
To Serve One Million

Savings, Behavior Change & Scale

Jade Shipman Bevans

Director of Research & Business Intelligence at EARN

August 18, 2014

About EARN

EARN is a San Francisco-based non-profit and is one of the nation's largest providers of matched savings accounts for low-income adults & children.

We believe that setting aside money as savings is transformational and leads to prosperity.

Since our founding in 2001, our mission has been to provide the spark for low-income* families and individuals to begin or build their habit of saving, which is a key behavior to master to reach greater prosperity.

* EARN Savers have household incomes that are 50% or less of the County Median

Why Is Savings Important?

↑ Financial Security

Individuals & families with savings are more likely to pay bills on time, and be able to absorb economic shocks.¹

↑ Upward Mobility

In 2009, a Pew research study found that regular savings habits lead to higher levels of economic mobility among low-income families.²

↑ Confidence

When families gain control of their finances, the effects spill over to create overall improvement in self-esteem and perceived control.³

Sources:

¹ "Why Assets Matter" – CFED research brief; "Understanding the Emergency Savings Needs of Low- and Moderate-Income Households," *Consumer Federation of America*, November, 2008.

² "A Penny Saved is Mobility Earned" http://www.pewtrusts.org/uploadedFiles/wwwpewtrustsorg/Reports/Economic_Mobility/EMP_Savings_Report.pdf

³ EARN's own studies have found that 80% of Savers report positive changes in self-esteem after participating in EARN's program. Saver Study, 2012

Snapshot: EARN on June 30th, 2008

Total Accounts Opened: 2,000+

Max Number of New Accounts in a year: 400

Total Dollars Saved by our Savers: \$2.5 million

Programs Available: Two

- Individual Development Accounts: Put aside \$2,000 as savings, receive 2:1 match for 1st home, small business, or higher education.
- Children's Savings Accounts: Put aside \$500, receive 3:1 match to pay for educational expenses for your child.

Tech Usage: Paper forms, tech for internal processes was not customized or efficient

Geographic Reach: One Region

- San Francisco Bay Area

Snapshot: EARN on June 30th, 2014

Total Accounts Opened: 6,000+

Max Number of New Accounts in a year: 845 (without adding staff)

Total Dollars Saved by our Savers: \$6.7 million

Programs Available: Three

- Individual Development Accounts
- Children's Savings Accounts
- Starter Savings Accounts: Save \$20 a month for 6 months, earn up to \$10 in rewards every month you save.

Tech Usage: All Saver forms available online, improved tech for internal processes

Geographic Reach: Four Regions

- San Francisco Bay Area
- California's Central Valley
- Southern California (Los Angeles and San Diego)
- New York City

Looking Ahead: EARN's Vision in 2022

Total Accounts Target: 1 million

Total Target Dollars Saved by our Savers: \$1 billion

Programs Available: A Full Suite of Programs

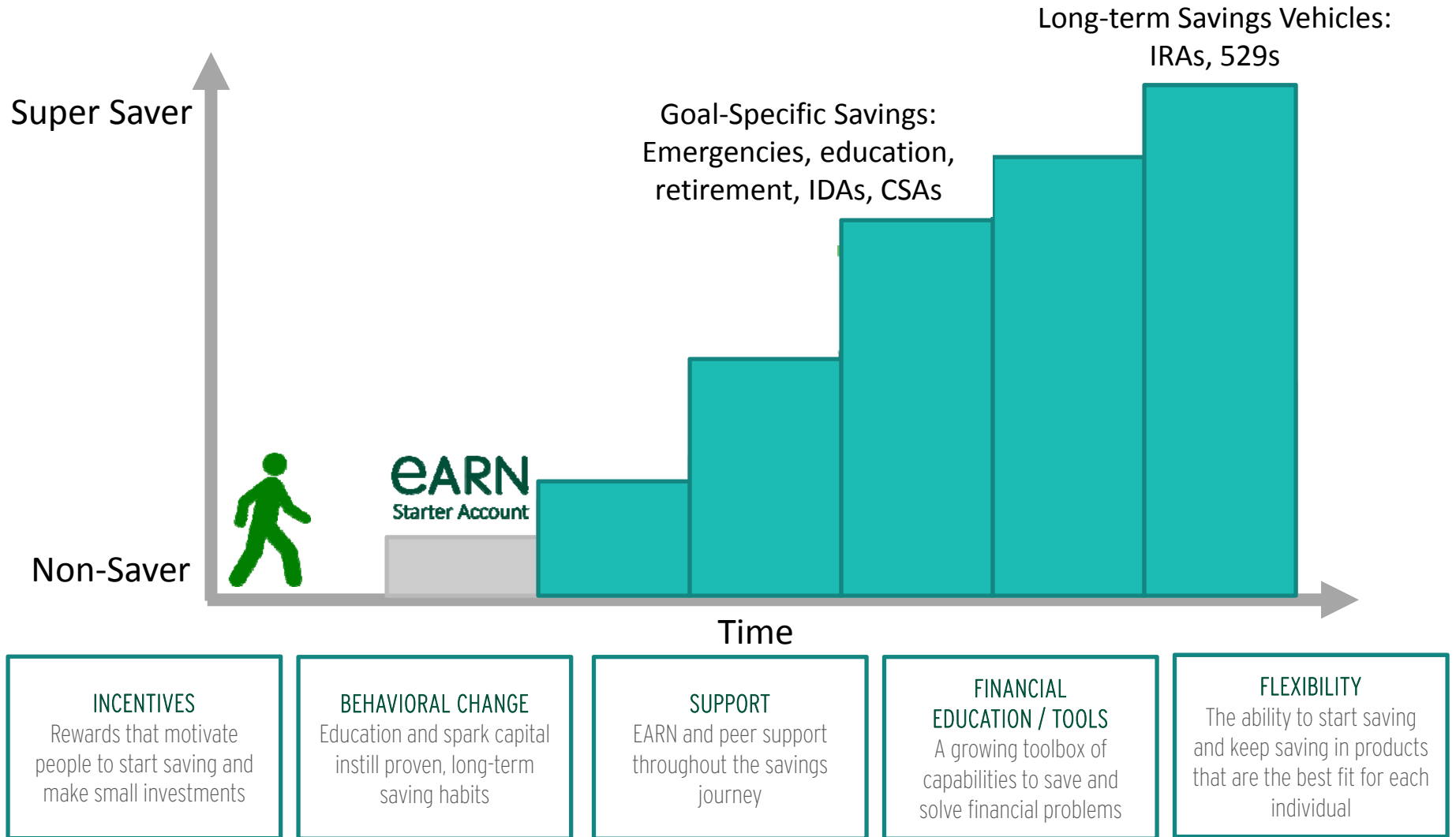
- Individual Development Accounts
- Children's Savings Accounts
- Starter Savings Accounts
- Retirement Savings Program
- Other goal-specific programs

Tech Usage: Extensive financial education modules online

Geographic Reach: Nationwide

EARN's Future

EARN's vision is to create a series of accounts that meet our Savers wherever they are in their savings journey and bring them to the next step(s).



Given EARN's mission, how did we get to this vision & why?

- 1) WE LOOKED AT THE SCALE OF THE SITUATION: Nationally, the number of people who could benefit from programs like ours is HUGE. *We were only scratching the surface.*
- 2) WE LET OUR SAVERS GUIDE THE WAY: Consumer-based research is built into our program design. *We actively seek to know our Savers & design for their needs.*
- 3) WE SIMPLIFIED PROGRAMS THAT WERE ASKING FOR MANY STEPS: Sometimes smaller sub-steps are key to program success. We began creating programs just for those steps. *We found clarity about what behaviors we want to see, and are creating programs with concrete rewards for those behaviors.*
- 4) WE ENVISIONED THE BIG PICTURE REGARDING OUR SAVERS: Habits & behaviors vary over a lifetime. *We want to clearly evaluate where our Savers are & design programs to take them to the next step in their Savings Journey.*

Implementation: Successes & Challenges

1) EMBRACING TECHNOLOGY

- Timing was right vis-à-vis tech adoption
- Saw a need to invest in front-end technology (*Saver-facing web experience, multilingual*) & back-end technology (*tools for EARN's internal processes*)
- Bay Area is tech oriented (*We have a large qualified labor pool from which we can draw*)
- Challenge: Competitive to hire quality tech talent, affordability challenges.

2) MARKETING & BRAND RECOGNITION

- EARN is often over-subscribed in the Bay Area because we are well-known.
- Challenge: Establishing brand recognition & trust in new geographic markets.

3) RESEARCH & PROGRAM DESIGN

- We have regular program reporting (*weekly & monthly dashboards*)
- Ongoing customer research influences design (*interviews & surveys*)
- Challenge: Timing for program decisions does not always line up w/ research schedules

We can do even better.

Our Ultimate Vision Is...



Our field working together to
**help millions of low-income
working families be financially
secure, engaged &
empowered.**

Thank you

Jade Shipman Bevans

Director of Research & Business Intelligence

jade@earn.org

415.230.0908

EARN

235 Montgomery Street, Suite 470

San Francisco, CA 94104