

# Scratch & Save

Engaging Digital Experiences Build Financial Security



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Commonwealth and EARN tested a digital prize-linked saving campaign called Scratch & Save to motivate weekly small-dollar savings on EARN's SaverLife platform. This report provides an overview of Scratch & Save and highlights key takeaways that can inspire and inform future efforts to use engaging digital features to drive savings and financial security.

The Federal Reserve reports that two in five Americans do not have savings to handle a \$400 emergency. Financially vulnerable people, in particular, stand to benefit from new ways to save for the future. Scratch & Save demonstrates the potential of prizes combined with engaging digital experiences to help people save.

## Background

Commonwealth and EARN partnered to test "Scratch & Save," the first weekly prize-linked savings campaign with a "digital scratcher." (Digital Scratchers are a digital form of a popular lottery game in which players "scratch away" a layer to reveal whether or not they have won a prize.) The goal of the test was to motivate and reward small-dollar savings among members of EARN's digital savings platform, SaverLife.

During the tax season preceding the Scratch & Save test, EARN and Commonwealth worked together to test a prize-based tax time saving campaign called Savers Win on EARN's SaverLife platform. SaverLife is an online tool that provides financial coaching content and resources and allows members to connect a bank account in order to receive small-dollar incentives for regularly setting aside savings. Savers Win encouraged people to save some of their once-a-year tax refund windfall. Based in large part on Commonwealth's long-running national SaveYourRefund campaign, Savers Win yielded rich insight into SaverLife members' behavior and preferences and provided learnings that laid the foundation for additional prize-based campaigns.<sup>1</sup> Following Savers Win, EARN and Commonwealth wanted to test a different approach that used an ongoing prize-based intervention to motivate weekly small-dollar savings. We tested this intervention in a ten-week campaign called Scratch & Save.

## Scratch & Save Results

A survey among SaverLife members found that over two thirds of respondents had played lottery scratch cards, far more than any other type of lottery game (such as daily "numbers" or weekly jackpot games). This suggested that SaverLife members tended to have a stronger interest in games of chance that provided frequent small prizes and an engaging instant win experience than in games with fewer larger prizes. Informed by this feedback, we designed Scratch & Save to offer 1,000 small prizes of \$5 and an engaging play experience through the digital scratcher.

To kick off the Scratch & Save campaign, every SaverLife Member—regardless of their savings activity—was sent an email with a chance to win \$5 through a digital "instant win" scratch card. A user "played" the card by dragging their cursor (or finger, if playing on a mobile device) over the card, slowly revealing an image underneath and telling someone whether or not they won a prize (see images at right). At the end of each following week, any SaverLife user who had increased their balance by \$5 or more from the previous week received an email with an additional digital scratch card to play. One hundred \$5 prizes were randomly awarded each week. Over the ten weeks of the campaign, 3,360 unique users played the digital scratcher a total of 8,347 times.



1. To learn more about the design and impact of Savers Win, see "Savers Win at Tax Time: Testing Digital Strategies to Promote Tax Time Saving," <https://buildcommonwealth.org/publications/savers-win-at-tax-time>



## Key Takeaways

**The digital scratcher campaign engaged savers.** During the Scratch & Save campaign, email open rates among eligible users were consistently 40-50%. This is higher than typical open rates for emails to SaverLife members, and is significantly higher than the banking and financial services industry average, which is 21% according to IBM's Watson Marketing 2018 Marketing Benchmark Report.<sup>2</sup>

**Those who played at the start saved more often.** Early engagement with the scratcher game was associated with a greater chance of savings behavior across the campaign. Those who played during the first "free" week--when every SaverLife member got a chance to play regardless of whether they saved or not--went on to save at a rate 14% greater than those who chose not to play.

**People who played Scratch & Save saved more frequently than those who did not.** Throughout the campaign, those playing the scratcher game in a given week were more likely to save in the next week than those who were eligible but did not play. The group of people that played in any week saved at a rate 30% higher compared to those who were eligible to play but did not.

**Many people saved more than the amount needed to earn a chance to win.** The positive relationship between frequency of play and likelihood of saving held true for those saving \$20 a week and \$50 a week, suggesting that many savers chose to save more than the required \$5.

Additional prize campaigns will explore the impact of incentivizing different weekly saving amounts to better understand the most effective structure for using prizes to drive saving among SaverLife members.

**People who won in the first "free" week played more frequently throughout the campaign.** Those who won in the first week played an average of 2.8 times throughout the campaign, compared to 1.4 times for those who played but did not win in the first week.

### The Opportunity

Scratch & Save demonstrates the potential of prizes combined with engaging digital experiences to help people save. While financial institutions and financial technology companies have launched a number of variations of prize-linked savings products, providers have only just scratched the surface of the wide range of prize structures and user experiences that could engage and motivate users. By testing and deploying more innovative solutions like Scratch & Save, providers can learn about what works to build savings—and ultimately drive greater impact on financial security for financially vulnerable people.



<sup>2</sup>. <https://www-01.ibm.com/common/ssi/cgi-bin/ssialias?htmlfid=38013538USEN&>

