

## STRATEGY #10

### Initiate Incentive Programs

Onswego County Federal Credit Union (\$57 million in assets) in the U.S. has focused its efforts on building incentive programs for young members. In addition to a digital product brochure and a mobile app, the credit union introduced a “Kids Club,” where students receive \$1.50 for every grade they earn that’s higher than 90%. As a result the credit union grew members in the 0-to-17 age group by 70% and members in the 18-to-30 age group by 90% in the past decade.

Young adults are entering their major borrowing years and incentives need to respond to the needs of first-time borrowers as they get on their feet. Loans can be a negative experience for young adults due to lack of savings, access or not fully understanding the process due to lack of experience.

Due to their frequent social connectedness, young adults tend to rely more on references from one another than on institutional reputations. By creating incentives that not only provide lower rates but also improve the entire borrowing experience, young adults are more likely to be long-term loyal members and spread the word about the service.

To help initiate young adult members, SkyOne Federal Credit Union launched their “First Timer” program, which allows young first-time buyers with little to no credit history to get a loan or credit card by meeting only a few requirements. In addition, their “Financial Fitness” program provides online educational materials on big purchase best practices that young adults may have no experience with. Their “BALANCE™ Financial Counseling” program is a complimentary financial counseling service that is free for members and includes an online live chat service for convenient advice.

Lastly, how credit unions communicate their incentive programs is equally as important as the incentive itself. Communicate the incentives where young adults already frequent: leverage social media platforms that express the program’s value in a way that is meaningful to them. For example, share a positive testimonial from a young adult who used the program.



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