

REAL Solutions[®] Program Overview

History: The REAL Solutions[®] program, established by the Filene Research Institute in 2004, provides credit unions access to tested business models and strategies to better reach and serve new (or developing) consumer markets. In 2007, REAL Solutions[®] became the signature program of the National Credit Union Foundation (NCUF). Today this progressive program supports the outreach efforts of 650 credit unions in 34 states.

Primary Goal: The primary goal of REAL Solutions[®] is to increase the number of credit unions that attract and serve young adults, immigrants, minorities, disabled citizens, seniors and other low-wage and low-wealth working families. To do so effectively, credit unions must offer attractive products that are mutually beneficial to both the credit union and the consumer.

Partners: REAL Solutions[®] transfers programs, information and skills to senior staff of state credit union leagues/associations (hereafter referred to as “leagues” or “the league”). Each REAL Solutions[®] state program is designed to meet the unique priorities of the league and its credit unions.

Implementation Strategies: There are several ways that leagues can roll out the REAL Solutions[®] Program:

- In the “traditional REAL Solutions[®] model” – implemented by more than half of participating states – REAL Solutions[®] works with the league over a period of 9 to 12 months. During this time, NCUF provides a well known and respected field coach who has special training to address the issues of the low-wealth marketplace. In this model NCUF provides 35 to 42 days of field coach time, while the league provides travel costs for the field coach and other related but disclosed expenses.
- Some leagues choose instead to implement a single product, attract a specific new market, or provide low-wealth presentations through league meetings, webinars and special outreach conferences. In this model, NCUF provides up to five days of field coach time. The participating league pays travel costs (should there be any).
- A few leagues have chosen to support REAL Solutions[®] efforts by allowing direct contact with their credit unions. In this scenario, a field coach can work directly with a credit union to build a product or service.

Field Coaches: Our field coaches are Vicki Joyal, Nancy Pierce, Bill Myers and Mark Lynch. Providing national support is Lois Kitsch, National Program Manager.

Benefits to Participating Leagues: A REAL Solutions[®] partnership provides participating leagues with many benefits including, but not limited to:

- The REAL Solutions[®] Impact Center at <http://realsolutions.coop> – the “go-to” place for credit unions seeking to grow their membership by attracting and serving consumers from emerging markets. The Impact Center features product implementation guides, podcasts, monographs, blogs, and many other resources to help credit unions offer sustainable products and services that have proven effective at reaching members with low wealth;
- CU Tomorrow – a young adult webinar series (to begin in September of 2010) provided free of charge to all REAL Solutions[®] credit unions and participating leagues;

- quarterly conference calls for League Liaisons on relevant REAL Solutions® topics;
- biannual League Liaison Workshops (no registration fees) to roll out new tools and business models, and to provide a forum for learning from and sharing with peers; and
- online impact assessment tools that quantify credit union efforts to serve low-wealth families.

Benefits to Credit Unions: Growth. According to CUNA's Membership Growth Task Force, the best opportunity for membership growth in credit unions is through attracting emerging markets. REAL Solutions® provides credit unions with the knowledge, tools and business strategies to grow their memberships by attracting previously unserved markets. In addition, credit unions can drive revenue to their bottom lines by adding affordable yet sustainable products and services.

Funding: NCUF, state credit union foundations and leagues are funding REAL Solutions® through the [Community Investment Fund](#) (CIF), which won the Association of Fundraising Professionals' Award for Fundraising Excellence. CIF investments are structured to earn dividends for each investing credit union while making charitable donations to NCUF and state credit union organizations.

Impact: The REAL Solutions® initiative is permeating participating credit unions across all product/service lines. As of May 2009, partner credit unions offered an average of 13 products/services/programs for low-income, low-wealth, and emerging markets. REAL Solutions® products, services and programs include:

- used car loans for borrowers with low credit scores,
- payday loan alternatives,
- check-cashing for nonmembers,
- Volunteer Income Tax Assistance (VITA) for low-income households,
- financial literacy,
- foreclosure prevention and counseling,
- immigrant outreach, including safe accounts and low-cost international remittances,
- prepaid reloadable general spending cards,
- second-chance checking accounts,
- Individual Development Accounts (IDAs) and other programs to encourage saving,
- preteen, teen and young adult outreach, including in-school branches, and credit cards and loans for those with no credit history,
- credit-score builder and credit rebuilder programs,
- microenterprise loans, and
- others.

Here is a sampling of REAL Solutions® program implementation success:

- Nine in ten REAL Solutions® credit unions (89%) offer used-vehicle loans for low-credit score borrowers (i.e., D and E paper).
- Two-thirds of REAL Solutions® credit unions either offer (45%) or plan to offer (22%) a payday loan alternative.
- Half of REAL Solutions® credit unions participate in (30%) or plan to participate in (18%) VITA.
- Two in ten REAL Solutions® credit unions (21%) currently have a special program/initiative in place to serve one or more unbanked or underbanked immigrant populations.

To Learn More: Contact National Program Manager Lois Kitsch via phone at 407.616.2409 or 800.356.9655, ext 6770, or via email at lkitsch@ncuf.coop.

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