



***“TOOLS FOR SUCCESS” WEBINAR SERIES  
FOR ASSETS FOR INDEPENDENCE  
GRANTEES***

**Behavioral Strategies for IDA  
Program Recruitment, Enrollment  
and Retention  
February 29, 2012**

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# Connecting to Audio

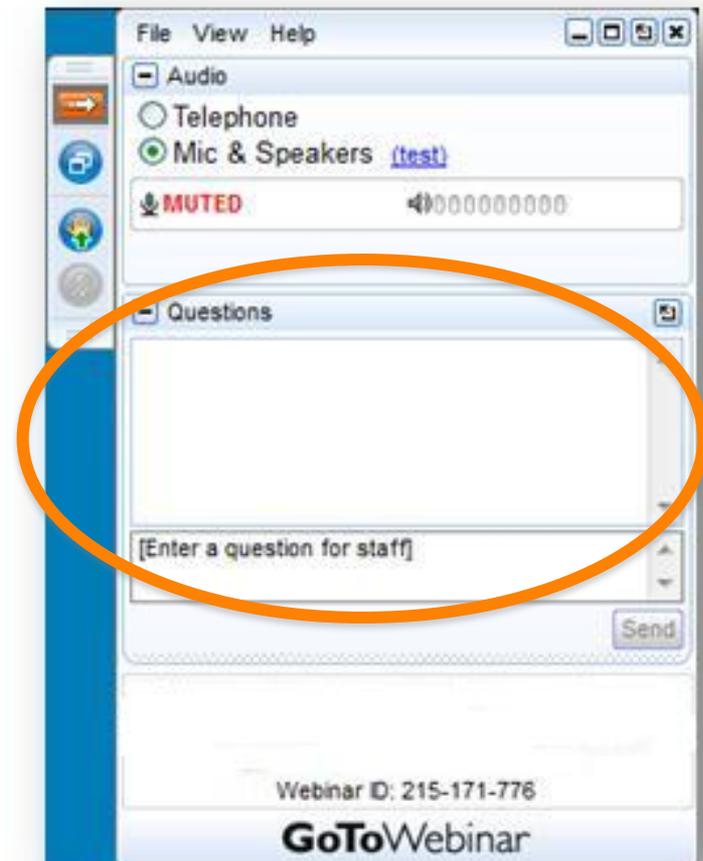
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- This webinar is being recorded.
- A transcript and link to the recording will be available 1 week after the webinar.
- The webinar will last for 1 hour.
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# Housekeeping

- All webinar attendees are muted to ensure sound quality.
- Use the question box in your webinar Control Panel to ask questions at any time.





# Not an AFI grantee yet?

- Assets for Independence (AFI), which is administered through the Office of Community Services (OCS) at the U.S. Department of Health and Human Services, provides federal funding to community-based nonprofits and government agencies for Individual Development Accounts (IDAs).
- To learn more about applying, visit [www.idaresources.org](http://www.idaresources.org)
- **Upcoming Orientation Session:**
  - AFI Program Overview and Grant Application Process (webinar)**
  - Tuesday, March 27, 2:00 – 3:30 p.m. EST**
  - Register at [www.idaresources.org](http://www.idaresources.org)

# Your Guest Speaker

- **Mindy Hernandez**

Founder and Principal Researcher  
at One Decision



- Mindy connects research in the behavioral sciences to real-world challenges in the asset-building field. As an Innovator-in-Residence at CFED, Mindy partnered with asset building practitioners to design and test program tweaks informed by research. Mindy is the Founder and Principal Researcher at One Decision.

# Your Moderator

- **Stephanie Halligan**  
AFI Resource Center



- The AFI Resource Center provides training and technical assistance to AFI grantees, their project partners, and other organizations that are providing asset building services across the nation.

# Today we will talk about...

- Findings from the field of behavioral economics and how it can apply to your program.
- Examples of behavioral strategies that are helping asset building program improve their outcomes.
- Simple IDA program “tweaks” to promote recruitment and better program participation.

# Behavioral economics insight and tactics to:

- Improve program enrollment and retention;
- Promote better IDA participation through automation, reminders, and simplified account processes; and
- Enhance your clients' capacity to follow through on savings intentions.

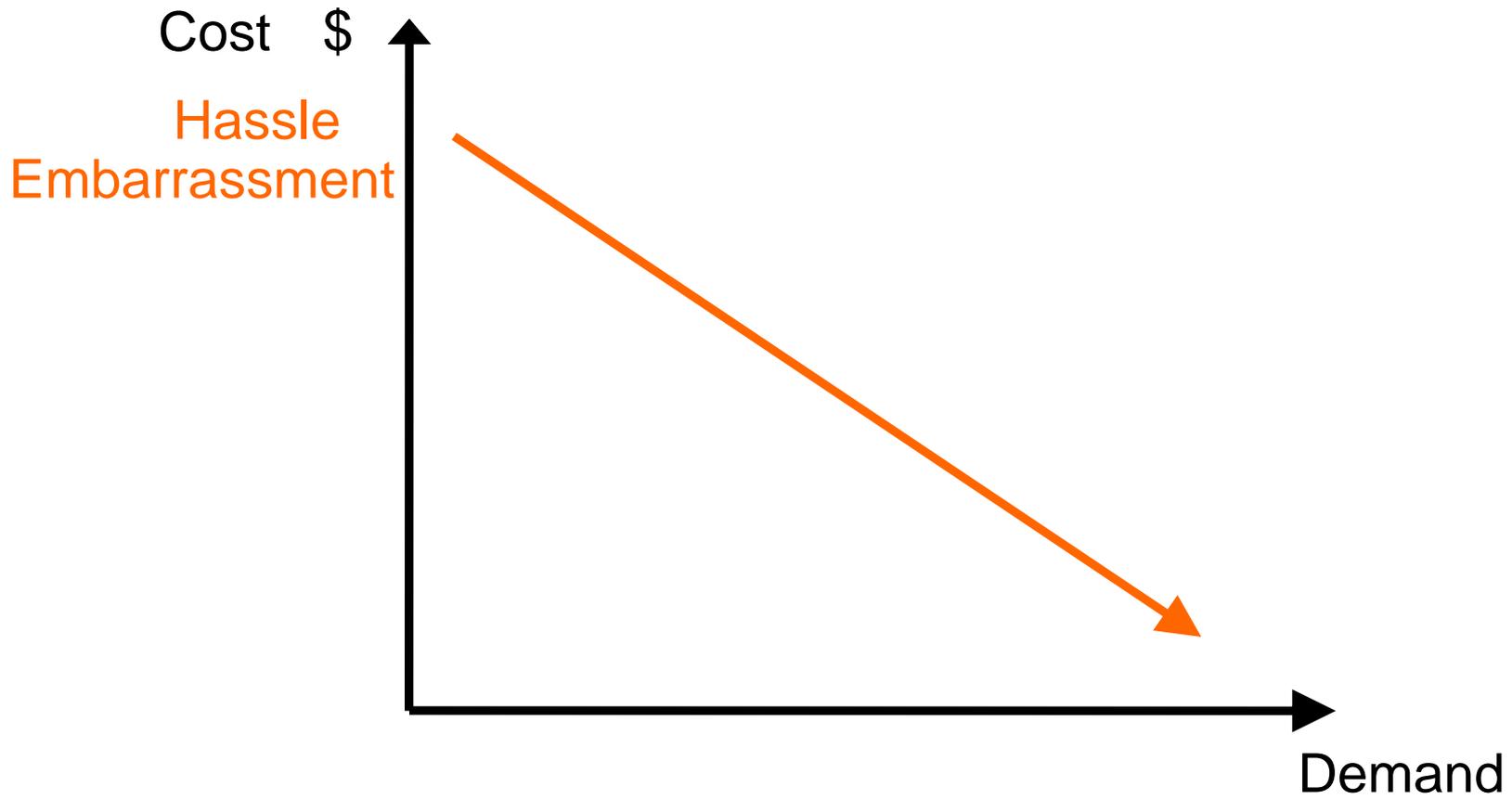
# Questions or comments?

- Ask any questions about any specific behavioral challenges your IDA program faces.
- Share any behavioral strategies that you have used in the past.
- Use the question box in your webinar Control Panel to ask questions at any time, and we will answer as many questions as we can at the end of the webinar.

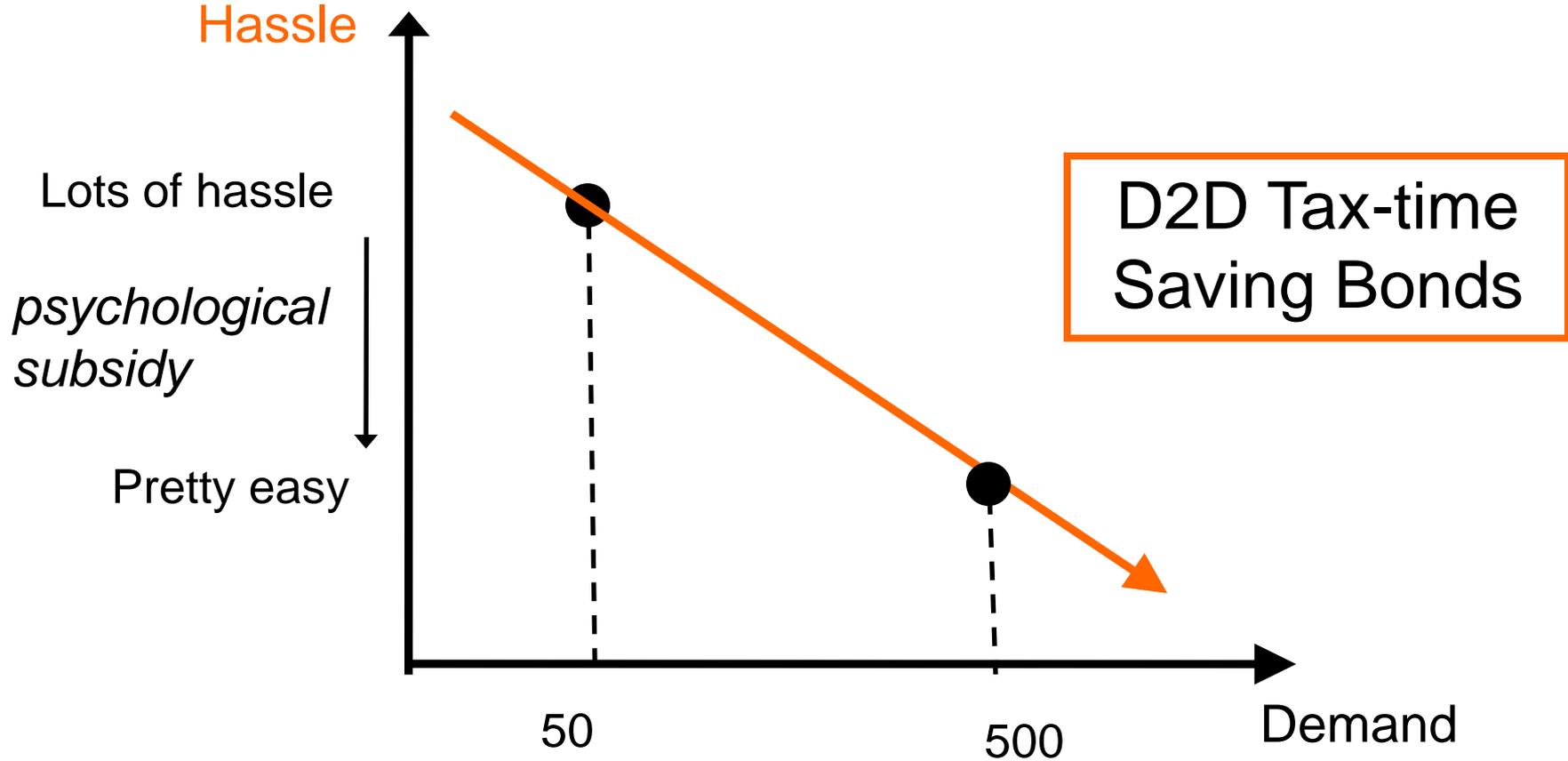


# Applying Behavioral Research to IDA Programs: What Works

Mindy Hernandez



# Demand for New Savings Product, SuperSave

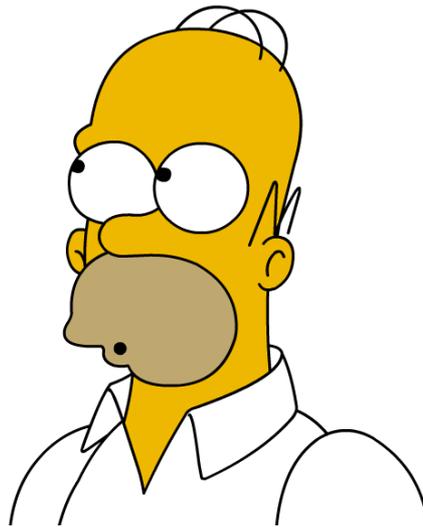


*From a behavioral perspective*

**Traditional view:** We're rational agents, well informed with stable preferences, controlled, self-interested, calculating



**Behavioral perspective:** Mediocre judgment, malleable preferences, make mistakes calculating risks and probability, impulsive, myopic, driven by social desires and identities



*Son, if you really want something in this life, you have to work for it. Now quiet! They're about to announce the lottery numbers.*

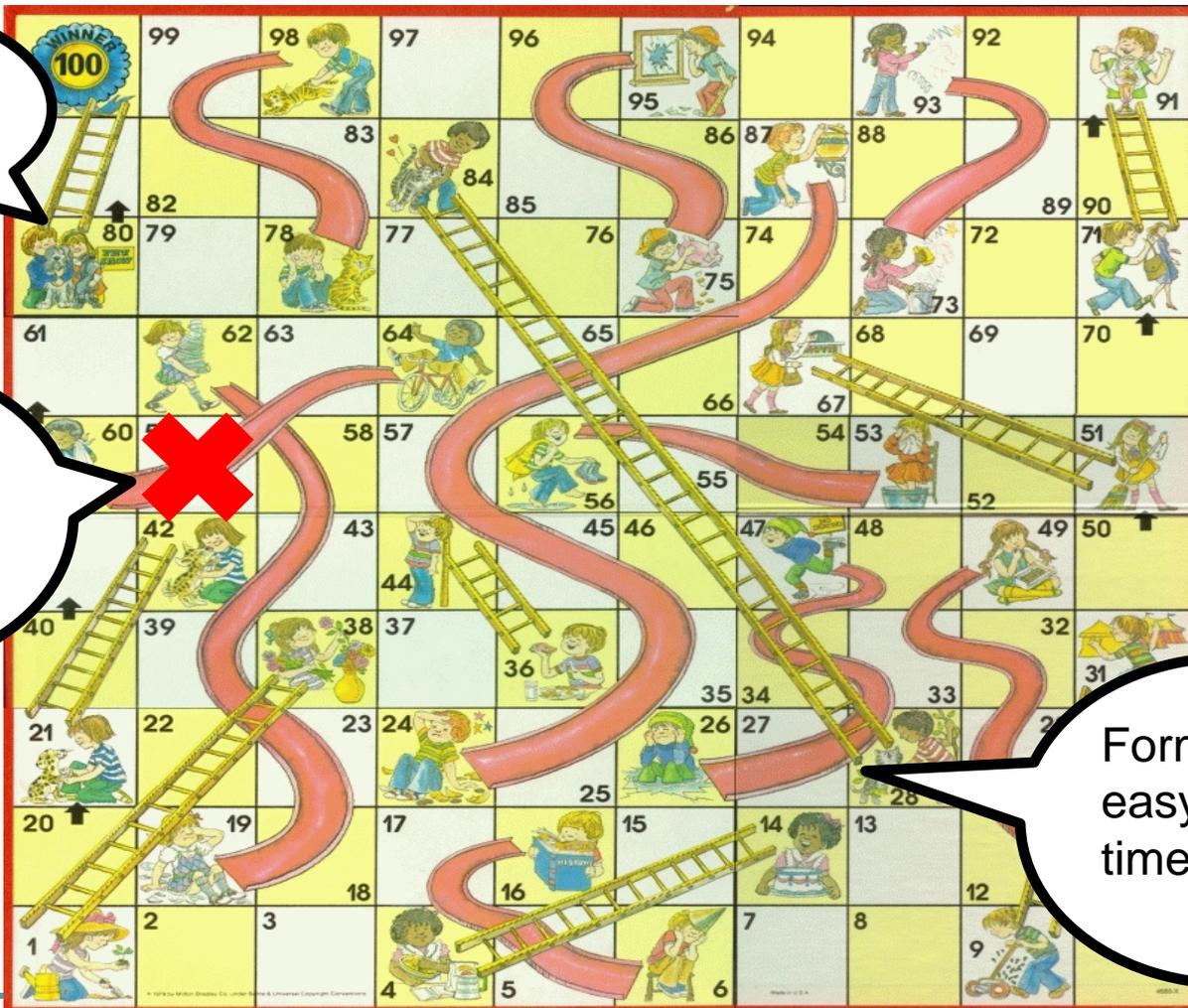
# Examples of Bounded Rationality

- Channel and Hassle Factors
- Mental Accounting
- Limited Attention
- Impatience / Time inconsistency

# Channel & Hassle Factors

Text messages

Long forms, too many choices

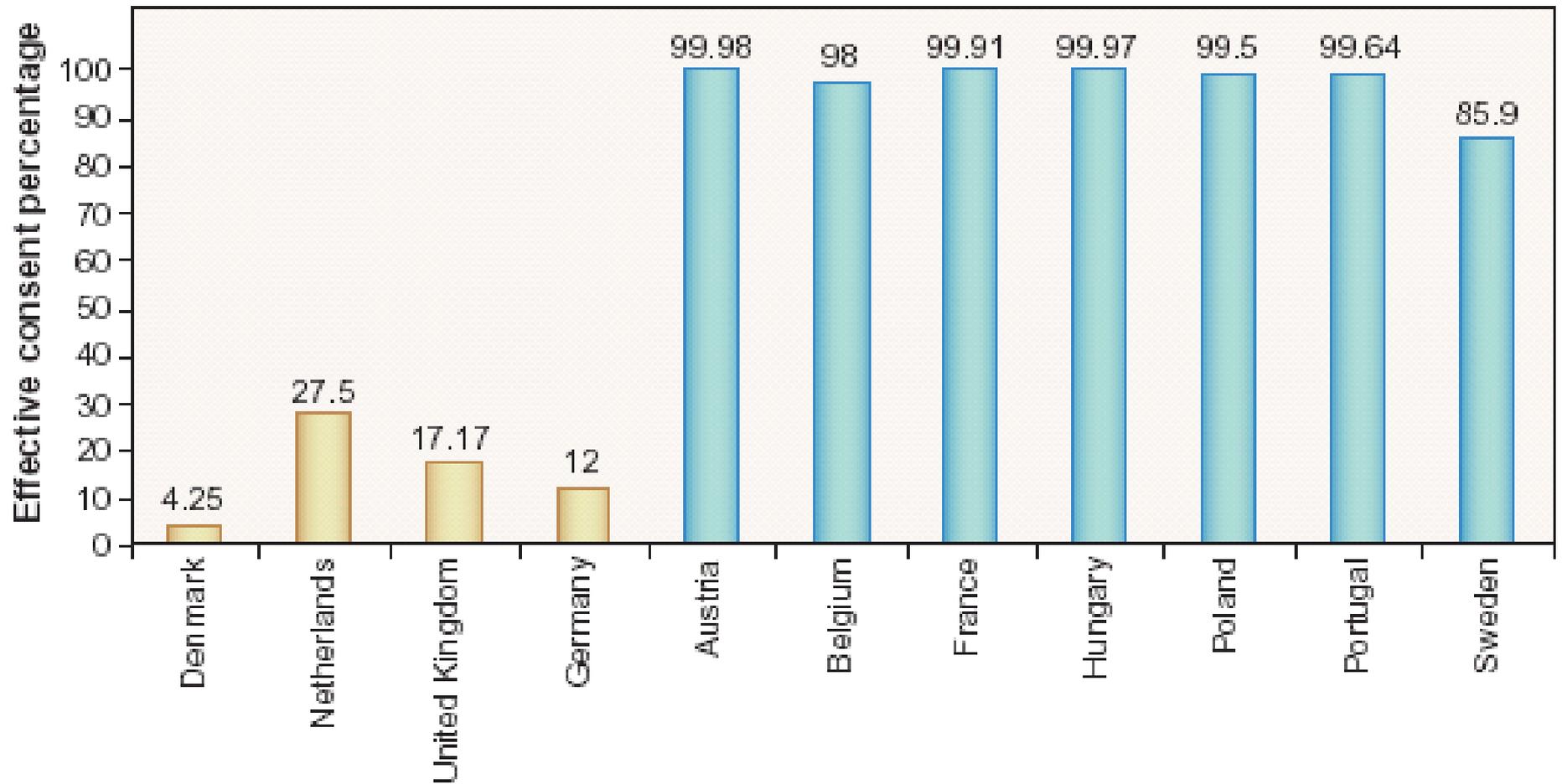


Form 8888-  
easy tax  
time saving

# Simplify



# The Power of Defaults

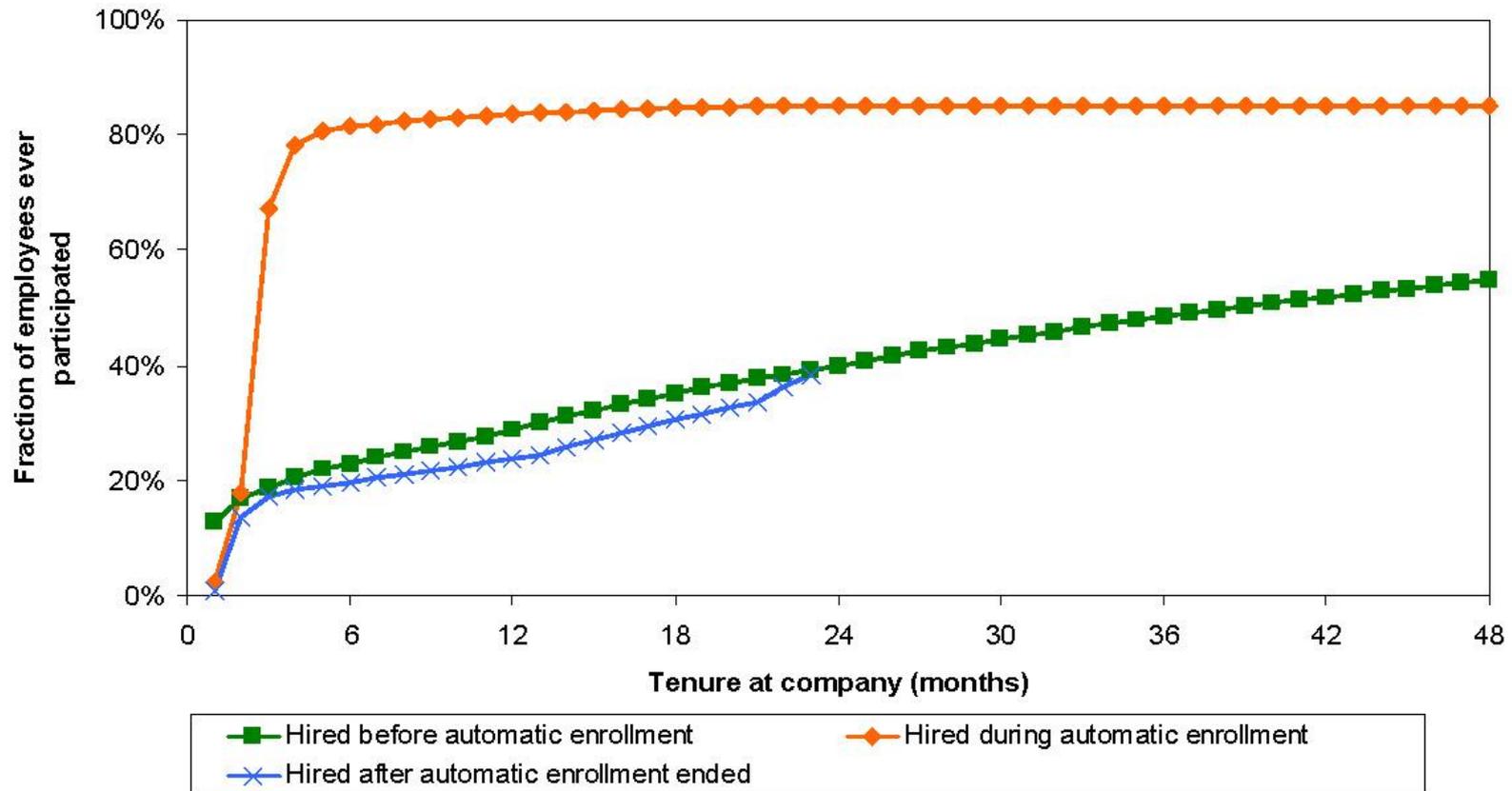


Effective consent rates, by country. Explicit consent (opt-in, gold) and presumed consent (opt-out, blue).

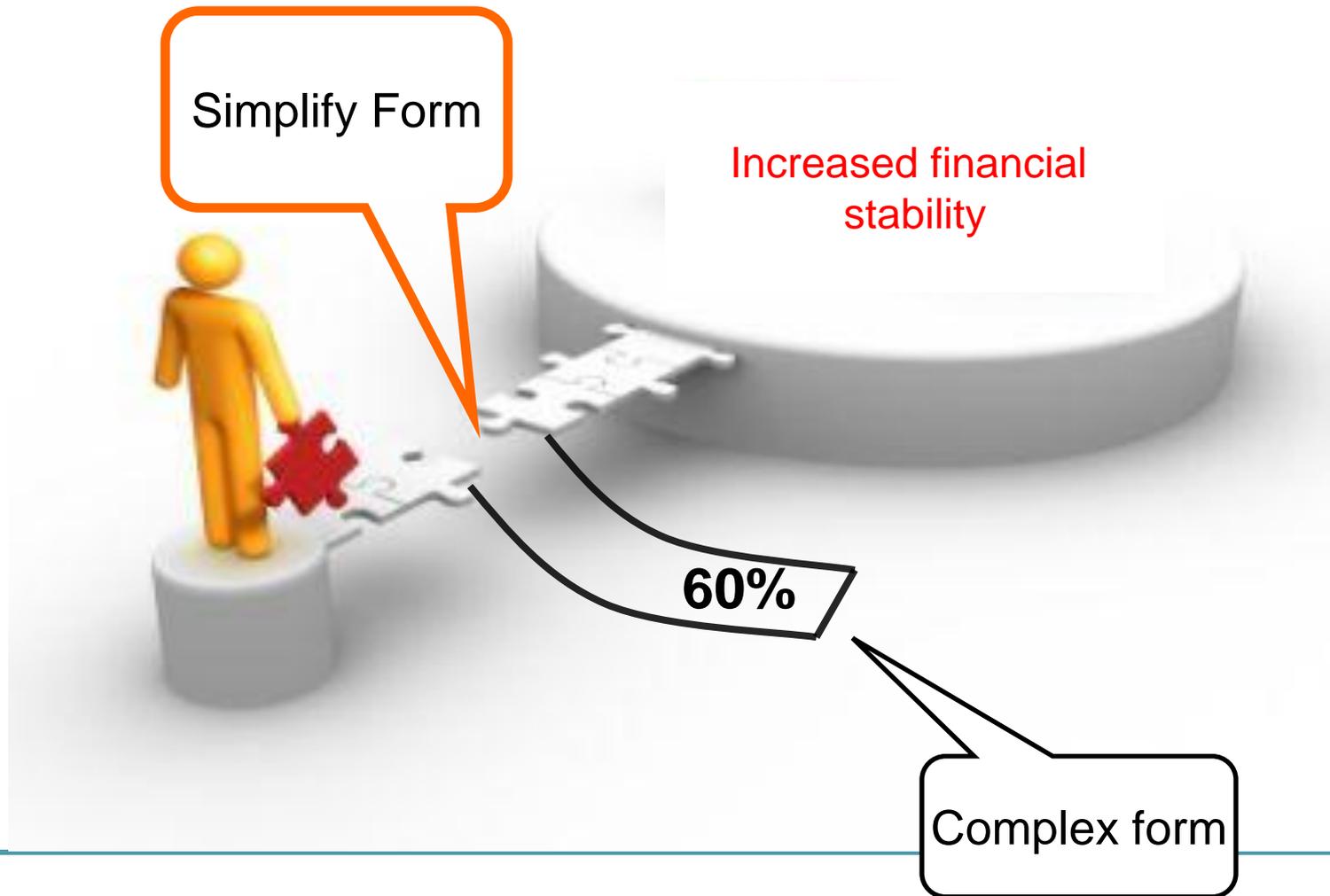
## Automatic enrollment effect

**Automatic enrollment dramatically increases participation.**

401(k) participation by tenure at firm: Company B



# Case Study: Simplify Debt Counseling



Dear Jane Client:

Thank you for calling Consumer Credit Counseling Service. We have reserved an appointment for you to review your credit report with a certified credit counselor.

Date: Monday, August 25, 2009

Time: 2:30 pm

Location: Main Office

Branch Phone: 555-1212

Enclosed are a Monthly Budget Worksheet, an Income Worksheet, a Personal Balance Worksheet, and an Authorization Release. This is important information that must be completed and available during your appointment. Please arrive 15 minutes prior to your scheduled appointment time to allow for completion of any additional required paperwork and to sign the proper authorization form and retrieve your credit report. Be sure to keep your appointment. Please bring your ID.

The fee is \$65.00 for individual credit report counseling session or \$75.00 for a joint credit report counseling session and is due at the time of your appointment. CCCS will provide a tri-merged credit report of all three major credit reporting agencies at your session. **We will accept money orders or cashiers checks only. Cash payments must be exact change.** In our Center City location you may use an ATM (MAC) Card or Visa Check Card.

Please be aware that our agency is committed to helping you with your financial circumstances. We have reserved this time slot for you and would appreciate your commitment to keeping your appointment. If for any reason you are unable to keep this appointment please notify us as soon as possible by calling 555-1212 so that we may reschedule your appointment and make available your original appointment time to another individual in need of our services. We offer appointments Monday thru Thursday 8am - 6pm, Friday 8am-4pm, and Saturday 8am - 12pm.

If you have any questions about our forms, your appointment time, or anything else pertaining to this interview, please call us. Please see the attached directions or visit us on the web at <http://www.cccsdv.org/locations.htm> for the location of your appointment. We will call to confirm the appointment 24 to 48 hours in advance.

Counseling Staff

# CCCSDV Original debt Counseling Letter

*Plus 5 pages  
Of financial  
worksheets*

Jane Client  
3214 Test Street  
#435  
Test, CA 12354-8569



Dear Client,

Congratulations on calling CCCSDV and taking the first step in taking control of your financial life! Making an appointment with our offices was the hard part - now you're on your way, and we're here to help.

#### Your Appointment Information

I reserved an appointment for you with me, Joe Counselor.

On: Monday, August 25, 2003 At: 2:30 am

Place: San Francisco Office: 3579 Counseling Street, Suite 300, San Francisco, CA 65478-8529

Phone: 1-800-555-1212

*Because these appointments are in high demand, if you absolutely must cancel, notify us within 2 days of receiving this letter so we may give your space to someone on our waitlist.*

#### What to Expect

- We'll sit down together one-on-one at our office
- We'll review your credit report, your credit score, your rights as a consumer and help you plan a budget that will help you reach your goals.
- Clients leave the office after the first meeting with: an action plan, a budget, and strategies to reach your financial goals.

#### What's Enclosed

- Information on our counseling services
- Detailed directions

#### Please Bring:

- Paystubs or Proof of Income
- Monthly Expenses (Bills, Statements, ect.)
- Photo ID

*Your Service gives an understanding of credit...it was easy and simple and I walked out confident that I would be able to repair my credit..."*

*--T.T., CCCSDV Client*

We're here to help so just call if you have any questions. This service is \$65 for individual credit report and \$75 for joint. If you have a certificate for a free credit report counseling session, please be sure to bring it with you to the session. You may be eligible for a waiver- just ask when you come in for the appointment.

I'm looking forward to seeing you on Monday, August 25, 2003,

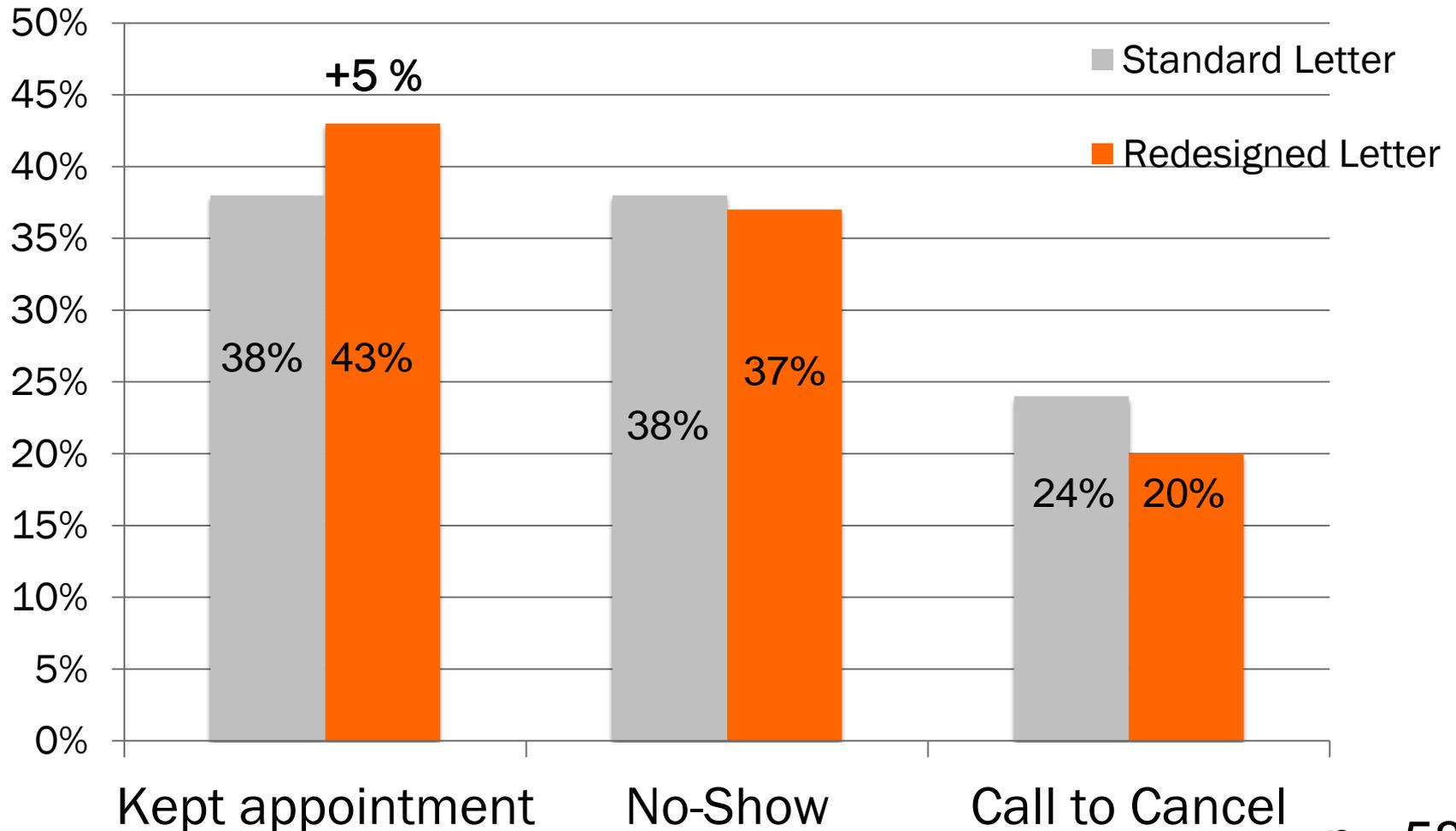
*Joe Counselor*  
Joe Counselor

PS: I'll remind you about our meeting a few days before your appointment.

# CCCSDV Revised debt Counseling Letter

Zero  
worksheets

# Results



# Mental Accounting



# Using Mental Accounting to Help People Save



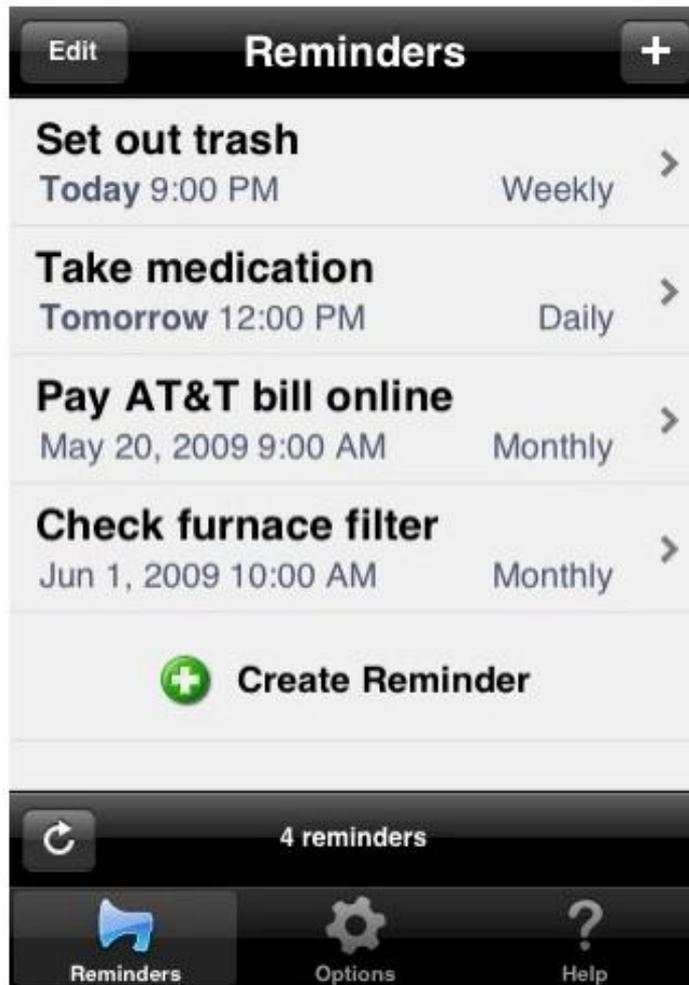
Corey's College Fund



# How to Make Mental Accounting Powerful

- Label saving goal & be *specific*
- Literally separate money
- Be visual
- One is better than two
- Keep it simple

# Well Designed Reminders



## Text Reminders

- Clients receiving monthly reminders saved **6% more**
- Reminders with specific goal increased **saving 16%**
- Reminders without specific saving goal had **no impact**

# How to Make Reminders Powerful

- Be specific
- Focus on the *means*
- One is better than two
- Keep it simple
- Timing Matters

# Timing Matters

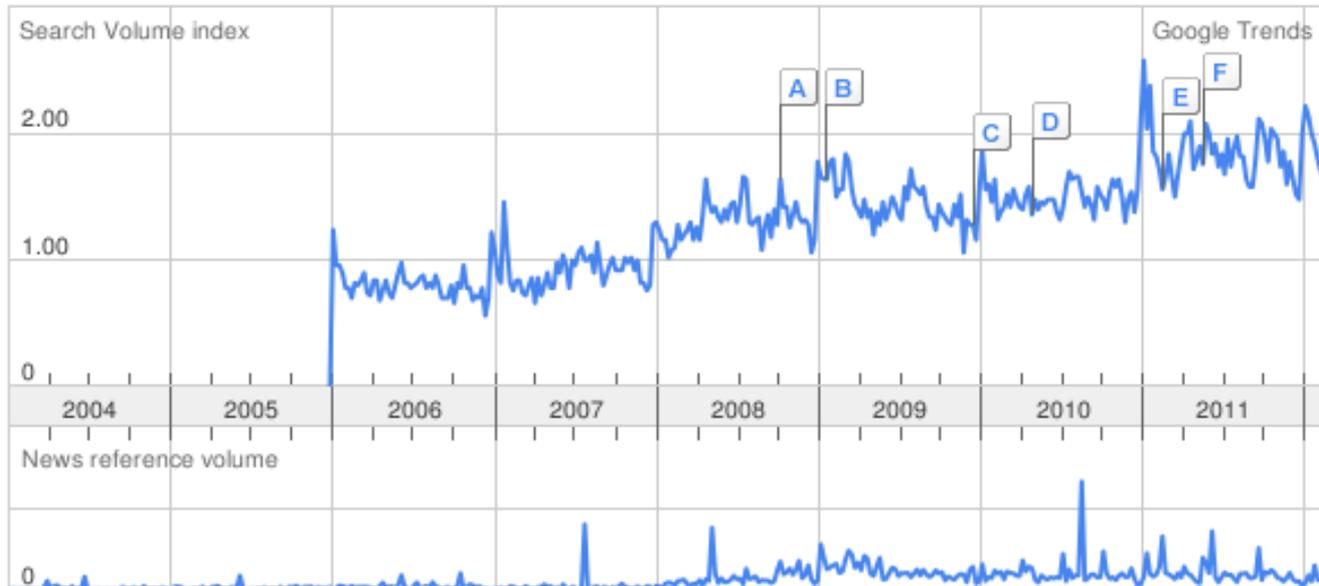
Tip: Use commas to compare multiple search terms.

[Searches](#)
[Websites](#)

- Scale is based on the average traffic of **how to save money** from United States in all years. [Learn more](#)
- An improvement to our geographical assignment was applied retroactively from 1/1/2011. [Learn more](#)

**how to save money**

1.00



# Case Study: Reminders and Tax-time Preparation

Make a plan  
Send reminders

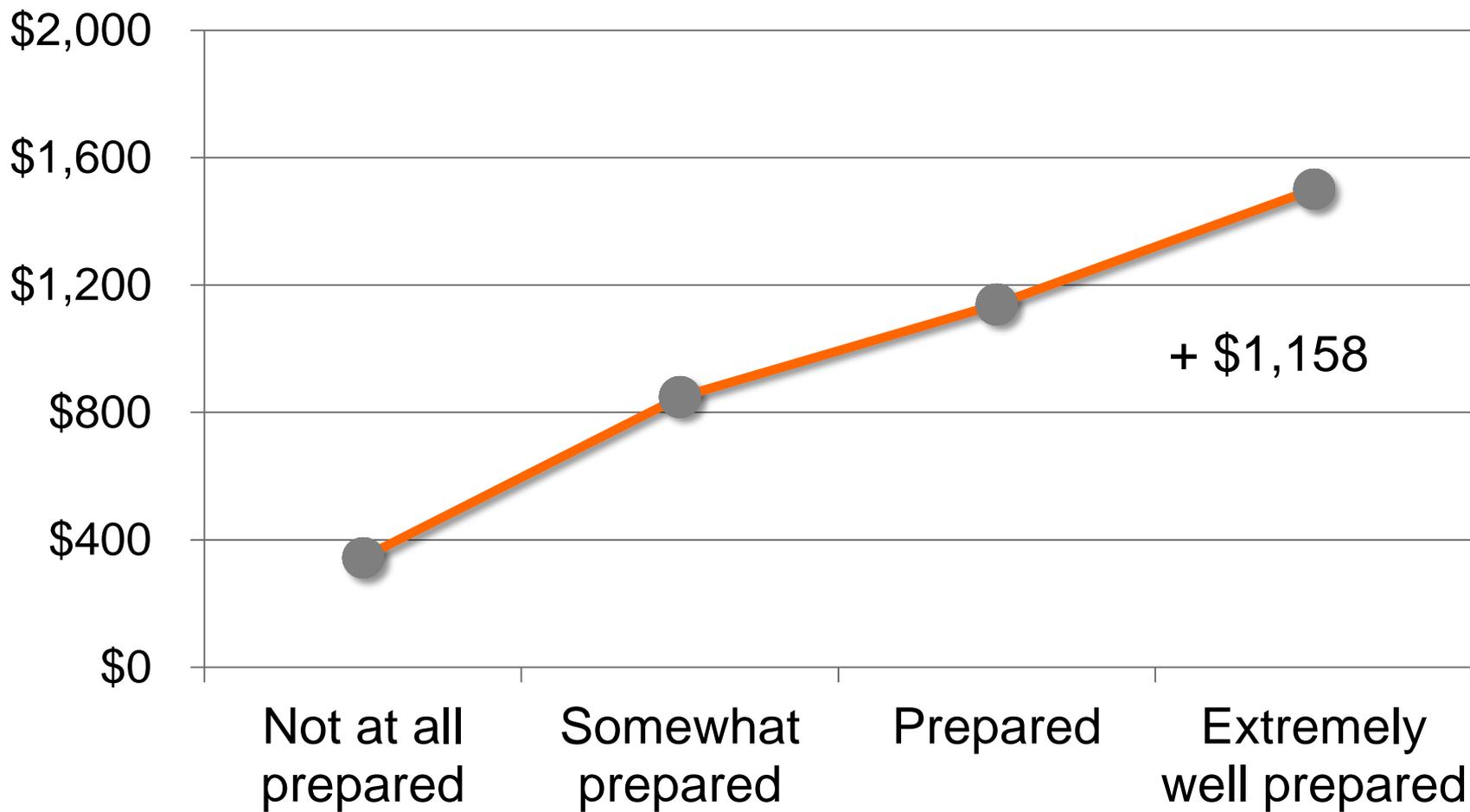
Increased tax  
refunds

Hassle, stressful,  
time-intensive



# Does Tax Preparedness Matter?

Average Refund Amount & Preparedness at FC 2010





Name: Irene Skricki

My follow up date is: April 1, 2010

My tax preparation appointment date is: April 5, 2010

My three next steps for being prepared for my appointment are:

1. Complete excel sheet!

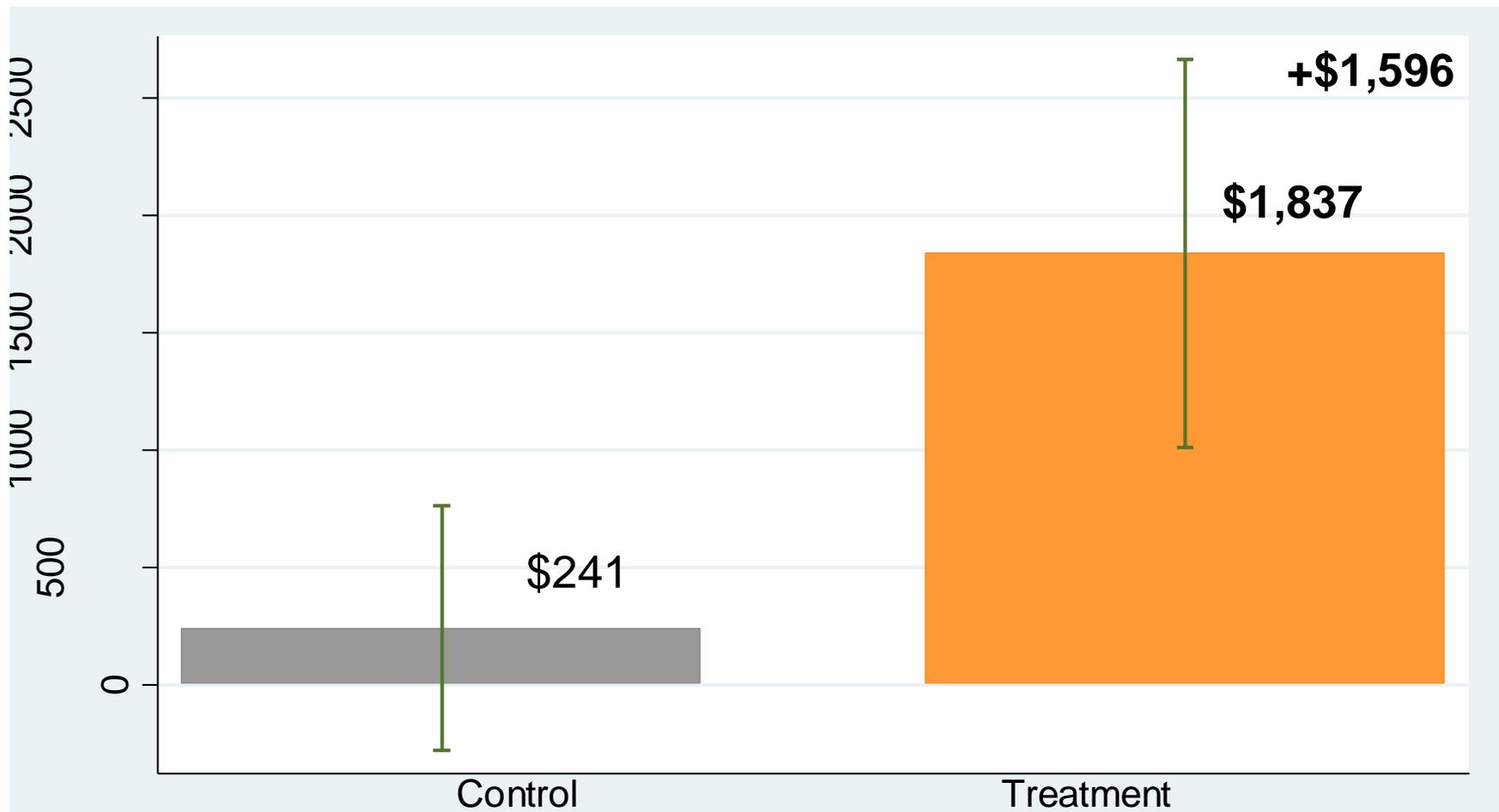
2. Find train receipts!

3. Call Comcast for copy of internet bill



# Results

Tax refunds Without EITC  
for SETI Clients at CWF - 2010



# Behavioral Ideas Inside the Tax Reminders

*Reminders can act as channel factors,  
nudging us toward our desired intention.*

- Limited Attention
- Consistency
- Public accountability
- Planning (Implementation intentions)

## Impatience and Time Inconsistency

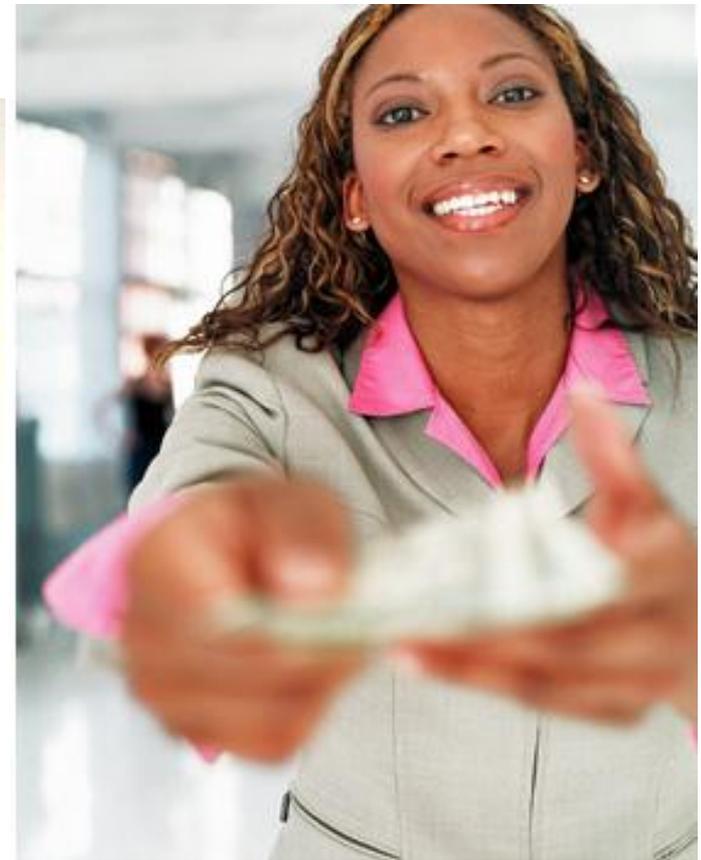


*How can we make long-term rewards  
have pay-offs today?*

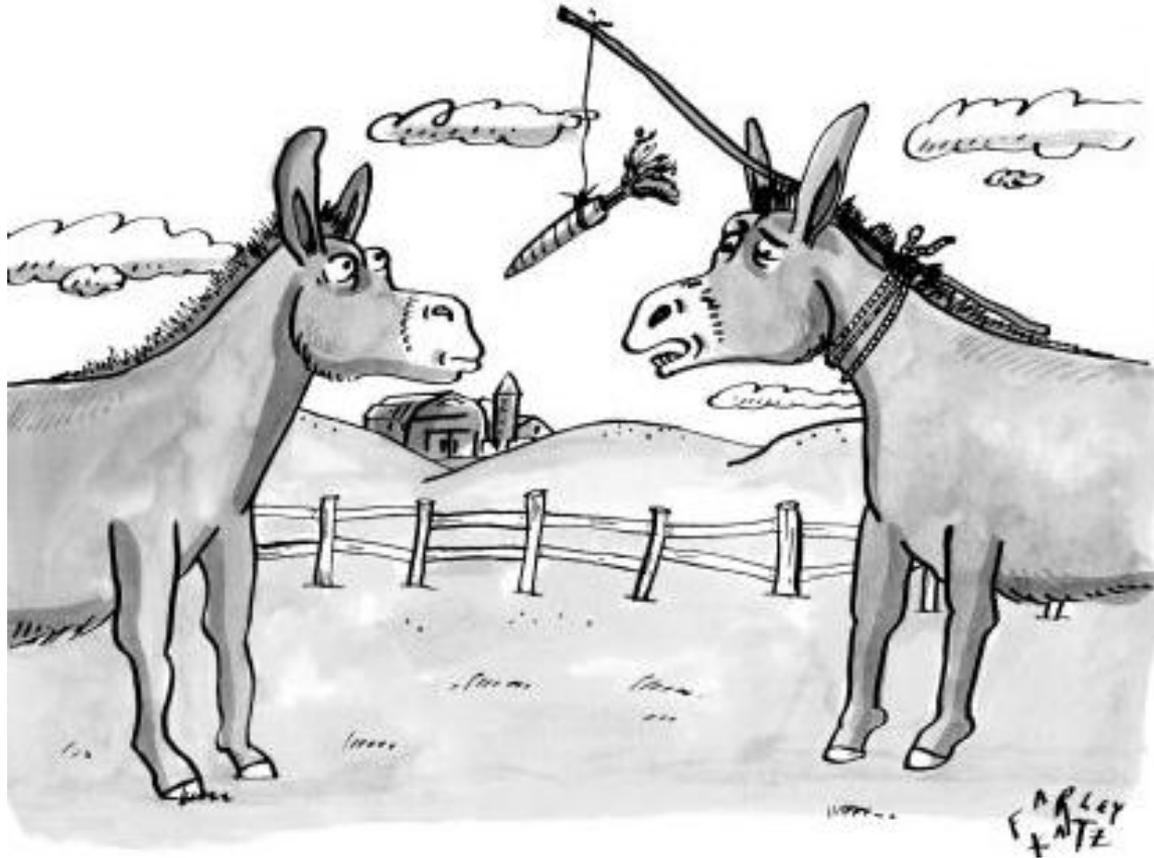
*How can we commit our future selves to  
certain behaviors?*

# Commitment Technology

*Sometimes we need tools to commit our future self to ideal behaviors*



## Wise Incentives



*Some days, it's the only thing that gets me out of bed.*

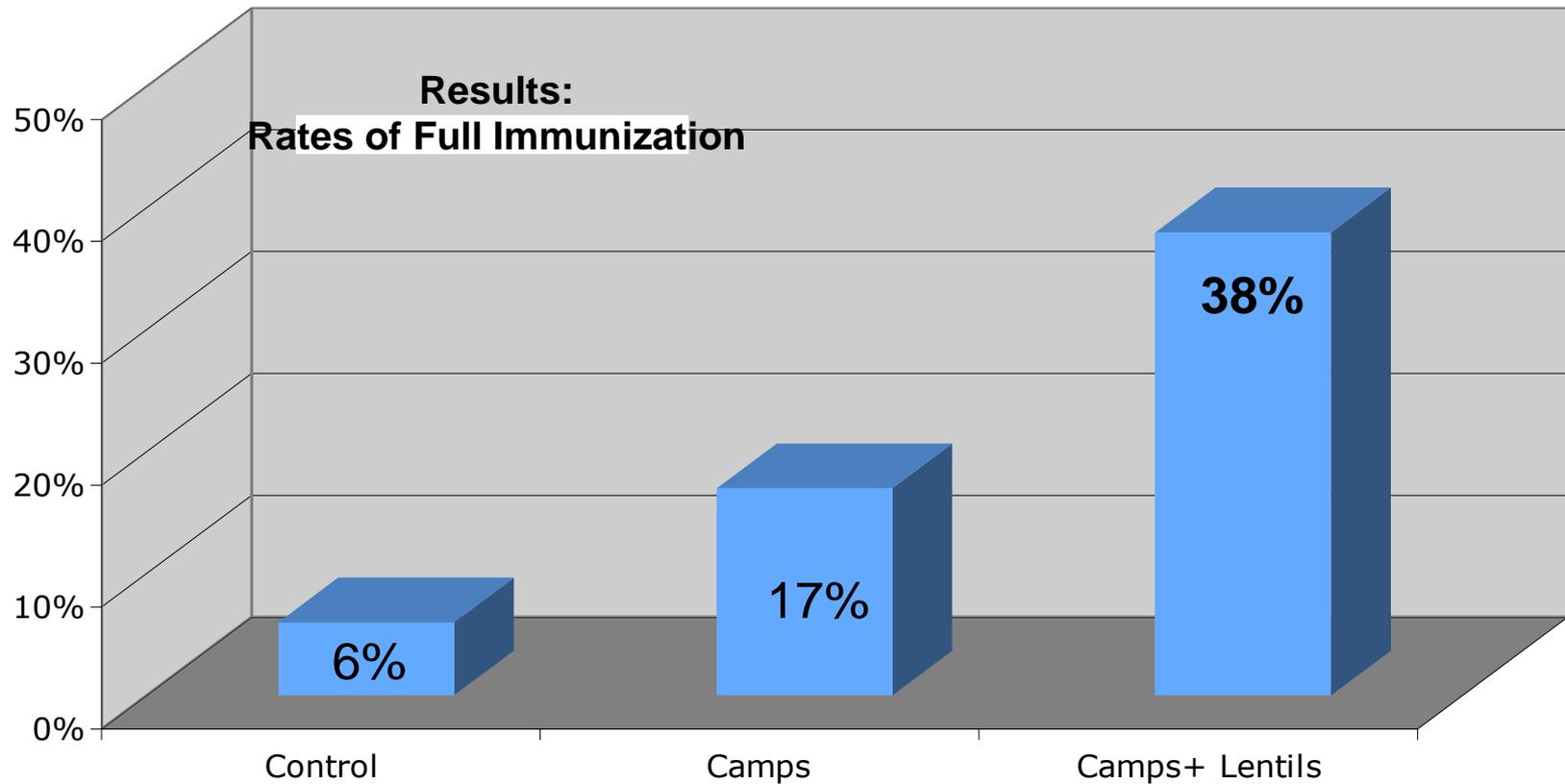
# Making Immunizations Easy and Immediately Rewarding

## Udaipur, Ind



## Full Immunization Rates

**Results:**  
**Rates of Full Immunization**

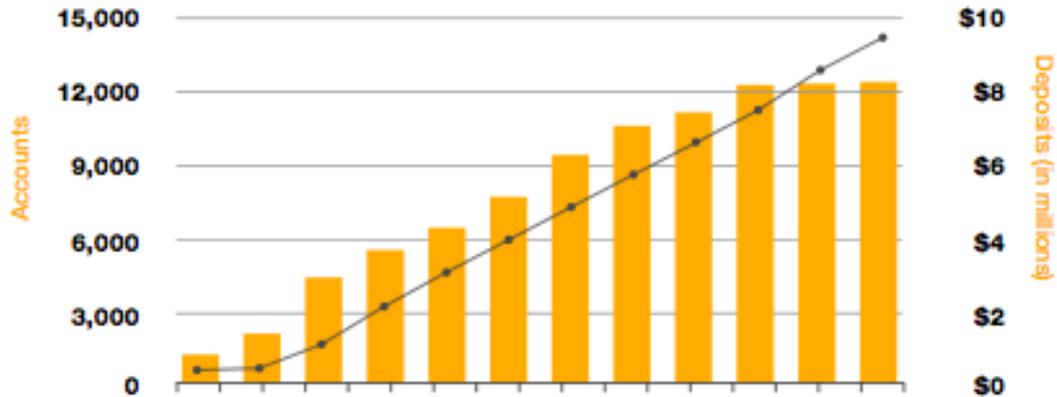


# Prize Linked Saving: Save to Win

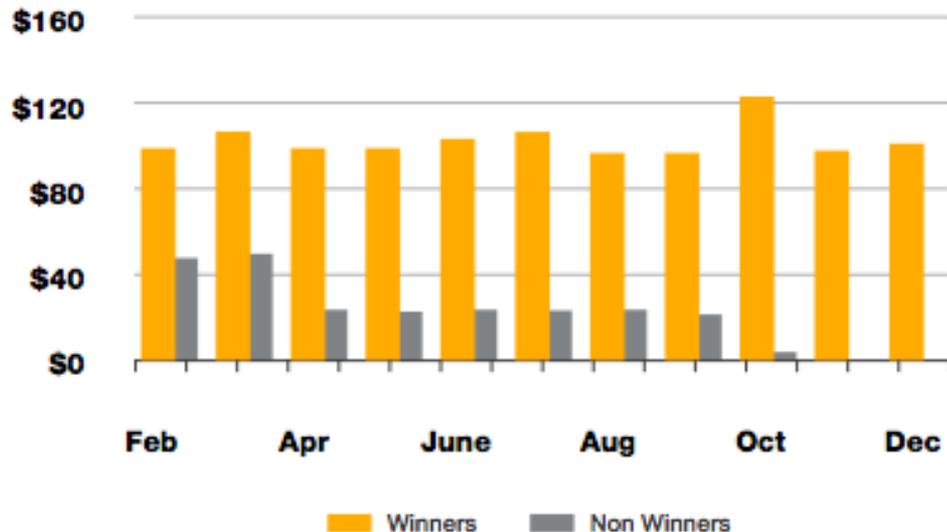


- Every \$25 deposited= chance to win both a \$100,000 grand prize jackpot and smaller monthly prizes.
- In 11 months, over **11,500 people** saved more than **\$8.5 million**

### Total Active Certificates and Total Deposits Move Summary of accounts



### All Account Holders: Comparison of Median Net Deposits for Monthly Prize Winners and Non Winners





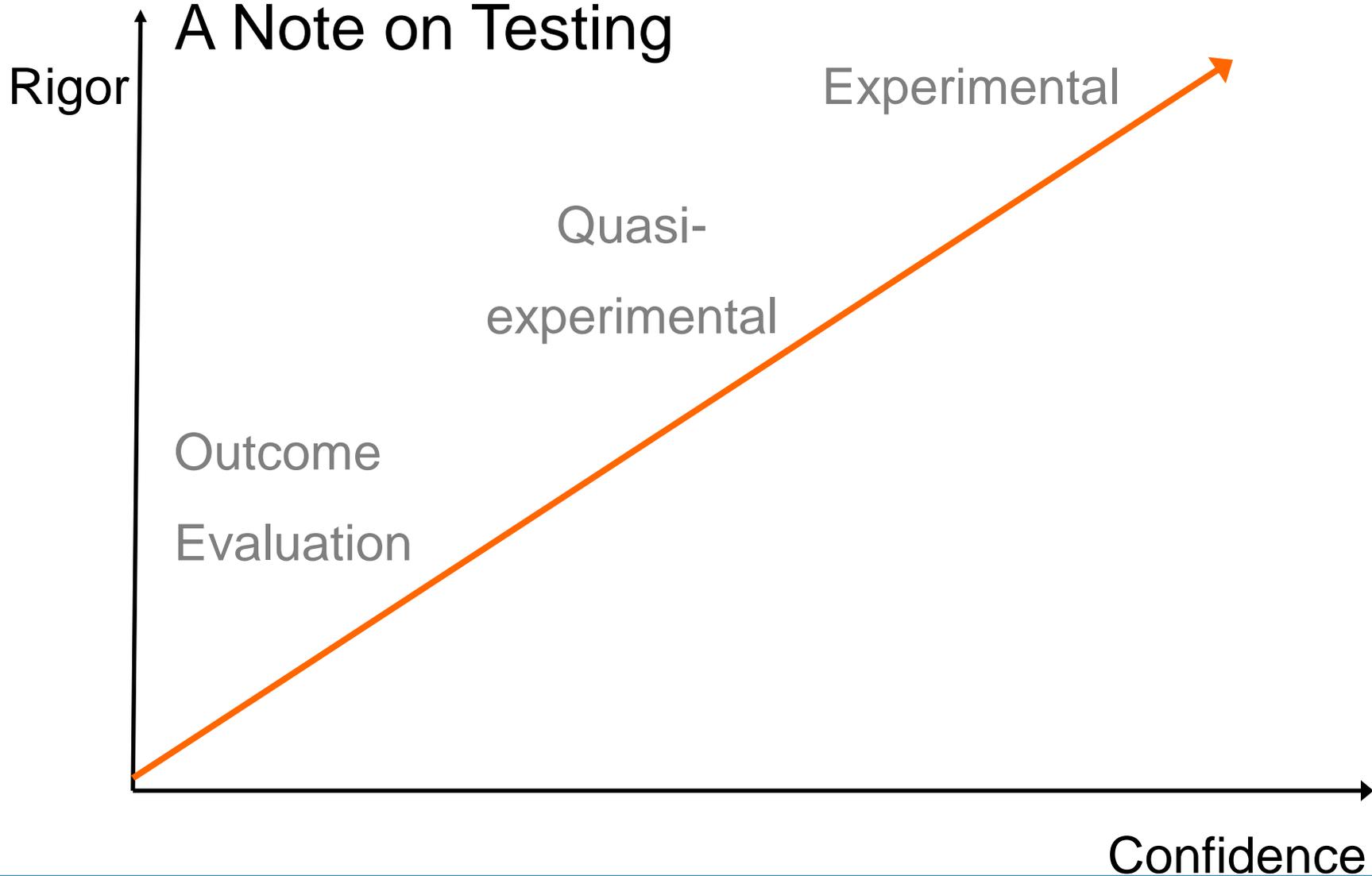
# Save to Win & IDAs: A Comparison

	<i>ADD IDA Demonstration<sup>16</sup></i>	<i>Save to Win PLS Pilot</i>
<i>Number of low-income account holders</i>	1,326	1,549 <sup>17</sup>
<i>Definition of low-income</i>	<i>Median annual household income between \$12K and \$18K</i>	<i>Under \$20k annual household income</i>
<i>Average savings balance after twelve months</i>	\$286	\$522
<i>Average monthly deposit</i>	\$33	\$69
<i>Median Regularity of savings</i>	70%	44%
<i>Incentive</i>	<i>Average savings match of \$2:1</i>	<i>Chance to win \$100,000 jackpot and \$415 per month in smaller prizes</i>
<i>Total incentive cost</i>	\$741,609	\$18,458 <sup>18</sup>
<i>Incentive cost per \$ saved</i>	\$1.96	\$0.02

# Final Thoughts

Behavioral Challenge	Behavioral Response
Hassle	<i>Simplify</i> <i>Default</i>
Mental Accounting	<i>Label savings- be simple and visual</i>
Limited Attention	<i>Well-designed</i> <i>Reminders</i>
Time Inconsistency	<i>Commitment Devices</i> <i>Incentives</i>

# A Note on Testing



Learn more  
on the  
the blog:  
**CFED.org**

# INNOVATION MARKETPLACE

The 2010 Assets Learning Conference will feature the first-ever Innovation Marketplace. Click to learn more and see the innovations and entrepreneurs who will be showcased. [More](#)

# Think. Do. Invest.

CFED fosters social innovations that build wealth in low-income families and communities.

[Just Released](#) [Register Now!](#) [Innovation Marketplace](#) [New Policy Brief](#)

### 2010 ALC



**2010 Assets Learning Conference**  
**The Assets Movement at Its Moment: Creating the Save and Invest Economy** will provide attendees with a front row seat to the best and latest information on asset building issues.

### FEATURED ITEMS



**Small Business Administration**  
CFED requests increased funding for Small Business Administration Microloan programs [More](#)



**How Does Your State Stack Up?**  
The **Scorecard** is a comprehensive look at wealth, poverty and the financial security of families in the United States. [More](#)

Search this site  [GO](#)

- #### Our Priorities
- SAVINGS & FINANCIAL SECURITY
  - AFFORDABLE HOUSING
  - ENTREPRENEURSHIP
  - ECONOMIC DEVELOPMENT

#### Quick Links

- [Behavioral Economics](#)
- [CFED Blogs](#)

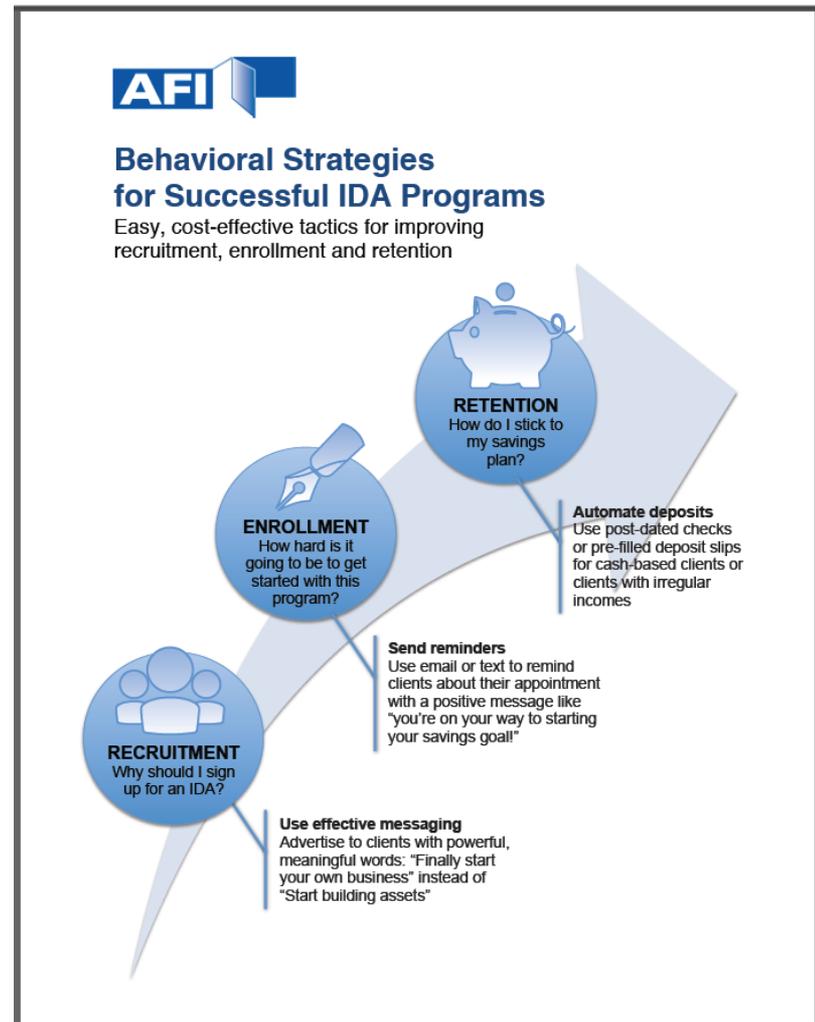


# Behavioral Strategies Guide

Stephanie Halligan  
AFI Resource Center

# New Behavioral Strategies Guide

- [www.IDAresources.org](http://www.IDAresources.org)
- Managing your AFI Grant
- Tools for Success
- Tools for Success Guides



# Behavioral Strategies for Successful IDA Programs

- Recruitment
  - Outreach Materials
  - Timing and Commitment
- Enrollment
  - The First Appointment
  - Account Opening and Savings Commitment
- Retention
  - Maintenance and Case Management

# Questions for the Guest Speakers



# Contact Information

For general questions about the AFI program,  
visit [www.idaresources.org](http://www.idaresources.org).

- **Stephanie Halligan**  
AFI Resource Center  
[stephanie.halligan@idaresources.org](mailto:stephanie.halligan@idaresources.org)
- **Mindy Hernandez**  
Founder and Principal  
One Decision  
[mindy.hernandez@gmail.com](mailto:mindy.hernandez@gmail.com)



# Upcoming “Tools for Success” Webinars

- **Strategic Partnerships**  
**March 7, 2012 at 3:30 p.m. EST**
- **Visit <https://www1.gotomeeting.com/register/601767705> to register**