



INNOVATION DESTINATION
VISIFI CUSTOMER CONFERENCE 2023

**Innovation in Practice: Panel
on Automatic Savings
Program**

JUNE 22, 2023

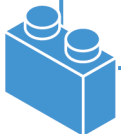


Americans are Dangerously Unprepared

67% of Americans don't have enough money saved to cover an unexpected \$400 expense.

54% of respondents said their savings have decreased over the last year.

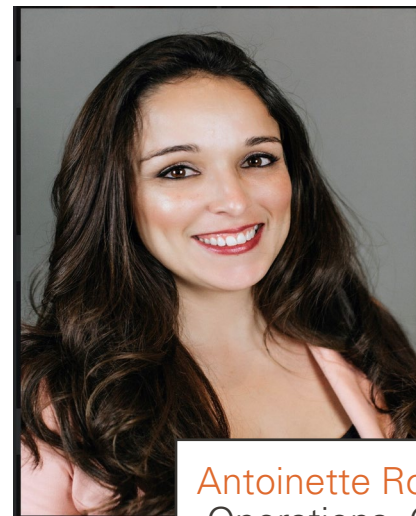
**Finance.yahoo, May 2023*



Meet the
Panelists



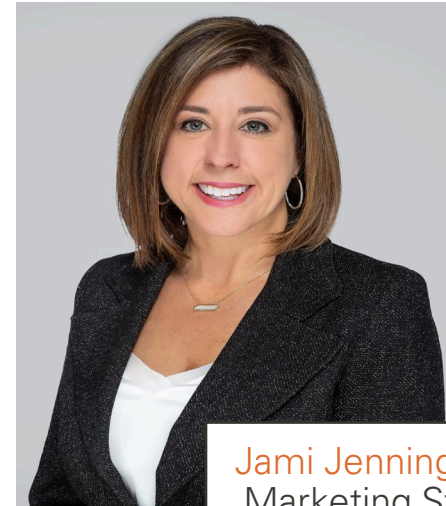
Pablo DeFilippi
Executive VP, Inclusiv



Antoinette Ross, VP Branch
Operations, Guadalupe CU



Sid Ratkiewicz
Behavioral Researcher, CCL



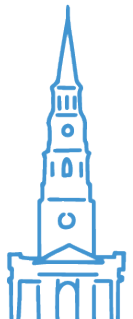
Jami Jennings, VP Product
Marketing Strategy, VisiFI





Mission

How can we
**increase short-term
savings** among
members?



VISIFI CONFIDENTIAL - LIMITED DISTRIBUTION





Common Purpose

How can we use our customizable online and mobile banking tools to increase long-term savings?

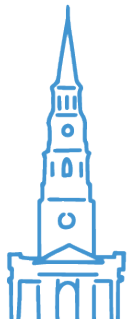
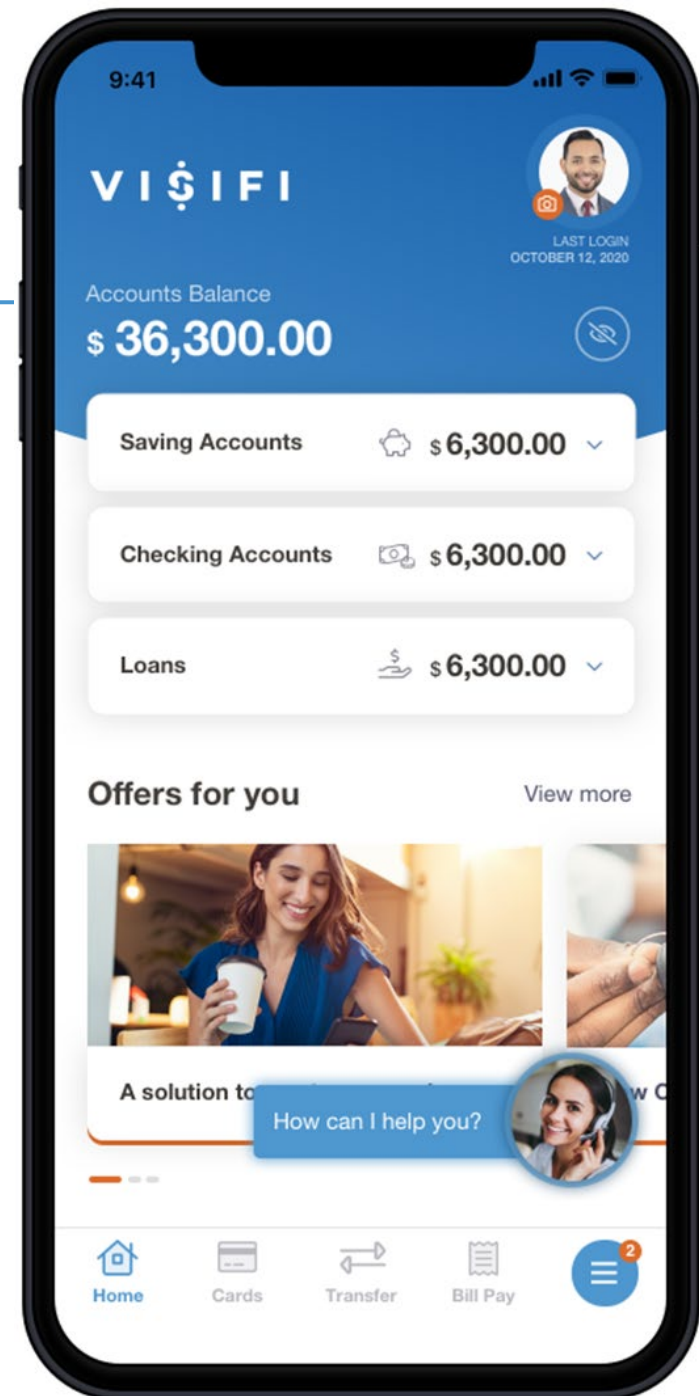


The screenshot displays the VISIFI Online Digital Banking interface. At the top, the logo 'VISIFI' and 'Online Digital Banking' are visible. The user's name 'John Anderson' and last login date 'Last Login October 12, 2020' are shown in the top right corner. A navigation menu on the left includes icons for Accounts, Transfers, Services, Cards, Bill Pay, Messages, and Helpful Links. The main content area is titled 'Apply for a Loan' with the subtitle 'Purchase a Vehicle'. A progress bar indicates '25% complete' and a timer shows '6min'. Below the progress bar is a large image of a person in a convertible car with the text 'OK! How much are you looking to borrow?'. To the right of the image, there are input fields for 'Loan Amount Requested' set to '\$20,000' and 'Months' set to '48'. Below these fields, a blue box displays 'Monthly Payment \$452.00' and 'Interest Rate 2.99%'. A disclaimer below the interest rate states: '* Rate displayed is based on our lowest rate for calculations. Actual Rate could change based on credit, term and vehicle financed.' At the bottom of the interface, there are 'Back' and 'Next' buttons.



Meet Members Where They Are

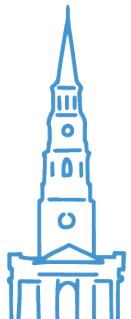
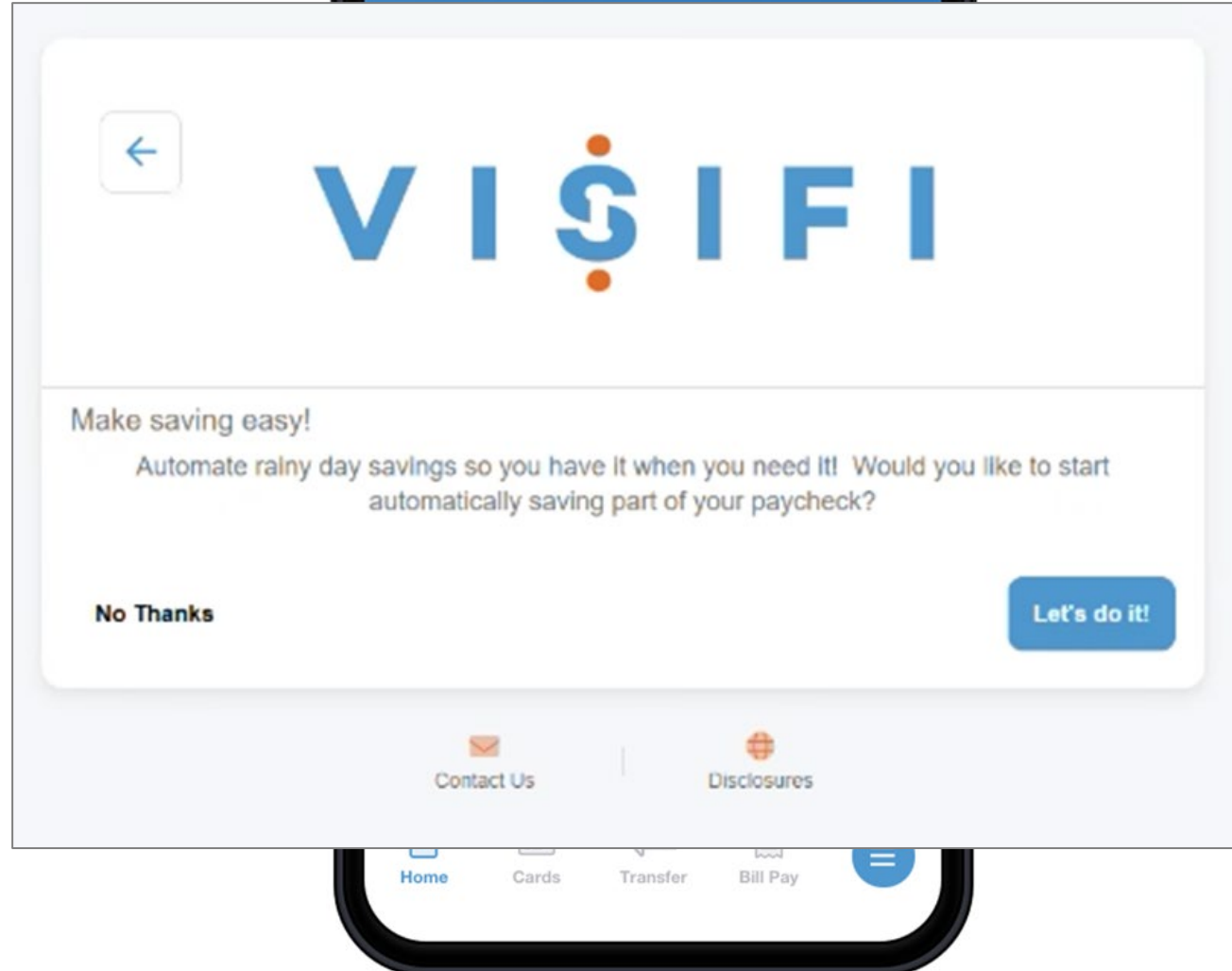
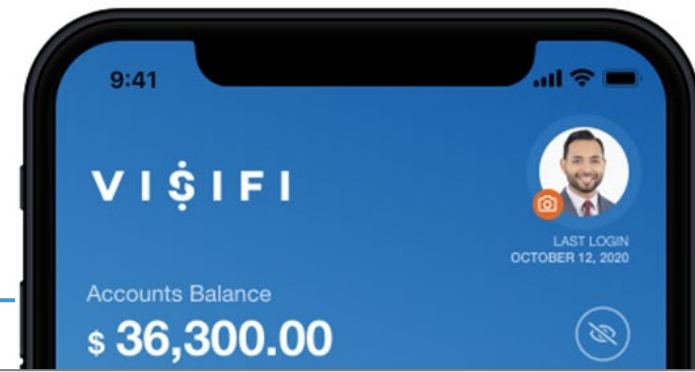
- On average, **62% of credit union members** log into their CU mobile banking app at least once a month.
- Typically, members spend **less than two minutes** with each visit (i.e. checking balance, making a deposit, paying a loan, etc.)





Timing is Everything

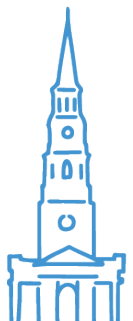
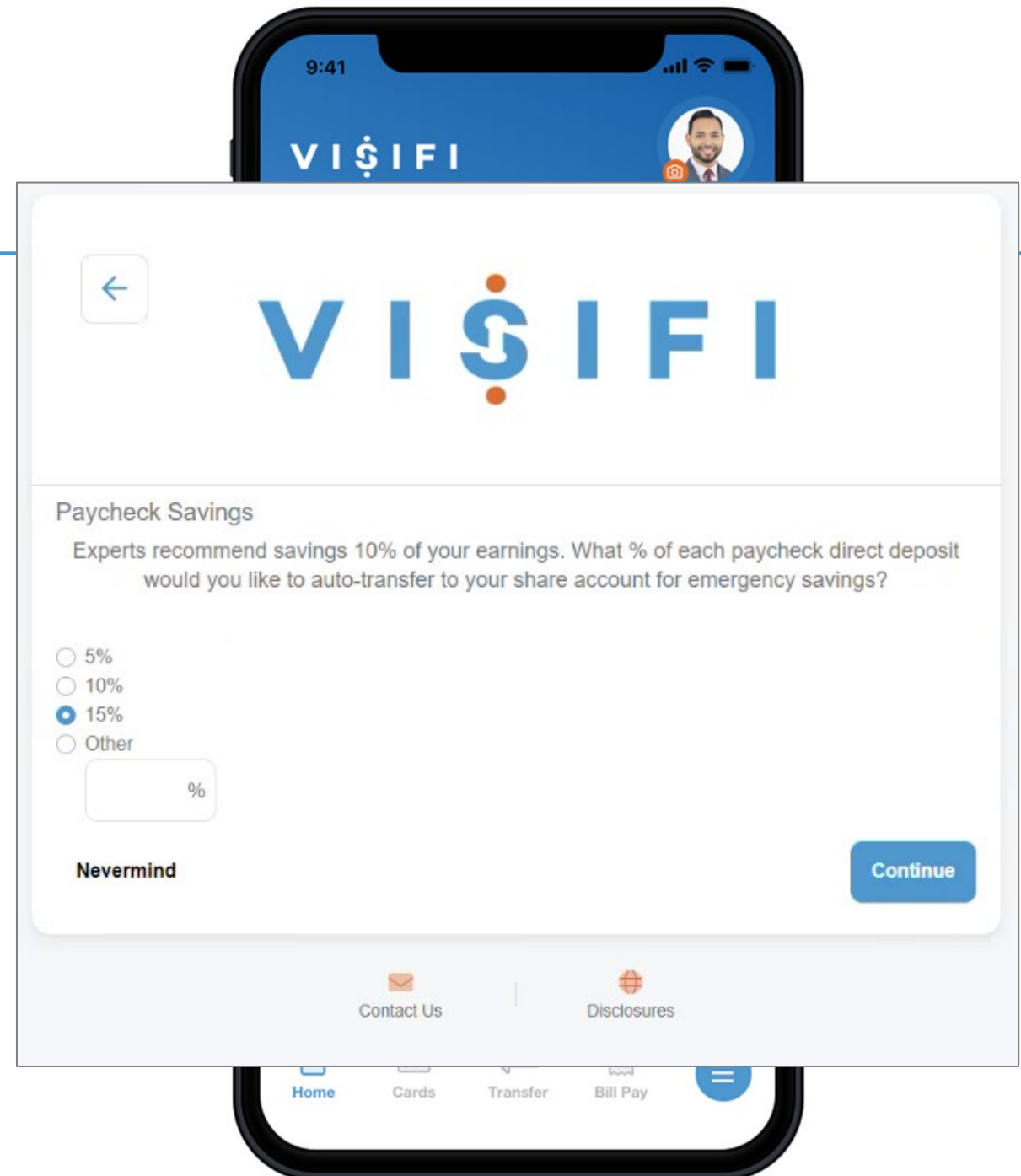
- 20 Second Campaign
- Familiar Workflow
- Align with Lifestyle
 - New Member
 - New Job
 - New Year





Experts Recommend

- Little Words
- Forced Choice
- Anchoring
- Give them a way out (Nevermind)





Make it Simple

- Pull from core and allow user to choose
- Display all incoming payroll or direct deposit



←

VISIFI

Paycheck Savings

Which of the following transactions represent your regular, direct deposit paycheck(s)?

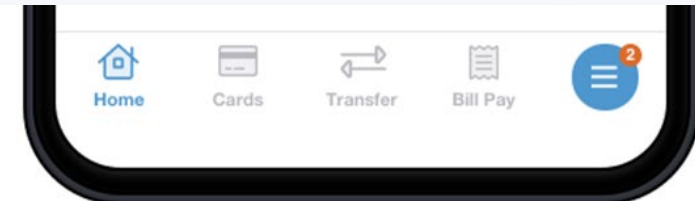
PAYROLL

DIRECT DEPOSIT

Nevermind

Continue

Contact Us | Disclosures





Yes, Let's Save!

Default into the base savings account but allow the member to choose.



9:41

VISIFI

←

VISIFI

Does everything look correct?

Paychecks

Amount

15 %

From transaction types

PAYROLL, DIRECT DEPOSIT

To

XXXXX0437-0 Regular Share

Nevermind

Yes, let's save!

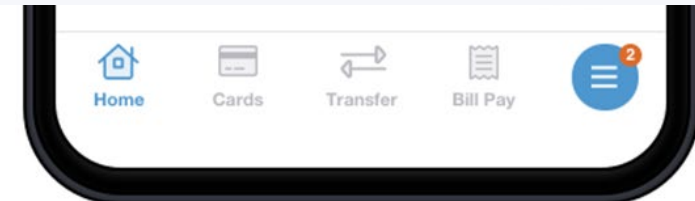
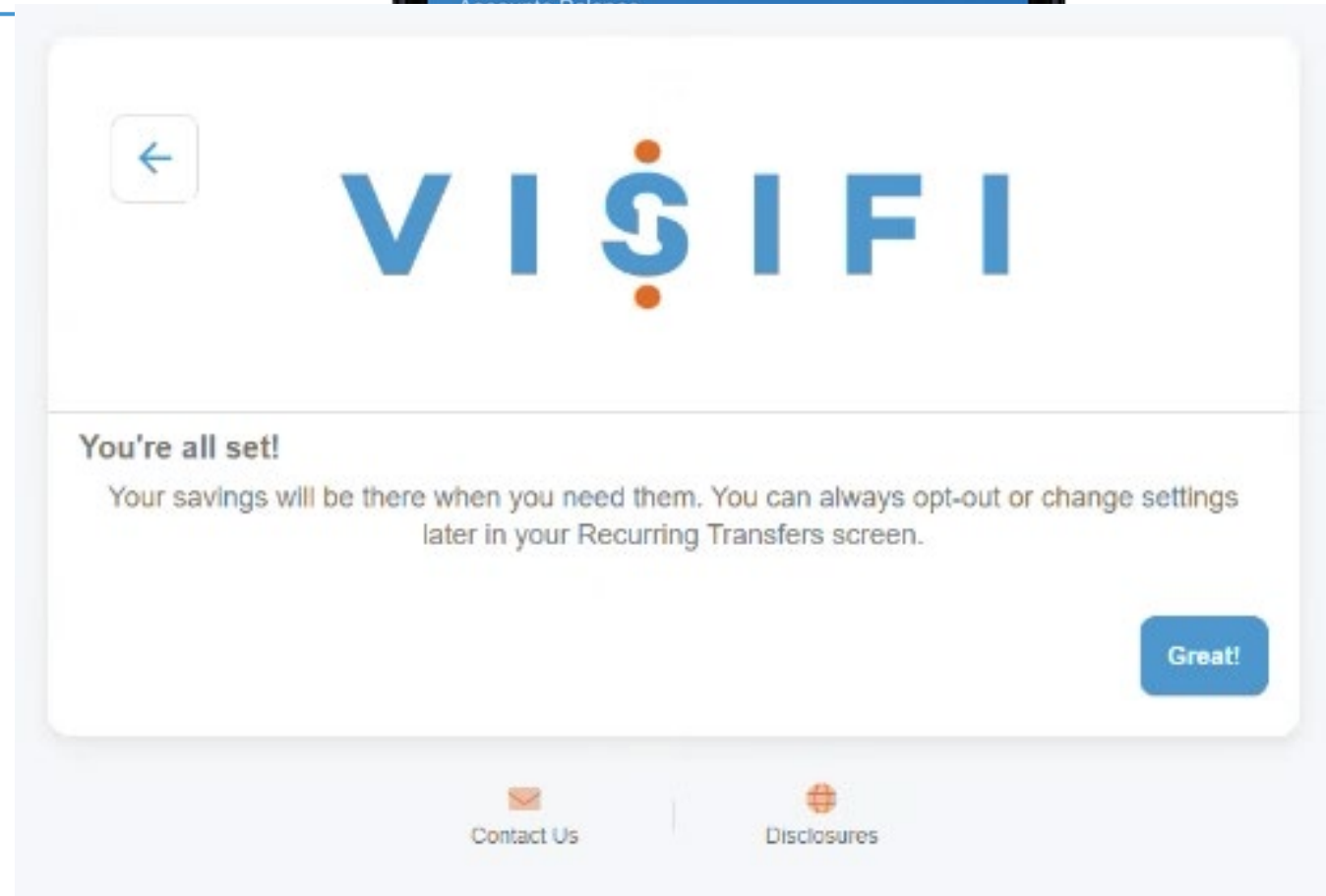
Contact Us

Disclosures



Hedonic Reward

You did a good thing today!
You can change it at anytime.

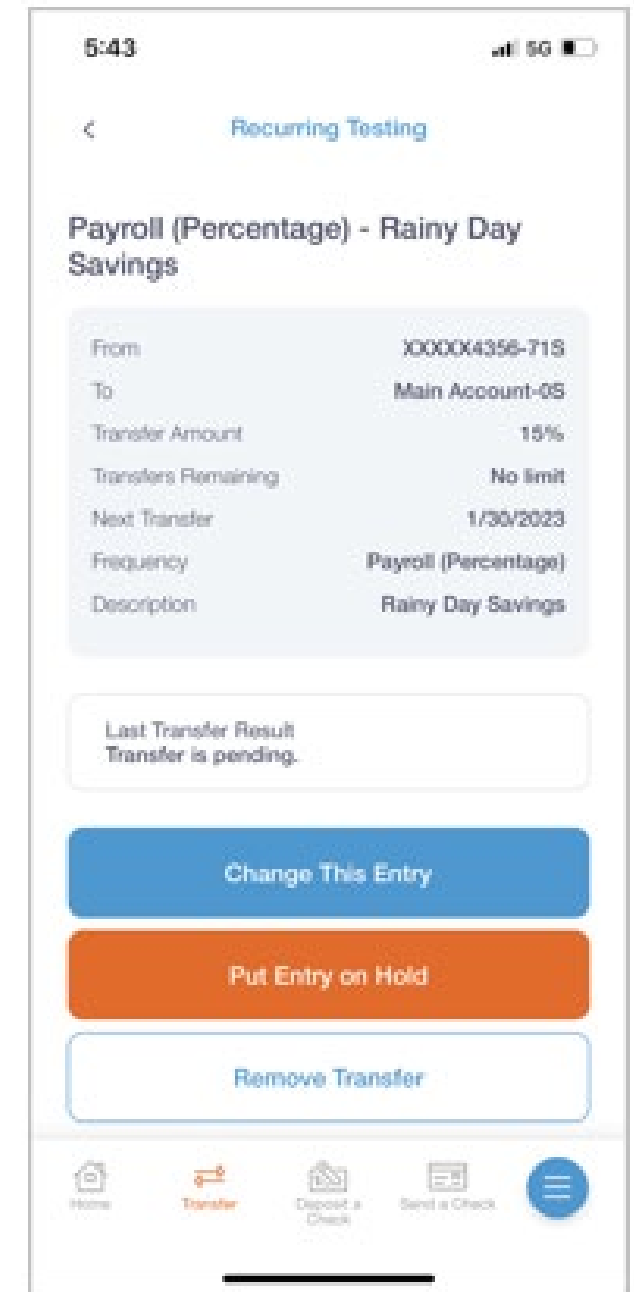
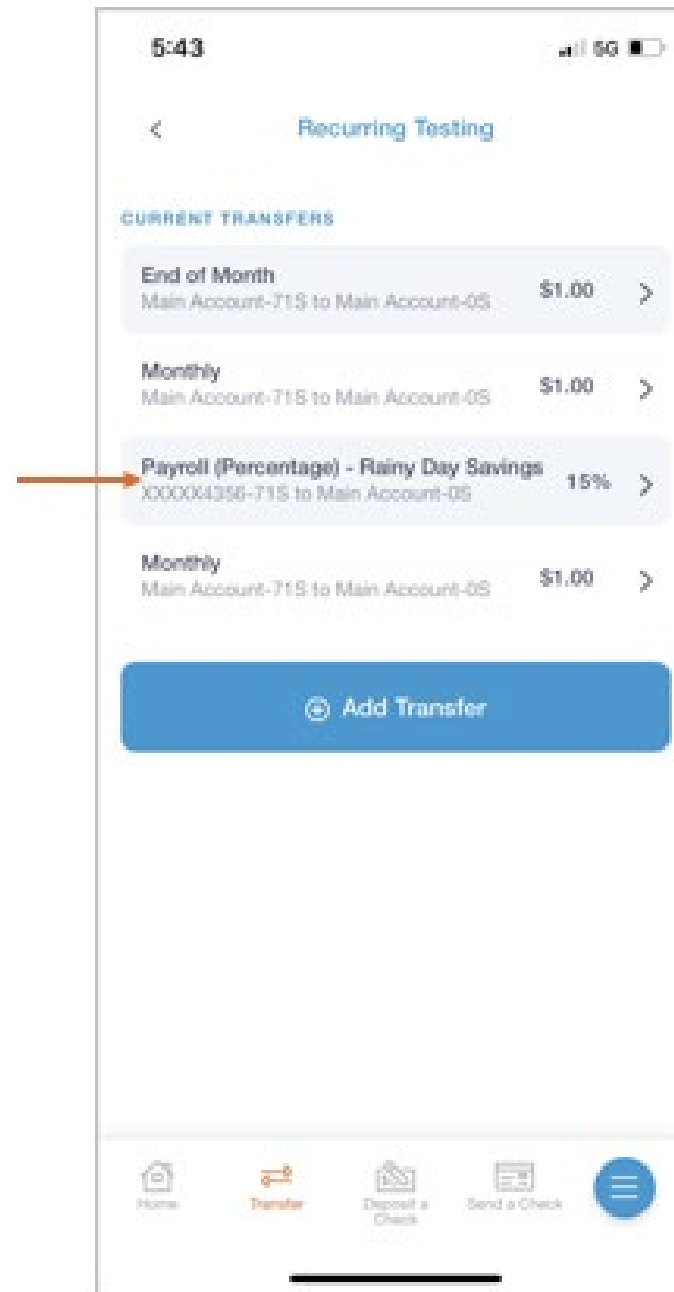




Ability to View/Edit

Displayed on the Transfers screen

- Ability to Edit
- Ability to link to Savings Goals



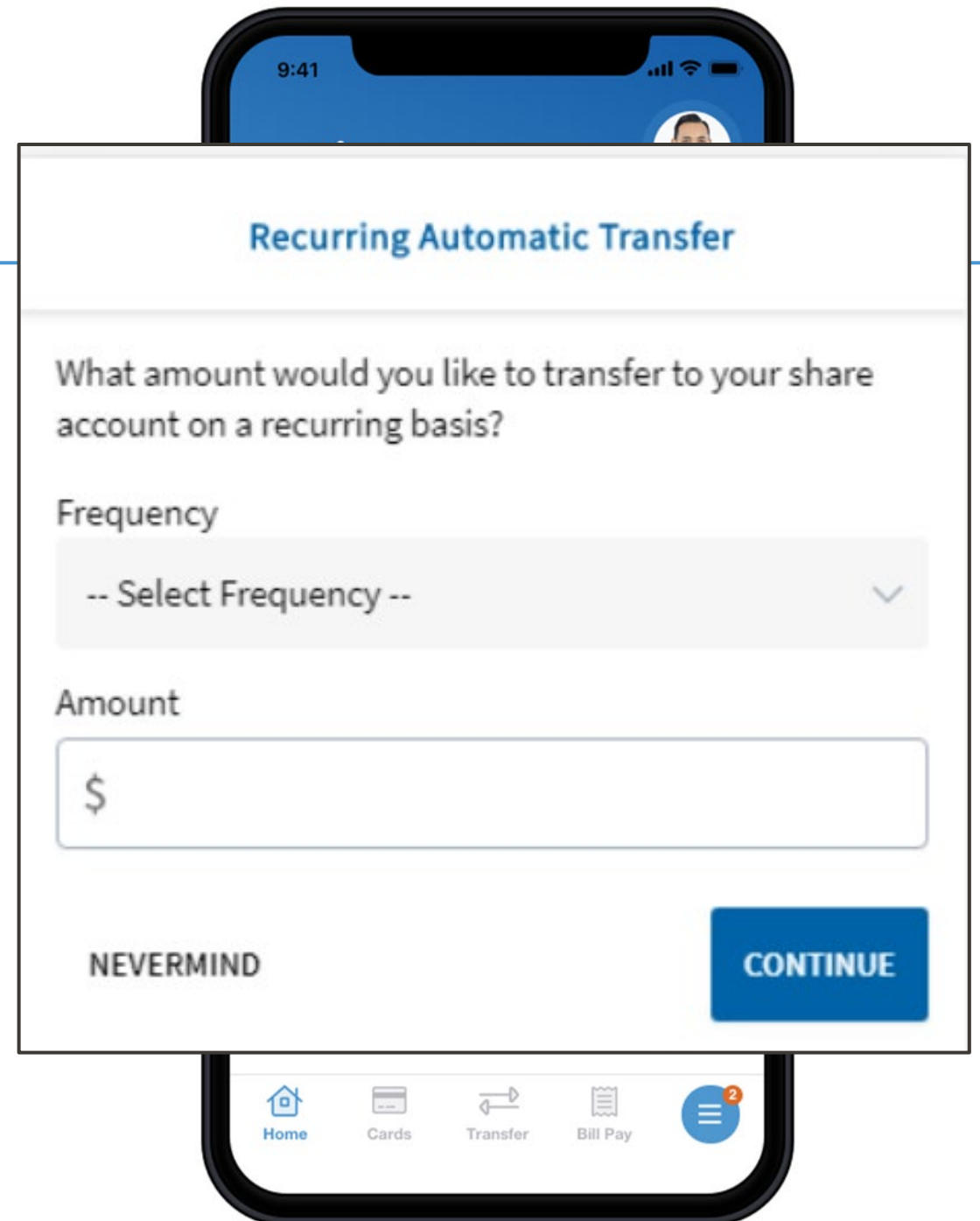


What about Members who do not Have Direct Deposit?



Beyond Test Case

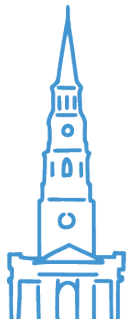
Utilize core data to identify candidates and display a different workflow.





Test the Results

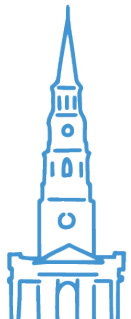
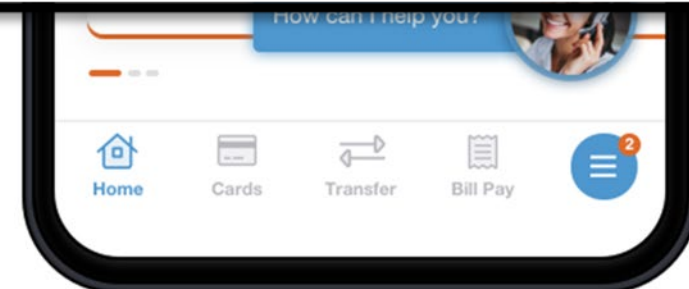
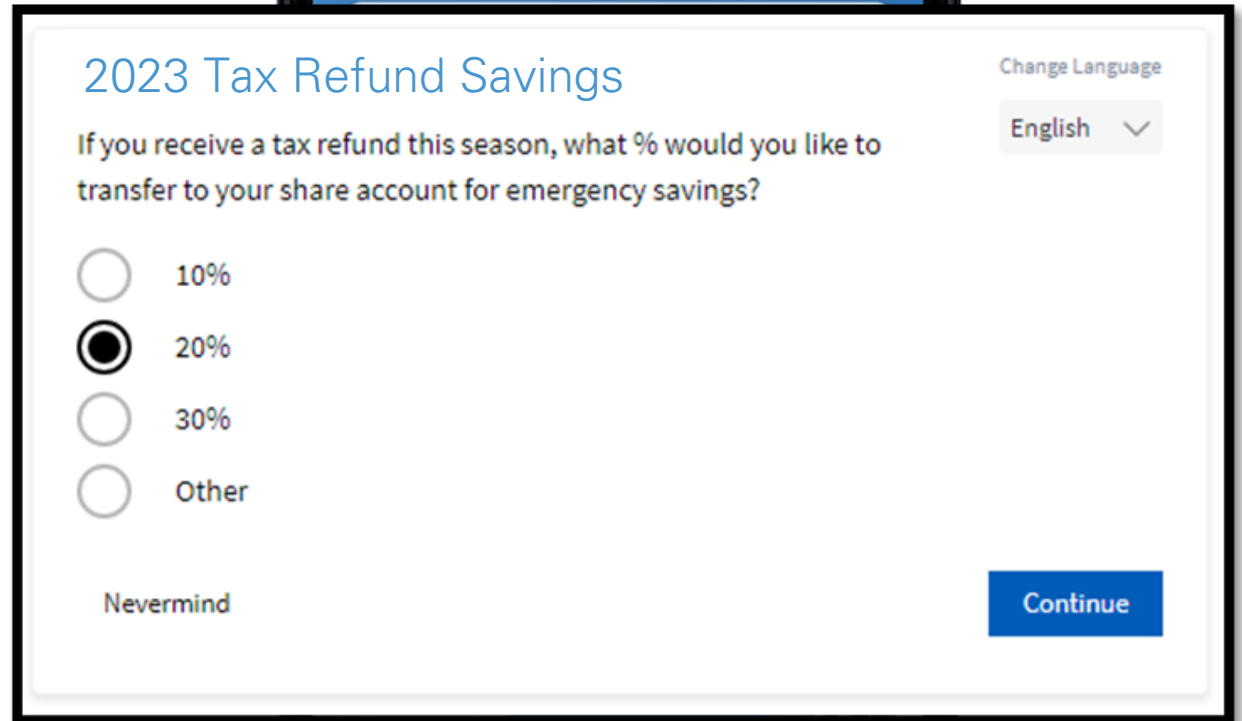
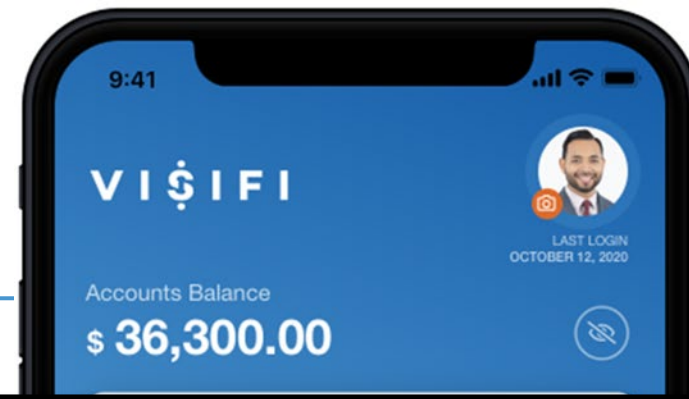
- Hardest Part
- Future- link data findings with AI to improve member experience

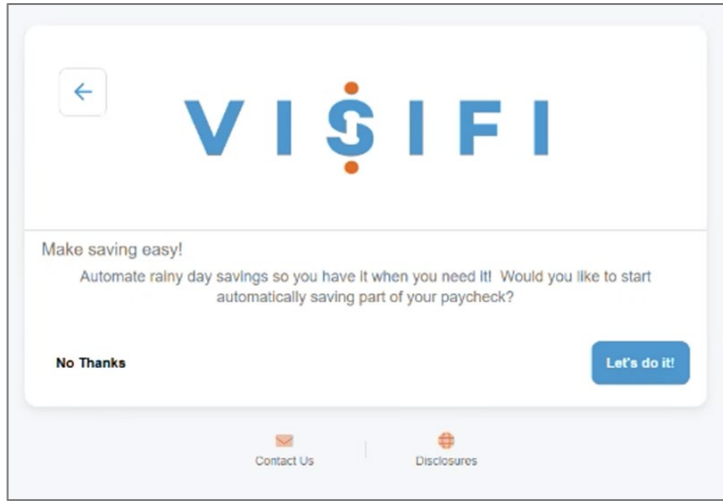




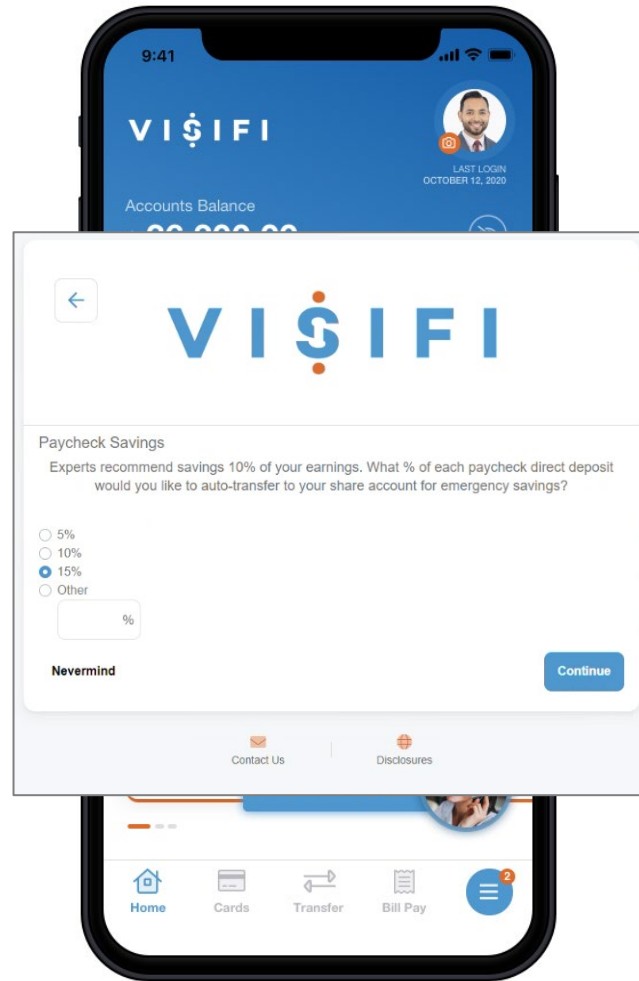
What's Next?

- Tax Checks...
- We are ready for 2023 Tax Season!





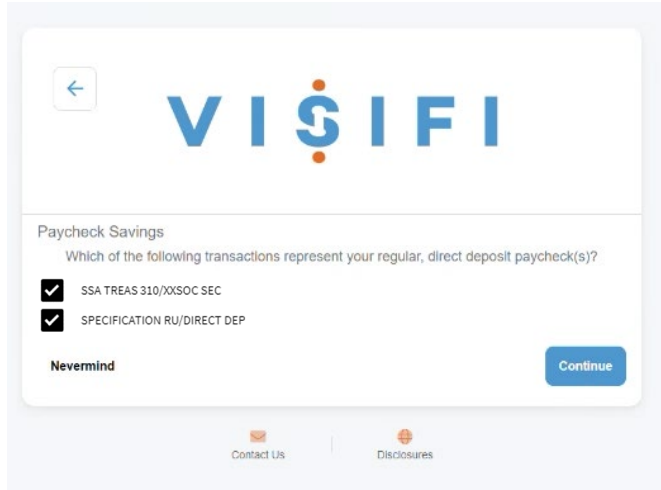
Timing is Everything-
Aligned with Lifestyle &
Used Conversational Easy-
Verbiage



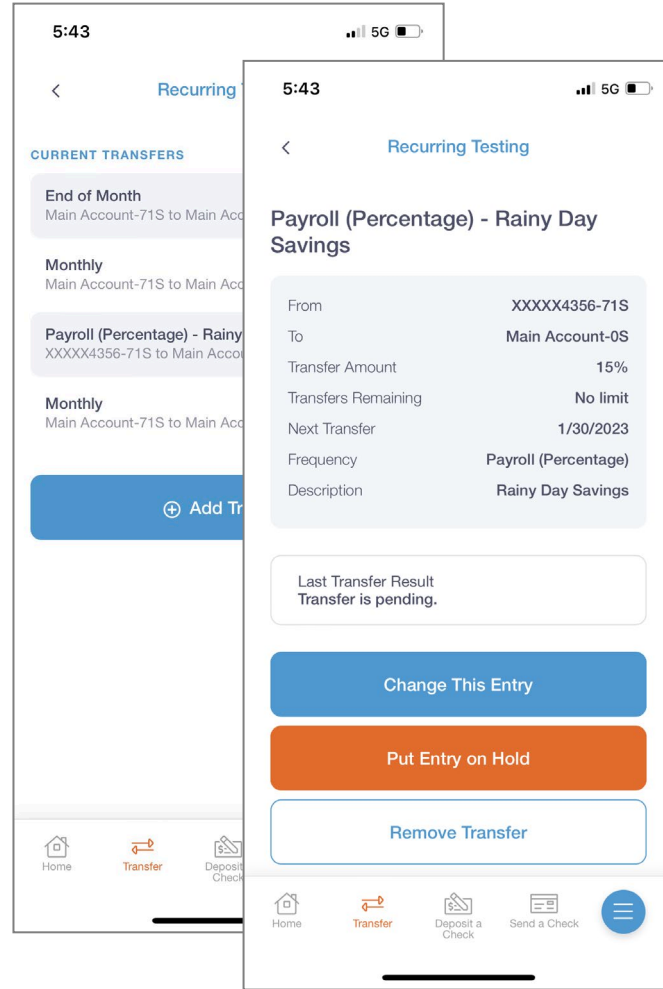
Experts Recommend-
Utilized Forced Choice,
Anchoring, Little Words



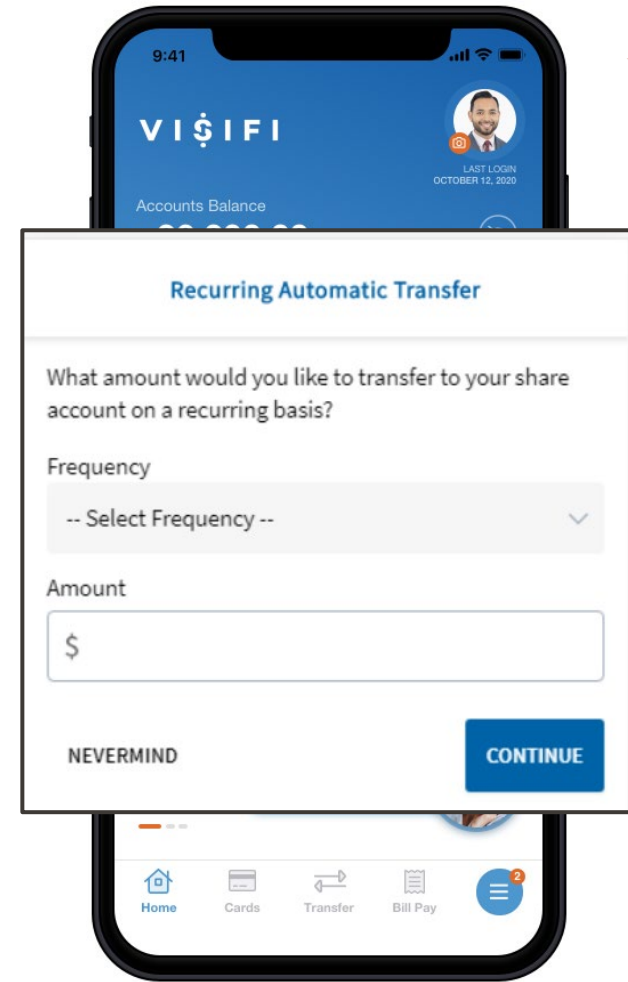
Hedonic Reward & Focus
on Main Quad
Personalities



Easy & Convenient
Pulled Payroll Sources from
Core History Database



Transfer Workflow
Ability to View/Edit



Customized Based on
Member Account Setup



What Impact Did it Make?
Which savings method was
more effective?

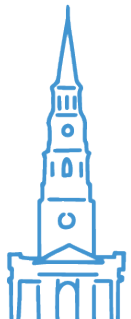
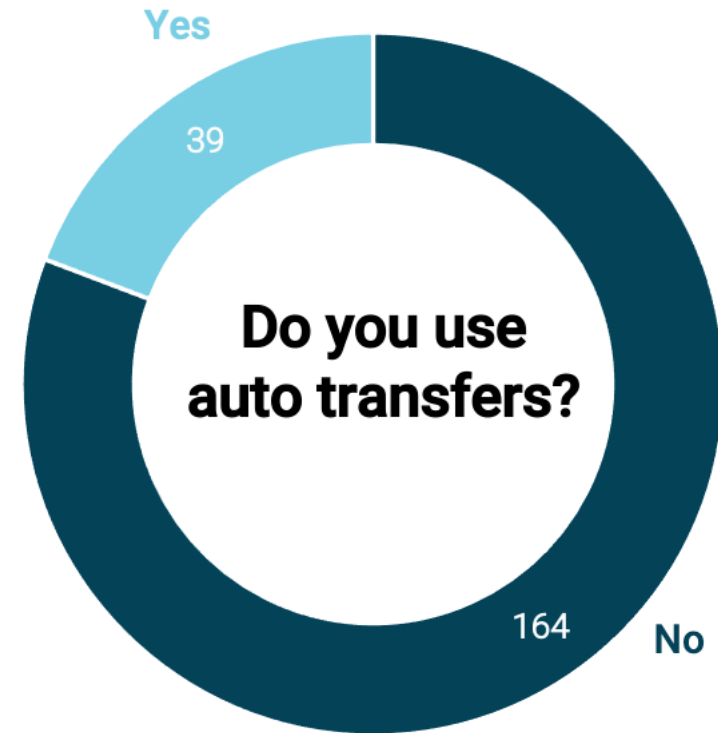




Why automate savings?

In our pretest, most savers reported not using auto transfers, preferring to save manually.

However, manual transfers rely on a **savings habit** that can be disrupted.



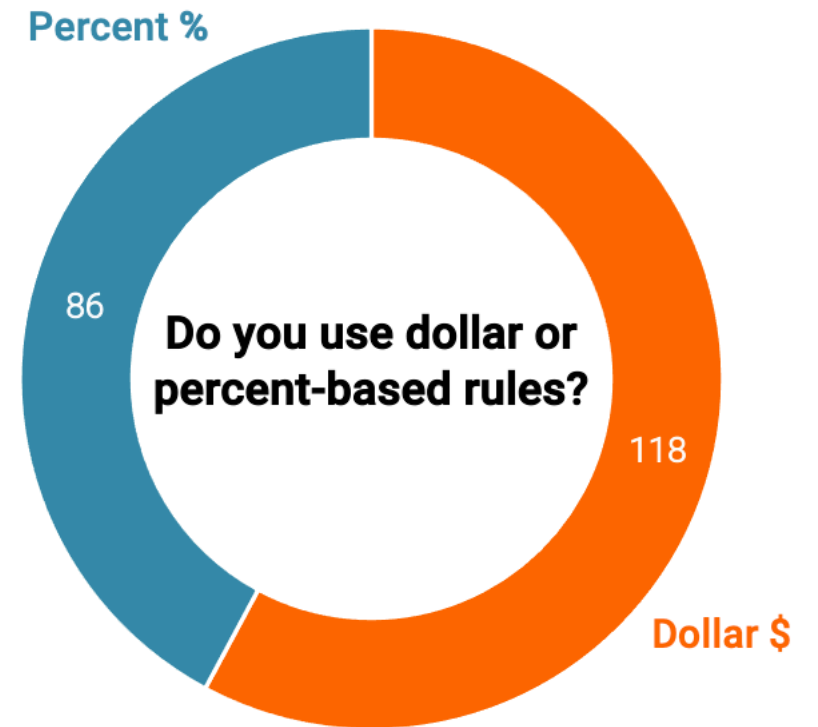


Why automate savings?

Those with automatic transfers favored dollar-based (\$) transfers (59%) to percent-based (%) transfers (38%)

Median dollar-based transfer: \$95

Median percent-based transfer: 10%





Experiment Conditions

Flat/dollar-based savings prompts

Recurring Automatic Transfer Change Language
English ▾

What amount would you like to transfer to your share account on a recurring basis?

Frequency
— Select Frequency — ▾

Amount
\$

Nevermind Continue

Percent/payroll-based savings prompts

Paycheck Savings Change Language
English ▾

What % of each paycheck direct deposit would you like to auto-transfer to your share account for emergency savings?

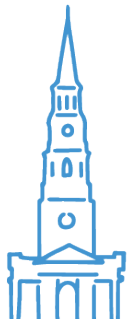
5%

10%

15%

Other

Nevermind Continue



Experiment Details



Sample Details

Participating credit unions

- Engage
- Greater Cleveland
- Guadalupe Credit Union
- Northern New Mexico
- Lanai

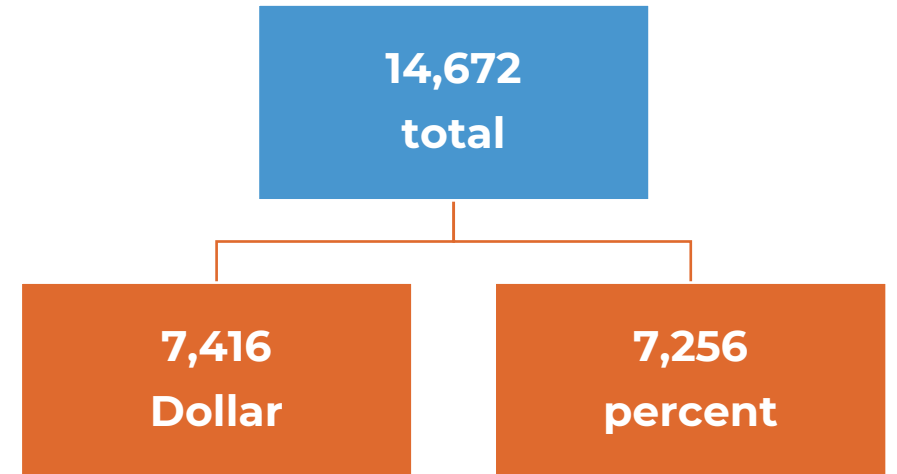
Data collection period

Prompts were released every two weeks from 10/25/21 to 1/3/22.

Participants could be prompted a maximum of 7 times.

Procedure

Members were randomized by the last digit of their account number to receive a prompt in mobile banking to set up a flat or payroll savings transfer.

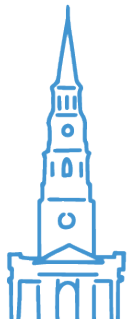
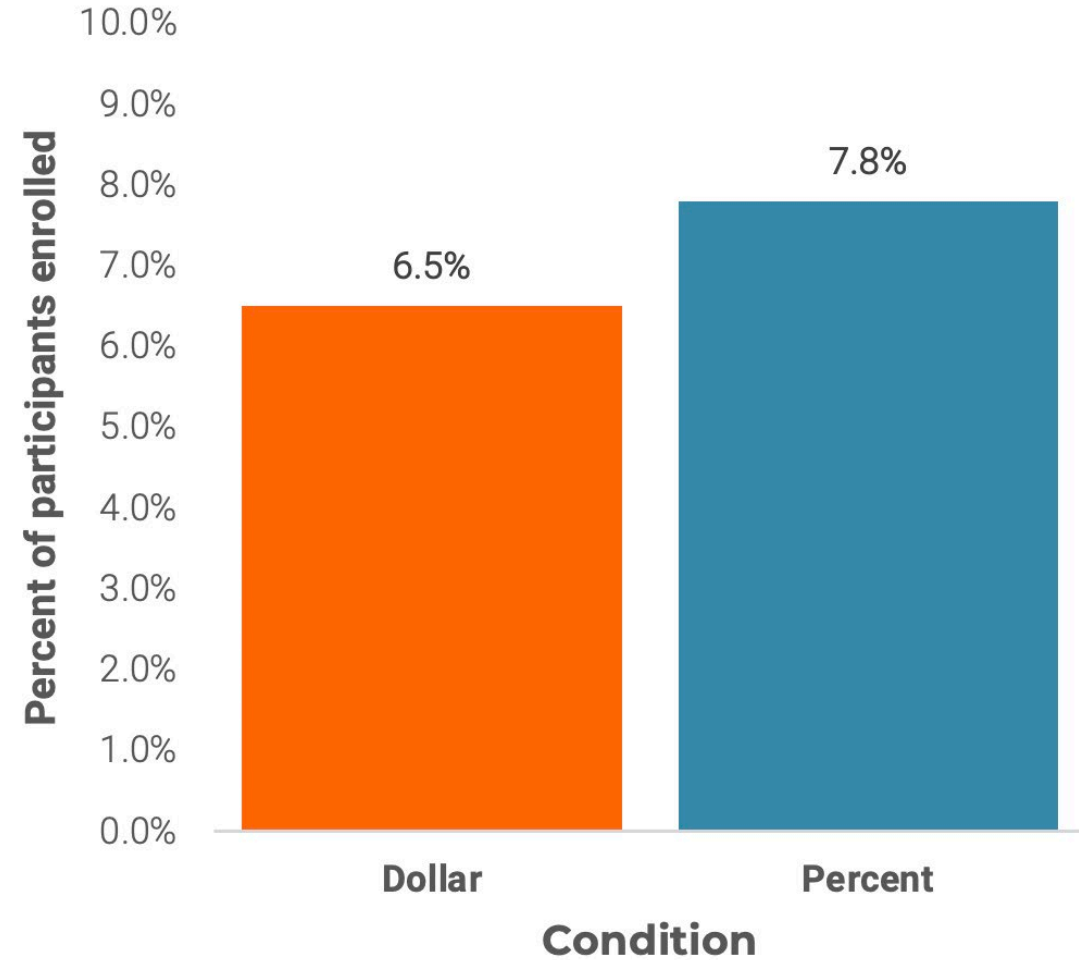




Take-up rates

Over the course of the study, prompts encouraged an average of **7.1%** of participants to enroll in automated savings.

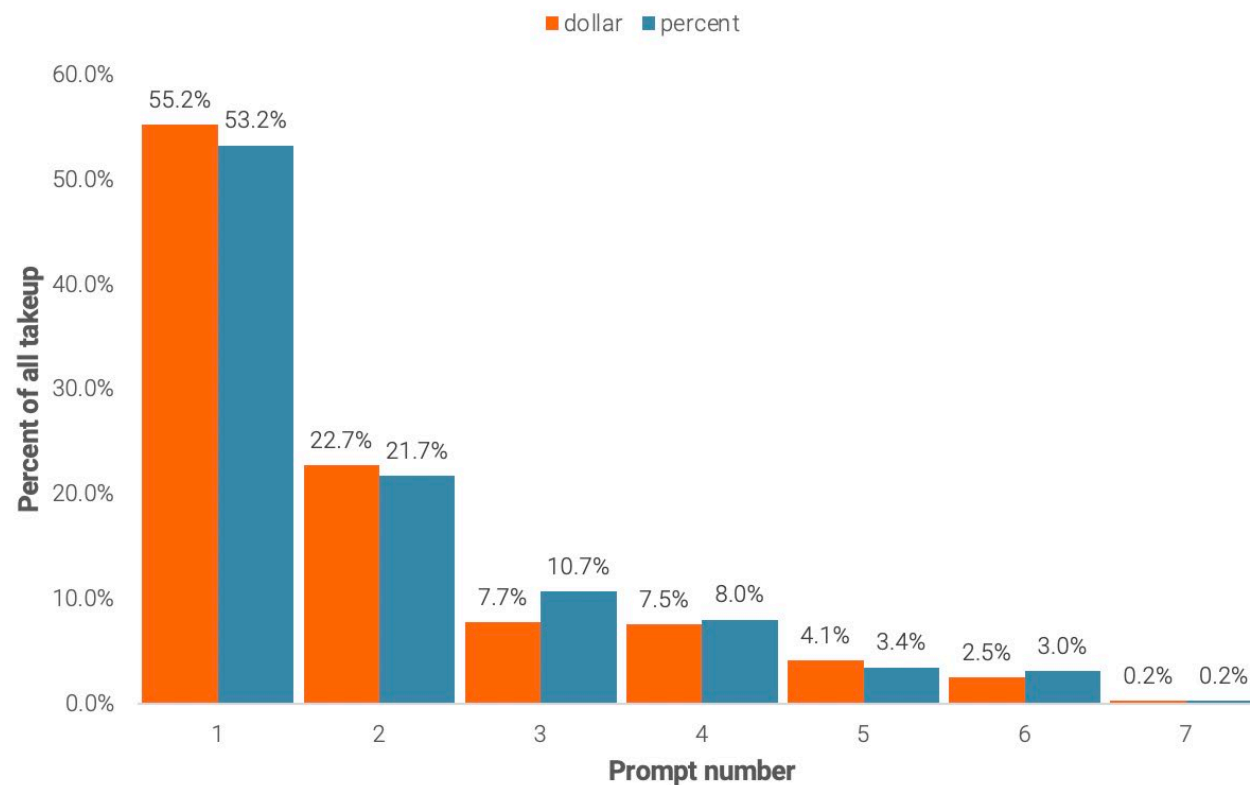
Participants were slightly more likely to enroll in percent-based savings ($p = 0.003$).





Re-prompt success rates

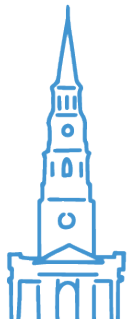
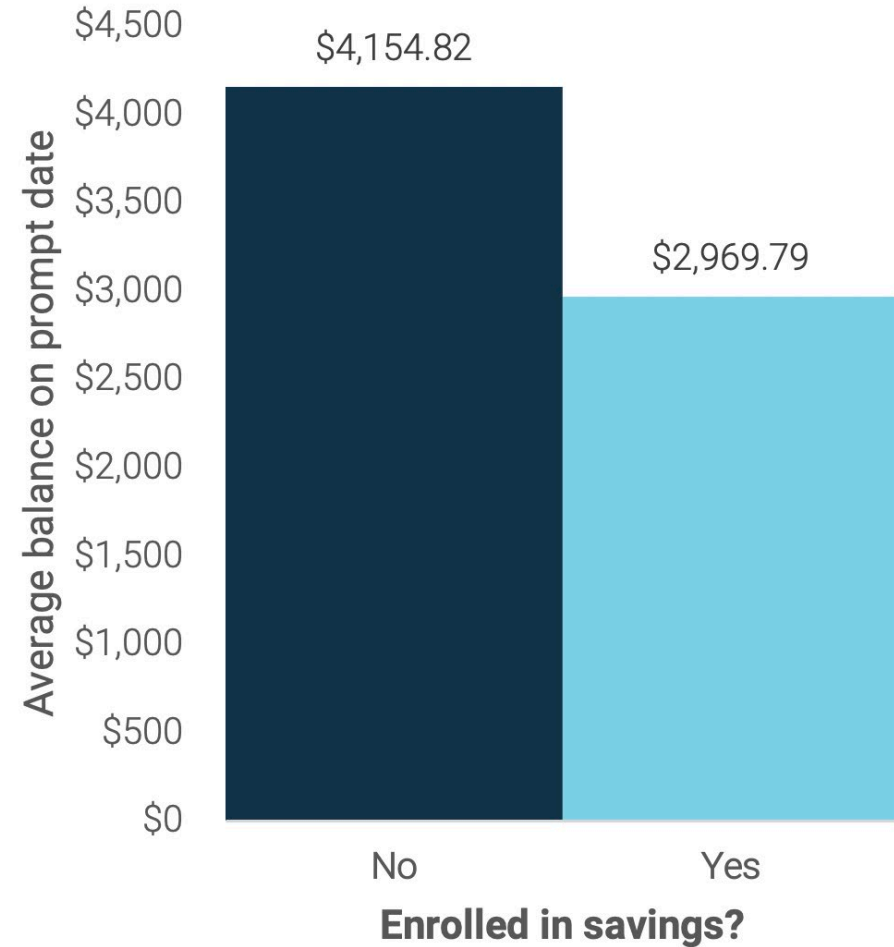
Members who opt in tend to do so on the **first** or **second** prompt attempt. Further re-prompts show diminishing returns.





Prompts found right audience

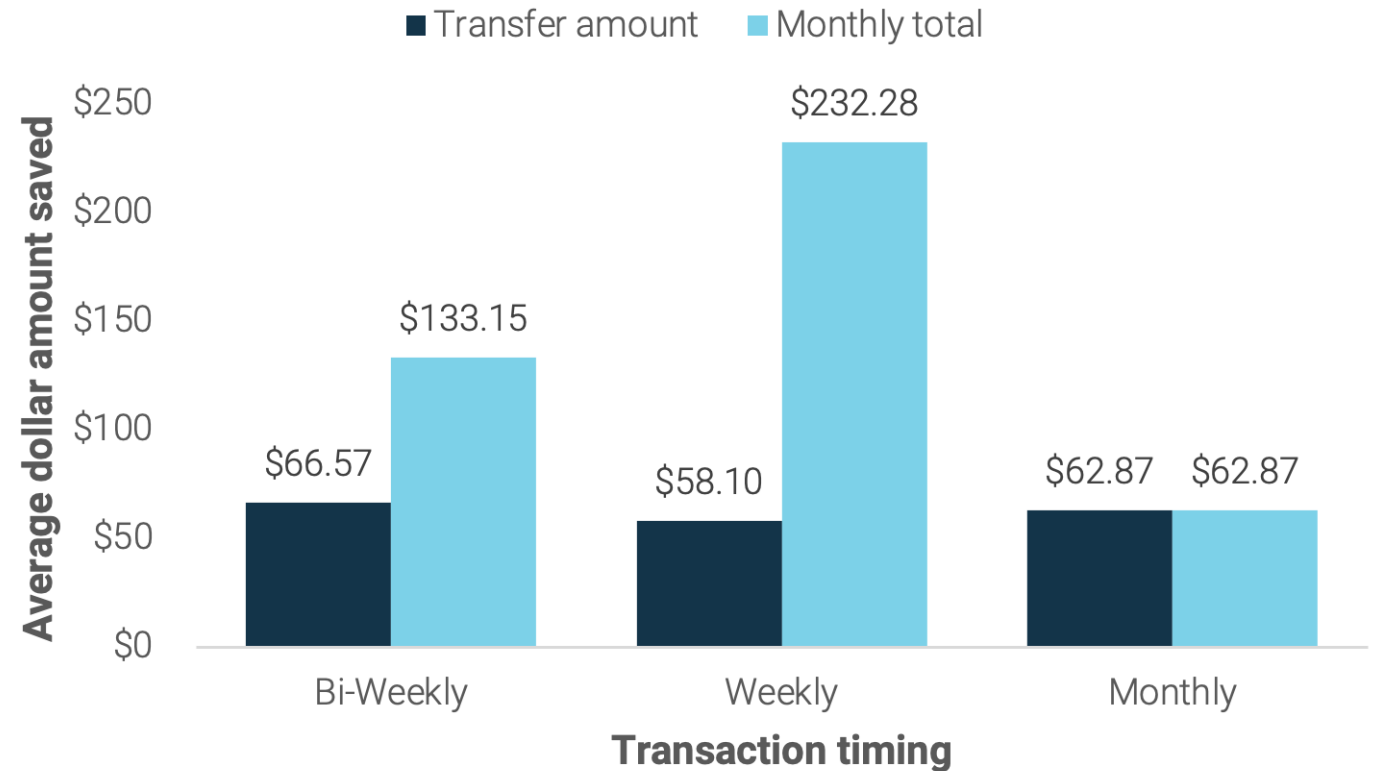
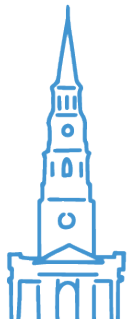
When they enrolled, enrolled participants had an average current balance \$1,185 lower than participants who chose not to enroll.





Transfer frequency is correlated to savings amount

For dollar-based savings rules, weekly transfers resulted in highest savings, averaging over **\$135 more saved** per month than other frequencies.





Savings rates seem to be higher for percent rules

Percent-rule participants saved an estimated average of \$172 more over the 10-week study period.

This would lead to almost \$900 more in savings over a year of use than using a dollar rule.





Encouraged New Strategies

Other ways to encourage short-term savings



A+ A= A-

PAY YOURSELF FIRST: LOAN MATCH CD

Have a loan with GCU? **Save for the future with every payment.**

The length and rate of your certificate of deposit will match that of your loan, allowing you to save worry-free and at an unbeatable rate.

Benefits:

- Simple one-time set up
- Your savings grows automatically
- Rate matches that of your loan
- Save up to 10% of the amount of your loan payment

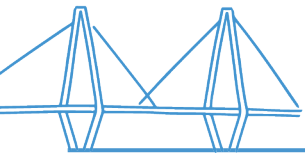
Car payment? Emergency fund? Education expenses? Vacation? **Start saving today!** Add Pay Yourself First to your new or existing GCU loan.

[VIEW CURRENT RATES](#)

**Interest earned on CD. Early surrender penalties apply. **Not available on*



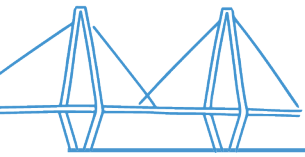
Guadalupe Credit Union's Pay Yourself First CD



History of GCU

- In 1948, Father Edward J. McCarthy founded Guadalupe Credit Union with the aim of providing financial services to the parishioners of Our Lady of Guadalupe Church in Santa Fe, NM.
- Since 1970, GCU has undergone several mergers with other credit unions, expanding our field of membership to extend beyond the Santa Fe area.
- Throughout our history, GCU has remained committed to prioritizing the needs of the underbanked and underserved individuals.

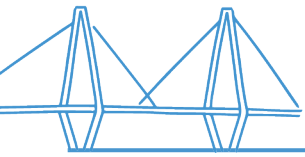




Pay Yourself First CD (PYFCD)

- GCU introduced the Pay Yourself First Certificate of Deposit (PYFCD) program approximately 13 years ago to assist members in starting their savings journey.
- Recognizing the need for a smooth and frictionless implementation, we partnered with Common Cents Lab from Duke University to eliminate barriers and simplify the enrollment process. This collaboration has played a crucial role in encouraging our members to save, thereby empowering them to achieve their financial goals.





- Contributions up to 10% of loan payment into CD.
- The term of the PYFCD matches the term of the loan
- Promotes the accumulation of savings while simultaneously managing their loan obligations.
- Annual Percentage Yield (APY) of the PYFCD matches the Annual Percentage Rate (APR) of the loan.
- PYFCD Paired with consumer loans and Mortgages
- Certificate allows regular monthly contributions

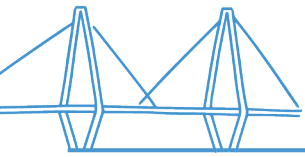




PYFCD Data as of May, 2023

- We have 1,406 PYFCD opened
- Average balance totaling \$545
- Largest PYFCD balance totaling \$6,258
- Highest CD rate is 21.50





- Member lost job. Enough money to replace two months of income
- Down payment for autos and homes
- Home appliances
- Auto repairs
- Lost home in fire. Funds used to support family of four
- Build emergency savings in efforts to avoid predatory lenders
- Promotes product per member ratio
- Payments on delinquent loans

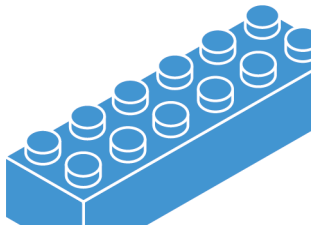


Our Commitment



Our Commitment

At GCU, stories like this reaffirm our commitment to empowering our members and highlighting the importance of establishing financial security. We strive to continue offering programs and services that enable our members to build resilience and achieve their financial goals.



Thank you



Take-Away
For Maximum Reach
Design for Digital World

Take-Away
Pairing Savings with Loans
Works

