

Early Concept Document

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for updated information.



**Heartfelt Hands**

Helping Others In Your Credit Union Community

# CONCEPT DOCUMENT



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## INTRODUCTION

Have you just been blindsided by an unexpected financial emergency and don't know what to do? Whether it's a job loss, medical expenses, or an emergency home repair, an unexpected change in your financial situation can be incredibly stressful. The bills still need to be paid, the utilities need to stay on, and you need to put food on the table, so how should you cope with a financial crisis?

Consider this...consumer expenditure statistics from the U.S. Department of Labor indicate that the average annual expenditure per consumer unit, which is similar to a household, is \$49,638, as of 2007 (the most recent year for which data is available). This data is broken down by month in the table below. The months in bold highlight the cumulative quarterly expenses - and therefore the recommended cash reserve - for the average household.

Number of Months	Cumulative Expenses
1	\$4,136.50
2	\$8,273.00
<b>3</b>	<b>\$12,409.50</b>
4	\$16,546.00
5	\$20,682.50
<b>6</b>	<b>\$24,819.00</b>

Source:<http://www.bls.gov/news.release/cesan.nr0.htm>

While your household expenses may be higher or lower than the average, there's no doubt that even three months' worth of expenses is a big number. One look at that number and the average person's first reaction is, "I can't come up with that kind of money."

## EXECUTIVE SUMMARY

Heartfelt Hands is committed to providing emergency assistance to current credit union members and their families. Assistance may also be provided to national or international organizations to support relief efforts in communities as designated by the Credit Union. Using the "angel tree" concept of recognizing an emergency financial need and matching that financial need with members who are willing to help, Heartfelt Hands facilitates "helping others in your Credit Union community".

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## OPPORTUNITY

The financial challenge introduced above provides credit unions with an opportunity to serve the membership while creating a differentiation from other financial services providers. This supports member relationship development and the credit union philosophy of “people helping people”. In addition, this opportunity presents credit unions with a chance to build relationships with small business services clients, community organizations (such as churches), or select employee groups (segs) within the credit union’s field of membership. The avenue for this connection is Heartfelt Hands.

## ENVIRONMENTAL SCAN

The Credit Union philosophy of “people helping people” has never been as important as it is today. The United States is experiencing the worst economic downturn since the great depression. Unemployment is at 9.5%. Medicaid enrollment has increased in recent years by 13.6%. Surfacing is a growing desire by many to give time, money and goods to others in need.

In years past philanthropy was something done by the wealthy or a foundation today we see charitable giving expanding to a broader demographic including giving circles, online giving, and diverse communities. Consumers are seeking ways to provide assistance to others in need often at times of disaster or in the form of service.

Credit unions have always been committed to giving back through volunteerism and support of their community. Providing a mechanism for this to occur within individual credit union communities will assist members in need and make available to each member the opportunity to make a difference in the life of another.

## SOLUTION

Heartfelt Hands provides a web based electronic giving and connecting method for members of individual credit unions. The hosting credit union will filter member needs, anonymously post them on a web page and other members of the credit union will be able to assist in meeting the need through a monetary, service or goods contribution. The giving member may post their support on the web page or submit the information to the hosting credit union that will then post the support.

## MEMBER BENEFITS

The greatest benefit is that through the Heartfelt Hands program we will be providing a method for members to anonymously assist other members in a time of disaster or need. Continuing to create a sense of community among members adds to the feeling of belonging that credit unions provide to their members.

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## CREDIT UNION BENEFITS

The credit union benefits can be divided into three main categories. First, the program will generate goodwill and a positive, more diverse image of the credit union. The credit union industry and individual credit unions have historically marketed the fact that they are a different and friendlier alternative to banks. Heartfelt Hands supports and confirms this message.

Second, the program fosters a sense of belonging and a sense of community. In the 2010 Filene Study, Customer Experience and Credit Union Opportunities: A Collaboration with McKinsey & Company, the authors demonstrate how “emotional connections drive customer satisfaction in retail financial services.” Emotional drivers such as trust and “feeling good about telling people that I bank with them” both rank very high in the list of drivers of satisfaction.

The third primary benefit of Heartfelt Hands is that it will drive more traffic to the credit union’s website and teller line. Members who are either engaged in or curious about the program will spend more time within the credit union’s space.

## TARGET MARKET

Heartfelt Hands is designed for those members who wish to donate money or services within the credit union’s membership community. Members will be attracted to the opportunity to donate directly to a person in need.

## PROOF OF CONCEPT

The concept of “giving back” or “pass it on” has grown significantly among Americans especially since the 9/11 Terror Attacks. Donating money, time and effort to help others in need has proliferated with Katrina, Haiti, and recently the Japan Tsunami. In early 2011, Bank of America ran a head mast on the home page of their website to enable their customers to give to a cause. Oprah Winfrey has been promoting causes and help for needy groups and individuals regularly on her network show to inspire more Americans to find ways to give to others’ needs.

Along with this have come many frauds and donor appeals from many sources. Inherently people want to help their neighbors, but many times do not know how to or have outlets to put their donations to work. Most people who do readily give a significant amount of time and/or money to causes are a part of some organization be it a church, a community network group, or at their workplace. A person can easily participate once a he or she has an easily identifiable way to give without fear of fraud and with knowledge that it will actually help an “individual.”

A credit union provides the perfect way to build a community of neighbors helping each other.



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## MARKETING TACTICS

The following are some suggestions in profiling Heartfelt Hands within the CU's community:

- Profile some recent win-win stories in member newsletters, employee newsletters.
- Encourage member-service representatives to ask the members "did you know we launched this new program?" automatically when a member presents himself (herself) at the branch to conduct a transaction.
- Where a donee or donor has provided authorization, send press releases to local media about the 'good news' story.
- At the CU's Annual General Meeting, again, those who have provided authorization could tell their good news story.

## GETTING STARTED

Contact us if interested at [innovation@filene.org](mailto:innovation@filene.org) for more information.