Six Washington Credit Unions Launch Prize-Linked Savings Account Program

Next Monday, six Washington credit unions will launch Save to Win, a program that offers consumers a chance to win monthly and annual cash prizes as a reward for building financial assets.

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Washington will become the fourth state to offer Save to Win accounts to credit union members when six of the state's credit unions debut the innovative program on April 1. As the nation's largest prize-linked savings program, Save to Win rewards members of participating credit unions for saving money by entering them into cash prize drawings for each $25 savings deposit.

OBee Credit Union in Tumwater, Fibre Federal Credit Union in Longview, TwinStar Credit Union in Lacey, Connection Credit Union in Silverdale, North Coast Credit Union in Bellingham, and Express Credit Union in Seattle will be the first financial institutions in Washington to offer prize-linked savings accounts, which were facilitated by legislation passed in the Washington Legislature in 2011. Former State Sen. Derek Kilmer, who now represents the state's 6th District in the U.S. House of Representatives, was the primary sponsor.

"We were excited when the Washington Legislature approved prize-linked savings programs for credit union members," said Troy Stang, president and CEO of the NWCUA. "Research has shown that with Save to Win, un-banked and under-banked consumers become savers, often for the first time in their lives. We're pleased to facilitate this launch because we know the result will be more financially fit consumers who are better prepared now to save for their goals."

Prize-linked savings programs often attract consumers with little or no savings, offering the appeal of a lottery without the risk of losing money spent on non-winning tickets. Instead, all savings deposits remain in the members' accounts, and the prizes are paid from a separate pool of funds.

In Washington, the prize pool will be funded for three years by Strategic Link, a subsidiary of the Northwest Credit Union Association (NWCUA). Multiple monthly drawings offer savers the opportunity to win from $50 to $5,000. An annual grand prize drawing of $5,000 will be offered in 2014 as well.

Save to Win was established by the Michigan Credit Union League (MCUL) in 2009. The NWCUA and the six launching credit unions selected MCUL's subsidiary, the Credit Union Solutions Group (CUSG) to operate the Washington program. Save to Win has generated more than 40,000 accounts with savings of over $70 million.

In addition to Washington and Michigan, Save to Win accounts are also offered in Nebraska and North Carolina.

Washington's Save to Win program is being coordinated and managed by Monica Titley, the NWCUA's assistant vice president of operations.

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