

Prize-Linked Savings in Credit Unions in 2018



In 2018, Prize-Linked Savings (PLS) products continued to expand and reach more people. All of the PLS products highlighted in this piece saw growth, from the flagship Save to Win (STW) product to the new products from 2018; Lucky Lagniappe, Savers Sweepstakes, and Del-One. The number of states with PLS products grew to 17, the number of credit unions offering PLS products jumped to 202, and the number of consumers with access to PLS products increased over 4.7MM.

The population these products continue to serve is as important as their growth. More than 68% of accountholders were financially vulnerable and saved an average of over \$1,600. For many PLS accountholders, this was their first savings product. Between 11-19% joined their credit union to access the PLS product. As members build savings through these engaging products, over 60% also report that they are more likely now to use other financial products at their credit union.

Key Highlights for 2018

202
Credit Unions

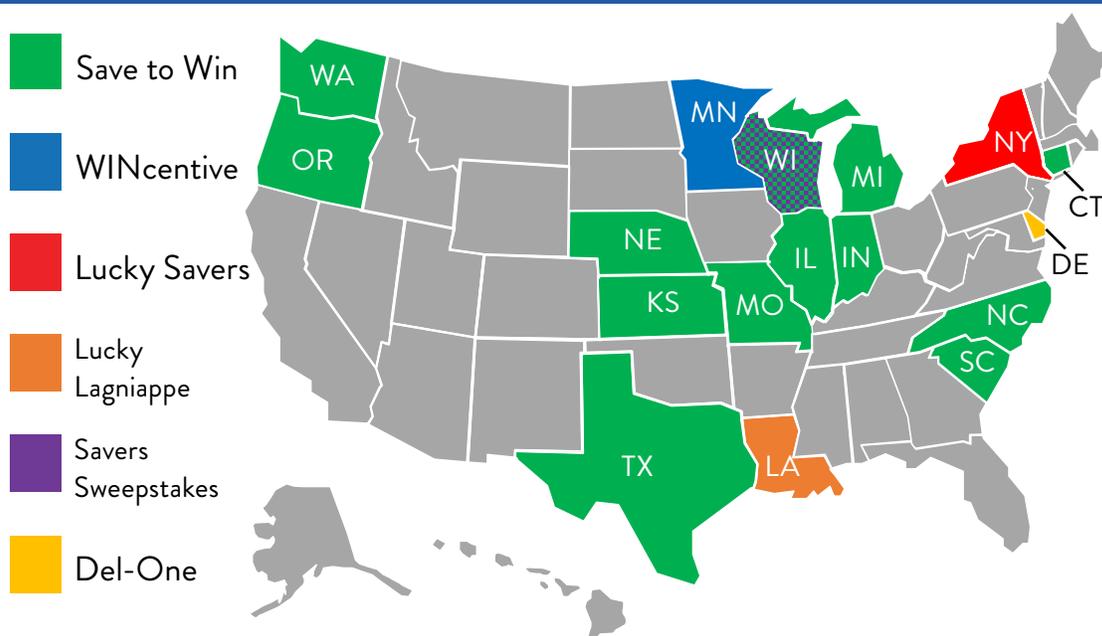
17
Participating States

41,579
Accounts

\$67,338,697.61
Saved

6,890
Winners

85-93%
Financially
Vulnerable



SINCE 2009...

Over \$195,000,000
cumulative savings in accounts
since launch

\$2,315
average saved in account

3,531
winners since launch

Over 92,000
cumulative individual
accounts since launch

\$3.28 Million
total prizes awarded to
winners



ACCOUNTHOLDER DEMOGRAPHICS²

85-93%
of accountholders
were financially vulnerable³

39-65%
of accountholders are not regular savers

52-69%
of accountholders had no emergency savings

36-59%
of accountholders were asset poor

57-69%
of accountholders had never had a CD before

44-56%
of accountholders had high debt

37-59%
of accountholders were LMI

Quotes from
Participating Credit
Unions

“Our credit union has seen an increase in the number of members who have opened an secondary type of savings accounts.”

“We have utilized the product in special events to promote membership and savings.”

“Another savings alternative for consumers that have difficulty saving.”

“Our credit union has seen an increase in the number of members who have opened a secondary type of savings account.”

EFFECTS ON CONSUMER RELATIONSHIPS WITH CREDIT UNIONS

73-95%
of accountholders said that the PLS product makes them more excited about their Credit Union

60-78%
of accountholders said that building their savings would make them more likely to use other financial products at their Credit Union

11-19%
of accountholders joined their Credit Union for the PLS products

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For more information on Commonwealth's Prize-Linked Savings work, visit us at buildcommonwealth.org/work/prize-linked-savings

¹\$400 is the estimated cost to cover an emergency taken from the Federal Reserve's "Report on the Economic Well-Being of U.S. Households" in 2015

²Calculations range from the lowest to highest between products.

³Financial Vulnerability is defined as accountholders who are not regular savers, asset poor, low to moderate income, had high debt, or had no emergency savings