

To: Honorable Members - State Legislature
From: Sarah Wainscott, Vice President - Government Affairs
Re: Request to Co-sponsor the **Savings Promotion Act**
Senator Kapenga & Representatives Stafsholt -- Deadline: Friday, 5:00pm

The Wisconsin Credit Union League, the trade association for Wisconsin's credit unions and their 2.9 million members, strongly encourages you to co-sponsor the **Savings Promotion Act** (LRB-1510/1). This bill would allow financial institutions to offer or participate in savings promotion prize programs to incent healthy savings habits.

In savings promotion programs, often referred to as Prize-Linked Savings (PLS), a consumer makes a deposit into a qualified savings account and in doing so is entered into a prize drawing – rewarding the individual for saving. PLS is permissible in 22 states and since 2009, over \$138 million has been saved by 60,000 credit union members nationwide.¹

The intent of this bill is to encourage healthy money management and improve individuals' financial wellbeing which is at the heart of what credit unions provide their members every day.

Credit unions are not-for-profit member-owned cooperatives. As such, they put people before profit and offer solutions other financial institutions can't or won't to meet the needs of their members and communities. 98% of Wisconsin credit unions are state-chartered and charged to:

“Encourage thrift among its members, create a source of fair credit at a fair and reasonable cost, and provide an opportunity for its members to improve their economic and social conditions.” --Wis. Stats. § 186.01(2)

The Savings Promotion Act enhances the ways in which credit unions can meet this mission, with a new tool that can be used to encourage saving and improve members' economic condition.

On behalf of Wisconsin's credit unions and their 2.9 million members, please co-sponsor the Savings Promotion Act to encourage consumers to develop healthy savings habits.

If you would like additional information or have questions regarding provisions of the bill, please contact me at swainscott@theleague.coop or (608) 514-0086.

¹ Doorways to Dreams (D2D). *Save To Win Impact: 2015 Overview*. Boston, MA. 2016. Print