

# Skip a Payment Case Study



## Overview

This case study will evaluate the Skip-A-Pay campaign benefiting Credit Unions for Kids/Children's Miracle Network Hospitals currently being conducted by KEMBA Financial Credit Union headquartered in Gahanna, OH & Rogue Credit Union headquartered in Medford, OR.

General background on Skip-A-Pay: Credit unions across the nation offer members the opportunity to "skip" their loan payment for a nominal processing fee. Some credit unions use a Skip-A-Pay program not only to help members but also to help local charities. Most credit unions charge processing fees between \$20 and \$40 per loan payment skipped. Credit unions can choose to add a fundraising component to their Skip-A-Pay program by donating all or a portion of these fees to a charity such as Children's Miracle Network Hospitals' Credit Unions for Kids (CU4Kids) program.

In an effort to substantially increase their annual contribution to Credit Unions for Kids, 7 years ago KEMBA broke ground with the introduction of a new concept based around the Skip-A-Pay initiative. According to Allison Tate, Marketing Communication Consultant at KEMBA, the modification at the terminal was a donation of \$5 for each loan that was skipped.

KEMBA runs this campaign for 3 months each year, November to January. They simply send out a letter to all members with information regarding Skip-A-Pay and it mentions the donation to their local children's hospital.

In 2015, KEMBA raised \$17,500 which grew to an incredibly \$31,600 in 2017. This remarkable growth, Allison believes, is due to KEMBA moving to online forms.

"It is so easy to make a big impact – everything about this program is turnkey. The member just submits a form either through the mail or online. No interaction with staff or other resources needed. It is a mostly automated program for the loan process and for the donation," says Tate.

KEMBA has attempted to look at analytics to see if this campaign has increased business but does not feel they have enough information to make an accurate assessment.

At the \$1.5 billion Rogue Credit Union, a highly successful Skip-A-Payment program runs each year from September to November. In 2017, Rogue CU raised over \$12,000 for CU4Kids from their program, and cumulatively over the past 3 years, more than \$38,000 has been raised for this great industry charity of choice as a result of Skip-A-Payment.

"At Rogue Credit Union, our members continue to amaze us with their generosity! Through our member support, we get to help those that need us most." said Gene Pelham, President and CEO of Rogue. About 5 percent of Rogue's members with loans participates in the Skip-A-Payment campaign, which allows them to have extra cash during the holiday season. While Rogue Credit Union does not charge a fee to members who participate in Skip-A-Payment, the credit union offers participating members the opportunity to donate to CU4Kids when they skip their loans.

Rogue Credit Union Medford, OR Assets: over \$1.5 billion Members: 125,000 members CEO: Gene Pelham Charter: Community	KEMBA Financial Credit Union Gahanna, OH Assets: over \$1.2 billion Members: 100,000 CEO: Jerry Guy Charter: Community
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## Analysis

In the early stages of this campaign, the desired results have been realized which was a substantial increase in funding for Children's Miracle Network Hospitals through the CU4Kids program. This is more than a way to engage your employees, it is an effective way to activate you members.

Furthermore, the resources and time required to successfully conduct the program were relatively minimal, especially if you already off Skip-A-Pay to your members.

The opportunity to present a check to the hospital provided another touch point for credit unions and their employees thereby deepening the partnership. In addition, the CUs were able to demonstrate their commitment to the local community and CMN Hospitals by sharing the news on social media channels and through traditional media outlets.

## Conclusion

If a credit union is looking for an efficient and effective way to substantially increase funding for their local CMN Hospital, the Skip-A-Pay campaign might be a viable solution. Key components of a successful program are evident, including:

- Can generate a large donation annually and is sustainable
- Relatively easy to implement and requires limited staff time once the program is up and running
- Earns recognition for the credit union as a good corporate citizen
- Directly impacts kids throughout the community especially those of employees and members
- Provides another touch point with the local children's hospital thereby supporting the movement's people helping people philosophy

Visit this site for more information: [www.cu4kid.org](http://www.cu4kid.org)

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support.**

[www.CU4Kids.org](http://www.CU4Kids.org)

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