

SB 387

SAVINGS PROMOTION PROGRAMS

A Risk-Free Opportunity for Kansans to Save



**\$115.8
MILLION
SAVED**

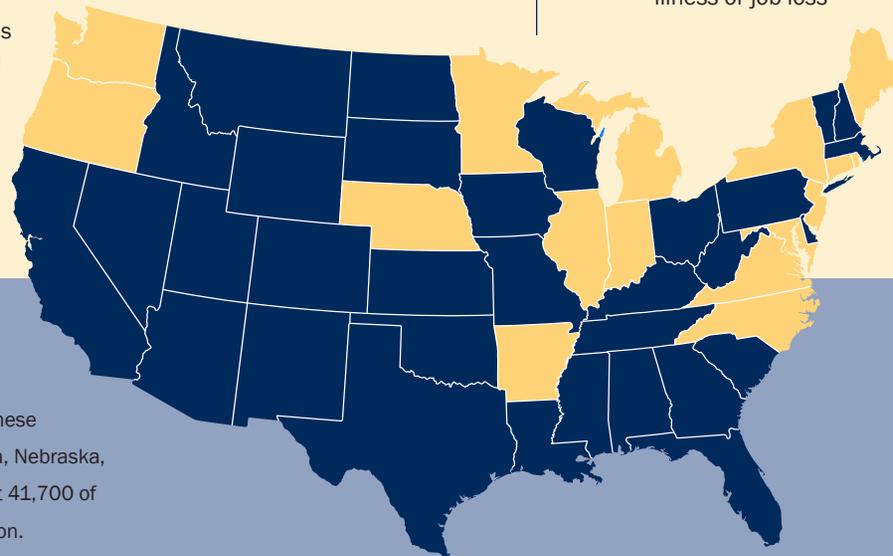
2009 - 2014

It can be hard to save in today's economy. Nationwide, more than half of consumers do not have an emergency fund to fall back on. Recognizing the importance of financial stability, state legislatures are paving the way for financial institutions to offer savings promotion programs to consumers.

How does the program work? Consumers who participate have an incentive to save their own money each month in a personal savings account. Based on their deposit activity, they become eligible for prize drawings. These innovative, risk-free accounts provide a way to encourage consumers to save and increase their personal financial stability. Consumers participating in other states saved more than \$115 million in just six years (2009 to 2014).

Are these accounts safe? Yes. These are safe, regulated financial products – just like a regular savings account – but have the added feature of the prize drawings. Participants always retain their savings, even if they do not win a prize. The money saved in their account belongs to them.

What does it mean for Kansas?
These programs would help Kansas families save their own money and take control of their finances, helping them move up the economic ladder and leading to stronger economic outcomes for the state.



Other states offer Savings Promotion Programs

To date, 16 other states allow financial institutions to develop Savings Promotion Programs. These states include: Arkansas, Connecticut, Illinois, Indiana, Maine, Maryland, Michigan, Minnesota, Nebraska, New Jersey, New York, North Carolina, Oregon, Rhode Island, Virginia and Washington. At least 41,700 of the participants in these states were considered financial vulnerable at the time of participation.

2008

Credit unions help develop the concept for Savings Promotion Programs

2014

Federal law opens the door so both credit unions and banks may offer these types of accounts to consumers

35%

That's the percentage of Kansans who do not have emergency funds to fall back on in case of an unexpected illness or job loss