

# SavingsQuest: Gamification Brings Savings to the 21st Century

The world and its technology has changed - in a span of a couple of decades, we've gone from flip phones to iPhones; from dial-up to WiFi; and from maps to GPS. But the financial services industry has stalled in keeping up with consumer needs. This stagnation in innovative savings products has contributed to the continued decline in personal savings rates (which now stands at 2.4%<sup>1</sup>) and the decline in amount of emergency savings -- 44%<sup>2</sup> of Americans don't have \$400 saved and 63%<sup>3</sup> don't have \$1,000 saved. Consumers don't need more of the same from financial services' savings products; they want fun and innovative savings products. Consumers want gamified savings.

## Our Solution: SavingsQuest

Commonwealth designed and tested a gamified savings app called SavingsQuest, a modern, accessible approach that facilitates microsaving and reinforces the principle that every contribution counts. As a gamified experience, the app makes engaging in savings behavior more interesting and desirable. The early success of SavingsQuest indicates there is an untapped market of consumers looking for an unconventional way to experience financial services. When approached with the right product with the right framing, consumers respond positively and are more likely to have sustained savings engagement behavior.



SavingsQuest, the first "Fitbit for savings," encourages saving by allowing users to earn badges, compete in challenges, earn achievements, and set their own savings goals. To increase engagement, users receive weekly motivational messages and have access to visuals to gain insight into their savings behavior. Mobile device users of the tool are rewarded for saving with a customized dance from 'Dig the Pig,' a motivational character in the SavingsQuest universe.

## Where We Are Now

In Summer 2016, we developed an open version of our MVP (minimum viable product) that could be demoed to various financial services stakeholders without the constraint of being attached to one particular account. Our goal was to gather broad feedback about how institutions would perceive gamification as a savings engagement strategy. In addition, we used the demo opportunity to encourage institutions to reflect on their responsibility to the 100+ million Americans who lack emergency savings.

As of early 2018, Commonwealth has shared the SavingsQuest demo with around 20 institutions including large national banks, state/regional banks, credit unions, and prepaid card companies. Additionally, we presented at several FinTech and startup events. These institutions provided feedback, including:

- The SavingsQuest design is clean, appealing, and generally easy to navigate
- Savings is not necessarily a priority for banks
- Bundling services has become a priority for many banks
- Banks would prefer to attract new customers from other banks rather than grow the savings of their existing customers

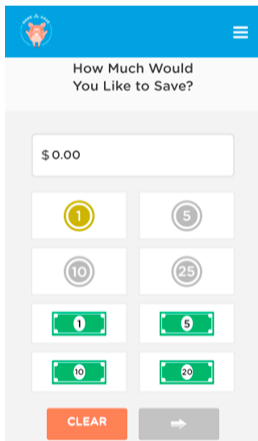


1. <https://fred.stlouisfed.org/series/PSAVERT>

2. <https://www.federalreserve.gov/publications/files/2016-report-economic-well-being-us-households-201705.pdf>

3. <https://www.bankrate.com/pdfs/pr/20160106-Money-Pulse.pdf>

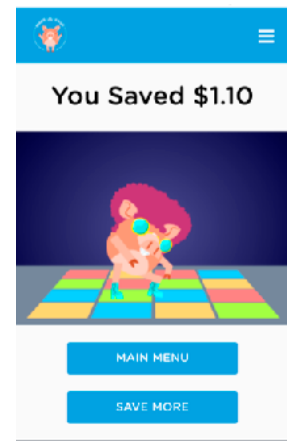




With this feedback in mind, Commonwealth decided a broader focus on promoting the importance of saving, customer centricity, and gamification was an important strategy. Consumers want help, and the traditional “savings account” is not doing the job. It has become clear from our work, and the work of others,<sup>4</sup> that the financial services system faces barriers to adopting customer-centric savings innovations like the gamification of savings.

Additionally, we chose to prioritize continued engagement and conversation with diverse groups of financial services stakeholders. To do so, we are working with the Boston Federal Reserve to hold convenings that bring together banks, credit unions, and other financial service institutions to discuss innovations in savings products and services. The purpose of these

convenings is to gather financial services leaders and engage them about product innovation ideas. For example, the December 2017 convening brought together local financial institutions to discuss how an integrated product framework might address the concerning fact that almost half of the country does not have \$400 saved for an emergency.



***We're currently seeking out new partners to scale the initial success seen with the pilot of SavingsQuest. If you would like to connect about getting involved with SavingsQuest, please contact us at [info@buildcommonwealth.org](mailto:info@buildcommonwealth.org).***

4. See *The Aspen Institute and Commonwealth's work on consumer-centric products in the financial services industry*  
<https://www.aspeninstitute.org/publications/two-birds-one-stone-using-hybrid-financial-products-manage-income-volatility/>;  
<https://buildcommonwealth.org/publications/building-financial-security-through-integrated-financial-solutions>

