



Testimony in Supporting HB 2893
Senate Business and Transportation Committee
May 4, 2015

Good afternoon Chair Beyer and members of the Committee. I am Jeff Kennedy, Chief Executive Officer of TwinStar Credit Union, based out of Lacey Washington. TwinStar Credit Union serves over 108,000 members, with a majority living in Washington and Northwest Oregon, with 20 branches in Washington as well as branches in Portland and Wilsonville.

As Pam mentioned, the Washington “Save to Win” program was launched in April of 2013, and TwinStar Credit Union was one of the original participants in the program. Our credit union was formed in 1938, in the basement of Olympia High School, with the specific intent of promoting thrift amongst the members, as well as providing loans to teachers at reasonable rates. The “Save to Win” program was a natural fit for our organization, encouraging thrift and helping our members establish a regular savings program.

Each member is limited to one Save to Win certificate at a time. The minimum opening deposit is \$25. There are no minimum or maximum deposits a member is required to make during any given month, although each increase in balance of at least \$25 gives them one entry into the drawing with a limit of ten entries in any given month. The same parameters apply to all 6 credit unions that participate in the program.



There are monthly drawings, with the winners receiving \$50, quarterly winners receiving \$5,000, and an annual prize of \$5,000.

In the first year of the program, TwinStar credit union had 47 winners, receiving a total of \$17,200. Last year we had 50 winners, receiving a total of \$17,350. The program is not open to employees of the program, so this year we have launched our own internal program to promote regular savings habits amongst our 350 employees. So far we have 63 employees participating with 12 winners receiving a total of \$650 in the monthly drawings. The annual drawing winner will receive \$500.

We view this program as a “win-win” for our members. “Save to Win” is designed to appeal to a broad demographic, with specific features to make the product easily accessible to financially vulnerable members. The program successfully attracts low to moderate income families and has positively impacted their savings behavior. And in addition, they have the opportunity to receive cash rewards, which are enhanced by their own positive savings behavior.

TwinStar Credit Union currently has 720 Save to Win accounts, with total deposits of \$430,000 and well over 1,000 accounts have been opened since the beginning of the program. Members participating in the program have an average balance of \$596, and are averaging a monthly deposit of \$134. Since inception of the program, TwinStar members have saved \$299,986 for an average of \$822 per account. Again, most of these people had not previously been savers, and most have retained their savings habits.



Most of our winners say they had never saved much until they heard about the program, and all said they've never won anything like this before.

Winner Janet pretty much says it all. "Save to Win has had a huge impact in our family's financial life. We still have debt, but we're paying that off". And as for savings, she says "that's a priority now".

And now for some important words: Revenue neutral. Actually, if you consider the prize winners receive a 1099 for their winnings, and will also be paying state income tax on their winnings, it's probably revenue positive. Plus the extra cash in their pockets might stimulate some spending, which again is probably revenue positive. So now it's a win win win.

Members of the Committee, thank you for allowing me to speak today and I encourage your support of HB2893.