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 access to traditional financial services.

...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

- AFS
  - Check-Cashing
  - Money Orders
  - In-Branch Bill Pay
  - Money Transfers

- Accounts
  - Savings
  - Club
  - Checking
  - CD’s

- Loans
  - Personal
  - Auto
  - Mortgage
Success-to-Date

- Access – Product Suite, Policies & Procedures
- Convenience – Location & Hours
- In-Line Education – Financial “Coaching” at the Teller Line

- 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

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<th>Launch</th>
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<tbody>
<tr>
<td></td>
<td>- Pilot in East San Jose</td>
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<td>- Prove business model concept</td>
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<thead>
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<th>Scope</th>
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<td>- Drill down on consumer experience</td>
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<td>- Product design embedded with behavior “nudges”</td>
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<th>Scale</th>
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<tr>
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<td>- Growth of Micro Branch model</td>
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<td>- Acquire check-cashing chain in L.A.</td>
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<th>Long-Term Impact</th>
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<td>- Large bank adoption of Micro Branch model</td>
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<td>- Support policy initiatives around consumer financial services</td>
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Impact Model: Scope
Product Suite Re-Visited

AFS
Check-Cashing
Money Orders
In-Branch Bill Pay
Money Transfers

Accounts
CD’s

Accounts
Checking

Accounts
Savings
Club

 Loans
Personal
Auto
Mortgage

Focus on specific transactions that could yield greater conversion ratio.
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

What are you going to do with your 5?

Start small, save big, have fun! Sign up today!

Cinco para disfrutar!

MicroBranch
SELF HELP
FEDERAL CREDIT UNION
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!

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