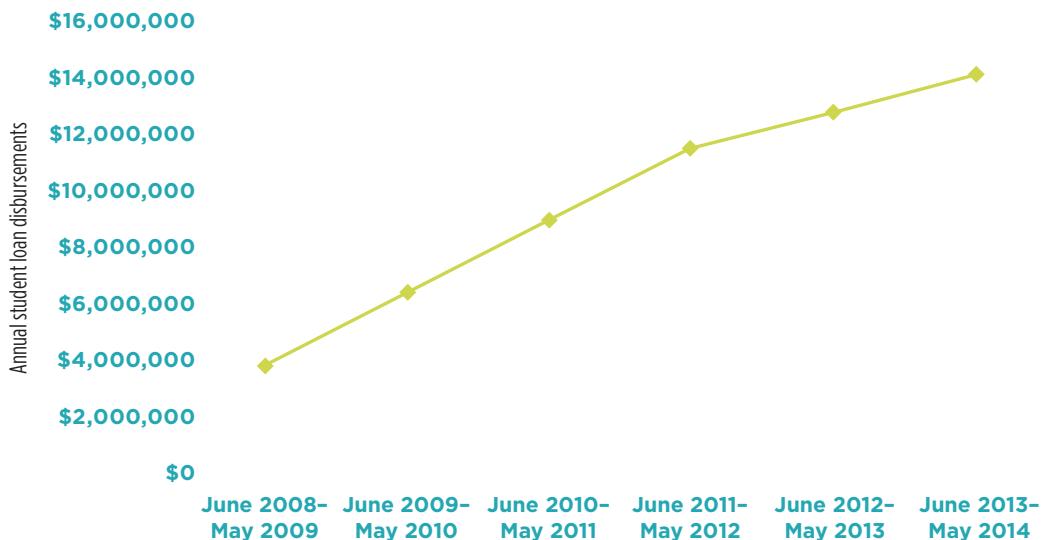
NON-MORTGAGE LOAN GROWTH IN WRIGHT-PATT CREDIT UNION'S MARKET AREA



- **Market share.** Since 2009, WPCU's deposit market share in the Miami Valley area has increased from 7.62% to 11.46%.
- **Loan growth (non-mortgage).** Prior to the inception of the Savings Race in 2008, WPCU's loan growth was consistently below that of its ALM First (a strategic partner for financial advisory services) peer group. Since the Savings Race began, WPCU has consistently outperformed the peer group in terms of loan growth.
- **Mortgage application growth.** Savings Race 4—Home Edition helped generate an increase of \$134M in mortgage applications in 2011 compared to the prior year.
- **Student loan growth.** Savings Race 5—College Bound Edition helped generate an increase of more than \$600,000 in student loans disbursed during peak season following the Race compared to the year prior.
- **Financial planning growth.** It is estimated that Savings Race 7—Road to Retirement Edition—will generate approximately 300 new financial planning clients and more than \$250,000 in gross dealer commissions from brokerage business.

**FIGURE 6**

**WPCU, STUDENT LOAN GROWTH**



## Key Learnings

- These programs have improved family dynamics for many participants. “For instance, when you’re trying to save money, you make food instead of going out to eat,” Fors said. “One of the first families taught themselves to cook; another started going to their parents’ house for Sunday dinner and having a traditional family meal. We’ve helped to save marriages and helped people afford to get married.”
- It’s critical to have a dedicated person running the program. “There are a lot of moving parts,” Fors stressed.

*“One of the first families taught themselves to cook; another started going to their parents’ house for Sunday dinner and having a traditional family meal. We’ve helped to save marriages and helped people afford to get married.”*

# Gender Issues: How Men and Women Respond to Savings Revolution

A number of credit unions had the experience of women taking the lead during the program, though there have been examples of both men and women being uncomfortable with the public sharing the program often requires.

## At WPCU

At WPCU women were the ones who tended to sign up for the program; some men were reluctant participants in the beginning. “My sense is that they were uncomfortable because they didn’t have financial knowledge, which made them apprehensive about the program,” Fors said.

About halfway into the program there was often an “aha” moment when those men started to see benefits and get excited. At that point they became active advocates for the program, offering to speak about it to community groups. “Once they got the fuel, they became the team leaders,” Fors said.

## At Summit Credit Union

In one family, the woman handled all the money while the man didn’t have any idea where their money went, what the bills looked like, and so forth. There were times when the woman became resentful that he was not helping, and communication was a huge barrier. She didn’t share that she wanted or needed help, and he didn’t offer because she never said anything; it wasn’t that he wasn’t willing to be part of it. When they communicated, with the encouragement of their coach, they found they enjoyed dreaming, determining priorities, and setting goals they could both work on together, holding each other accountable.

Summit Credit Union has also had situations where one member of a couple filled out the application and the other didn’t know anything about it until the couple was called for an interview. Not everyone is comfortable with the public nature of the contest, and there have been both men and women who have opted out for this reason.

*Not everyone is comfortable with the public nature of the contest, and there have been both men and women who have opted out for this reason.*

# Could Savings Revolution Become Part of a National Branding Campaign?

The credit union system has long struggled to differentiate itself from other financial institutions and has occasionally launched either systemwide or regional attempts to do so.

Could Savings Revolution become a tool in this effort? We asked this question of both long-time program participants and a number of other key players in the credit union space.

Here are their thoughts:

- **A+ FCU.** “If you tried to turn this into a reality show, I think there would be a number of challenges,” said Kelsey Balcaitis. “I’m not sure if finances makes good TV—if it would be dramatic enough. And most of those shows revolve around the mentor berating the participant—I don’t see that happening on a credit union program!”
- **Educators Credit Union.** “I think it has potential,” said Shannon Huot. “People do respond to the reality angle; it’s powerful for them to think ‘you’re like me and you did it—maybe I can too!’ You could build in an at-home component and give people a chance to be heard—you want to create a sense of community among the participants, not just use this as a way for credit unions to get their message out. It would be great to support consumers’ achievements with small, short-term incentives for reaching their goals—like movie passes or similar.”
- **FORUM Credit Union.** “If you keep it fresh in terms of products and services and grow the program to reflect member needs, I think it could be valuable,” said Andrew Spirrison. “It would be critical to build in a lot of flexibility. The more you specify a rigid, systemwide approach, the less successful I think it would be. Credit unions take a lot of pride in their products and services and want to put their own spin on a program. The structure and gamification could still remain.”
- **GECU.** “I absolutely think this could work on a national level,” said Teresa Montoya. “People love challenges, and personal finances are important to everyone. Engagement and a positive outcome are the keys to make this successful.”
- **Summit Credit Union.** “It is a great platform for showcasing the connection credit unions have with their members, and our investment in members’ financial

success. Part of the program's appeal is the personal element—the idea that your family, friends, and community members are following along,” said Rebecca Gerethanas. “A national program would need to preserve the compelling stories of the participants and have the financial resources to tell those stories.”

- **WPCU.** “I don’t think credit unions need a national brand—credit unions have their own local brand and story,” said Tracy Fors. “I’d rather see a PR campaign that focused on the stories that are collectively happening at credit unions across the country.”

And here’s what some of our system partners had to say:

- **National Credit Union Foundation (NCUF).** “Savings Revolution can be a fantastic program, but it has to be mutually beneficial to members and the credit union,” said Lois Kitsch, national program manager. “The program requires a serious investment of resources, and a credit union needs to ask some critical questions before launching it: Does it match what members are reaching out for? Does it let us achieve our goals for member service and growth? Can we deliver it in a way that’s meaningful to members without sacrificing ROI? If you can answer ‘yes’ to those questions—and the program helps meet your strategic goals—you’re more likely to be successful.”
- **Center for Financial Services Innovation (CSFI).** “Effective coordination would be essential to making a national program a successful one,” said Joshua Sledge, a director at CSFI. “A program like this needs to go beyond raising awareness; it needs to have products and services that a viewer can apply for at their local credit union.”
- **BALANCE Financial Fitness Program.** Kathryn Koepf Davis, president and CEO at Balance, participated in a similar program—the Fiscal Fitness Challenge—as senior vice president at Xceed Financial Credit Union. “We ran the program internally (at the credit union) and our SEG also included it in their wellness program,” she said. “The program was a great success and created meaningful changes in the lives of members. We started off with a \$10,000 prize but after the first time it varied—people weren’t as interested in the prize as they were in the personal results.”

## The Hollywood Moment

Early on in Savings Revolution—in 2008—Filene, the California Credit Union League, CUNA, and a Hollywood production company explored the idea of working together to create a reality television show based on Savings Revolution called “Do or Debt.”

“The timing seemed perfect—it was just after the big financial service sector failures and the government bailouts,” said Mark Meyer, Filene CEO. “People were aching for a sustainable banking model, which is the value foundation of credit unions. I ended up sitting by a TV production exec on a plane who got excited about the idea of creating a ‘Biggest Loser’-type reality show based on finances.”

*“Credit unions need to ask themselves what they’re doing to be agile and responsive when opportunities present themselves.”*

Initial enthusiasm was high, but in an increasingly shaky economic climate it was hard to line up key players in both the credit union system and the world of entertainment to fund and support the program.

“Could something like this have value in the future? Perhaps. But the bigger lesson learned is that organic serendipity is real,” Meyer said. “Credit unions need to ask themselves what they’re doing to be agile and responsive when opportunities present themselves.”

### Reality TV’s Foray into Personal Finances

In a timely coda, CBS recently debuted a financial reality series, *The Briefcase*. The setup: A family that was experiencing financial difficulties was given a briefcase holding \$101,000. They could spend \$1,000 immediately—to free them from some of their day-to-day financial stress—and had to decide as a family how to spend the remaining \$100,000. Naturally, it wasn’t easy.

To keep things “interesting,” the family was given the option to share their money with another family that was similarly down on their luck. As the weeks unfolded, Family 1 got to learn more about Family 2’s challenges and decide how much to share. At the end it was revealed that unbeknownst to Family 1, Family 2 had been given a similar briefcase and was weighing the same options. On the plus side, after much debate and soul searching, each family decided to be very generous with the other.

It's certainly great to see generosity trumping avarice, but it was frustrating that the show never attempted to investigate why these families were in financial trouble in the first place or what legitimate resources and assistance could have helped get them out of their difficult situations. It's also disheartening that the woes of a family in the midst of a financial crisis—and the angst they felt at having to weigh their precarious financial position against another's when deciding how generous they could afford to be—were presented as entertainment.

The show drew considerable ire from TV viewers and entertainment critics alike. Six episodes were broadcast in the summer of 2015 and viewership declined by 42% between the first and last episodes.

## CHAPTER 8

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# Where Can Savings Revolution Go from Here?

Americans across a broad range of ages and financial situations struggle to effectively manage their finances. The recession cost many consumers jobs, homes, and a sense that financial security was possible. Even though the economy is now on firmer footing, many consumers still live paycheck to paycheck and rely on expensive options like payday loans to manage their finances.

Savings Revolution was born out of a desire to give members the tools and support they need to reduce debt, increase their savings, and turn their financial lives around. This need has not gone away, and Savings Revolution is one tool that could continue to help address it.

As the summaries from the five credit unions that either have run or are currently running versions of Savings Revolution show:

- **Savings Revolution can be used to support a variety of credit union goals.**  
For instance, WPCU originally used it to drive increased name recognition but also found the program likely contributed to portfolio and market share growth.
- **The program has generated long-term financial impact for contest participants.** Anecdotal evidence suggests that these members didn't just succeed during the competition—they actually changed their habits and financial position and were able to achieve long-term financial goals.

- **Savings Revolution creates credit union “disciples.”** Many of the people who were helped by these programs were truly out of financial options and doubted they’d ever achieve financial success. These participants are now avid believers in the credit union difference and will likely remain loyal to the system for years.
- **Not all program benefits are easy to measure.** For instance, there is anecdotal evidence to suggest that engagement and interest went beyond the participants, but it’s hard to capture links between the program and reduced debt or improved savings among the general credit union membership. Some credit unions did see growth in small savings accounts tied to the competitions, but these weren’t necessarily used by targeted audiences (for instance, Educators found that many of the VIP Savings accounts designed to attract adults without savings were being used for custodial accounts).
- **Program participants place a high value on their changed approach to finances—not just the possibility of winning a prize.** Even in instances where the winnings were substantial (e.g., \$10,000), some members pointed to changed habits as the competition’s real prize.

Potential ways forward include individual credit unions adopting the program at a local level or having the system find ways to incorporate it into regional or national programs.

Launching a successful program requires dedication, commitment, and financial resources. Based on the experiences of the participating credit unions and Filene’s long-term involvement with program implementation, we recommend the following as a starting point.

## Implementation Guide

Savings Revolution has been an effective strategy to help members achieve their financial goals, build credit union awareness, and generate deeper relationships at a variety of institutions across the country. If your credit union is considering launching a Savings Revolution program of its own, here are some implementation considerations to keep in mind.

### Prepare

- Identify the target segments you wish to focus on with your program. Will you feature families, college students, or retirees? What other key demographics exist in your market area that could benefit from the program? Consider selecting teams from multiple groups.
- Consider partnering with local media (TV or radio) to raise awareness and generate interest. If you focus on the human interest and community benefit perspectives of

the program so the coverage is considered news rather than advertising, some portion of your promotion may be offered free of charge.

- Although no credit unions in this study went down this path, it's worth exploring collaboration opportunities with other credit unions in your market area. Together you can help more consumers and possibly share program expenses.
- Establish a distinct savings or debt reduction product that ties in specifically with Savings Revolution. Be aware that programs that require very limited deposits might be used by someone other than your target market. For instance, parents might set up low-value custodial accounts if there's a good payoff for doing so.
- Consider both short- and long-term rewards to encourage sustained behavior and maintain excitement.
- Develop a budget that includes all expenses—marketing, media buys, staff training, prizes, and time for one-on-one coaching.
- Include a social media element for inexpensive reach and engagement.

## Launch

- Ensure employees in all departments are integrated with your communication strategy. They will be your greatest ambassadors and can help generate excitement and awareness among individual members.
- Identify a dedicated department or employee to oversee the program.
- Send a personal invitation to each applicant who is not chosen as a contestant encouraging them to sign up with a personal mentor at the credit union to achieve their financial goals.
- Launch an at-home or online opportunity for members who are not competing. This will help broaden the positive impact of Savings Revolution and allow a greater number of members to meet their savings or debt reduction goals.
- Provide regular media updates and ensure your employees are aware of your contestants' progress. Maintain interest and momentum throughout the program.
- Collect member stories to showcase how Savings Revolution impacted them.

## Evaluate

- Report on key metrics to highlight the success of your Savings Revolution program. Consider both participant metrics (e.g., number of participating members, total dollars saved, debt paid down) and credit union metrics (e.g., increased brand awareness, satisfaction scores, loan or share growth rates).
- Ensure your media outreach includes a “grand finale”—recaps of team progress, highlights of other member stories, and advice to maintain new positive behaviors.

- Collect feedback from your employees and other stakeholders to learn how subsequent Savings Revolution programs can be improved.
- Continue to monitor the progress of contestants and other members after Savings Revolution ends. Consider sharing these updates through social media channels to send the message that these programs have long-term value.
- Keep Filene in the loop and let us know about the success you've had!

## CHAPTER 9

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# Conclusion

The financial challenges facing many American consumers are vast and daunting. There's a broadening gap between the haves and have-nots and—in a time of exploding student loan debt, limited mortgage access, and unprepared retirees—an increasing sense that those in financial difficulty might never find their way out.

What should credit unions do now?

- **Use data to better understand member needs.** Credit unions have a wealth of member data at their disposal. As a speaker at a recent Filene colloquium said, credit unions have a moral imperative to use data to better serve their members.
- **Deliver products that address the challenges members face.** Members are going elsewhere to get the financial help and services they need. Credit unions could bring them back with:
  - Fairly priced overdraft products (to compete with payday loans).
  - Repayment options that smooth out uneven income flows.
  - Direct deposit of some portion of their paycheck into savings to facilitate the creation of a nest egg.
  - Real-time balance information—which is critical to people managing their finances minute by minute.
- **Become a knowledge transfer hub.** Credit unions' 100 million members possess a broad wealth of knowledge on a vast array of topics. Bruce Cahan's research stresses that credit unions would benefit from positioning themselves as knowledge transfer hubs: places where consumers could learn how to deal with the many

challenges of their financial lives, both from the credit union and from each other. Making the credit union the place where valuable knowledge transfer occurs is a way to extend the credit union's brand and position the credit union as a financial partner.

- **Connect with members.** Savings Revolution illustrated the value of personal connections and having a mentor or coach help members navigate their financial challenges. Obviously, no credit union can afford to provide this resource to every member—and not every member would want it—but credit unions could develop online or mobile tools to help fill the void when personal connections aren't feasible.
- **Collaborate.** The ability to collaborate should be a key differentiator for credit unions. Opportunities to learn from one another abound, but they do require an investment of time and energy. Credit unions can also benefit from collaborations with other like-minded organizations—media outlets, health organizations, the YMCA, and others.

# Endnotes

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<sup>7</sup> Stefanie Norvaisas, *Why Choose a Credit Union? An Ethnographic Study of Member Behaviors* (Madison, WI: Filene Research Institute, 2007).

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# List of Figures

- 8** FIGURE 1  
SIGNS OF FINANCIAL STRAIN
- 27** FIGURE 2  
FORUM 52 WEEK CHALLENGE PROGRAM DATA
- 36** FIGURE 3  
TYPICAL PROGRAM BUDGET
- 37** FIGURE 4  
WPCU, DEPOSIT MARKET SHARE IN MIAMI VALLEY
- 38** FIGURE 5  
NON-MORTGAGE LOAN GROWTH IN WRIGHT-PATT CREDIT UNION'S MARKET AREA
- 39** FIGURE 6  
WPCU, STUDENT LOAN GROWTH

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As innovation director, Andrew leads Filene's prestigious i<sup>3</sup> (Ideas, Innovation, Implementation) program, along with subsequent testing of its financial product, service, and business model ideas. He's an i<sup>3</sup> alum and championed the Centsus and WheelChoice ideas.

Andrew comes to Filene from SchoolsFirst Federal Credit Union in Santa Ana, California, where he served as manager of product development. While at SchoolsFirst, he was responsible for success in driving product development, optimizing current products, and meeting member service and financial goals. He has 15 years of experience in executive marketing, product development, and finance at several credit unions throughout Southern California. Andrew's industry expertise extends specifically to credit, debit, and prepaid card strategy and program development.

He graduated first in his MBA class at Pepperdine University and received his undergraduate degree in accounting from the University of Arizona. Andrew is also a certified public accountant.



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As the innovation manager, Marnie shepherds and advances Filene's prestigious i<sup>3</sup> (Ideas, Innovation, Implementation) program and alpha lab. By collaborating with inquisitive minds, she perpetually absorbs insights and asks tough questions that contribute to Filene's rich history of testing and delivering new ideas, products, and services to consumer finance institutions and credit unions around the world.

From 2011 through 2014 Marnie managed all Filene events and communities (Fellows, Research Council, and i<sup>3</sup> members) as the communities project manager. Prior to joining Filene, Marnie was the director of client relations and marketing for a representative at an insurance and investment company. She earned a BBA-Marketing at the University of Wisconsin, Whitewater.

# About Filene

Filene Research Institute is an independent, consumer finance think and do tank. We are dedicated to scientific and thoughtful analysis about issues affecting the future of credit unions, retail banking, and cooperative finance.

Deeply embedded in the credit union tradition is an ongoing search for better ways to understand and serve credit union members. Open inquiry, the free flow of ideas, and debate are essential parts of the true democratic process. Since 1989, through Filene, leading scholars and thinkers have analyzed managerial problems, public policy questions, and consumer needs for the benefit of the credit union system. We support research, innovation, and impact that enhance the well-being of consumers and assist credit unions and other financial cooperatives in adapting to rapidly changing economic, legal, and social environments.

We're governed by an administrative board made up of credit union CEOs, the CEOs of CUNA & Affiliates and CUNA Mutual Group, and the chairman of the American Association of Credit Union Leagues (AACUL). Our research priorities are determined by a national Research Council comprised of credit union CEOs and the president/CEO of the Credit Union Executives Society.

We live by the famous words of our namesake, credit union and retail pioneer Edward A. Filene: "Progress is the constant replacing of the best there is with something still better." Together, Filene and our thousands of supporters seek progress for credit unions by challenging the status quo, thinking differently, looking outside, asking and answering tough questions, and collaborating with like-minded organizations.

Filene is a 501(c)(3) not-for-profit organization. Nearly 1,000 members make our research, innovation, and impact programs possible. Learn more at [filene.org](http://filene.org).

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