About CFED

CFED empowers low- and moderate-income households to build and preserve assets by advancing policies and programs that help create the opportunity economy, including buying a home, pursuing higher education, starting a business and saving for the future. As a leading source for data about household financial security and policy solutions, CFED understands what families need to succeed. We promote programs on the ground and invest in social enterprises that create pathways to financial security and opportunity for millions of people.

Established in 1979 as the Corporation for Enterprise Development, CFED works nationally and internationally through its offices in Washington, DC; Durham, North Carolina; and San Francisco, California.

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- John H. Boner Community Center
- Earn to Learn
- The Midas Collaborative
- People’s Community Action Corporation
- Syracuse Cooperative Federal Credit Union
- United Way for Greater Austin

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INTRODUCTION

Lots of savings ideas sound great on paper. Giving customers the option to add automatic savings onto their loan payments? Sounds like a perfect way to help people build a financial cushion so they can get out of the endless lending cycle. Working with employers to facilitate employees automatically saving a portion of their paycheck? Seems like a relatively simple, yet powerful way to help low-income workers save. As with all great ideas, however, the only way to really know if they work is to try them.

We worked with six participating organizations through the Savings Innovation Learning Cluster (SILC) to go through an extensive design process to come up with ideas to help their low- and moderate-income clients to save. Though that process was extremely helpful in generating and refining their proposed savings solutions, it did not tell us for certain if the ideas would work for the organizations’ clients and if they could be scaled to other organizations. In this paper, we describe how each of the six proposed savings solutions were tested in a small-scale pilot, after which we conducted a scalability analysis to make recommendations about the potential for expanding the solutions on a larger scale through other similar organizations, a wider geographic reach or a more rigorous evaluation.

Based on this assessment, we recommend two proposed savings solutions from the SILC project for scaling:

- **Stash Your Cash and Win**—a prize-linked savings program that helps future Individual Development Account (IDA) participants build an emergency savings account
- **Automatic Workplace Savings**—a program in which employers encourage employees to designate a portion of their paycheck to be automatically deposited into a savings account

This paper describes these ideas in greater detail—including why we determined that they have potential for scale—and discusses the promise and pitfalls of the other four piloted savings solutions.

ABOUT THE SILC PROJECT

With support from the MetLife Foundation, CFED launched the Savings Innovation Learning Cluster (SILC) in February 2014 to develop new and effective approaches to building savings. Through SILC, we worked with six organizations to design service innovations aimed at helping low-income clients save for a variety of purposes. Over the course of 14 months, CFED guided SILC participants through a research and design process that leverages human insights to create and test new savings products and strategies. The human insights process takes into account client needs, preferences and behaviors to design more responsive and effective programs. The human insights process used in SILC consisted of four key methods: client interviewing, client journey mapping, concept boards and prototyping. (To learn more about these methods, check out *Spurring Savings Innovation: Human Insights Methods for Savings Programs.*) Using these methods, the six participating organizations developed savings solutions, which they piloted for several months.
SCALABILITY ANALYSIS PROCESS

To offer insights into the scalability of the savings solutions designed by the SILC participants, we conducted an analysis that took into account: 1) the results of the pilot, 2) the cost of the solution, 3) its potential attractiveness to low-income consumers and 4) whether the solution is replicable at similar organizations. In this brief, we present the results of the scalability assessment. For each organization, we include:

OVERVIEW

- **The problem** the organization sought to address
- **The designed solution** it created to solve the problem
- **The pilot** it conducted to assess the designed solution

SCALABILITY ANALYSIS

- **Was the pilot successful?** We consider whether the designed solution was successful based on the initial 3-4 month pilot results. Though this was not enough time to conclusively demonstrate each designed solution’s impact, this pilot period provided initial insight into the potential effectiveness of the solutions to address the problems they were designed to solve.

- **How much did it cost?**—To help us gauge whether or not the design solution is cost effective, each participating organization reported the direct costs (e.g., materials, postage, prizes) incurred to implement their innovation that were over and above those that the organizations normally incur as part of their service delivery. Direct costs do not include the staff time used to implement the solution.

- **Is the idea attractive to low-income consumers?**—To help us assess the appeal of each solution to a broader range of low-income consumers, we conducted a survey in which we showed the solutions to a sample group of low-income individuals—a process known as a concept test. Approximately 250 people looked at a description of each of the designed solutions or the organizations’ overall programs. We then asked respondents several questions to gauge their reaction to the ideas presented, such as:
  - How likely are you to seek more information about the program?
  - What do you like about the program?
  - What do you dislike about the program?

We analyzed the responses to these questions, along with several open-ended questions, to help us understand whether or not the ideas were appealing to other potential consumers beyond the immediate service footprint of the participating organization.
Can the solution be replicated by similar organizations?—To help us gauge whether or not a design solution can be offered at other organizations, we offer an opinion of whether or not other organizations similar to the participating organization are able to implement the designed solution themselves. This opinion is based on CFED’s knowledge and experience with asset-building organizations around the country.

SCALABILITY ASSESSMENT

Taking the four scalability analysis factors into consideration, we give an overall assessment of the scalability of each designed solution using the following icons:

- ✓ indicates that the designed solution has strong scalability potential and warrants further consideration by similar organizations.
- ! indicates that the design solution shows some potential for scale but that replication efforts should proceed cautiously, including possibly tweaking elements of the solution.
- ✗ indicates that the designed solution does not currently show the potential to be scaled without significant changes.

The scalability assessment reflects CFED’s opinion, based on the scalability analysis described earlier, of whether the savings solution would work on a larger scale, through means such as replication at other similar organizations, widening of the geographic footprint of the program and/or more rigorous evaluation of the program. The scalability assessment is not intended to be a statement of an organization’s capability to deliver savings programs. In fact, many of the solutions, even those with a ✓ scalability rating, may work at individual sites under the right structure and circumstances. Rather, the scalability assessment offers a recommendation on whether or not each solution demonstrates potential for wider expansion beyond the current offering.
## SCALABILITY SUMMARY

### SAVINGS SOLUTION

<table>
<thead>
<tr>
<th>Stash Your Cash and Win — A prize-linked savings program to help future IDA participants build an emergency savings account.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>WAS THE PILOT SUCCESSFUL?</strong></td>
</tr>
<tr>
<td>Yes, the solution was successful in encouraging clients to open emergency savings accounts. 94% of clients offered the program opened accounts.</td>
</tr>
<tr>
<td><strong>Automatic Workplace Savings</strong> — Employers encourage employees to designate a portion of their paycheck to be automatically deposited into a savings account.</td>
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<tr>
<td><strong>Text Message Reminder</strong> — Monthly text messages reminding IDA participants to make their required monthly savings deposits.</td>
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</table>

### SCALABILITY ASSESSMENT

![Checkmark](image1.png)  
![Checkmark](image2.png)  
![Warning](image3.png)

1 Includes only non-personnel, direct costs.
<table>
<thead>
<tr>
<th>SAVINGS SOLUTION</th>
<th>WAS THE PILOT SUCCESSFUL?</th>
<th>HOW MUCH DID IT COST?</th>
<th>IS THE IDEA ATTRACTIVE TO LOW-INCOME CONSUMERS?</th>
<th>CAN THE SOLUTION BE REPLICATED BY SIMILAR ORGANIZATIONS?</th>
<th>SCALABILITY ASSESSMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Keep It, Save It, Match It — A program to incentivize energy assistance program clients to save a portion of the money saved on their monthly energy bills in an emergency savings account by offering a match.</td>
<td>No, the solution was not successful in getting clients to save into an emergency savings account. Only 33% of clients who came to orientation opened accounts.</td>
<td>$6,000, for the savings match, printing and postage.</td>
<td>Yes, 41% of respondents in the concept test survey said they definitely or probably would seek more information on the program—the second highest interest shown in any of the SILC solutions.</td>
<td>Unlikely. Most utility assistance programs are structured differently than PCAC’s, with clients receiving a one-time benefit rather than a monthly reduction in their energy bills.</td>
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<tr>
<td>Email Initial Deposit Reminders — Send reminder emails to IDA clients who do not make initial deposits within 4-6 weeks of enrolling in the program, with clear instructions and links for making the deposit.</td>
<td>No, the solution did not change most clients' behavior. Only 2% of clients who did not make an initial deposit within the first 4-6 weeks after enrollment made a deposit after receiving the reminder email.</td>
<td>$300, mainly for printing and materials.</td>
<td>Not applicable. Since it was difficult to survey consumers about email reminders in general, the concept test survey asked respondents for their opinion of the overall IDA program instead.</td>
<td>Yes. Most IDA programs could easily send welcome letters with email reminders to clients, provided that they have their clients' email addresses and that the clients check email regularly.</td>
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</tr>
<tr>
<td>Save Up— Makes savings an automatic part of loan repayment by having customers put money into savings in combination with making monthly loan payments.</td>
<td>No, the solution was not effective, as only 14% customers who were offered the opportunity to participate in Save Up decided to enroll.</td>
<td>$400, mainly for printing and materials.</td>
<td>Moderately. 31% of respondents in the concept test survey said they definitely or probably would seek more information on the program.</td>
<td>Possibly. For some credit unions— especially smaller credit unions with more limited capacity—the back-end account management for the Save Up program may be too cumbersome.</td>
<td>×</td>
</tr>
</tbody>
</table>

2 Includes only non-personnel, direct costs.
OVERVIEW

The problem
Many clients in John H. Boner Community Center’s (JHCC) Individual Development Account (IDA)³ program have to withdraw their savings from their IDA program accounts and drop out of the program, because they do not have a cushion to cover variations in income and expenses from month to month.

The designed solution
JHCC staff realized that the period of time after which a client expressed interest in the IDA program, but before a slot opened up, provided a window of opportunity for building emergency savings. To capitalize on this opening, they offered clients in the Center’s financial education classes—a prerequisite for applying for the IDA program—the opportunity to open an emergency savings account onsite during classes. To incentivize savings, they used a prize-linked savings model in which clients would qualify for a raffle based on deposits made into their savings accounts.⁴

The pilot
The pilot program, called “Stash Your Cash and Win,” ran for six months. For each $25 deposit a client made into her account in a month, she received one raffle entry. Each month, five winners were drawn, with each winner receiving a $100 prize deposited into her savings account. Additionally, a grand prize winner selected at the end of the pilot period received $1,000 deposited into her account.

³ To learn more about IDA programs, visit CFED’s website.
⁴ To learn more about prize-linked savings programs, visit the D2D website.
SCALABILITY ANALYSIS

Was the pilot successful?
Stash Your Cash and Win succeeded in spurring clients to open accounts.
- Seventy-five out of 80 clients in the financial education classes during the pilot period opened accounts.
- Of the 75 clients who opened accounts, 74 made at least one $25 deposit during the pilot period to qualify for one raffle entry.

However, the solution was less successful in encouraging regular, ongoing saving. Over the six month pilot period, only 50% of the clients made additional deposits in their accounts beyond the initial $25.

How much did it cost?
JHBCC spent over $4,000 in direct costs on Stash Your Cash and Win, mainly on the prize-linked incentives.

Is the idea attractive to low-income consumers?
Although Stash Your Cash and Win was successful in getting JHBCC clients to open emergency savings accounts, reactions to the idea of a prize-linked savings program were mixed when we surveyed a sample of low-income individuals (the “concept test” described earlier).
- Many respondents had negative reactions to the name, “Stash Your Cash and Win.” Comments showed that some respondents felt that it sounded like a scam.
- Other respondents did not approve of the “lottery” concept.
- Interestingly, respondents in the 15-34 age cohort had the most positive reaction to the program.

Overall, 30% of respondents said that they would definitely or probably seek more information on the program. This level of interest was lower than that shown for the other six SILC solutions that were tested in the survey.

Is the solution replicable at similar organizations?
This program is fairly straightforward for other organizations to implement; for example, the SaveYourRefund initiative has successfully used prize-linked savings to encourage tax filers to save a portion of their refund.5
The types of organizations that may be interested in replicating JHBCC’s program include:
- Organizations with IDA programs, especially those who have waiting lists for IDA applicants or who want to work with interested applicants who may not be fully ready for an IDA but are ready to start saving (e.g., people who need to improve their credit before enrolling to save for homeownership). There are currently over 275 IDA programs across the US, and approximately 8,000 new IDAs are opened annually.6
- Organizations that provide financial education courses that are looking to make their programs more experiential and have greater impact.

An important caveat is that organizations must have or be able to develop a strong partnership with a financial institution to open and maintain accounts for the participants.

SCALABILITY ANALYSIS

Stash Your Cash and Win demonstrates significant potential for scale based on the successful pilot and the ease of replicability by other organizations. However, based on the concept test survey results, organizations that want to implement a similar program should consider using an alternate name to avoid being seen as a scam, as well as potentially focusing the program on younger clients. Additionally, replication efforts should consider how they can maintain interest after the initial raffle deposit to help clients accrue larger account balances.

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5 Tatiana Brezina, Melanie Kwon Duch, Melissa Goldberg, Preeti Mehta and Joanna Smith-Ramani. Split, Save Win: A Reflection on Save Your Refund 2014 (Boston, MA: D2D Fund, 2014).
OVERVIEW

The problem
Many employees at businesses and organizations that partner with United Way for Greater Austin (UWATX) do not have sufficient savings to weather financial crises.

The designed solution
UWATX created an automatic savings program in which employees designate a portion of their paycheck to be automatically deposited into a savings account each pay period. UWATX also created a simplified direct deposit form, which includes the option for employees to split their paycheck between multiple accounts or between a paper check and an account. To facilitate sign-up, the automatic savings program was introduced during an on-site employee meeting, which also included an on-site bank representative to open accounts for those without a savings account.

The pilot
UWATX piloted the program with staff at an area preschool. Each of the three preschool locations had one on-site meeting, to which employees were invited via email. The email contained instructions about the information employees should bring to the meeting, including their bank account and routing numbers. At the meetings, the organization’s Human Resources staff introduced the program and encouraged employees to sign up during the meeting. A representative from a local bank was available to open accounts on-site. Following the meeting, employees received reminder emails prompting them to complete the form if they hadn’t already done so.
SCALABILITY ANALYSIS

Was the pilot successful?
The program succeeded in encouraging a significant number of employees to sign up for automatic savings.

- Forty-two employees out of 66 attended the HR-facilitated meeting to introduce the program.
- Out of the 42 employees who attended, 21 signed up for automatic savings during the meeting.
- Of the 21 employees who enrolled in the program, 18 opened a bank account with the on-site bank representative during the meeting and three used an existing account.

The pilot demonstrated the importance of the in-person meeting in encouraging employees to sign up for automatic savings. Half of the employees who attended the meeting signed up for automatic savings on the spot, while no employees signed up for automatic savings outside of the meeting.

How much did it cost?
The direct costs for the pilot came to over $1,200, mainly for food for the facilitated meeting, materials and printing.

Is the solution replicable at similar organizations?
This solution is relatively easy for others to replicate. It uses a simple formula—implementing a new direct deposit form combined with an in-person meeting with HR and a bank representative on-site to open accounts. Organizations like United Way, which typically have strong partnerships with employers in the community, could work with partner employers to implement this type of program. In addition, employers could directly implement this idea themselves. It could become a part of an employee’s financial wellness program, and benefits providers could offer this service as well.

Given the importance of the in-person meeting to the success of UWATX’s pilot, this solution would likely work best with employers who are able to bring employees together for an in-person meeting. Organizations replicating the solution will also need to identify a bank partner that is able to open accounts on-site.

SCALABILITY ASSESSMENT

Based on the success of the pilot, the ease of replication and the low cost of the solution, the automatic savings program has strong scalability potential. UWATX is currently working on expanding the program to more Texas employers, including a local restaurant chain in Austin.

Is the idea attractive to low-income consumers?
The concept test survey, which asked sample low-income individuals their opinion of an automatic workplace savings program, revealed that many respondents liked the automatic nature of the program and the ease of use. Overall, 35% of respondents said they definitely or probably would seek more information on the program, which fell in the middle range for interest shown in the six SILC solutions in the concept test survey. An important caveat to the concept test survey is that the sample did not fully align with the target population for the program, since it included many non-working individuals for whom the program was less relevant.
OVERVIEW

The problem
Some high school and college students participating in Earn to Learn’s IDA program miss required monthly deposits, which puts them in jeopardy of not reaching their savings goals or being terminated from the program.

The designed solution
Earn to Learn staff determined that reminders would help increase the number of participants making required monthly deposits. Based on the communications preferences of the program’s young participants, Earn to Learn staff decided to use text messages to send the reminders.

The pilot
Earn to Learn sent one text message reminder per month to 245 participants for five months. Participants received the text one week before the due date for the monthly deposits.
SCALABILITY ANALYSIS

Was the pilot successful?
It’s not clear if the text messages made a different in savings behavior. By the end of the pilot, 88% of participants were making monthly deposits. Case managers also reported that they made notably fewer reminder calls to participants, thereby freeing them to focus on other aspects of the program. While these results show promise, due to the pilot structure, it’s unclear if that percentage is typical for the program or a result of the text messages.

How much did it cost?
The direct costs of the pilot came to roughly $300, consisting mainly of materials.

Is the idea attractive to low-income consumers?
Since the designed solution in this case involved a tweak to an existing savings program rather than the creation of a new savings program, as was the case for some of the other SILC designed solutions, we provided a description of the overall Earn to Learn IDA program to consumers in the concept test survey. Reactions from the concept test reflect consumer opinions on the full IDA program, rather than the text message feature specifically. The concept test results revealed that:

- The program was very attractive to the target demographic. Among the current high school students and parents of high school students who responded to the survey, 62% said they would seek more information about the program. Overall, 35% of all low-income consumers sampled said they would seek more information about the program.
- Parents who said they would seek more information about the program were most attracted to the matched savings and financial education features.

Parents who said they were unlikely to seek more information cited the deposit requirement as a major barrier to participation.

Is the solution replicable at similar organizations?
Text message reminders are relatively easy for other programs to replicate. Many services enable programs to send automated text messages at a relatively low cost. In particular, IDA programs serving a similar target population to the high school and college students served by Earn to Learn—who tend to text frequently—may be successful in replicating this strategy. Approximately 238 Assets for Independence (AFI) IDA projects offer post-secondary education as an eligible asset purchase, and 36 of those projects are managed by community and four-year colleges.

SCALABILITY ASSESSMENT

Based on the pilot results, the low cost of the solution and the ease of replication of the solution by other IDA programs, Earn to Learn’s text message reminder solution shows some potential for scale. However, we give this a overall rating, since the research design does not allow us to conclude with confidence that the designed solution helped to change savings behavior. In addition, not all populations may be as responsive to text messages as the young adults served by Live the Solution. We recommend that IDA programs interested in trying this solution run their own small-scale pilots to assess its effectiveness among their clients.

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7 Assets for Independence (AFI)—a federal program administered by the Administration for Children and Families at the US Department of Health and Human Services—is the largest source of support for IDA programs.

KEEP IT, SAVE IT, MATCH IT

OVERVIEW

The problem
Clients in People’s Community Action Corporation’s (PCAC) energy assistance program (known as “Keeping Current”) receive dramatic reductions in their monthly energy bills. However, clients rarely put the money saved through the program into a savings account, missing an opportunity to build a cash cushion that can be utilized when emergencies arise.

The designed solution
PCAC developed a matched savings program—Keep It, Save It, Match It—to incentivize energy assistance program clients to set aside a portion of the money saved on their monthly energy bills in an emergency savings account. Participant savings was to be matched at a 1:1 rate up to $150. Participants received materials suggesting they set aside 50 cents per day, or $12.50 per month, to be able to save $150 over the course of the year.

The pilot
PCAC piloted the solution for four months. It sent postcards advertising the orientation to 150 current or re-enrolling Keeping Current clients. In the orientation session, participants received a presentation on Keeping Current and the matched savings opportunity. Each participant then met with a case manager, who walked through the details of the pilot, including how to open a savings account at the partner bank and how their savings would be matched. At the completion of the orientation, participants officially signed up for the program. However, in order to begin saving, they still needed to open their accounts at the partner bank.
SCALABILITY ANALYSIS

Was the pilot successful?
The solution was not successful in getting clients to save into an emergency savings account.

- Forty-nine clients attended and completed the orientation session for the matched savings program.
- However, only 16 of the 49 clients took the required next step of opening an account at the off-site branch location of the partner financial institution. Only three of these clients actually made deposits in their accounts.
- Most of the deposits were for $12.50, the savings amount suggested on program materials. This shows that the clients who did save anchored to this suggested deposit amount.

Overall, while the idea of matched savings appealed to many Keeping Current clients, having to take the extra step of going to the partner bank to open an account posed a significant barrier to participation and hampered the results of the pilot.

How much did it cost?
The total direct costs for the program were over $6,000. These costs were split between the savings match, postage to advertise the program and printing and design costs for the materials.

Is the idea attractive to low-income consumers?
The concept test survey, which asked low-income consumers about an energy assistance program paired with a matched savings program, revealed that:

- Respondents liked the matched savings component, as well as the idea of spending less on their energy bills.
- However, many respondents were confused by the many features of the program and lacked an understanding of the solution based on how it was presented in the survey.

Overall, 41% of respondents said they would definitely or probably seek more information about the solution, which was among the highest interest shown in any of the SILC solutions in the concept test survey.

Is the solution replicable at similar organizations?
This solution could possibly be replicated by other social service organizations with a similar utility assistance program, in which participants receive lower monthly energy bills. However, most utility assistance programs—such as LIHEAP, the largest funding source for energy assistance—offer a one-time benefit, rather than reducing monthly energy bills. Under this structure, clients would not see monthly reductions in their energy bills that could be diverted into savings, so the premise of the Keep It, Save It, Match It program would not hold.

SCALABILITY ASSESSMENT

Based on the limited take-up during the pilot period and the difficulties of replication at other organizations, this solution does not currently demonstrate potential for scale. However, given the high initial level of interest in the matched savings program by PCAC participants and the significant interest shown by concept test respondents, it may be worthwhile to explore this idea further, on a smaller scale. For example, might easing the burden of opening accounts—such as through having a bank representative open accounts on-site—lead to a higher number of clients opening accounts and making deposits? Further investigation of the idea could help to ascertain whether the solution is viable if adjustments are made in implementation.
OVERVIEW

The problem
Despite applying and being accepted into one of Midas’s partner’s IDA programs, not all clients open their accounts and make an initial deposit within six months.

The solution
MIDAS decided to send welcome letters after enrollment, followed by reminder emails, to clients who did not make initial deposits within 4-6 weeks. The reminder emails included clear instructions and links on how to make the initial deposit.

The pilot
New clients who had not made a deposit within the first month of receiving their welcome letter received a reminder dated two months after receipt of the letter. These reminders were sent to 49 clients over a four-month period.
SCALABILITY ANALYSIS

Was the pilot successful?
The solution did not change most clients’ behavior. Only one of the 49 IDA clients who did not make an initial deposit within the first 4-6 weeks after enrollment made a deposit after receiving the new welcome and reminder letter.

The results of the pilot may be due in part to the structure of Midas’s IDA program. Midas administers its program through partner community-based organizations, and those organizations are typically the main point of contact for IDA clients. Many clients may not be aware of Midas’s role in the IDA program. As a result, Midas likely has limited ability to directly shift client deposit behavior; it is possible that a similar strategy run by the community partners could have had more success.

How much did it cost?
The solution cost roughly $300, mainly for printing and materials.

Is the idea attractive to low-income consumers?
Since the designed solution in this case involved a tweak to an existing savings program rather than the creation of a new savings program, as was the case for some of the other SILC solutions, we provided a description of the overall Midas IDA program to consumers in the concept test survey. Reactions from the concept test reflect consumer opinions on the full IDA program, rather than to the welcome letters and reminder email features specifically. The concept test results revealed that:

- 44% of respondents said they would seek more information on the IDA program, which was the highest of all the SILC ideas in the concept test survey.
- The respondents who were more likely to say they would seek more information on the program responded positively to the program’s 2:1 savings match.

Is the solution replicable at similar organizations?
Most IDA programs could easily send welcome letters with email reminders to clients, provided that they have their clients’ email addresses and that the clients check email regularly. There are currently over 275 IDA programs, and approximately 8,000 new IDAs are opened annually.9

SCALABILITY ASSESSMENT

Based on the limited pilot results—in which email reminders did not prove to be an effective technique to nudge participants towards making an initial deposit—this solution does not show potential for scale. However, it is important to note that these results may be partially the result of the structure of Midas’s IDA program. IDA programs should carefully assess their own structure and the communications preferences of their clients before trying a similar solution. The popularity of the IDA program among low- and moderate-income consumers, as shown in the concept test survey, is promising and underscores the need for additional innovation within IDA programs to realize their maximum value.

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SAVE UP

OVERVIEW

The problem
Some of Syracuse Cooperative Federal Credit Union’s (CFCU) customers are stuck in a loan cycle, routinely coming back to the credit union to obtain additional small loans to see them through difficult financial circumstances.

The designed solution
To encourage customers to build savings to weather financial volatility, CFCU created the Save Up payment plan. Save Up makes savings an automatic part of loan repayment by having customers put money into savings in combination with making monthly loan payments.

The pilot
Clients who came in to receive installment loans were offered the Save Up product prior to loan closing. At that time, it was recommended that clients make an additional $15 payment each month on top of their loan payment. If they decided to enroll in Save Up, they completed a form that allowed for an auto-transfer of funds into their savings account every month when they made their loan payment.
SCALABILITY ANALYSIS

Was the pilot successful?
The solution was not effective, as few customers chose to sign up for it. Only six of 42 customers who were offered the opportunity to participate in the Save Up payment plan during an initial meeting with a loan officer decided to enroll. It is important to note that the pilot was implemented in the winter/spring, a typically low-volume loan period, so the potential participant pool in Save Up was small. In addition, while CFCU set out to make the savings piece fully automatic, logistical barriers in its back-end account system meant that participants had to set up direct deposit into their savings account alongside taking out their loans to participate in Save Up. This extra step made the process more cumbersome and may have dissuaded participation by some clients.

How much did it cost?
The solution cost roughly $400, primarily for printing and materials.

Is the idea attractive to low-income consumers?
The concept test survey asked sample low-income individuals their opinion of pairing savings with loan repayment. The results revealed that:

- The respondents who said they would seek more information about the program were more likely to feel that paying a loan and saving at the same time is a helpful way to save than those who said they would not seek more information about the program.
- Respondents who were not interested in the program were more likely to dislike loans in general or to feel they did not need a loan. Many respondents also commented that they could set up their own automatic savings, rather than using loan repayments to save.

Overall, 31% of respondents stated that they would definitely or probably seek more information on Save Up, which was the second lowest of all the SILC solutions in the concept test survey.

Is the solution replicable at similar organizations?
While there are over 6,500 credit unions across the country—over 500 of which are community development credit unions that focus on serving low- to-moderate income individuals—the Save Up payment plan may be challenging for other credit unions to replicate. CFCU faced a number of logistical hurdles in setting up the program, such as not being able to structure the account product to be truly automatic. For some credit unions—especially smaller credit unions with more limited capacity—the back-end account management for the Save Up service may be too cumbersome.

SCALABILITY ASSESSMENT

The Save Up program does not exhibit significant potential for scale, because of the limited enrollment in the pilot, the low interest indicated by concept test respondents and the potential challenges to replication by other credit unions. However, further testing on a larger sample size over a longer period would be helpful for developing a fuller understanding of the potential effectiveness of the program.

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10 Credit Union National Association, Credit Union Report: http://www.cuna.org/Research-And-Strategy/Credit-Union-Data-And-Statistics/Credit-Union-Reports/
CONCLUSION

The scalability assessment yielded two ideas with potential for expansion to other organizations:

- **Stash Your Cash and Win**—a prize-linked savings program that helps future IDA participants build an emergency savings account; and
- **Automatic Workplace Savings**—a program in which employers encourage employees to designate a portion of their paycheck to be automatically deposited into a savings account.

In addition, Earn to Learn’s text message reminder solution showed promise, though additional testing would be needed to determine its potential for scale. While not all the solutions demonstrated potential for scale, we gained valuable insights from each of the pilots. In particular, we saw that program structure and logistics—such as having an in-person meeting in the case of UWATX’s workplace savings program or the lack of an on-site bank partner for PCAC’s matched savings program—are as key to the success of a designed solution as the merit of the idea itself. Overall, this process reinforces the idea that we need to continually assess our ideas as we implement them, and we need to be willing to continue refine, test and even scrap ideas until we find the ones that help clients successfully save for their futures.