



Simplifying Savings: Using KPIs to Track Financial Health for Credit Union Members



The Financial Health Network partnered with Community First Credit Union to analyze and strengthen Community First's **Save My Change Program**, a round-up savings tool available to all its members. The project tracked KPIs over a period of six months, demonstrating reductions in the amount of overdrafts and an increase in member-reported financial health. This evaluation was generously sponsored by the National Credit Union Foundation.

SERVING FLORIDA'S FINANCIAL NEEDS

Community First Credit Union is located in northeast Florida, with headquarters in Jacksonville. The credit union has approximately 144,000 members and 19 branch offices. Membership is limited to individuals who live, work or attend school in one of 17 Florida counties; relatives of existing members; and employees of specific corporations.



FINDING A FINANCIAL PULSE

The National Credit Union Foundation selected Community First and two other credit unions to receive consulting and evaluation support from the Financial Health Network, with the goal of helping credit unions take action by:

1

Leveraging quantitative data to measure components of financial health

2

Using those metrics to understand the financial health and business impacts of specific products, services, or campaigns

In 2018, the Financial Health Network and Community First conducted a “[Financial Health Checkup](#)” by administering the [FinHealth Score™ survey](#) to measure the financial health of Community First’s members. After the results revealed that members were struggling the most with managing their savings, Community First selected its [Save My Change](#) program to evaluate improvement in members’ financial health.

Save My Change is a “round-up” program, where users of Community First’s debit card opt in to have their debit transactions rounded up to the next dollar. The difference between the transaction amount and the next dollar is placed in a separate savings account. The Financial Health Network evaluated the Save My Change program with Community First by tracking business and financial health KPIs.

TRACKING FINANCIAL HEALTH

The Financial Health Network and Community First selected these KPIs to measure the success of the savings program:

KPI	Correlation with Financial Health	Correlation with Credit Union Business
FinHealth Score™ , measured using Financial Health Network's FinHealth Score survey	Direct measure of financial health; a higher score is indicative of higher financial health	n/a
"Save" score , measured using specific questions from Financial Health Network's FinHealth Score survey	Direct measure of financial health; a higher score is indicative of higher financial health	n/a
Individual average monthly savings balance	Higher savings are indicative of higher financial health	Higher savings balance means higher credit union deposits
Average monthly count of overdraft fees	Lower number of fees are indicative of higher financial health	n/a
Member retention (% of closed accounts)	n/a	More open and active accounts means more business and products being used at the credit union
Number of services/products per member	n/a	More products and services used by members are indicative of a closer member relationship with the credit union

Community First and Financial Health Network selected these KPIs for several reasons:

- The FinHealth Score survey fit easily into Community First's existing measurement processes. The team was already familiar with this metric based on the success of its previous financial health checkup project, and the project supported the credit union's future goals of integrating the survey into its new member onboarding process.
- The selected KPIs would be able to change in the evaluation time period as a result of members' participation in Save My Change. Other KPIs were rejected because the project team felt they would not significantly change in the evaluation period.
- One KPI – a "profit score" generated for all members by an outside vendor – was ultimately rejected as a reliable KPI because it was calculated using a proprietary methodology that Community First did not view as reliable.

To boost the number of individuals participating in the evaluation, Community First launched a new savings campaign enrollment initiative to provide the evaluation with a large cohort of individuals for KPI tracking. New enrollees in the Save My Change program took a FinHealth Score survey upon enrollment and a second incentivized survey at the end of the evaluation period. Members who took the second survey were entered in a drawing to win a cash prize.

Community First tracked the transactional KPIs on a monthly basis throughout the evaluation period between July and November 2019. Overall, 1,689 people signed up in the campaign, 174 of whom were new members and 502 who signed up for the Save My Change program. The credit union evaluated Save My Change program participants, as well as a comparable control group that did not use the program.

MAKING STRIDES TOWARD FINANCIAL HEALTH

The transactional KPI results were fairly small, yet the FinHealth Score survey results were decidedly positive.

- Community First did not observe large changes in **savings balances**. Balances declined by about 10% over the evaluation period for Save My Change program participants and the control group. Given the evaluation period was only six months and small dollar amounts involved, it is possible that Community First would see more change in this KPI over a greater period of time.
- Meanwhile, the average **overdraft** frequency declined for the Save My Change group (from a monthly average of 7.3 to 2.7), while the pattern was not as clear for the non-user group (from 9.7 to 7.1, with an up-and-down pattern between those two points).
- The **number of products** held by Save My Change participants and non-participants did not significantly change over the evaluation period, though participants consistently held more products than non-participants (about 3.6 products/member vs. 2.9 products/member among non-participants). Likewise, there was no difference in **member retention** between the two groups.
- Of the 340 members that took the **FinHealth Score** survey at the beginning and end of the evaluation period, those participating in Save My Change saw an average increase in their FinHealth Score of 10 points (from about 55 to about 65, on a 100 point scale), while nonusers saw an average increase of 3 points (from about 58 to about 61). However, survey nonresponse bias could impact these findings.



CONCLUSIONS

- Participation in the Save My Change program spanned age groups, suggesting that financial health products are useful across all ages. [Previous research](#) also outlines the benefits of programs that can help build [liquid reserves](#) to help navigate financial emergencies and weather shocks.
- While KPIs are a strong indicator of financial health, pairing these results with a survey can paint a more nuanced picture. Transactional KPIs showed modest changes over the evaluation period, while survey measures showed larger changes, potentially suggesting that self-reported survey data reflected changes more quickly than transactional data.
- A consistent measurement system provides a great foundation for evaluating impact. The FinHealth Score provided Community First with a universal language to talk about financial health and track impact. Now that all new members are taking the FinHealth Score survey when they join the credit union, Community First will continue to learn more about the best ways to improve member financial health.

Evaluating the Impact of Savings Programs

Steps to start your own impact evaluation

1. Assess the existing data and KPIs that you think will be most indicative of your customers' financial health.
2. Weigh the available data sources and what they can measure. Consider surveys as a way to supplement your existing data sources, or to provide you with information you're currently missing. Consider providing incentives to ensure a sufficient survey response rate.
3. Look to existing [research](#) to inform how you'll ultimately implement an evaluation of your savings programs.