



SUCCESS SAVINGS ACCOUNT

The REAL Deal savings account model is designed to help young adults and individuals of modest means develop systematic savings habits. The intent is to help members accumulate wealth for pre-determined financial goals and to get out of the debt accumulation cycle. Examples of such a goal would be to provide for a down payment on an automobile, a house, a vacation, or educational expenses.

To qualify as a priority REAL Program, your savings account should include the following elements:

Member Financial Need

- Member's household income will generally be 100% or less of the area median income.
- Members of modest means who desire to save consistently to achieve a specific savings goal, such as saving for a down payment on a home.
- Individuals who have trouble saving on a consistent basis and desire to make a commitment to do so.
- Individuals desiring to purchase appliances, furniture and electronics who have traditionally used high-cost weekly rent-to-own businesses.

Member Benefits

- Helps member develop systematic approach to savings.
- Helps member move from a paycheck-to-paycheck lifestyle to one that uses savings accumulation to achieve identified goals.
- Member learns a disciplined approach to saving that is targeted toward a specific goal/need.

Operational Component

- Credit union and member together set reasonable goal to accomplish the member's savings objectives.
- Credit union establishes a rewards-based incentive plan with the member that encourages the member to meet the plan. A higher rate on a college savings account; reduced mortgage fees for a down payment savings plan, or a \$100 cash contribution towards car insurance for a completed savings plan that accumulates \$5,000 down payment for a new car are examples of rewards related to the goal that can provide the extra incentive to the member for completing the goal.
- Early withdrawal from the plan forfeits the incentive.
- Savings plan should incorporate automatic deductions from pay.
- Credit union registers the member with the GettingAhead Association, contributing the first year's membership fee.

GCUA STAFF CONTACT

Ralph Jones at ralphj@gcua.org or (770) 476-9625