

# Using a Community-Based Approach to Build Assets through Prize-linked Savings

## Save to Win in Michigan



# **CEDAM: the Community Economic Development Association of Michigan**

- **CEDAM** is a statewide trade association of more than 300 organizations, individuals and partners
- **CEDAM** advances community-based economic development to revitalize and rebuild Michigan communities and neighborhoods
- **CEDAM** is the **unified voice** of our member organizations and **generate resources** through advocacy and collaboration. We build and sustain our members through **training, technical assistance,** and opportunities to share **best practices**

# **CEDAM: the Community Economic Development Association of Michigan**

- **CEDAM** coordinates several statewide initiatives including the Michigan Rural Network, the Michigan Foreclosure and Prevention Task Force, the Michigan Asset Building Policy Project (ABPP) and the Michigan EITC Coalition (MEIC)
- The **ABPP** and the **MEIC** seek to help working families in Michigan achieve sustainable financial security through improved asset building policy and practice

# Community-based Outreach and Marketing of Save to Win in Michigan

- Partnership between CEDAM/ABPP, Doorways to Dreams Fund, Michigan Credit Union League
- Fill the gap between product goals and observed take-up
- Local partners: credit unions, VITA sites, community-based organizations, community ambassadors, asset building practitioners

# MEIC and ABPP

## Using Save to Win to Build Assets

### Goals

- Link Save to Win with EITC through VITA sites to harness tax time as a time to save
- Use Save to Win as an alternative/enhancement for IDAs
- Leverage Save to Win with financial education to increase financial capability and build assets

# Save to Win

## Creating Savings at Tax Time

- Tax time presents an opportunity to save if:
  - There are attractive savings products
  - Seamless process to link returns with savings accounts
  - Tax preparers are educated on saving options
- Challenges to saving at tax time include:
  - Immediate “needs” versus future financial planning
  - Turning a single time to save into a savings behavior
  - Effective marketing of savings products

# Save to Win

## Creating Savings at Tax Time

Save to Win provides a unique way to address these challenges to turning tax time into a time to save time presents an opportunity to save if:

- Tax preparers are trained
- Community ambassadors are cultivated
- On site account sign-up is available
- Promotions and drawings are held at VITA sites
- Effective and attractive marketing products are available

# Save to Win an Alternative to IDAs

*Can I buy a vowel?*

- **IDAs:** just one IDEA when it comes to asset building
- **Pros of IDAs:** proven success in helping people save
- **Cons of IDAs:** high admin costs, need for match money, limited uses, income restrictions
- **Save to Win:** the benefits of an IDA with out the constraints... it's a Win-Win

# Save to Win

## Bridging Financial Ed with Capability

- Financial Education works better when coupled with a real-world tool
- Save to Win builds savings behavior
- Incentivizes regular savings
- Protects savings for intermediate goals

# CEDAM – MEIC – ABPP

## Outreach to Partners

- Participating Credit Unions
  - Innovative, flexible and nimble
  - Committed to the product
- Active Practitioners
  - Excited and Creative
  - Capacity
- Location, Location, Location
  - Access for clients
  - Demand needed

# CEDAM – MEIC – ABPP

## Outreach to Clients

- Cross-stream marketing
- Referrals
- Onsite account startup/access
- Ambassadors
- Incentives
  - Small contest
  - Seeded accounts

# CEDAM/D2D 2011 Experiment

- Prize-incentive based product
- 3 \$50 prizes for filling out interest survey
- CU Staff incentives
- Community Ambassadors
  - \$500-\$1000 Stipend
- Community-based Marketing Contest
  - Save to Win Raffle - \$500
  - Grand Prize - \$1000
  - Innovator Challenge - \$1000

# CEDAM/D2D 2011 Experiment

## SAVE TO WIN



### Save to Win Sign-Up Blitz!

Now to May 31<sup>st</sup>

#### Open a Save to Win Account & You Could Win \$100!

- Get a chance to win \$100,000 every time you save \$25.00
- Peckham Save to Win Sign-Up Blitz is a special contest for Peckham employees and family members ONLY - Ask your VSS for more info!

### Save to Win Sign-Up Day!

May 17<sup>th</sup>

9:00AM – 2:30PM

@Peckham cafeteria

You can win \$15, \$30,  
\$50 **CASH** on the spot!



# Challenges

- Rethinking the Rules
  - credit unions & asset building organizations
- Community partners without a matching credit union
- Effective and appropriate messaging
- Account startup without utilization

# Potential

- When marketed effectively, S2W engages new consumers (ex. Communicating Arts Credit Union in Detroit)
- Community-based marketing will engage a new member base built on the trusted relationships between community-based organizations and the people they serve

# Future Ideas

- Increase participation within MIDAP
- Michigan \$aves Accounts using Save to Win to encourage savings through the EITC
- Connecting S2W product with other products and services
  - Rollover (i.e. new S2W, retirement account)
  - Financial education
  - Small dollar loans
  - Auto loans
  - Home loans

# Asset Building in Michigan through Save to Win Association of Michigan



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