



Fibre Federal member Jon Wagner was a November winner in the monthly “Save to Win” drawing. So far, Fibre Federal’s members are the Washington program’s top savers.

## ‘Save to Win’ Leverages the Desire to Win Big; Deposits Now Top \$565,000 in Washington

When Express Credit Union decided to offer prize-linked savings accounts to its members in April, Norma Hernandez thought she’d hear a lot of excuses from members about why they didn’t want to participate. She was wrong. “Many of them showed a sincere interest in learning how \$25 a month could make a difference in their lives,” says Hernandez, the credit union’s chief operating officer. “I’m very proud of the members who have taken such a brave step for themselves.”

Nearly 800 members have taken that step at the six Washington credit unions that helped launch the “Save to Win” program, which offers cash prizes as an incentive for opening and maintaining a savings account. Eight months later, their accounts now contain more than \$565,000. “Express is all about encouraging our members to take that next step, to reach for higher goals, and to put their money to work for them,” Hernandez says. “‘Save to Win’ is an excellent way to help people understand that despite their income level, saving is possible.” Angie Leppert, vice president of marketing at Fibre Federal, agrees.

“Saving money on a monthly basis can be daunting for many people,” Leppert says. “The ‘Save to Win’ program makes it easy and affordable, with the added benefit of cash prizes. It’s truly a win-win situation for everyone.”

Prize-linked savings accounts have been a “win-win” option in 18 countries around the world for decades, but it wasn’t until 2009 that the Michigan Credit Union League brought the concept to the United States. Nebraska and North Carolina soon added their own programs, and the Washington Legislature cleared the way for “Save to Win” in 2011.

Michigan now boasts more than 12,500 “Save to Win” accounts. There are 1,800 in North Carolina, and 1,500 in Nebraska. Total savings to date: more than \$70 million.

U.S. Rep. Derek Kilmer was a state senator when he sponsored the Washington legislation “to give people an incentive, and to make savings fun.” He’s now pushing a bill in Congress to give all federally chartered banks and credit unions the same option.

The goal, Kilmer says, is to address a startling fact: 27 percent of all Americans have no savings at all.

“Saving is difficult,” says Express CEO Sharon Hall. “Many of our members live on public assistance, Social Security, disability. Twenty-five dollars is a big number for our members. Saving is a big choice for them.”

Providing an incentive to save can make that choice easier, Hall and other credit union executives believe. So the concept behind “Save to Win” is simple: create a kind of lottery in which players can win cash prizes just by saving money — and make it impossible for them to lose a dime.



## Program Results by Credit Union

Credit Union	# of Accounts	# of Members	% of Members Participating	Amount Saved	Average Saved Per Account
Connection CU	27	2,837	0.952%	\$58,901.83	\$2,181.55
Express CU	54	3,054	1.768%	\$30,376.74	\$562.53
Fibre Federal	173	69,566	0.249%	\$206,273.91	\$1,192.33
North Coast CU	83	13,424	0.618%	\$56,031.82	\$675.08
O Bee CU	104	18,625	0.558%	\$41,923.66	\$403.11
TwinStar CU	346	100,125	0.346%	\$171,686.24	\$496.20

Six Washington credit unions signed on: Connection, Express, Fibre Federal, North Coast, O Bee and TwinStar. For every \$25 deposit, their members get a chance to win \$50 monthly prizes and an annual \$5,000 prize. Accounts are structured as 12-month CDs, and members keep all of the money they’ve deposited, plus interest — whether they win one of the prizes or not. The prize pool is being funded by Strategic Link, a subsidiary of the Northwest Credit Union Association.

And it appears to be working.

“Our members have been very excited by the prospect of winning some extra money,” says Jill Babbit, operations manager at North Coast Credit Union. “And we’ve been excited by the fact that we’ve had at least one winner every month — and some months, we’ve had two!”

Through Nov. 30, the six credit unions have opened 787 accounts, with total deposits of \$565,194. The average saved per account is about \$718. Fibre Federal members have saved the most money, TwinStar has opened the most accounts, and Connection boasts the highest average saved per account. The highest percentage of members participating is at Express, which doesn’t surprise Hall at all.



## Program Results to Date

# of Accounts	# of Members	% of Members Participating	Amount Saved	Average Saved Per Account
787	207,631	0.379%	\$565,194.20	\$718.16

“Our staff LOVES ‘Save to Win,’ and they are promoting it all the time,” Hall says. “Without the staff caring so much for the people they serve, this would be just another product. The encouragement they give to at least try to save is what fuels our members’ confidence in themselves.”

One of those members, Crystal Rose Hudelson, told [PBS News Hour](#) last week that she’d never had more than \$500 in savings before. And she told Express Credit Union’s Hernandez that “Save to Win” was “just the thing she needed to light her savings fire.”

“I asked her why she decided to participate,” Hernandez says, “and she said that she is at a place in her life where she wants to be better and smarter. She feels better about herself just knowing she has done something right for her.” Hudelson, who works and goes to school full-time, also told Hernandez she doesn’t intend to touch the money she has saved and won — including a \$50 monthly prize that she reinvested in her CD — in the hope of building the kind of financial security she’s never had. And that, credit union executives say, was the goal all along. “Saving is very hard when you live in poverty,” Hernandez says. “The fact that members of low wealth are attempting to save reflects their desire to help themselves. ‘Save to Win’ has performed better than I anticipated.”