



Promising Pathways to Wealth-Building Financial Services

October 25, 2012

Outline



- Self-Help FCU Operating Context
- The Need
- Micro Branch
 - Business Model
 - Impact Model: Scope
- Key Takeaways
- Next Steps



**Cash Transactions
+
Tailored Accounts
+
Consumer Loans
& Mortgages**



**Mainstream Accounts
+
Consumer Loans
& Mortgages**



The Need

Working families
face a financial
services gap...

- 30MM American households have little or no



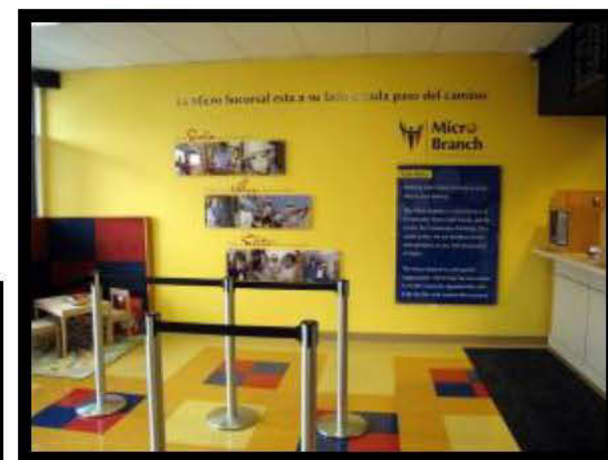
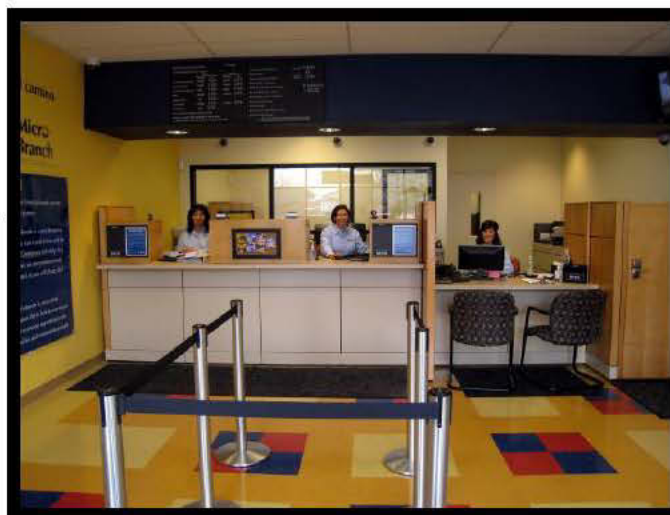
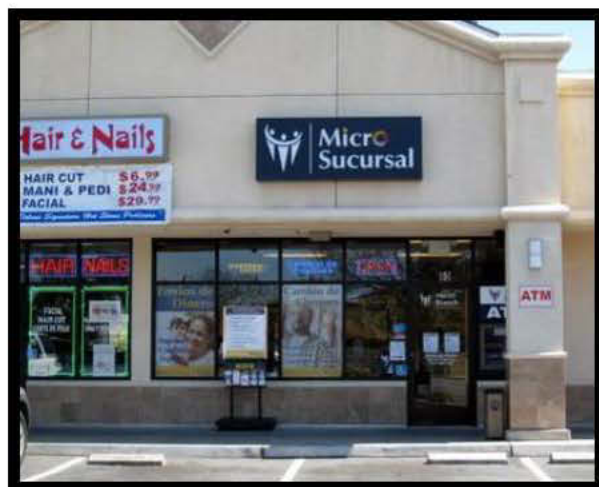
...that prevent their
economic mobility.

- 12MM Americans become trapped in payday loans every year

Micro Branch, Business Model

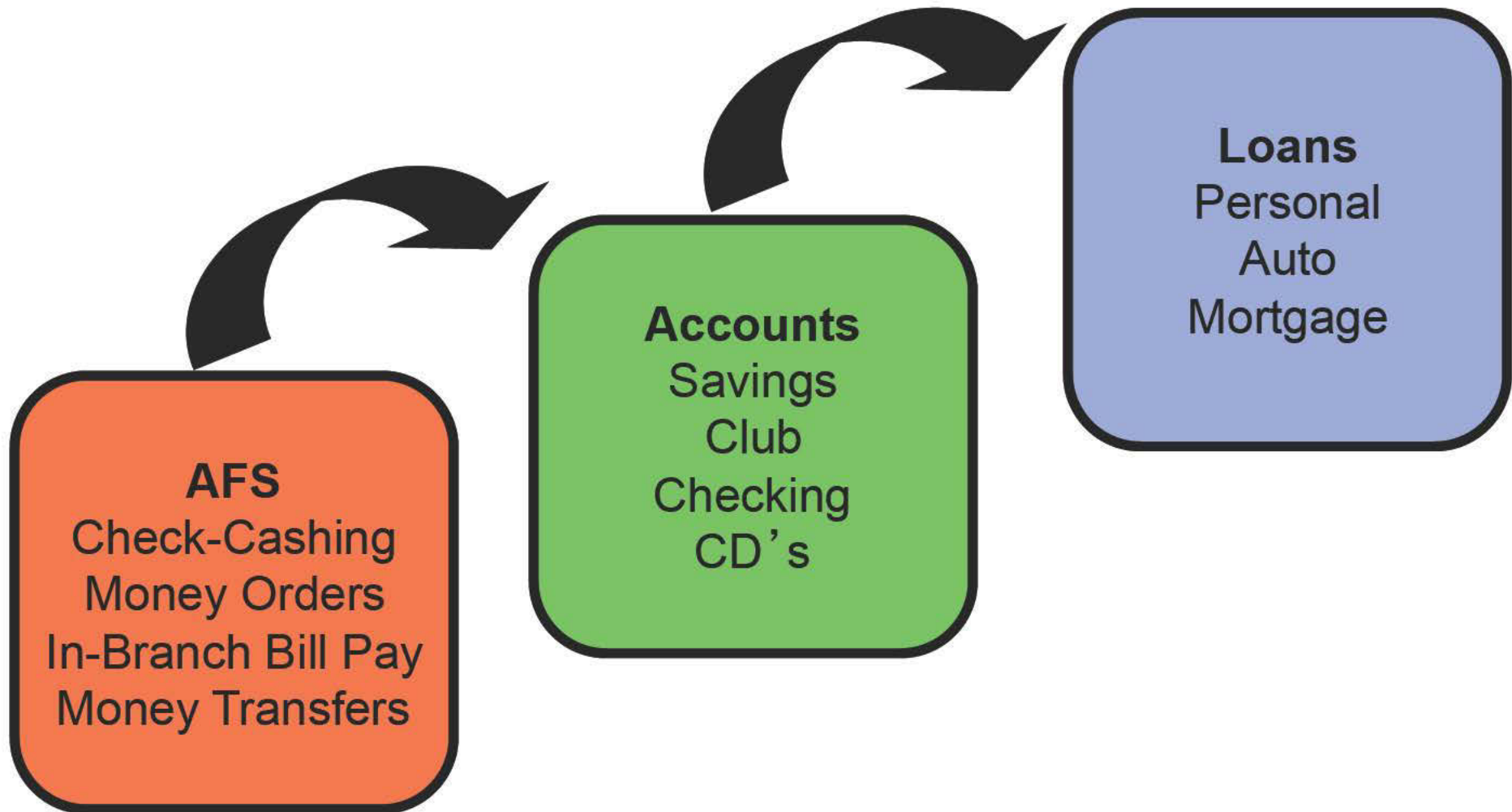


Meet customers where they are...



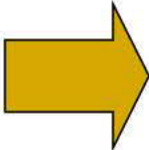
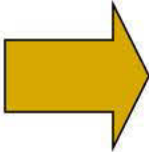
...and offer a path toward financial stability.

Intended Outcome



Success-to-Date



- Access – Product Suite, Policies & Procedures
 - Convenience – Location & Hours
 - In-Line Education – Financial “Coaching” at the Teller Line
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- Successfully positioned as a hybrid check-casher / credit union in San Jose
 - Serving 2,500 people per year with cash transactions, accounts and loans

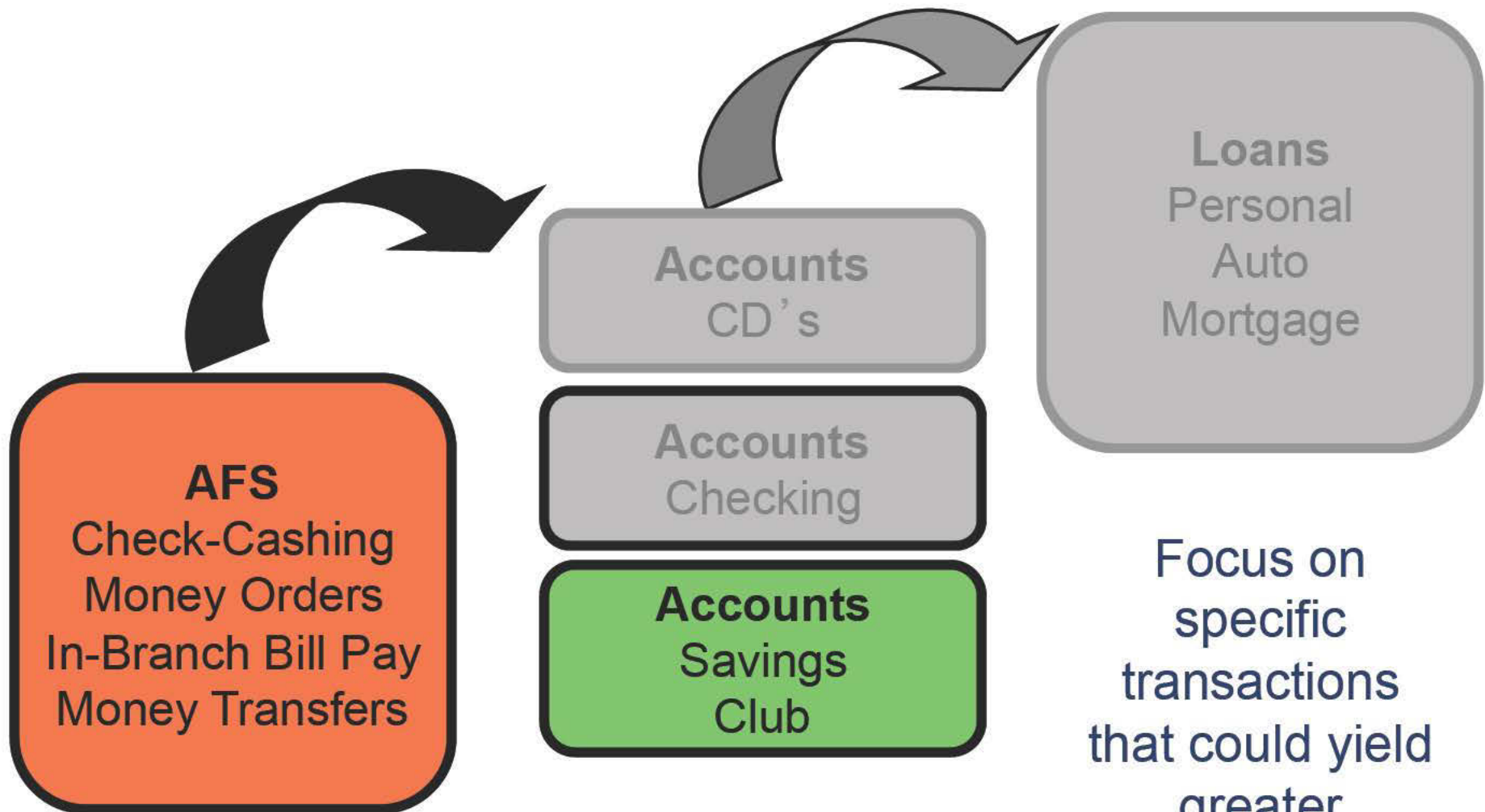
Micro Branch, Impact Model



Launch	<ul style="list-style-type: none">■ Pilot in East San Jose■ Prove business model concept
Scope	<ul style="list-style-type: none">■ Drill down on consumer experience■ Product design embedded with behavior “nudges”
Scale	<ul style="list-style-type: none">■ Growth of Micro Branch model■ Acquire check-cashing chain in L.A.
Long-Term Impact	<ul style="list-style-type: none">■ Large bank adoption of Micro Branch model■ Support policy initiatives around consumer financial services

Impact Model: Scope

Product Suite Re-Visited



Focus on
specific
transactions
that could yield
greater
conversion
ratio.

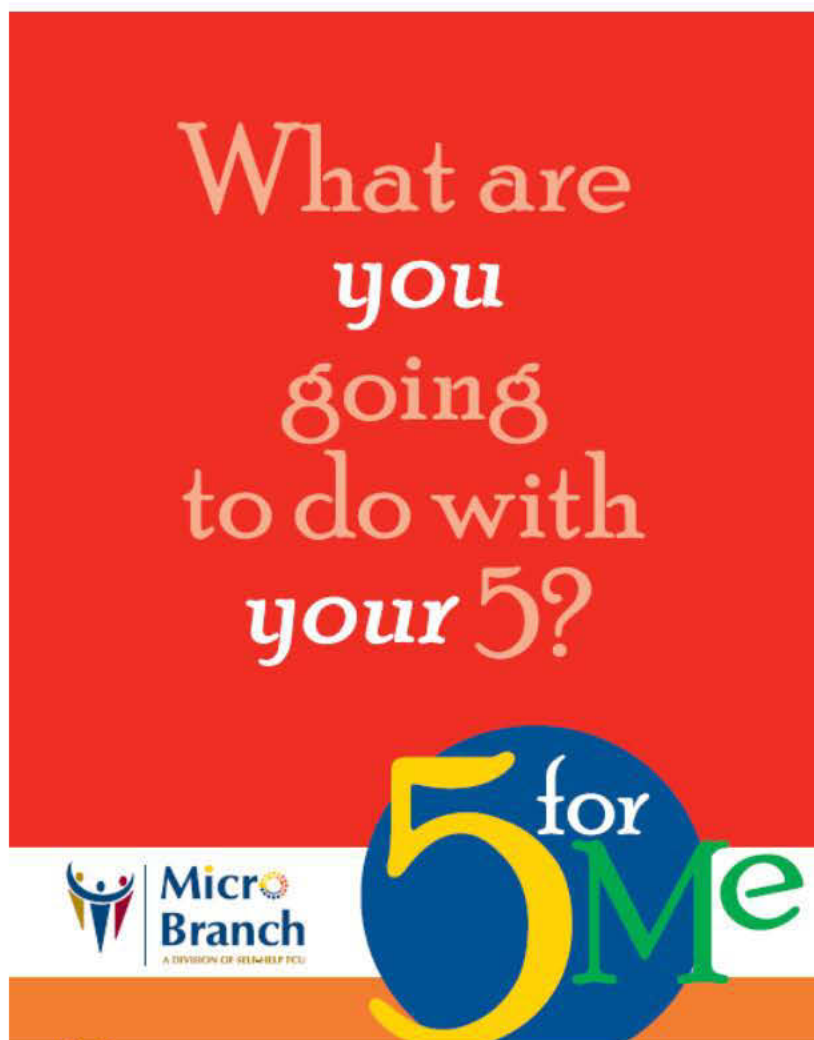
Micro Branch, Product Innovation



5-for-Me

- Targeting active check-cashing clients
- A simple, easy-to-use, -explain and -understand savings account (no plastic, \$10 to open)
- Streamline account opening process to reduce psychological barrier
- Automatically saves \$5 from every check you cash (based on positive Piggy Bank experience)

5-for-Me Marketing



5-for-Me Transaction



Monday - Friday
10:00 am - 7:00 pm
Saturday & Sunday
9:00 am - 1:00 pm



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1. Cross-sell prompt at teller line paired with “Buck slip”
2. Application is auto-populated with client information
3. Transaction code used to deposit check and save \$5
4. start small, save big, have fun!

Key Takeaways & Next Steps



- Emphasis of “fun” and the unexpected joy of a transaction
- Reducing barriers to adoption is as important as adding benefits
- Next Steps
 - Applying the process to other cash transactions and accounts
 - Learning from recent check-cashing acquisition



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Sneak-Peek: Re-Naming!

