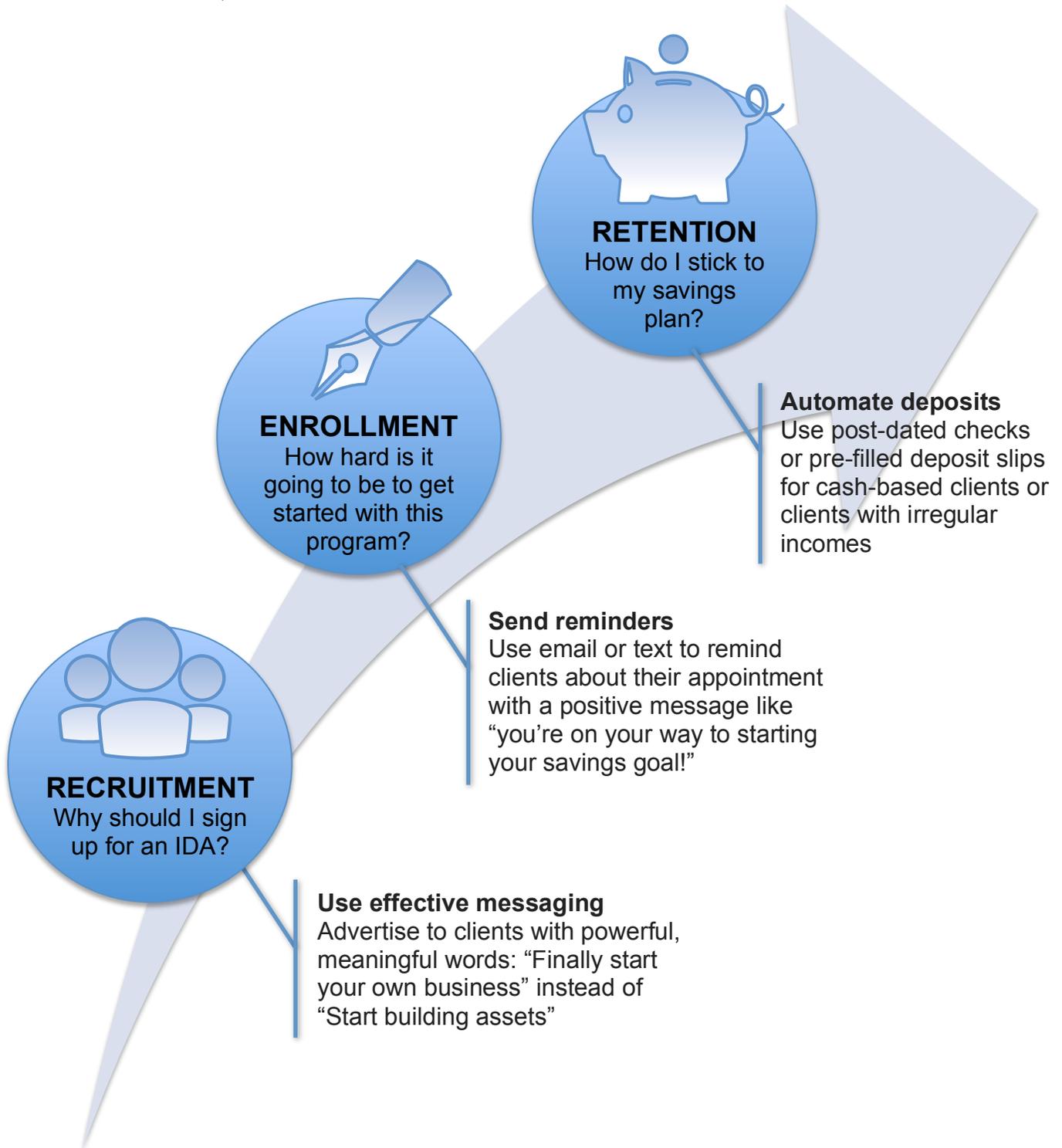




Behavioral Strategies for Successful IDA Programs

Easy, cost-effective tactics for improving
recruitment, enrollment and retention



The benefits of opening an Individual Development Account (IDA) and making regular deposits are obvious. Yet while IDAs are extremely useful to the people who utilize them fully, getting participants to enroll in an IDA program and follow through with their intentions to save is often surprisingly challenging.

That's where behavioral economics comes in. Insights from research and experimentation from the field are finding new ways to help people act on their intentions and form good savings habits. Behavioral scientists point to a series of bottlenecks that push people – even IDA participants – off course from their savings:

1. Well-intentioned people want to save, but many people simply procrastinate or forget to make deposits.
2. Society presents more opportunities to splurge than to save. Temptations – things like eating out, clothes, and electronics – can derail even motivated savers.
3. Small details in a program, such as the language in a letter or how easy it is to open an account, become large hurdles to helping people follow through with their intentions.

There are many cost-effective, behavioral “adjustments” that you can make to your IDA program to help improve outcomes and increase savings. This guide provides a list of strategies that will help you:

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

Using these behavioral strategies can ultimately help you create a more effective program. Read through this checklist, and try applying one or more of these strategies to your IDA program. As you consider implementing a few of these tactics, be sure to track your program's progress – you will want to know if your new strategy is working! (See the end of the guide for tips on tracking)

IDA Program Check List

Recruitment

“Am I getting the right message across?”

Conveying a simple message with appropriate, relatable language and images will help attract attention to your materials, and – more importantly – encourage people to take action and enroll. Once you have got someone’s attention, make sure the next step for signing up is easy and obvious. You will be more likely to enroll someone who knows what to do next and has committed to doing it.

Outreach Materials

- ✓ **Create outreach materials that are easy-to-read and accessible.** Avoid phrases like *economic stability* and *asset development*. Instead, try more relatable language.

- Savings will make you feel more secure and stable
- Savings = security for you and your children
- Money in the bank means you don’t have to struggle
- Financially free, financially independent
- Savings can give your children the opportunities you dream of
- Save for your children’s education and future
- Make sure your children are on the path to success
- Finally start your own business / own your own home / get your degree

- ✓ **Make the math easy.** Instead of advertising a match rate (like “a 3:1 match”), show people what they would gain with an IDA.

- “Triple your money”
- “You put in \$100 and the IDA gives you \$300. For just \$100 of your money you get a total deposit of \$400!”

- ✓ **Use peer examples.** Publicize the program’s or IDA’s popularity. Use pictures and success stories of people like your clients – the more similar the story, the more powerful:

- “More than 70,000 people are using IDAs across the country!”
- “Paula, a single mother of three, saved \$2,000, received \$8,000 in match, and now owns her own home!”

Timing and Commitment

- ✓ **Time your outreach appropriately.** Not all moments are the same. There are some periods of time where people are more interested in saving than others.

- People make commitments to save around New Year’s Day. Outreach around the first week of January takes advantage of this “commitment window.”
- Recruit students who have just enrolled in post-secondary education in September. They will not be too busy with classes and may be in the appropriate mindset to start planning for future semesters.

- ✓ **Make participants commit to the first step.** Don’t wait for people to call you! Design ways to make people commit to the first appointment.

- If presenting to an audience, sign up people for appointments *at* the presentation.
- Collect names and phone numbers so a call or text reminder can be sent before the appointment.

- ✓ **If they can’t commit, make it easy to take the next step.** Provide postcards or flyers where the next step is clear. Provide a clear phone number (or email), preferably with a name of someone they can talk to and a simple map to your office with public transportation directions.

- “Call Sara at 888-888-8888 to make an appointment. We’ll help you get on the road to financial independence. We are located at XXX and open M-F from 9-5.”

- ✓ **Reward small steps** Offer a small incentive (a gift card, candy bar) for those who make an appointment immediately.

Enrollment

“Am I making the most of the first meeting with a new participant?”

“Am I providing enough guidance to clients when they sign up for an account?”

Enrollment might be the longest amount of one-on-one time you spend with a client. Make sure clients show up to this first appointment. Take advantage of this opportunity to ensure clients commit to saving for the future in a meaningful way.

The First Appointment

- ✓ **Send reminders.** Use email or text to send people a reminder about their appointment, with positive messages and simple directions to the site and a number to call if they need anything.

- “You’re on your way to starting your savings goal – don’t forget your appointment tomorrow!”
- “Remember: you have an appointment tomorrow. We’re located at ABC street. Call me if you need anything beforehand. 888-888-8888. simple directions to the site and a number to call if they need anything.

- ✓ **Reduce hassles.** Aside from bringing paperwork and supporting documentation, try not to ask the client to do anything before coming to the first appointment. Take a look at the forms clients need to complete and cut out as much as possible – only keep what’s necessary.

- ✓ **Do a little “hand-holding.”** Ask clients to bring all necessary paperwork to the appointment, but help them out as much as possible.

- Help clients complete enrollment forms, if necessary.
- Have any necessary forms (including bank forms) on hand.
- Pre-populate as much information as possible.

- ✓ **Provide fast feedback.** A same-day response is powerful. If possible, calculate eligibility and look up clients’ credit scores on site and let them know if they qualify right there.

- ✓ **Create next steps that are automatic and easy.** For those who qualify, they can be automatically enrolled in the next step, like credit building or financial education classes.

- “Good news! You have qualified for the IDA program. Your next step is our financial education class. You will be in the class starting August 1st. Here is the information on your class.”

Account Opening and Saving Commitment

- ✓ **Reduce hassles.** Fill out all of the necessary paperwork to open the account during the first client meeting. Inform the client that the banking representative will be expecting the client or that the client should be able to open an account in a short amount of time.
- ✓ **Collect an initial deposit.** Take advantage of early enthusiasm and commitment by asking every client to come to their first one-on-one meeting with their first (or first and second) deposit that they can deposit immediately at the bank when they go to open their account.
- ✓ **Make a detailed savings plan with each client.** Ask clients to decide on concrete savings targets and dates. Ideally, their deposit dates will correspond to payday.

- “I will deposit \$100 on the 14th of every month.”

- ✓ **Simplify choices.** Don't overwhelm clients with options and choices. Provide 2-3 choices of monthly savings amounts on the savings plan agreement. You can even mark the “recommended” choice to make it especially easy.

- “I commit to saving this amount per month (circle one): \$50 / \$100 / \$150 / Other _____.”

- ✓ **Make a detailed savings *implementation* plan with each client, too.** Thinking about the specifics of *how* you're going to complete a task helps you complete it. Ask clients to map out what time they can go to the bank and how they will get there. This implementation plan can be shared with the instructor, group and/or emailed to the client.

- “I will take the number 6 bus during my lunch hour to make a deposit.”

- ✓ **Encourage clients to label or name their IDAs.** The more specific the goal, the stronger the commitment to save.

- Ask clients to name their IDA in a very specific way, like “Alicia’s college fund.” (All paperwork for that IDA should reflect that name)
- Ask clients to choose a picture to go along with their IDA name (a photo of their daughter, a picture of a new house, etc.) that could be attached to all communication involving the account.

✓ **Offer clients a commitment device.** A commitment device is anything that forces you to follow-through on a specific behavior, like saving. Commitment devices can be framed as a loss, or as a friendly reminder.

- Clients give you the cell phone number of a trusted friend and give permission for you to call or text the friend with a message of their choosing – something like “I missed my deposit today! Help me make sure I make deposit next week!”

✓ **Use the power of peers.** Peers can exert a lot of influence in the way we conduct behavior.

- During financial education class or whenever you have multiple savers together, ask people to talk about how they are making deposits, and how they are finding ways to make it work.
- Classes can also feature successful IDA participants as guest speakers.
- If you are enrolling multiple people into the program at one time, consider sending them to the bank together to sign up or make deposits.

Retention

“Do my clients need extra assistance or reminders to make regular deposits?”

Even clients with the best intentions may forget to make a deposit. By making savings as “automatic” as possible and providing encouragement and reminders, clients will be more likely to save in their IDA accounts.

Maintenance and Case Management

- ✓ **Automate IDA deposits through direct deposit.** (For clients with a regular paycheck)

- On site, help clients sign up for direct deposit into their IDA accounts by getting forms and permission from your IDA bank partner in advance of your client orientation meeting.
- Alternatively, help clients sign-up online.
- Clients can also write post-dated checks to their IDA, sealed up in an envelope and ready to deposit each month.

- ✓ **Create a system for cash-based clients or clients with irregular income to make regular deposits.** (For clients without a regular paycheck)

- Collect a stack of deposit slips from your IDA bank partner and hand out to clients during their initial meetings. Fill out the necessary number of deposit slips with the date and amount of future IDA deposits. The clients can take these slips home and simply put their deposits in an envelope (if paying by check) or go to the bank with a ready-made deposit slip each month.

- ✓ **Send reminder text or email messages before deposits are due.** (For all clients). Messages can emphasize attainment of the goal, remind of potentially “losing” out on the IDA match, reinforce intentions and compare clients to peers. Remember, the more specific, the better.

- “You’re only 2 deposits away from realizing your goal! You’re doing great!”
- “You’re only 2 deposits away from your new home!”
- “Don’t lose your \$300 match! Remember to make your deposit this week!”
(the thought we might lose something is very powerful)
- “Remember to take the 6 bus to the bank after work to make your deposit!”

- “80% of our IDA clients have already made this month’s deposit. Make yours tomorrow!”

✓ **Consider using small incentives.** (For all clients)

- Every successful deposit can be an entry into a lottery or raffle for a few small rewards (for example, a gift card or a cash prize).
- Winners of the lottery should be announced every month or so and announced to everyone. Seeing fellow savers win prizes for making deposits can encourage clients to continue depositing or begin depositing regularly.
- Programs can also offer one large reward if every deposit is made.
- **Note:** These “prize-linked savings” program structures are regulated by state law. Before implementing a raffle or lottery, make sure that this is legal in your state.¹

✓ **Use mobile technology for reminders, like automatic texts or calls.** (For case management for rural or hard-to-reach populations)

- www.tellmycell.com and www.clubtexting.com are mass texting services with good reputations. These sites have a small monthly fee (\$30).
- www.ohdontforget.com allows you to send free individual texts.

¹ For a list of states that allow prize-linked savings products and savings promotion raffles, please visit http://www.d2dfund.org/Legislative_Success

General Advice

- ✓ **Maintain a generous and empathetic attitude toward your clients.** We all need some help accomplishing our goals. We are offered “commit devices” all the time—think of gym memberships, 401K, direct deposit and automatic bill pay. How can you offer your clients the same?
- ✓ **Be sure your communications to clients are friendly, warm, positive and encouraging.** Interactions that are viewed as negative or a hassle can make people less likely to succeed. Avoid using language that is severe, regulatory, or cold.
- ✓ **Be creative and willing to try new things.** The strategies that seem the most out-of-the-box might be the ones that help your clients close the gap between their intentions and actions.
- ✓ **Be sure to collect data and test new program changes to see if they actually work!** Keep reliable data about your clients, including messages they have received, deposits made or missed, etc.

- You can do some simplified testing to see if new program changes improve program outcomes. Separate your clients into groups: some receiving different “treatments” or messages and some receiving nothing new. If you have a large enough group of savers, you can compare the savings results of the different groups to see if the new treatment had an impact. You can also compare results to previous years.