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# GIFT REGISTRY ACCOUNTS FOR KEY LIFE EVENTS: A RADICAL LEAP FOR CREDIT UNIONS?

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+50

## INVESTIGATIVE REPORT

by Mark Meyer, Director of Innovation  
Filene Research Institute

# INTRODUCTION

The Filene Research Institute is committed to thoughtful, unbiased research and provocative innovation that will build a better tomorrow for credit unions. The founder of the U.S. credit union movement, Edward A. Filene, once stated, *“Progress is the constant replacing of the best there is with something still better.”* It is in the spirit of his inspirational words that the Filene Research Institute shares this i<sup>3</sup> Investigative Report with our valued members.

Filene i<sup>3</sup> is a dedicated group of credit union executives passionate about tomorrow. The group is comprised of 39 diverse individuals from credit unions across the country. Each serves a three-year term. The group’s

mission: To identify and create new product, service, and business models to transform the credit union industry. This objective is accomplished by forming virtual, cross-functional teams, and by leveraging the industry’s most strategic competitive advantages in financial services, cooperation, and collaboration. These teams are inspired to identify new ideas, innovate, and then implement them. Hence the name i<sup>3</sup>.

The Investigative Report that follows gives insight into *one* idea explored by i<sup>3</sup>. The concept described here illustrates the power of innovation and the importance of responding to the needs of the market. Our thanks go to each of the members of the i<sup>3</sup>

group who contributed their talent and skills to this imaginative business opportunity for credit unions.

The Institute also gratefully acknowledges the generous support of our members including America’s Corporate Credit Unions, who through a special grant, collectively make Filene i<sup>3</sup> possible. “America’s Corporate Credit Unions believe strongly in the need for continuous innovation and in the creative power of the i<sup>3</sup> group,” says Bob Hoel, executive director of the Filene Research Institute.



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The Filene Research Institute is a unique nonprofit organization that examines issues vital to the future of credit unions and the millions of members they serve. Its national research program is an ongoing source of innovative financial product ideas. In addition, the Institute provides credit unions with insights into managerial problems and opportunities, consumer needs and trends, legislative and regulatory issues, and competitive forces. More than 1,400 credit unions, credit union organizations, and individuals are members of the Institute and make its research programs possible.

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# MATRIMONEY<sup>SM</sup>

A CREDIT UNION REGISTRY  
FOR LOVE AND MARRIAGE



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## AGILE MARKETERS COMPETE FOR A SLICE OF THE AMERICAN DREAM



Births and baptisms. Graduations from high school and college. Birthdays and anniversaries. These are all signal events in the lives of individuals and families, and all are likely to be celebrated with gift giving to mark the occasion.

A powerful tool through which we increasingly celebrate these events is the gift registry, and more recently gift cards. The concept of gift registries has exploded in recent years, as givers and recipients alike find it an ideal way to mark key life events with speed, access, and convenience.

Gift-givers are accustomed to recipients asking for what they want, whether it be the Diaper Genie or money. Consumers now spend billions

more every year on the second biggest gift-registry market—babies—a market served by [babiesrus.com](#), Target Baby, and online registries like [babystyle.com](#).

The popularity of personal gift lists for everything from birthdays to holidays is not surprising. A registry assures recipients that the gift will meet their unique needs, and takes the sometimes agonizing step of decision-making out of the process for givers. As a result, the number of online registries grows every day. [MyRegistry.com](#) lets gift hopefuls create gift registries for birthdays, graduations, Bar Mitzvahs, housewarming parties, and holidays in addition to traditional wedding and baby shower events. [Della.com](#), one of the biggest online wedding gift registries, expanded to an all-occasion site a few years ago. [FindGift.com](#) reports that its highest volumes are achieved not during traditional spring wedding months but in November and December, when givers check out personal holiday gift lists.



## A PLETHORA OF POSSIBILITIES

There is no apparent end to innovation in the gift-registry market.

A new wrinkle is the philanthropy gift, an arrangement through which well-wishers can contribute to someone's favorite charity. Globalgiving.com, for example, offers registries in a variety of themes (democracy, education, environment, and others) and locations (Asia, Africa, Middle East, etc). Charitable gift registries are a way to support one or more of one's favorite projects by inviting others to donate to the projects they have selected. Registries can be created for other specific events as well, including birthdays, holidays, and anniversaries. They can also be used for ongoing fund-raisers.

While retailers and online outlets position themselves to be top-of-mind at life-defining moments, the financial institution upon which consumers depend day-in and day-out has a strong built-in advantage in claiming share of wallet.

Engaged couples, new parents, graduates, and birthday girls all have ongoing relationships with their credit union. Newlyweds open their first joint account and apply for their first mortgage, save for a honeymoon, learn to budget, open a newborn's college account, buy a car, save for vacations, and plan for retirement—all as part of their relationship with the credit union.

Just think for a moment: Each of our life events is tied in important ways to financial planning.

More than specific products or brands, gift recipients usually prefer money. It makes sense, therefore, that when a child is born the parents consider registering at the credit union instead of at ToysRUs. For graduation from high school, the graduate might create a registry account to provide money for college.

The credit union ought to be beside its members at these important crossroads in their lives.

At college graduation, a registry account might start the graduate investing for the future. (It is relatively easy to become a millionaire at age 65 if one starts investing at age 22.)

While some may question the appropriateness of giving money for a key life event, etiquette experts like Peggy Post, granddaughter of Emily Post and director of the Emily Post Institute, accept registries as standard wedding, baby shower, and celebration protocol, provided that lists are handled tactfully. And what could be more useful than a gift of cash in lieu of that fourth or fifth blender on the reception gift table?

Yet many credit unions have missed opportunities to use these life moments to become part of the celebratory moments in their members' lives.

“...THE FINANCIAL INSTITUTION UPON WHICH CONSUMERS DEPEND DAY-IN AND DAY-OUT HAS A STRONG BUILT-IN ADVANTAGE...”



## REGISTER FOR ANYTHING



Gift registries have made a big splash in the retail market, and the ripples are spreading far beyond traditional occasions and gifts. Today's celebrators can register for gifts that fill more than china cabinets.

Airlines are among the new retailers banking on slipping into the stream of registry success. In 2005, Continental Airlines became the first to open a personal gift registry that allows a recipient to register for a goal amount toward a requested travel destination—a honeymoon, a graduation adventure, or a dream vacation.

“With the popularity of gift registries and certificates, we saw a great opportunity to be the first airline to offer our customers an easy way to create a gift account for air travel,” Continental's OnePass Programs Manager Victor Llana says in an interview with the *Houston Chronicle*.

Stock brokerage firms are also seizing gift market opportunities. At oneshare.com, givers can select shares of stock (sometimes selected by receivers via a registry) tailored to fit a particular life event. Shares available include *Samuel Adams* for groomsmen, *Dreamworks* for baptisms, and *Yahoo!* for wedding gifts. The site also promotes “my first stock” ideas for toddlers and teens.

The John Hancock investment firm began directing today's value-gift desires directly to its 529 Plan college savings account during the 2005 end-of-year gift giving season. Senior Vice President Diana Scott tells the *Boston Globe* that John Hancock is banking its savings plan success on gift-registry trends and end-of-year timing. “We've found that a gift of education is especially popular at the end of the year and goes hand in hand with year-end tax planning,” she said.

Clients who open a 529 Plan receive a coupon book of registry cards that help inform families and friends about where the college fund can be accessed and how they can donate. Contributors also receive gift certificates or cards to let recipients know they've given the gift of education. Clients who open a 529 Plan also receive a Baby Mozart CD and financial planning information.

## A CRITICAL LIFE EVENT: MARRIAGE

Although several account registry concepts are viable for credit unions, for the purposes of this Investigative Report we will explore a registry concept related to the marriage event.

Perhaps the most pivotal and exciting of life events is the wedding, an experience in which two households come together to begin a new life experience.

Among other things, marriage involves an examination of the couple's full spectrum of financial needs, from transaction accounts to savings, loans, investments, insurance, and everything in between.

This critical juncture in the couple's lives serves as a golden opportunity for a financial institution to demonstrate the many ways in which it can help brighten their future.



## THE REGISTRY IDEA GROWS UP

Here are some statistics that ought to raise eyebrows across the credit union movement:

Nearly two-and-one-half million couples will tie the knot this year, and with two households becoming one this is an opportunity for credit unions to gain or lose members.

Further, what is commonly referred to as the “bridal industry” in the United States will generate more than \$72 billion in revenue in the coming year. The average budget for a wedding will be in excess of \$20,000. Guests at these ceremonies will spend \$19 billion on gifts through wedding registries, and when the happy pairs leave for their honeymoons they will spend an additional \$8 billion.

Big numbers, indeed. But how do they relate to the product mix and ultimate success of a credit union? Interesting question, with some provocative answers. For starters, couples tying the knot are overwhelmingly young adults, typically twenty-somethings.

Credit union managers recognize the average adult age of credit union members is now 47 years. An aging membership with diminishing borrowing needs demands high dividend rates. To pay higher savings rates, credit unions must make loans. With the average age of the first-time bride now 25 and the average age of the first-time groom 29, these individuals are in their prime borrowing years, which means they need to forge a bond with some

(fortunate) financial institution. That bond may be the start of a relationship that will last for decades, and even through succeeding generations.

So the \$19 billion spent each year through wedding registries and the \$8 billion set aside for honeymoons ought to attract the attention of every credit union executive with an eye on the future of the enterprise, and on enabling additional loan demand for decades into the future.

The wedding event is also a critical time to provide financial education to young couples building a life together. Credit unions are uniquely positioned to offer appropriate life coaching on credit use and education. For example, as a young couple builds their credit together they will need help in understanding their credit score. Consumers' credit scores can affect future loan eligibility, housing, and possibly employment. The credit union can include newly married couples in a program like SmartScore, a program developed by Filene i<sup>3</sup>. The credit union sends a quarterly credit score information packet to the newlyweds. The mailing includes personal credit history and information about the score. For information on SmartScore visit [www.filene.org](http://www.filene.org) and go to i<sup>3</sup> project information.

Weddings are big business in the United States. And the wedding registry concept now offers enormous opportunities for marketers across a wide swath of businesses, including financial services.

The first wedding registry was introduced by Marshall Field's stores

in 1924. Since then, the concept of registering for gifts has grown by leaps and bounds, and today wedding gift registries have become a staple of the American retail economy. The Knot Inc., the largest Internet-based wedding planning site, boasts more than 1 million members. Today, 98 percent of engaged couples register for gifts at one or more retailers, including Target's massive Club Wedd.

And today, weddings aren't the only occasions moving to registry-type platforms. Consumers planning a wide range of special events can register a list of gifts they want to find under the tree, in the bassinet, at the wedding shower, or after the graduation ceremony. From the birth of a child to Father's Day, givers are checking off the items on lists at Pottery Barn, Williams-Sonoma, Neiman Marcus, Sears, and even Home Depot®. Retailers continue to offer and expand already successful gift registries. And the Internet is Googled with opportunities to point the way to an appropriate gift and even send it on its way to the bride's home.

“CREDIT UNIONS ARE UNIQUELY POSITIONED TO OFFER APPROPRIATE LIFE COACHING ON CREDIT USE AND EDUCATION.”

“ONE REGISTRY  
EVEN ALLOWS  
COUPLES TO OPEN  
AN ACCOUNT WHERE  
GIFT GIVERS CAN  
HELP THEM SAVE FOR  
THEIR MORTGAGE  
DOWN PAYMENT.”

## THE INTERNET CONNECTION

One of the first to combine the gift registry and cash gift idea online was TheKnot.com, which partnered with American Express in 1998 to allow engaged couples to specify that they wanted to receive American Express Gift Cheques. Since then, many others have created cash options or entire cash gift registries. Aperfectweddinggift.com collects cash gifts and deposits them into a PayPal account for registered couples, who are charged a fee of 7 percent of all money collected and deposited. Other cash registries aim at specific saving purposes, especially for couples

planning a wedding. RegistryPalace.com allows couples to list money gift requests to cover expenses of specific wedding items such as a \$1,200 wedding cake, for a flat fee of \$9.

Another registry, Arbor Home Bridal Registry, sets the savings goal even higher, allowing couples to open an account where gift givers can help them save for their mortgage down payment. Launched by Arbor National Mortgage in 2002, the registry was made available through several East Coast banks, which collect cash gifts in a money market account in the couple's name. Though there is no obligation to obtain the mortgage through Arbor, couples that do receive \$100 toward closing

## REGISTERED IMPROVEMENT

The lesson for marketers is that fulfilling wedding dreams is only one option in the value-gift world. Couples can now register for relationship enhancement retreats as easily as they register to save money for a honeymoon. Marriage counseling and education firms, such as the Seattle-based Gottman Institute, offer gift-registry accounts so guests can give couples or other celebrants retreats in romantic settings such as Vail, Colorado, or relationship skills courses.

If couples are less worried about the strength of their relationship than they are about the state of the world, they can register for gifts that save the world. In fact, gift registries aimed at giving back are among the fastest-growing wedding trends, spurred on in part by the 2004

Indian Ocean tsunami and 2005's Hurricane Katrina.

The I Do Foundation is one non-profit online organization facilitating such gifting. In 2005, the foundation reported that 10 percent of all wedding couples included some form of philanthropy in their wedding, giving a percentage of their registry to charity or making an outright donation. The foundation itself handled more than \$600,000 in donations in 2005, three times its 2004 total.

The I Do Foundation partners with other online wedding registries, including WeddingChannel.com, to offer recipients a charity gift option. It charges a 3 percent fee to givers and provides a wide variety of giving options. For example, couples can register to have a percentage of the money received through registries

sent to charity. Target stores donate 8 percent of all registry spending to charitable organizations, while Carlson Wagonlit Travel donates 5 percent of receipts earmarked for honeymoon packages. A similar gift registry percentage program is offered through WeddingChannel.com partnerships with other online charity sites. A percentage of each gift purchased from Pottery Barn and JC Penney is passed along to Justgive.org, a nonprofit organization whose mission is to connect people with the charities and causes they care about, and to increase overall giving.

The I Do Foundation also provides a direct registry into which guests can donate. The registry provides “Favors for Charity” that allows couples to make a donation in honor of their guests in lieu of traditional table favors.



costs. The registry also participates in Fannie Mae's Community Home Buyer's Program, which is open to any cash-strapped home buyer. Writer Lisa J. Moore describes the program in *U.S. News & World Report* as "A Gift That Takes the Cake." Registry couples can use their wedding account to pay for the full 5 percent down payment required.

Even the government has gotten into the wedding gift business, through the Department of Housing and Urban Development (HUD). The HUD program allows couples to open bridal registry savings accounts with FHA-approved banks nationwide for the purpose of saving money for a house. Gifts are generally accepted only from family members, however.

Collecting cash gifts to offset the cost of a honeymoon is among the most popular of cash gift registry programs. It's a gift that sponsors an exciting life experience as well as a practical need. The average cost of a wedding today has crept up to about \$20,000, or 73 percent more than it was 15 years ago. Honeymoon expenses, at an average of \$3,500, add substantially to a couple's total outlay for their marriage. Savings accounts for these romantic get-aways are facilitated by individual travel agency registries as well as online cash-designated registries. In addition to offering a honeymoon savings account, registries often offer trip planning advice and planning services. Some charge a fee to the registering couple; others charge a service fee to gift givers.

The trend in giving gifts of cash has carried over to other occasions as well, and registries are opening for cash gifts for virtually every purpose. The Greenwish.com cash gift registry, for example, touts itself as "the quick and easy way to give and receive

financial gifts, whether you are planning to buy a home or car, or build your nest egg."

Greenwish.com allows recipients to choose an existing financial institution or brokerage account into which the registry deposits cash gifts it receives. The recipient's personal registry page is a Web address to which friends and family can be directed, and displays the goals for the cash gift, such as "we are saving for a down payment on our first home." Customized announcement cards and thank you notes are part of this free registry as is a list of givers and amounts, to give recipients the information they need to respond with thank you cards. Givers make the gift and pay a transaction fee based upon the amount of money given (\$5 for depositing up to \$100).



## SIGNIFICANT OTHERS



More than 2.5 million couples tie the knot every year. According to The Knot Inc., those traditional weddings account for more than \$72 billion in annual domestic retail sales. In addition, *Forbes* magazine estimates that commitment ceremonies between gay men and women will eventually account for \$16.8 billion annually in wedding spending. In states where such unions are legal, the percentage may be higher. For example, Massachusetts projects that 8,000 same-sex couples will wed there by year-end 2006.

Same-sex celebrants represent a potentially significant portion of the gift and cash gift registry market. Retail giant Wal-Mart recognizes the potential of this market niche. Its affiliates in the United Kingdom, where gay marriages are legal, recently launched a new line of wedding cards and commitment rings, and tied the line to a wedding registry for same-sex couples.

Other retailers are beginning to open the door to this consumer segment as well. OutVite.com has seen significant growth since opening its online store for same-sex wedding invitations in 2004, and sales on Gretchen Hamm's twobrides.com and twogrooms.com Web sites for same-sex wedding products have doubled each year since 2003, according to *USA Today*.

## TAPPING INTO THE REGISTRY POOL

Members of the Filene Research Institute's i<sup>3</sup> innovation group recognized the potential in registry gift giving and developed a program through which credit unions can participate in this large and expanding market segment. *MatriMoney<sup>sm</sup>, a credit union registry for love and marriage*, positions credit unions to attract young couples at a milestone event in their lives, give them a high value-added experience, and forge a stronger bond with them.

A gift registry offers a potential avenue through which the credit union can contribute to members' needs at key points in their financial lives. The process builds member loyalty and lifetime relationships.

But will consumers accept the concept of cash gift accounts held at a credit union as an appropriate form of giving? The i<sup>3</sup> team investigating the viability of gift registry accounts conducted research to get an answer. The results were remarkable: *almost eight of 10 respondents (78 percent) said they prefer to give a gift of cash. Moreover, two-thirds of respondents expressed interest in a special credit union wedding gift account.*

In short, the stigma once attached to giving and receiving cash gifts has been thoroughly discredited in *Twenty First Century America*. Today's celebrants understand the value and practicality of money, and they are not reluctant to give and receive it.

Still, etiquette issues remain. Brides and grooms say they seek out tactful ways to ask for money as a wedding gift, says a recent online survey by WeddingChannel.com. Nearly half of the respondents in the survey cited "wanting money for a wedding gift but not knowing how to ask for it" as the most challenging etiquette issue of their pending nuptials. But that notion is changing.

In an interview with Bankrate.com, Peggy Post said: "It's not rude to request money. However, it's extremely important to ask politely."

Givers see cash gifts as a solution to the problem of what to buy, especially for couples that may have already set up housekeeping, either separately or together.

Still, many givers are reluctant to fold up a \$50 bill and place it in an envelope because they remember a time when cash gifts might be considered inappropriate. Fortunately, today's cash has class. Retailers offer more stylish ways to wrap that \$50 bill. And thanks to the popularity of retail gift cards and gift checks/certificates, cash is now perfectly acceptable as a vehicle through which to express best wishes and good luck.





## i<sup>3</sup> TAKES A HAND

The i<sup>3</sup> group sees both a market and a need for trusted cash gift locations as recipients' cash needs and givers' cash acceptance grows. i<sup>3</sup> members reason that the organization best suited to offer consumers a cash gift registry is the one most givers and receivers already trust with their cash—their credit union.

It makes further sense for credit unions that wish to explore the cash registry market to start where the gift-registry tradition began nearly a century ago—with the joining of two accounts as the couple is joined in matrimony.

By joining in the celebration of the wedding by providing couples with special ways to save to pay their expenses and realize their dreams, and by educating newlyweds on the many joint financial decisions ahead of them, the credit union becomes a trusted partner in a couple's union, not just for the wedding but for the rest of their lives.

For financial institutions, a wedding represents a golden opportunity to establish and/or reinforce a permanent relationship with the partners. Nearly every newlywed couple will visit their financial institution repeatedly before and after the wedding to save for and pay for the wedding and honeymoon, and to open joint accounts, apply for new credit cards, save for a new car or a first home, and obtain a first mortgage.

The tie between the wedding event and a lifelong relationship with the consumer has encouraged many big retailers to enter the registry market. REI bet on this concept when it opened its bridal registry, citing studies that showed that couples “who play together, stay together.” By creating a registry for these couples, REI became part of the process through which consumers obtain the goods they desire, and continue to shop REI together as well.



“...NEWLYWEDS ARE  
IN THEIR PRIME  
BORROWING YEARS.”

## A FOOT IN THE DOOR

Tying the knot is an opportunity for a credit union to create a lifelong financial opportunity. The credit union can begin to woo couples by offering newlywed members and potential members their first financial account as husband and wife—a credit union cash gift registry.

A cash gift registry that begins with the wedding event and expands to other future life events from births and house-warmings to graduations and ultimately to retirement creates a lifelong credit union commitment to the member, while rewarding the credit union with product and service opportunities for years to come.

Such opportunities to strengthen relationships with younger consumers have never been more competitively important. Today’s young people marry at older ages than their parents did (the average age of first-time brides and grooms is now 25 and 29, respectively). As a result, newlyweds are in their prime borrowing years. And as the average age of the U.S. population increases, younger consumers are an increasingly valuable asset to players in the financial services industry.

An earlier Filene study<sup>1</sup> cautions credit unions to pay close attention to the financial power represented by younger consumers. Analysts for CUNA & Affiliates found that the average credit union over the next decade stands to lose \$14 million in loans alone if it does not increase penetration among younger consumers. These are the borrowers of the present and the future, and attracting them is critical to the long-term success of the enterprise.

Current membership statistics also suggest more serious consequences for future growth and success. Traditionally, those in their peak borrowing years are members between the ages 25 and 44. That fact, coupled with the reality of an aging population, suggests that reaching out to youth should be a strategic priority for every credit union. As baby boomers age, they are moving out of their peak borrowing age. Who will take their place?



<sup>1</sup> *Attracting and Retaining Young Adult Members*, Filene Research Institute, 2003

## THE MATRIMONEY<sup>SM</sup> SOLUTION

Because these valuable younger consumers are in their prime marrying years as well as their prime borrowing years, a program centered on the marriage event should help attract this desirable demographic.

A handful of credit unions have developed small cash gift registry programs in the past few years as creative ways to target the prime marriage group, i<sup>3</sup> researchers found.

T&C Credit Union in Bloomfield Hills, Michigan, partnered with local businesses to offer its *Making Life Easier: Our Wedding Gift to You* program for newlyweds. In return for opening a joint checking account, the credit union provides up to 72 months of an unsecured loan at a reduced lower rate to finance wedding expenses. The package also includes discounts at local businesses for products and services that an engaged couple will need.

Beehive Federal Credit Union in Rexburg, Idaho, has provided an informal bridal registry savings account for several years. The couple's name is placed on a lobby bulletin board, and the credit union provides notification cards to insert into invitations.

A more formal registry is in place at Box Elder Federal Credit Union in Brigham City, Utah, where members who sign up for the bridal cash registry account receive a small gift as well as a free ad announcing their choice of the registry in



the local newspaper. Couples also receive a list of all who contributed to them so they can send thank you notes. *(More on these credit union programs at Registering Credit Union Success, page 14 and Something Special, page 15.)*

The potential for credit union gift registries is huge, according to the i<sup>3</sup> group. Sixty-five percent of the 917 consumers that the team surveyed said they would be “very likely” or “fairly likely” to take advantage of a credit union wedding registry account.

The MatriMoney<sup>SM</sup> registry was piloted at North Island Credit Union in San Diego. The credit union charges no fee for the savings account. In fact, it rewards couples for opening an account by providing a \$100 matching gift, paid into the account once \$100 in gifts is collected. (If the wedding is canceled, the couple forfeits the credit union gift.) Couples open a MatriMoney<sup>SM</sup> account with a \$200 deposit at least 90 days prior to the wedding date. The pilot account is locked in with no withdrawals allowed until after the wedding date.

Couples must be, or must become, credit union members to register for a MatriMoney<sup>SM</sup> wedding savings account. Once opened, couples send

announcements using announcement cards supplied by the credit union to their guests, notifying them that they are registered at the credit union and would appreciate deposits into the account as gifts.

Givers can deposit gifts at a variety of sites—in person at a credit union branch location, via mail or with a credit card over the phone—and they can receive a gift certificate to present to the couple at the wedding.

Once the wedding is held, the couple receives an account statement with a list of contributors. Critical marketing and financial education follow-ups from the credit union ensure that the young consumers who started their lives together with the credit union will continue there.

North Island CU's MatriMoney<sup>SM</sup> account was designed to build lasting relationships by offering financial education about the many joint financial decisions a couple will soon be making, and opportunities to access the products and services they will need. For example, when an account is opened, the couple is directed to CUNA & Affiliates' online financial coach called “Couples and Money” and provided other financial education information.

## REGISTERING CREDIT UNION SUCCESS



Among the credit unions that have found success in developing cash gift registry programs in recent years are \$85 million Beehive Federal Credit Union in Rexburg, Idaho, and \$54 million Box Elder Federal Credit Union in Brigham City, Utah.

Beehive FCU opened its Bridal Registry Accounts program in 2002 at the suggestion of one of its 14,000 members. The registry account is usually set up as a joint checking account—though it can be established as a savings account as well—into which gives deposit donations. The account is then internally flagged as a bridal registry and the couple receives a list of contributors as part of

the account's monthly or quarterly statements. The credit union provides registry cards that the couple can insert into invitations or announcements.

The registered couple's wedding announcement is also displayed on a lobby bulletin board, a gesture that has been well-received by members, notes Craig Cobia, VP/marketing for Beehive FCU. "It's been a fun thing for our members and it reminds us of the times when the credit union was a community gathering place. People walk through the lobby, and the registry board—with all the wedding announcements—catches their eye. They stop to see if they know someone. They chat. It's a pleasant experience."

The credit union advertises the Bridal Registry Account to members and the community with ads that promote the registry as a way to "avoid receiving five crock pots" and get cash instead, says Cobia. He adds that one well-received ad talked about the cash registry as ideal when the wedding will be held out of town. "Cash is more convenient and saves the hassle of trying to pack that gift in the car or on the plane."

Beehive FCU uses the registry account opening as an opportunity to cross sell its electronic services. The account has also proved a valuable service to longtime members whose children constitute a majority of those opening registry accounts.

## THE CREDIT UNION DIFFERENCE

The MatriMoney<sup>sm</sup> registry is unique because it is not only a cash gift registry, but a non-designated registry as well. Most wedding cash registries focus on saving for one particular thing—the honeymoon, the wedding itself, or a mortgage. The MatriMoney<sup>sm</sup> account allows funds to be collected for any reason the couple determines is in their best interest.

The MatriMoney<sup>sm</sup> wedding registry is more than a one-time, income-producing account for North Island CU. The credit union opened one wedding registry account per

week during the pilot with minimal marketing, including Web site and lobby brochures, an e-mail message to the credit union's 37,000 online banking users, and a mailing to San Diego-area bridal consultants. Initial MatriMoney<sup>sm</sup> accounts had an average balance of \$1,000 and cost approximately \$150 each to market and open, including the \$100 gift incentive.

More important to the long-term goal of the registry pilot, the credit union reports that new checking, loan, and savings accounts were opened as a result of cross-sells from MatriMoney<sup>sm</sup> accounts during the six-month pilot phase. Over time, through working with couples on service, education, and marketing efforts, the depth of those product

and service relationships is expected to grow deeper and stronger.

The credit union expects to enhance the financial education portion of the program to include a compact disc dealing with sound money management. Program goals at North Island CU include:

- Build core deposits through new joint share accounts;
- Grow membership in younger age brackets (20 to 35) that many credit unions aim for but miss;
- Create opportunities to provide financial education to new couples; and
- Gather key customer relationship management data about a couple's future financial needs.

## SOMETHING SPECIAL

Box Elder Federal Credit Union has also targeted cross-sell success with its registry programs. The Utah credit union has been registering couples since the late 1990s and recently enhanced its program by adding a Newlywed Club component.

Today the program has two parts, notes Marketing Manager Marti Walker. Couples fill out a simple wedding registry form and open a regular share account for the credit union's standard \$25 minimum. The credit union gives the couple a \$5 thank you gift deposit for opening a registry and also places ads in the local newspaper, on its Web site, and on its marquee to announce that the couple is registered at the credit union. The credit union also codes the account

so that a list of depositors' names can be created and given to the couple for preparing gift thank you notes.

Walker notes that the credit union is looking at adding the gift of a financial planning CD tutorial to the registry perks. "We've tried offering specific seminars for engaged couples, but they were hard to schedule at times when registry couples could attend," she says.

The credit union also hopes to grow its registry extension program, the Newlywed Club. The club was launched two years ago and is aimed at cross-selling couples into credit union products and services they'll need as they start their financial life together.

Newlywed Club enrollees can receive up to \$100—\$50 if they open a checking account and another \$50 if they apply for a loan of more than \$1,000 with the credit union. In each case the money is paid after the account and/or loan are held at the credit union for at least six months.

The registry is growing in popularity among the credit union's 11,000 members. However, it has been challenging to market the service to nonmembers, especially at a credit union that enjoys 50 percent penetration in its field of membership. To help attract registrants and new members "we are exploring partnerships with wedding planners in the area," Walker says. She believes the wedding registry program is a powerful tool to recruit and retain members in a key age group.



“HOME MORTGAGES  
ARE THE STICKEST  
OF A CREDIT UNION’S  
PRODUCTS AND  
SERVICES.”

## MORTGAGE MONEY

MatriMoney<sup>sm</sup> also places the credit union in prime position to obtain the key account that unlocks the doors to long-term financial relationships – the first mortgage loan. The average age of individuals applying for a first mortgage in America is 32, according to the National Realtors Association. The average age of individuals being married is only a few years younger. Newlyweds are eager to move into a home of their own and take on the responsibility of a mortgage immediately after marriage.

The i<sup>3</sup> MatriMoney<sup>sm</sup> study reveals that a young couple initially provides net income to the credit union of \$800 per year, depending upon the number and type of services they use. That income grows exponentially when the newlyweds

bring their largest life purchase to their credit union financial advisors – their first mortgage.

Home mortgages are the stickiest of a credit union’s products and services. Once a financial institution has the household’s home mortgage, a lifetime of products and services is likely to follow. With that lifetime of products and services comes the opportunity to celebrate a lifetime of events with members, opening the door to larger cash gift-registry programs that tie an even stronger knot with the couple and with the future generations of members they can refer to the credit union.





## THE NEXT STEP

Whether it's babies, graduation, or weddings, credit unions are well-positioned to innovate gift registry accounts that align with key life events. Not only does such a product build a deeper relationship with the member today, it also positions the credit union to perform a deeper needs assessment for education and future credit union services tomorrow.

To access the MatriMoney<sup>sm</sup> business and implementation plan or other i<sup>3</sup> innovation project information:

- Visit [www.filene.org](http://www.filene.org)
- Contact the Filene Research Institute at (608) 231-8550
- Or contact one of the i<sup>3</sup> members who worked on the MatriMoney<sup>sm</sup> project. To use the MatriMoney<sup>sm</sup> name for your credit union's gift registry account, contact Geri Dillingham at North Island Credit Union.



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