# Testing Text Messages to Improve Financial Behavior

*Editor's note, this post originally appeared on the CFED blog here.*

How effective would you like your mobile banking alerts to be? Last month, *The New Yorker* featured a snarky mobile banking program in a humor column by Kelly Stout. Personified through a text conversation with the author, "Mobile Banking" started with helpful reminders about her balance and spending goals. However, as the author fails to live up to the expectation of Mobile Banking in her spending behavior, Mobile Banking devolves into a frenemy, sending judgmental reminders such as:

> "Your checking acct ending in 6885 has a balance of $3.03, which is below your $50.00 limit in your Alerts setting. What is going on with you? I take it your $.99 transaction with EZ BUDGET didn't work out."

Fortunately for us, we're far from a world where we have our own versions of this Mobile Banking character in our pockets. There's been a proliferation of mobile banking and financial management apps that offer frequent reminders to help consumers stay on track with their finances. However, designing effective reminders that prompt people to take actions in managing their finances is a fairly difficult task.

We've talked about this in a previous blog post, "Read this Now! The Art & Science of Reminders." Effective reminders need to be salient enough to grab one's attention, specific about the action to be made, and timed within a window of time that is both close enough to the point of action and far enough to allow sufficient time for the action. So, how is one to know how to shape reminders?

Researchers at Innovation for Poverty Action are working how text messages affect financial behaviors through a Message Replication Program. Specifically, they are conducting a series of experiments to see how the timing and content of different text messages can shift savings and credit payment behaviors. They already ran pilots in Peru, Bolivia and the Philippines and are now seeking partners to conduct tests in the US. If you've got a savings or credit program with over 20,000 clients, you may be able to take part in this pilot (download details here).

While we await the results and recommendations from the Message Replication Program, a good way to figure out how to design effective reminders for your clients is to set up small experiments at your own organization. I recently learned of HealthCrowd, an engagement

platform for healthcare providers that serve patients with Medicaid. HealthCrowd utilizes text messages to encourage positive patient actions, such as showing up for a preventative care appointment. According to their CEO, Neng Bing, HealthCrowd's messaging platform works because they run experiments among existing customers to test whether or not certain messages or the timing of the messages prompt patients to take a desired action.

At CFED, we worked with ideas42 last year and set up experiments to test program features in the BETA Project. The tests conducted last year showed that community-based nonprofits could run experiments and try out new program features. As none of our sites focused on testing the messages and timing of reminders, we'd love to know if any of you are testing out text messages in your organizations. Please share what you're doing in the comments here. If we get a good response, we can compile some highlights from the field on the use of mobile text messages and apps to shift financial behavior for a future blog post!

*Learn more about the The Corporation for Enterprise Development (CFED) at their website* here.

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