Partner Type: **Credit Union**

Partner Cohort: **2019**

Project Type: **Field Study**

Project Status: **In Field**

/ inclusiv /

Bundling Savings with Loans: Saving while You Pay Off Debt

BACKGROUND

People commonly approach the dual problems of paying down debt and building savings in a linear way. First, the common thinking goes, you should pay off all your debts. Once you're free of the expensive interest and monthly payments, you can focus on building savings. However, according to the Federal Reserve's 2019 Survey of Consumer Finances, over 75% of Americans have some form of debt, and the average amount of debt measures in the tens of thousands. To focus solely on paying down debt might mean putting off saving for a very long time. And living without the safety net of an emergency fund means being at risk of falling into deeper debt when an expense comes up that you don't have the funds saved to cover.

For this reason, the Common Cents Lab is keenly interested in investigating different ways to bundle savings products with loans to encourage consumers to save while they pay down debt. In 2016, we partnered with fintech startup EarnUp to help Americans pay off their home mortgages faster and increase long-term savings. Using small messaging tweaks, we tried to encourage EarnUp users to add more money to their mortgage payment each month, an action that ultimately leads to less total interest paid and a shorter loan term. Knowing that people find round numbers more appealing, we asked one group to round up their mortgage payment to a round number, and another group to simply overpay on their mortgage. We found that "round up" framing increased the number of people who opted in by 3.1%. Read the full case study in our 2016 Annual Report.

In 2020, we began planning to replicate and extend this research in partnership with Inclusiv, a national nonprofit organization that provides capital, builds capacity, develops innovative products and services, and advocates for community development credit unions (CDCUs). Inclusiv's national network of CDCUs serves over 17 million residents of low-income urban, rural, and reservation-based communities across the US and provides access to a large base of members to help us learn more about the most effective way to help members save money while paying down debt.

HYPOTHESIS AND KEY INSIGHTS

Replicating results is an important part of the research process. By rerunning experiments in new settings and with new populations, we can see if results hold true across a variety of contexts. This allows us to state with confidence that new credit unions can introduce the same intervention and get the same results without having to test each time to be sure.

We began with a review of our work on other bundled savings programs at credit unions, such as with Latino Community Credit Union (LCCU) in 2017. Back then, we looked at background research, as we did in our project with EarnUp, to determine how to frame savings to appeal to people taking out new loans. We developed a set of recommendations for LCCU, such as presenting payments in round numbers and bundling savings with the price of the loan in order to reduce the pain of paying associated with the decision. Harnessing the power of defaults by presenting the product as opt-out rather than opt-in also helped inform our design for LCCU's savings program. Finally, in our work with LCCU, we highlighted the amount members would have saved at the end of their loan if they remained in the program. We theorized that emphasizing this amount would trigger loss aversion and encourage uptake of the program.

> We are building on our work with LCCU, using elements such as loss aversion and opt-out framing to create an attractive savings opportunity across conditions.

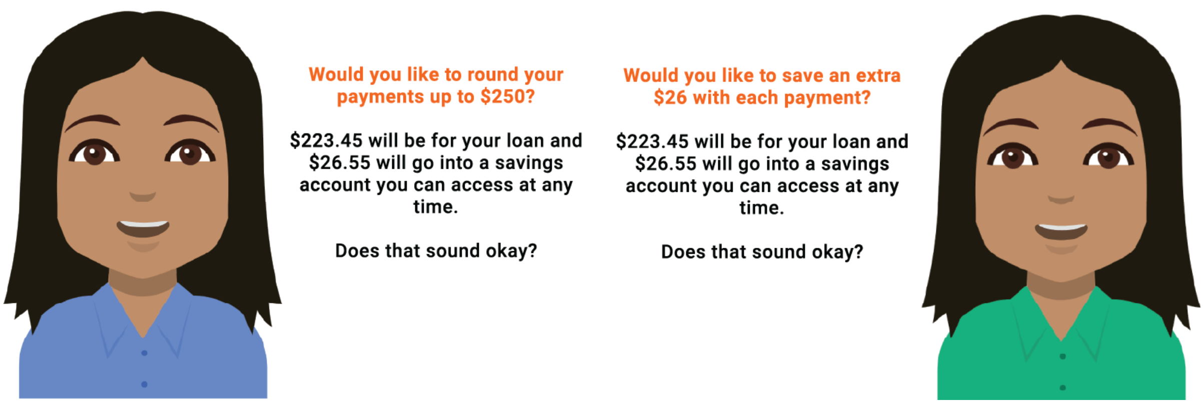
Using that work as a basis, we set out to replicate our project with EarnUp within a new context: automobile loans taken out at credit unions within Inclusiv's network. We are building on our work with LCCU, using elements such as loss aversion and opt-out framing to create an attractive savings opportunity across conditions. Given the combined insights from EarnUp and existing literature on rounding, we want to test if rounding loan payments to psychologically pleasing numbers can encourage people to save more effectively than simply asking them to save. We plan to find out by presenting revised versions of EarnUp conditions to members of several credit unions from Inclusiv's nationwide network.

EXPERIMENT

To satisfactorily extend our original research and allow us to understand how the intervention is received in different geographical regions, we assembled a selection of credit unions in different locations across the United States. To address our limited sample in the first iteration of the experiment, we hope to collect data from over 4,000 new auto loans across all credit unions. In partnership with those credit unions and Inclusiv, we will present members taking out new loans with one of two revised versions of the bundled savings offer:

- **Condition 1—Round Up:** When taking out a new loan, the member will be asked if they would like to "round up" their payment to a round number that includes both the monthly payment amount and a monthly savings amount.
- **Condition 2—Add On:** When taking out a new loan, the member will be asked if they would like to "add on" a monthly savings amount to their monthly payment amount.

CONDITIONS



Regardless of condition, participating members will save an average of $25 a month. We plan to measure both uptake rates and longevity of savings deposits to learn more about what type of offer is more likely to attract attention and result in actual money saved.

RESULTS

We have launched at all three sites and are currently collecting data. We expect results in Q3 of 2022.

Partner Type:	Partner Cohort:	Project Type:	Project Status:
Credit Union	**2019**	**Field Study**	**Poised to Launch**

/ inclusiv /

Increasing Deposits among Check Cashers, Again

BACKGROUND

In 2016, the Latino Community Credit Union (LCCU) partnered with the Common Cents Lab (CCL) to find ways to help members manage their cash flow by increasing short- and long-term savings. In particular, LCCU wanted a way to encourage its members to save a portion of their paychecks rather than cashing the full amount. The result, a check-cashing slip behaviorally designed to encourage savings, led 9.26% of members in the treatment conditions to save part of their paycheck—an average of $169 in savings per member. Read about the first project in our 2016 Annual Report.

In 2020, saving feels more important than ever. Fifty-three percent of Americans report not having a sufficient emergency fund, and 49% expected to live paycheck-to-paycheck even before the financial effects of the Coronavirus pandemic were felt in the United States. Unfortunately, those who manually cash their paycheck cannot participate in automatic saving or paycheck splitting programs that make it easier to save. To encourage saving among this group, we began planning to launch a new intervention that aims to replicate and extend our former paycheck research with new populations.

We partnered with Inclusiv, a national nonprofit organization that provides capital, builds capacity, develops innovative products and services, and advocates for community development credit unions (CDCUs). Inclusiv's national network of CDCUs serves over 17 million residents of low-income urban, rural, and reservation-based communities across the US, including Puerto Rico. Together, we are developing a new version of the behavioral science-informed check-cashing slip to roll out in Inclusiv credit unions across the US.

HYPOTHESIS AND KEY INSIGHTS

Replicating an experiment does more than deliver the benefits to a new population. By testing if experimental results hold true in new settings and with new populations, we gain a deeper confidence in the generalizability of our results—whether the effect is likely to occur in a variety of contexts with a variety of people. Successful replication demonstrates that our intervention generally works. This allows us to recommend more credit unions introduce the intervention in the future without having to test it every time.

We began our replication work with an in-depth review of our 2016 project with LCCU, including the several rounds of interviews and data analysis on check-cashing patterns we conducted at that time. By combining our previous work with current perspectives, we identified the following key insights:

1. **Many members use shortcuts** to decide how much to deposit into their savings accounts—for example, what they have left by the time they receive their next check, or their smallest check if they have multiple sources of employment.
2. **Smart defaults can smooth the way to saving.** By providing users with suggested amounts to save, we hope to alleviate choice overload and reduce the amount of decision-making needed to save.
3. **A savings default that's too high may discourage users from saving at all.** In 2016, we theorized that the 50% default we chose at the time may have been discouragingly out of reach for many would-be savers.

EXPERIMENT

To extend our research and possibly amplify the effect, we made modifications to the check-cashing slip. First, we decided to change the default amount to save between 10% and 20%.

We also simplified the forms and plan to test them at credit unions that already use a deposit slip. By embedding our intervention into an existing process rather than introducing a new step into a process, we hope to make our redesigned check-cashing slips easier and more natural for credit unions to continue to use even after our experiment ends.

We will test the following three conditions:

- **Control:** Members may choose to save if they wish but will not be prompted to save.
- **Condition 1—Easy Save:** Members will be prompted to save 10% of their check.
- **Condition 2—Options Save:** Members will be prompted to select an amount to save: 10%, 15%, 20%, or a custom percentage.

EXAMPLE CHECK CASHING SLIP


CHECK CASH & SAVINGS SLIP

CHECK AMOUNT

NAME

DATE

ACCOUNT NO.

TO BE FILLED OUT BY FSR

CASH BACK

DEPOSIT $

To test how the intervention works in new environments with new demographics, we selected credit unions carefully for inclusion. We decided to include a wide selection of Inclusiv's *cooperativas* in Puerto Rico, where a large portion of members do not have direct deposit set up and come in-person on payday to cash their checks. We also selected credit unions in the south and northwest of the contiguous United States to capture geographical differences. We anticipate receiving between 5,000 to 10,000 checks.

As in our 2016 research, we plan to roll out the slips in select branches of our participating credit unions. When members come to cash checks in person, they will see and fill out one of several versions of the slips. We hypothesize that providing a prompt to save will increase savings rates.

We plan to track how often members of each condition decide to deposit a portion of their check into savings, and how large those deposits tend to be.

RESULTS

We are currently onboarding credit unions for inclusion in the project. We plan to roll the experiment out in 2022.

Partner Type:	Partner Cohort:	Project Type:	Project Status:
Credit Union	**2019**	**Field Study**	**In Field**

/ inclusiv /

Building a Better Automatic Savings Tool

BACKGROUND

Building short-term savings is a crucial part of staying financially healthy, but it is something that many Americans struggle to do. According to the Federal Reserve's 2019 Survey of Household Economics and Decisionmaking (SHED), at the end of 2019, 37% of Americans reported that they could not cover a $400 expense using cash or a credit card that they paid off in full at the end of the month.

One of the easiest ways to save is to do so without even noticing. So-called "set it and forget it" automatic contribution rules work well because they operate in the background of our lives—savings quietly increase without the need to repeatedly make difficult decisions to save. However, these automatic savings tools are not easily accessible to everyone. Variable income, in particular, can make it difficult to choose to save automatically—and at the end of 2019, 30% of workers had income that varied month to month.

To better understand how to make an automatic savings tool useful to the greatest number of people, we partnered with Inclusiv, a national nonprofit organization that provides capital, builds capacity, develops innovative products and services, and advocates for community development credit unions (CDCUs). Inclusiv's national network of CDCUs serves over 17 million residents of low-income urban, rural, and reservation-based communities across the US. Through our partnership, we plan to design, build, launch, and study an automatic savings feature intended to meet the needs of low- and moderate-income populations.

HYPOTHESIS AND KEY INSIGHTS

To design an automatic savings tool that would be useful for the users of Inclusiv's credit unions, we first looked at saving tools currently offered in the financial world. One of the most common short-term savings methods is setting up a flat transfer amount on a fixed day of the month to transfer money from a deposit account into a savings account. But researchers have suggested that paycheck splitting—a common and highly effective retirement savings method where a predetermined portion of a user's paycheck is parceled into savings—may work very well in building short-term savings as well. We identified two significant barriers to start saving automatically:

1. **Variable income:** Through a survey we conducted with Inclusiv last year, nearly one-third of respondents who didn't set up automatic savings stated that they just weren't sure how much they would be able to save from paycheck to paycheck.
2. **Procrastination:** Even if a user wants to start saving automatically, it is easier to start tomorrow or next week. With so much competing for people's time and attention, people tend to put off things that aren't urgent, even if they are important. Setting up automatic savings is one of those things that is important but typically not urgent.

These are individuals who may be interested in using an automatic savings tool, but who need one that is designed to work with their lives. Inclusiv and CCL decided to focus on developing an easy, automatic credit-union-based tool that offers different ways to build short-term savings using paycheck splitting and flat transfer amounts. To reduce procrastination, the savings tool pops up when a user logs into the online banking portal to encourage members to make the decision now.

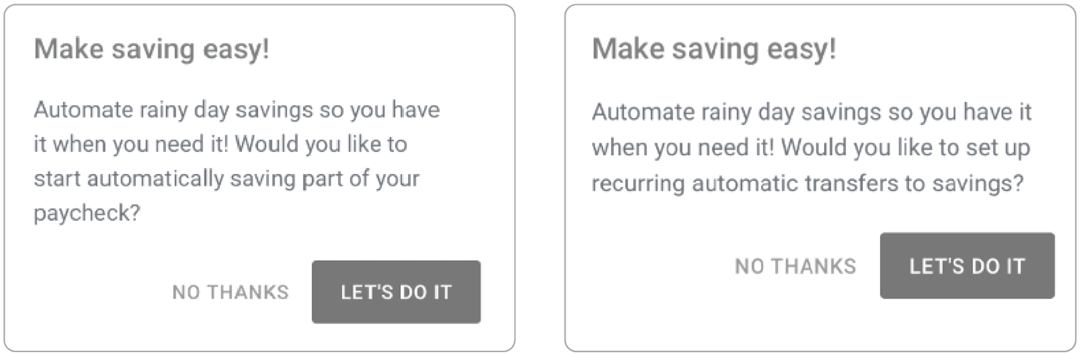
EXPERIMENT

With these insights in mind, we focused on building a tool designed to help credit union members build savings and help us understand uptake, dropout rates, and savings outcomes associated with variants on an automatic savings tool. To test the effect of different types of automatic savings tools, an expected 14,000 users at Inclusiv's credit unions see a pop-up notice upon login asking if they would like to set up automatic savings. Users are randomly placed into one of the following conditions:

» **Treatment 1:** Half of our participants are asked to designate a percentage of each paycheck to save.

» **Treatment 2:** The other half are asked to set up a recurring transfer to savings on a custom basis, such as once a week or once a month.

EXPERIMENTAL CONDITIONS



We hope to understand how uptake and savings outcomes are affected by the type of automatic savings tool offered.

RESULTS

We have rolled out the tool among several of Inclusiv's credit union partners to maximize the reach of this experiment and better understand which version of the tool works better for whom. We expect to share results in our 2022 Annual Report.

Partner Type: **Credit Union** | Partner Cohort: **2019** | Project Type: **Field Study** | Project Status: **Completed**

/ inclusiv /

Bundling Savings with Loans: Saving while You Pay Off Debt

BACKGROUND

People commonly approach the dual problems of paying down debt and building savings in a linear way. First, the common thinking goes, you should pay off all your debts. Once you're free of the expensive interest and monthly payments, you can focus on building savings. However, according to the Federal Reserve's 2019 Survey of Consumer Finances, over 75% of Americans have some form of debt, and the average amount of debt measures in the tens of thousands. To focus solely on paying down debt might mean putting off saving for a very long time. And living without the safety net of an emergency fund means being at risk of falling into deeper debt when an expense comes up that you don't have the funds saved to cover.

For this reason, the Common Cents Lab is keenly interested in investigating different ways to bundle savings products with loans to encourage consumers to save while they pay down debt. In 2016, we partnered with fintech startup EarnUp to help Americans pay off their home mortgages faster and increase long-term savings. Using small messaging tweaks, we tried to encourage EarnUp users to add more money to their mortgage payment each month, an action that ultimately leads to less total interest paid and a shorter loan term. Knowing that people find round numbers more appealing, we asked one group to round up their mortgage payment to a round number, and another group to simply overpay on their mortgage. We found that "round up" framing increased the number of people who opted in by 3.1%. Read the full case study in our 2016 Annual Report.

In 2020, we began planning to replicate and extend this research in partnership with Inclusiv, a national nonprofit organization that provides capital, builds capacity, develops innovative products and services, and advocates for community development credit unions (CDCUs). Inclusiv's national network of CDCUs serves over 17 million residents of low-income urban, rural, and reservation-based communities across the US and provides access to a large base of members to help us learn more about the most effective way to help members save money while paying down debt.

HYPOTHESIS AND KEY INSIGHTS

Replicating results is an important part of the research process. By rerunning experiments in new settings and with new populations, we can see if results hold true across a variety of contexts. This allows us to state with confidence that new credit unions can introduce the same intervention and get the same results without having to test each time to be sure.

We began with a review of our work on other bundled savings programs at credit unions, such as with Latino Community Credit Union (LCCU) in 2017. Back then, we looked at background research, as we did in our project with EarnUp, to determine how to frame savings to appeal to people taking out new loans. We developed a set of recommendations for LCCU, such as presenting payments in round numbers and bundling savings with the price of the loan in order to reduce the pain of paying associated with the decision. Harnessing the power of defaults by presenting the product as opt-out rather than opt-in also helped inform our design for LCCU's savings program. Finally, in our work with LCCU, we highlighted the amount members would have saved at the end of their loan if they remained in the program. We theorized that emphasizing this amount would trigger loss aversion and encourage uptake of the program.

Harnessing the power of defaults by presenting the product as opt-out rather than opt-in also helped inform our design for LCCU's savings program.

Using that work as a basis, we set out to replicate our project with EarnUp within a new context: automobile loans taken out at credit unions within Inclusiv's network. We are building on our work with LCCU, using elements such as loss aversion and opt-out framing to create an attractive savings opportunity across conditions. Given the combined insights from EarnUp and existing literature on rounding, we want to test if rounding loan payments to psychologically pleasing numbers can encourage people to save more effectively than simply asking them to save. We plan to find out by presenting revised versions of EarnUp conditions to members of several credit unions from Inclusiv's nationwide network.

EXPERIMENT

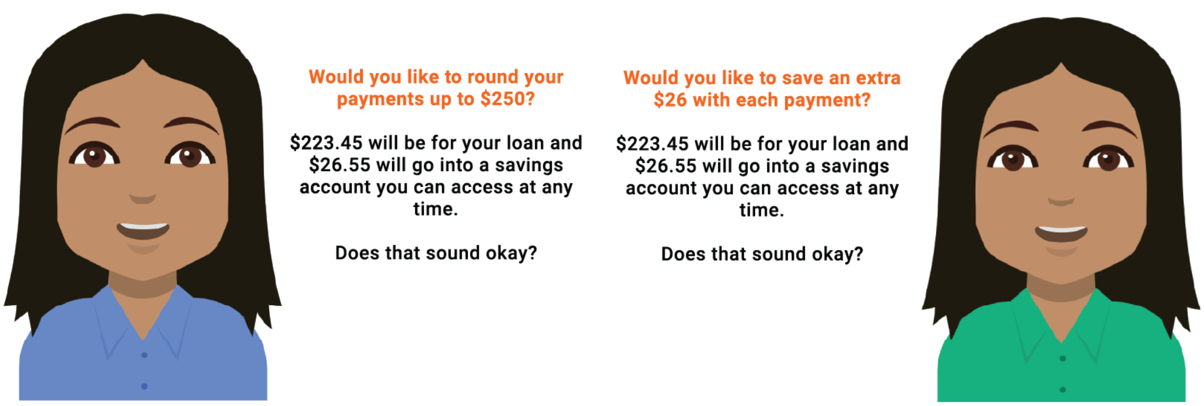
To satisfactorily extend our original research and allow us to understand how the intervention is received in different geographical regions, we assembled a selection of credit unions in different locations across the United States. To address our limited sample in the first iteration of the experiment, we hoped to collect data from over 4,000 new auto loans across all credit unions. In partnership with those credit unions and Inclusiv, we planned to present members taking out new loans with one of two revised versions of the bundled savings offer:

» **Condition 1:** Round Up. When taking out a new loan, the member will be asked if they would like to "round up" their payment to a round number that includes both the monthly payment amount and a monthly savings amount.

» **Condition 2:** Add On. When taking out a new loan, the member will be asked if they would like to "add on" a monthly savings amount to their monthly payment amount.

Regardless of condition, participating members will save an average of $25 a month. We measured uptake rates to learn more about what type of offer is more likely to attract attention and result in a decision to save.

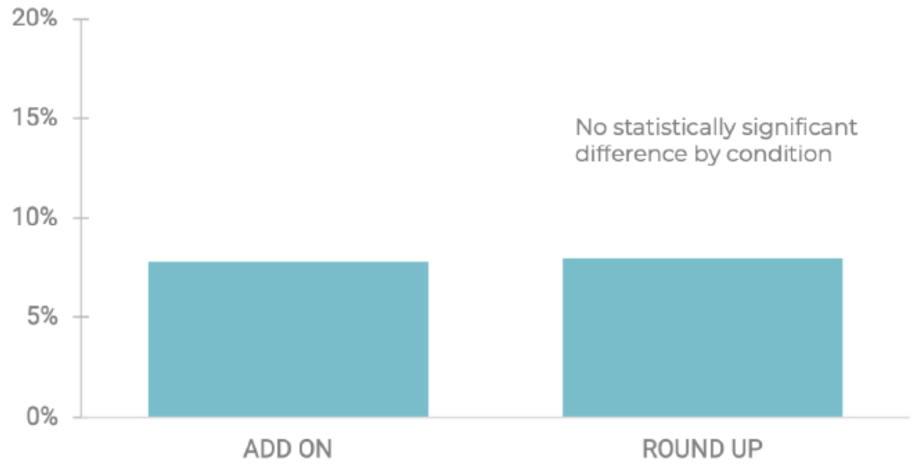
CONDITIONS



RESULTS

Over the course of the intervention, we saw an average take-up rate of 7.9% for paired savings. The take-up rate didn't change significantly between conditions, indicating that the phrasing wasn't a deciding factor on whether folks decided to start saving.

OPT-IN RATES FOR SAVINGS PAIRED WITH LOANS



Those who did decide to start saving will have about an average of $1,545 saved by the end of their loan term. These findings suggest that there is appetite for a product pairing savings with loan repayment, but finding the right audience is key. Data were collected throughout 2022, a strange time for automobile loans. We also saw fewer than our goal of 4,000 auto loans, finishing with a sample of 1,197. Because of these factors, we recommend further replication work before drawing conclusions about the efficacy of this method of promoting savings.

Partner Type: **Credit Union** | Partner Cohort: **2019** | Project Type: **Field Study** | Project Status: **Completed**

/ inclusiv /

Increasing Deposits among Check Cashers, Again

BACKGROUND

In 2016, the Latino Community Credit Union (LCCU) partnered with the Common Cents Lab (CCL) to find ways to help members manage their cash flow by increasing short- and long-term savings. In particular, LCCU wanted a way to encourage its members to save a portion of their paychecks rather than cashing the full amount. The result, a check-cashing slip behaviorally designed to encourage savings, led 9.26% of members in the treatment conditions to save part of their paycheck—an average of $169 in savings per member. Read about the first project in our 2016 Annual Report.

In 2020, saving felt more important than ever. Fifty-three percent of Americans report not having a sufficient emergency fund, and 49% expected to live paycheck-to-paycheck even before the financial effects of the Coronavirus pandemic were felt in the United States. Unfortunately, those who manually cash their paycheck cannot participate in automatic saving or paycheck splitting programs that make it easier to save. To encourage saving among this group, we began planning to launch a new intervention that aims to replicate and extend our former paycheck research with new populations.

We partnered with Inclusiv, a national nonprofit organization that provides capital, builds capacity, develops innovative products and services, and advocates for community development credit unions (CDCUs). Inclusiv's national network of CDCUs serves over 17 million residents of low-income urban, rural, and reservation-based communities across the US. Together, we developed a new version of the behavioral science-informed check-cashing slip to test in new contexts.

HYPOTHESIS AND KEY INSIGHTS

We began our work with an in-depth review of our 2016 project with LCCU, including the several rounds of interviews and data analysis on check-cashing patterns we conducted at that time. By combining our previous work with current perspectives, we identified the following key insights:

1. **Many members use shortcuts** to decide how much to deposit into their savings accounts—for example, what they have left by the time they receive their next check, or their smallest check if they have multiple sources of employment.
2. **Smart defaults can smooth the way to saving**. By providing users with suggested amounts to save, we hope to alleviate choice overload and reduce the amount of decision-making needed to save.
3. **A savings default that's too high will discourage users from saving at all.** In 2016, we theorized that the 50% default we chose at the time may have been discouragingly out of reach for many would-be savers.

EXPERIMENT

To extend our research and possibly amplify the effect, we made modifications to the check-cashing slip. First, we decided to change the default amount to save to between 10% and 20%.

We also simplified the forms and plan to test them at credit unions that already use a deposit slip. By embedding our intervention into an existing process rather than introducing a new step into a process, we hope to make our redesigned check-cashing slips easier and more natural for credit unions to continue to use even after our experiment ends.

We tested the following three conditions:

» **Control:** Members may choose to save if they wish but will not be prompted to save.

» **Condition 1:** Easy Save. Members will be prompted to save 10% of their check.

» **Condition 2:** Options Save. Members will be prompted to select an amount to save: 10%, 15%, 20%, or a custom percentage.

EXAMPLE CHECK CASHING SLIP


CHECK CASH & SAVINGS SLIP

CHECK AMOUNT

NAME

DATE

ACCOUNT NO.

TO BE FILLED OUT BY FSR

CASH BACK

DEPOSIT $

As in our 2016 research, we rolled out the slips in different branches of our participating credit union to gain insight into how the process works on both rural and urban populations. When members cashed checks in person, they saw and filled out one of several versions of the slips. We hypothesized that providing a prompt to save will increase savings rates.

We planned to track how often members of each condition decide to deposit a portion of their check into savings, and how large those deposits tend to be.

RESULTS

To our surprise, we found that the number of checks cashed in branch was far lower than previous data suggested. While we saw projections of up to 10,000 checks cashed a month, our final sample was 700 checks—just 5% of all in-branch transactions recorded. We saw no differences between conditions and an overall low take-up rate. Combined with the low number of checks cashed in branch, this low take-up rate represents a small enough impact that we do not recommend rolling out the changes more broadly.

However, these results demonstrate the importance of testing assumptions and the sensitivity of some behavioral interventions to tweaks and changes. While our initial LCCU test resulted in a high number of new savers, it may be that the changes between the initial study and this current extension effort resulted in this null effect.

Partner Type: **Credit Union** | Partner Cohort: **2019** | Project Type: **Field Study** | Project Status: **Completed**

/ inclusiv /

Building a Better Automatic Savings Tool

BACKGROUND

Building short-term savings is a crucial part of staying financially healthy, but it is something that many Americans struggle to do. According to the Federal Reserve's 2019 Survey of Household Economics and Decisionmaking (SHED), at the end of 2019, 37% of Americans reported that they could not cover a $400 expense using cash or a credit card that they paid off in full at the end of the month.

One of the easiest ways to save is to do so without even noticing. So-called "set it and forget it" automatic contribution rules work well because they operate in the background of our lives—savings quietly increase without the need to repeatedly make difficult decisions to save. However, these automatic savings tools are not easily accessible to everyone. Variable income, in particular, can make it difficult to choose to save automatically—and at the end of 2019, 30% of workers had income that varied month to month.

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HYPOTHESIS AND KEY INSIGHTS

To design an automatic savings tool that would be useful for the users of Inclusiv's credit unions, we first looked at saving tools currently offered in the financial world. One of the most common short-term savings methods is setting up a flat transfer amount on a fixed day of the month to transfer money from a deposit account into a savings account. But researchers have suggested that paycheck splitting—a common and highly effective retirement savings method where a predetermined portion of a user's paycheck is parceled into savings—may work very well in building short-term savings as well. We identified two significant barriers to start saving automatically:

1. **Variable income:** Through a survey we conducted with Inclusiv in 2019, nearly one-third of respondents who didn't set up automatic savings stated that they just weren't sure how much they would be able to save from paycheck to paycheck.
2. **Procrastination:** Even if a user wants to start saving automatically, it is easier to start tomorrow or next week. With so much competing for people's time and attention, people tend to put off things that aren't urgent, even if they are important. Setting up automatic savings is one of those things that is important but typically not urgent.

These are individuals who may be interested in using an automatic savings tool, but who need one that is designed to work with their lives. Inclusiv and CCL decided to focus on developing an easy, automatic credit-union-based tool that offers different ways to build short-term savings using paycheck splitting and flat transfer amounts. To reduce procrastination, the savings tool pops up when a user logs into the online banking portal to encourage members to make the decision now.

Inclusiv and CCL decided to focus on developing an easy, automatic credit-union-based tool that offers different ways to build short-term savings using paycheck splitting and flat transfer amounts.

EXPERIMENT

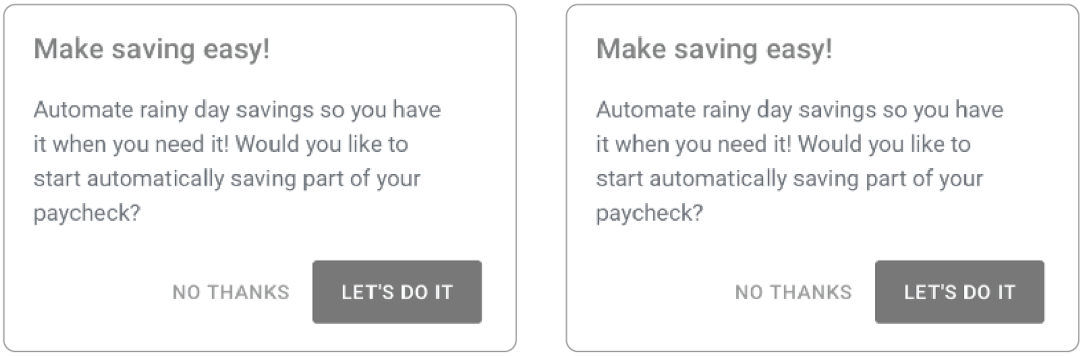
With these insights in mind, we focused on building a tool designed to help credit union members build savings and help us understand uptake, dropout rates, and savings outcomes associated with variants on an automatic savings tool. To test the effect of different types of automatic savings tools, we showed 14,642 users at Inclusiv's credit unions a pop-up notice upon login asking if they would like to set up automatic savings. Users were randomly placed into one of the following conditions:

» **Treatment 1:** Half of our participants are asked to designate a percentage of each paycheck to save.

» **Treatment 2:** The other half are asked to set up a recurring transfer to savings on a custom basis, such as once a week or once a month.

We hoped to understand how uptake and savings outcomes are affected by the type of automatic savings tool offered.

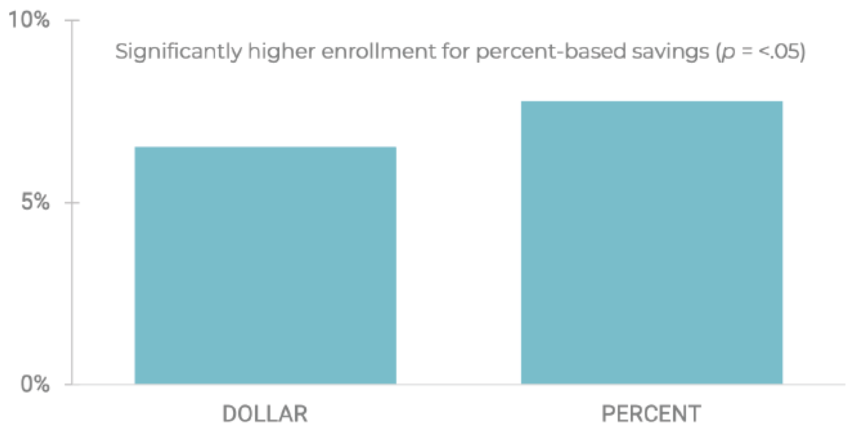
EXPERIMENTAL CONDITIONS



RESULTS

Over the course of the study, prompts encouraged an average of 7.1% of participants to enroll in automated savings. We found a main effect of condition, with people more likely to enroll in percent-based savings than dollar-based savings (p = 0.003). The majority (around 75%) of participants who enrolled did so in the first or second prompt. Further re-prompts showed diminishing returns.

PERCENT ENROLLED IN AUTOMATED SAVINGS



We found that for dollar-based savings rules, weekly transfers resulted in highest savings, averaging over $135 more saved per month than other frequencies. However, savings rates tended to be highest for percent-based rules. Percent-rule participants saved an estimated average of $389 over the study period, $172 more than dollar-rule participants. This would lead to almost $900 more in savings over a year of use than using a dollar rule. We did not find any evidence of differences in starting balance or transaction behavior between conditions, suggesting that percent-based rules do not draw a wealthier audience than dollar-based rules.

While further research is required, these findings suggest that defaulting into a percent-based savings rule can lead to higher savings than a dollar-based rule. Further, the findings demonstrate that the addition of a simple prompt to begin to save can lead to a significant portion of members deciding to save.