

# COMMON CENTS LAB END OF YEAR 2016 REPORT



# USING GOALS TO BOOST SAVINGS (COMMUNITY EMPOWERMENT FUND)



## PROJECT AT A GLANCE

*PARTNER TYPE*  
**NON-PROFIT**

*PROJECT TYPE*  
**EXPERIMENT**

*PROJECT STATUS*  
**COMPLETED**

The Community Empowerment Fund (CEF) is a nonprofit organization focused on enabling and sustaining transitions out of homelessness and poverty. Founded in 2009, CEF provides relationship-based support, workforce development, financial education, and matched savings accounts to individuals experiencing or at-risk of experiencing homelessness in Orange and Durham Counties of North Carolina.

Common Cents has been working with CEF to implement interventions to help optimize creation of and contributions to savings goals. During this fiscal year, we analyzed data from an intervention in which members were randomly assigned to receive a punch card to help them keep track of their progress towards their savings goals. Clients who made deposits towards their savings goals got their cards marked each time, while members who didn't receive the punch cards were part of CEF's programs as usual.

This intervention employed the goal-gradient theory, which suggests that people will work harder to achieve a goal as the target gets closer; the punch card served as a physical reminder to make deposits and as a tangible tool for tracking progress towards completing savings goals.

On average, members who received the punch card completed 49% of their goal by the cutoff date, while members in the control group completed 33%. Members in the punch card condition were also more likely to reach the milestone of 15% of their goal by a difference of 16% between the treatment and control groups.

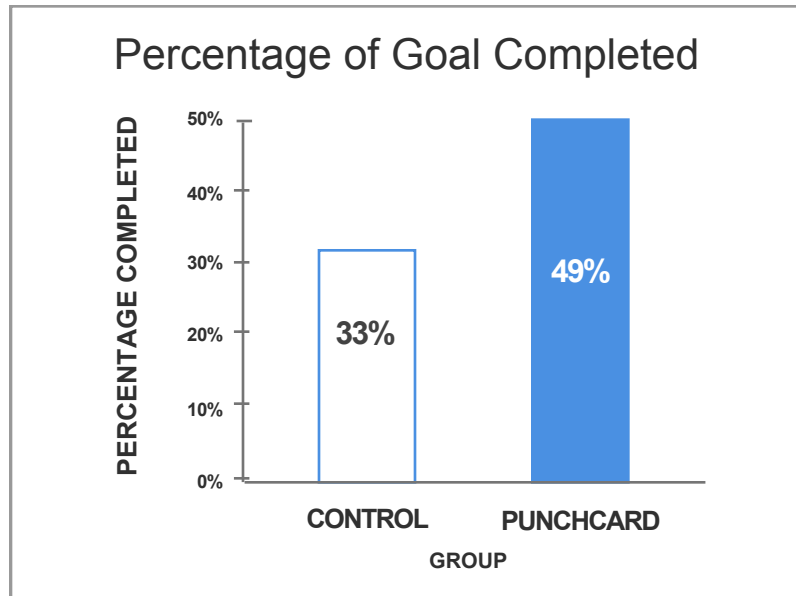


Figure [24]: Percentage of goal completed (control versus punch card)

**MEMBERS IN THE  
PUNCHCARD  
CONDITION WERE:**



**16%  
MORE LIKELY**

**TO REACH  
THE**

**15%  
MILESTONE**

With the success of this test, CEF has now begun providing punch cards to all members activating new goals.

The lessons from this partnership will inform our work and research on savings among unbanked populations. Looking forward, we intend to continue partnering with CEF to help members achieve their financial goals and enable smoother transitions out of poverty.

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