

Money matters



Measuring Kit's impact
on financial capability

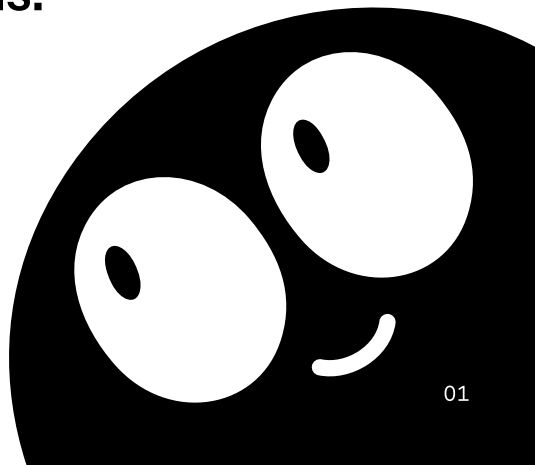
Kit

Built by 

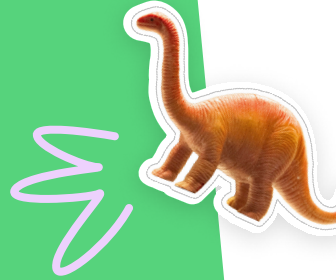
Kit is a pocket money app  and  card built by CommBank.

Kids learn about money  by earning pocket money as they tick off jobs, reach saving goals , track spending and learn  financial literacy with Kit Money Quests. 

Our mission is to accelerate  the financial  capability of young people in Australia. Through our app, we  provide the tools  and knowledge to harness the power and potential  of money, helping families have more healthy  and stress-free  money conversations.



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Note from Yish

This year, we are proud to publish the second edition of the Kit Australian Money Matters Report 2024.

In the past year, we've evolved our financial education in app, with the introduction of gamified learning: Kit Money Quests, and additional nudges to promote positive financial habits. These features were designed with our mission at the core, to improve the financial capability of kids in Australia and help families have more healthy and stress-free money conversations.

In April 2023, our inaugural report released findings which indicated a positive impact on families after four months of using Kit. This year, we've measured the impact across almost 41,000 kids and 24,000 parents and carers in Australia, and how continued use of the Kit app has an impact on their financial capability over time.

I'm proud to share we have seen an improvement in financial capability across Kit's users. Kids engaging in our nudges and gamified learning are more likely to earn pocket money, save towards a goal, and check their card balance before they spend.

These results will shape how we evolve our app and equip future generations to be financially confident and capable in the new world of money.

Yish Koh
Manager Director, Kit 2024



Yay!



Introduction





In our inaugural Money Matters report, we used survey report data over time to look at the impact that Kit has on reported financial capability compared to not using the Kit app. We proved that using Kit has a positive impact on financial capability.

Our impact was grounded in four domains from the Ernst & Young, Australia (EY Australia) Financial Capability Framework for Young People relevant to Kit, namely:

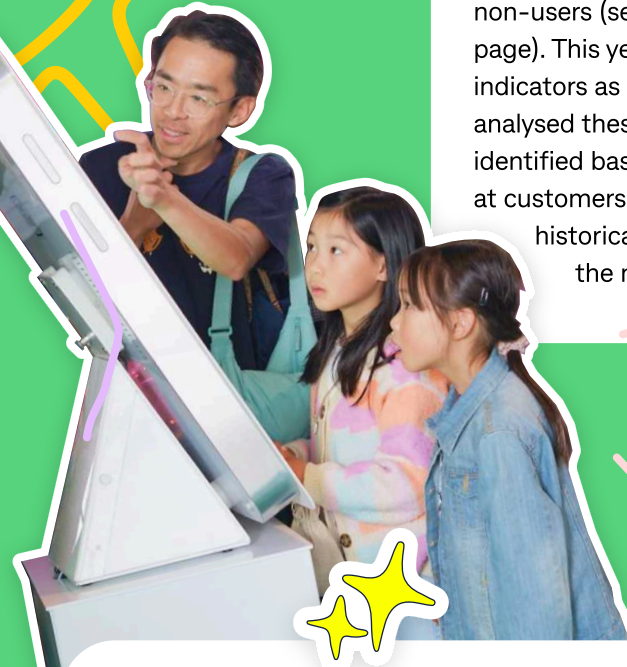
- Communicate about money
- Informed, empowered and conscious when spending money
- Plan for the future
- Safely and productively participate in the “earning” economy

Since releasing our inaugural Money Matters report, Kit has expanded our reach to over 71,000 users. With this larger customer base, we now have data on how a significant number of Australian families are using Kit and improving their financial capability. This report investigates the impact that Kit behavioural and educational interventions - gamified learning and nudges - are having on children’s financial capability.



Measuring Financial Capability





Our last Money Matters report used surveys to compare the reported behaviour of parents and carers using Kit with a control group of non-users (see survey questions in next page). This year, we've created in-app indicators as a proxy for behaviour and analysed these on an aggregated, de-identified basis. For this report, we've looked at customers as at 31 July 2024, their historical attributes and behaviour for the month of August 2024.

App data has advantages over survey data as it reflects real world behaviour and avoids relying on self-reported responses from those surveyed. This means we can be certain that when we see children earning and saving their money through the app, this is an accurate reflection of their activity. However, there are limitations when using app data in isolation.

On its own, app data does not capture ways in which children demonstrate financial capability outside of the app, so we are unable to draw population-level assessments of capability. In addition, app data cannot directly measure conversations about money. Therefore, we have used a proxy based on observed engagement with learning content in the app.

Talk

Outcome measurement

Talk about money: Kids can have constructive conversations with family and peers around money

Survey question (2023)

In the last two weeks, did you talk to your child about money?

How many times in the last two weeks?

In-app indicators of financial capability (2024)



Engagement in learning content



Engagement of both parents/carers & children in the app

Spend

Outcome measurement

Informed, empowered and conscious when spending money: Kids can apply strategies to manage their spending

Survey question (2023)

Does your child apply any strategies when making a purchasing decision?

Does your child buy things with their own money?

In-app indicators of financial capability (2024)



% kids spent on card at least once within past 1 month



% kids who spent on card checked their balance within past 1 month*



Save

Earn

Outcome measurement

Outcome measurement

Plan for the future: Kids can set and meet savings and financial goals.

Safely and productively participate in the 'earning' economy: Kids can identify and seize sources of income

Survey question (2023)

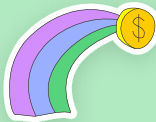
Survey question (2023)

Does your child save their own money?

In the last two weeks did your child earn money on their own either in a formal or informal capacity (e.g. pocket money, official work, household chores, etc.) or receive money from you (e.g. an allowance)?

In-app indicators of financial capability (2024)

In-app indicators of financial capability (2024)

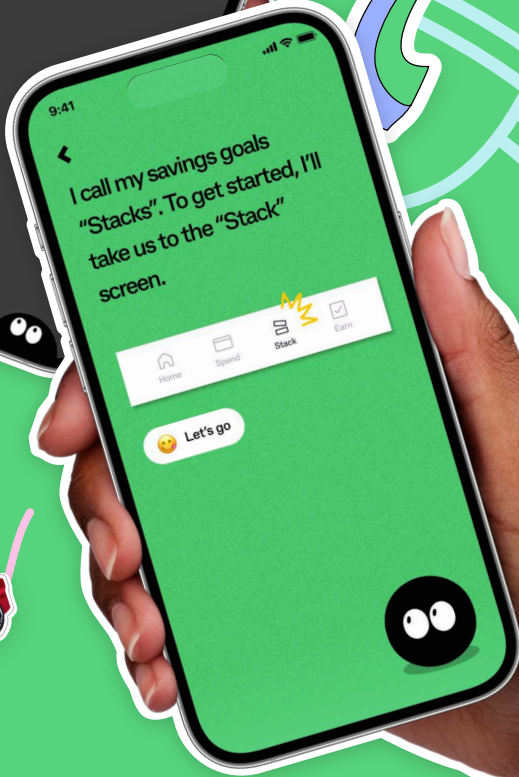


% kids that have a Stack with a goal amount

% kids with net positive transfer to Stacks within past 1 month

Earning pocket money by ticking off chores within past 1 month

Kit app nudge "Stack walkthrough" helping kids set up a goal.



How we're doing it:

Using Nudges



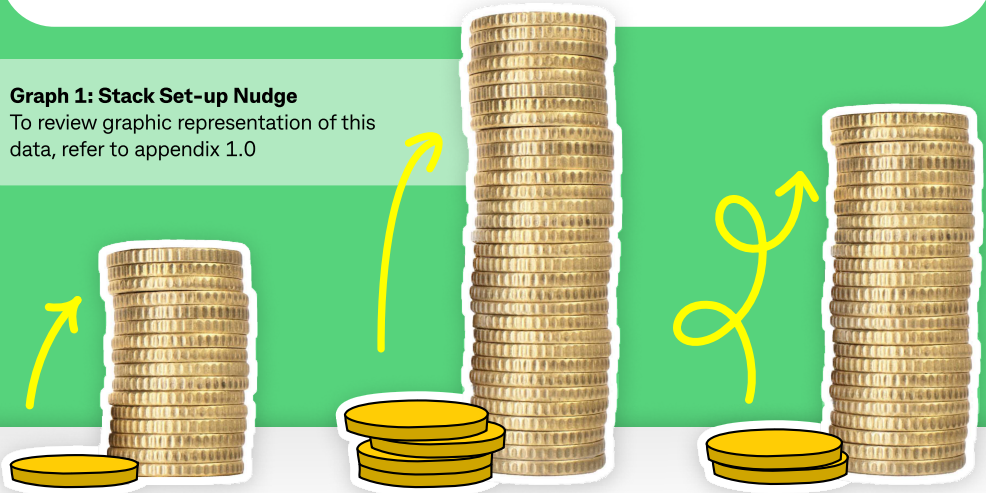
Finding 1: Kids who consume nudges demonstrate stronger saving behaviour than those who don't.

We promote, and reinforce, positive actions by surfacing nudges that draw on established behavioural insights. These nudges are triggered in the app by children's actions, and they provide contextual 'just in time' instructions, information or support. We've observed a clear relationship between children engaging with nudges and their saving behaviour.

After receiving an initial transfer into their Kit account, children are nudged to set up a saving 'Stack' and shown how to set up a goal. We see a significant difference in initial and ongoing saving behaviour between children who complete this nudge, and those who don't.

Graph 1: Stack Set-up Nudge

To review graphic representation of this data, refer to appendix 1.0



16x

more likely to set up a Stack savings goal

Only 1% of kids set up savings goal without engaging with the nudge, compared to 16% of kids who set one up after engaging with the nudge.

8x

more likely to transfer to their goal

4% of kids transferred to their Stack within 30 days without engaging with the nudge, compared to 32% of kids who transferred after engaging with the nudge.

12x

more likely to grow their savings

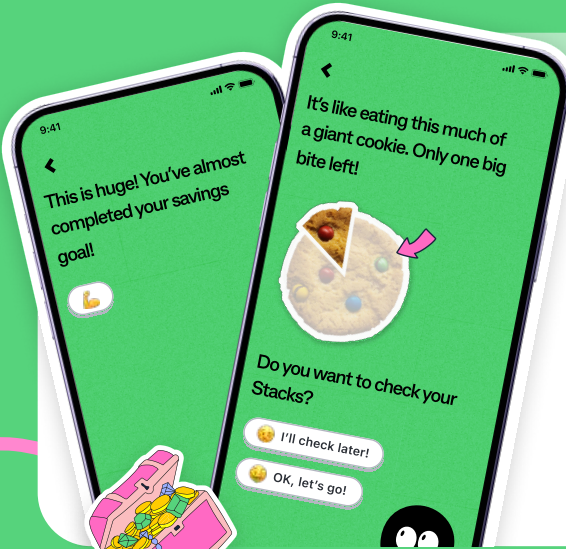
2% of kids grew their savings within 30 days without engaging with the nudge, compared to 25% of kids who did after engaging with the nudge.

Once they've created a Stack, children are encouraged to share their goal with others. This soft commitment device creates a sense of social accountability, which increases their motivation to achieve their goal¹.

Why don't you tell everyone what a saving superstar you are! 🌟



In-app nudge message



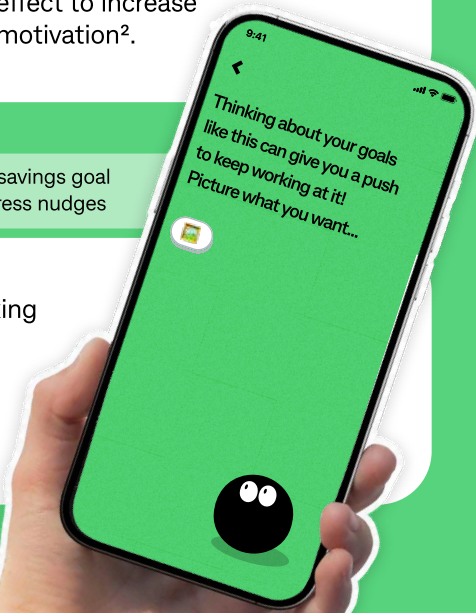
Kit's savings goal progress nudges

As children progress towards their saving goal, they're encouraged to persevere through a series of nudges triggered at the 25%, 50% and 85% mark. These nudges illustrate children's progression towards their goal, which leverages the goal gradient effect to increase motivation².

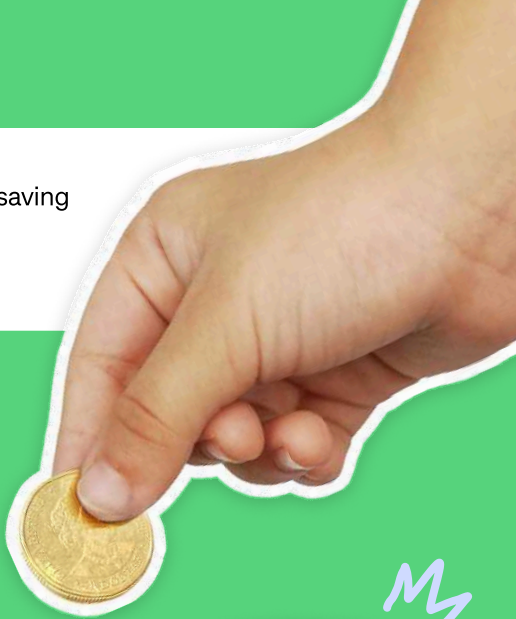


Kit's savings goal progress nudges

Nudges also encourage episodic future thinking (EFT) in which kids visualise the desired outcome of their goal. EFT has been shown to promote patience, particularly when repeated over time³.



Our data shows a significant difference in saving behaviour between kids who engage with nudges, and those who choose not to.



Graph 2: Goal progress nudges

To review graphic representation of this data, refer to appendix 1.0

Nudges are proven to have these positive effects



2.5x

more likely to transfer to Stacks

34% of kids transferred to a Stack within 30 days without engaging with the nudge, compared to 85% of kids who transferred to a Stack after engaging with the nudge

3x

more likely to increase their Stack balance

22% of kids kept on saving and maintained a positive Stack balance within 30 days without engaging with the nudge, compared to 60% of kids who did that after engaging with the nudge.



How we're doing it:



Gamified Learning

More than a game!



Quizzes provide immediate feedback & points

Kit's Money Quests combines learning with narrative & visual storytelling.

Learn it!

Gamification refers to taking the engaging and motivational elements from games and applying them to real world activities. For Kit, 'real world' activities include learning about financial concepts, doing chores and managing money. Studies have shown that gamification has a positive effect on learning outcomes – cognitive, motivational and behavioural^{4,5}.

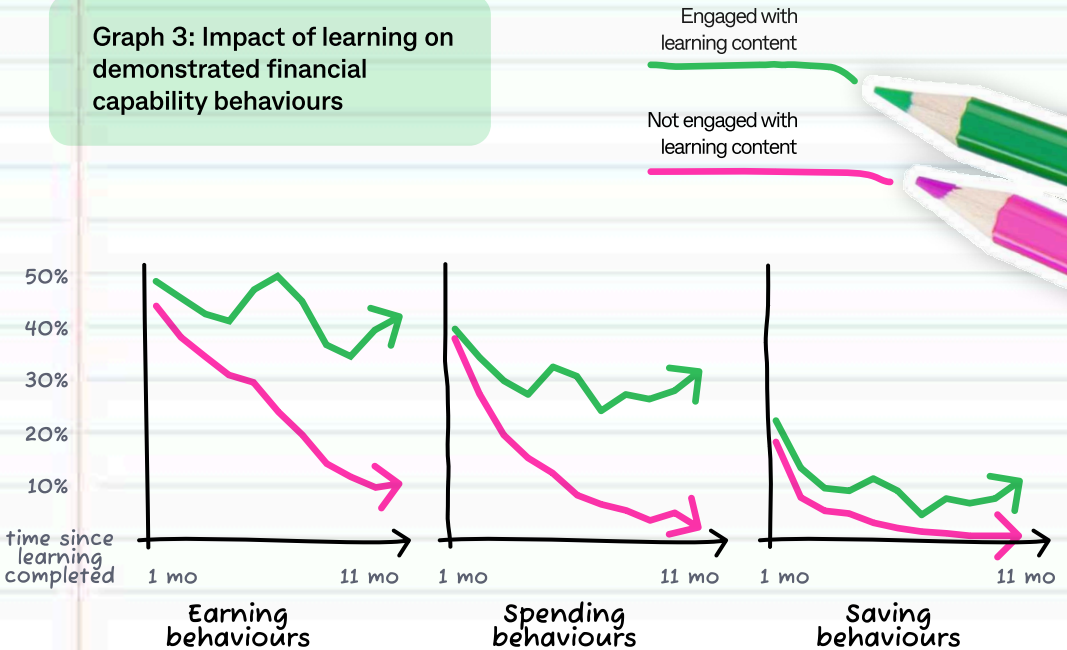
Kit's approach to gamification applies self-determination theory⁶ to drive intrinsic motivation through techniques that promote competence, autonomy and social relatedness. We also believe that children learn better if they are having fun. Our character, Kit, acts as the child's smart money sidekick and supports children as they work through scenario-based learning content (called Money Quests) in which they are empowered to make meaningful choices.

Children are rewarded both for their effort, and for demonstrating competence through completing quizzes, with an in-game currency called Winkits which can be redeemed for avatar cosmetic items. We deliberately avoid 'dark pattern' gamification techniques that could cause stress, addiction, or may cause unfair comparison. These include utilising 'fear of missing out', variable reward or social leaderboards between children in different families.

Finding 2: Kids who have consumed Kit’s learning content in the previous 30 days are more likely to display behaviours associated with financial capability.

Our data tells us that kids who engage with our in-app learning content are more likely to display the desired financial capability behaviours in the following 30 days. Although this declines beyond 30 days, over the ten months after engaging with learning content children sustain their financial capability behaviours at a higher level, than their peers who only engaged with non-learning content (such as jokes and the avatar creator) within the Learn tab. Kit's gamified learning has a positive impact on kids' financial capability demonstrated through positive financial behaviours post engagement with learning content.

Graph 3: Impact of learning on demonstrated financial capability behaviours

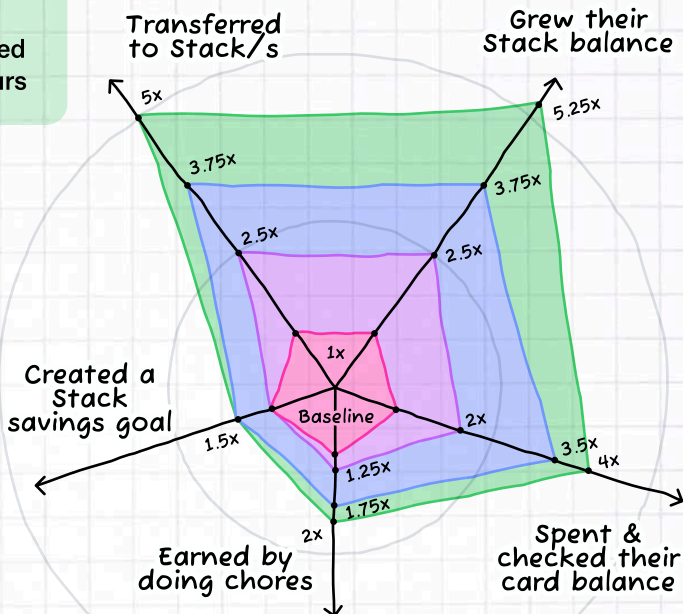


Finding 3: Learning drives child financial behaviours, even in the absence of parent or carer engagement

Financial socialisation is a key driver of financial capability⁷, and our data shows a correlation between parent or carer engagement, and children's financial capability. A child whose parent or carer engages in the app show more financially capable behaviours - earning money through chores, saving their money, and checking their balance when making purchases - than a child whose parent or carer does not engage in the app, particularly when it comes to saving behaviours. Across a 30-day period, a child whose parent or carer was engaged in the app was 130% more likely to transfer money to a Stack and 136% more likely to have a balance increase.

Ultimately, children's financial capability behaviours are improved by engaging with Kit's learning content regardless of their parent's or carer's engagement, however, financial socialisation (parent or carer engaging in app) amplifies this impact.

Graph 4: Impact of financial socialisation on demonstrated financial capability behaviours



Parent/carer not engaged & kid hasn't learnt recently*

Parent/carer engaged & kid hasn't learnt recently*

Parent/carer not engaged & kid has learnt recently*

Parent/carer engaged & kid has learnt recently*

*engaged in Money Quest, quiz, story or nudge within past 30 days

Conclusion

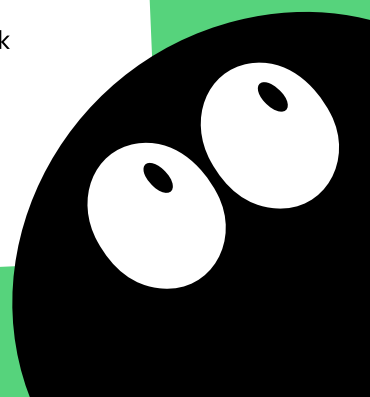
A year on from launching gamified learning within our app, and we can say we've had a proven impact on children's financial capability.

This is an ongoing journey, and we're continuing to test and learn to refine the gamification within the app as well as our learning content to maximise our impact.

Our upcoming features will look to improve how we help kids to save money:

- **Learning about interest:** Understanding the role that interest plays in growing their savings is a first step toward children learning how investment can be used for wealth creation. Whilst there are many financial products enabling parents or carers to manage their child's savings these are often not child-centric, which hinders the child's ability to develop financial capability through their own experience. We hope to change that – Kit parents and carers will be able to link a CommBank Youthsaver account to their child's Kit account, allowing their child to not only see their Youthsaver balance grow with interest, but also how their actions affect that growth.
- **Learning about bucketing:** Being able to consciously split income for different purposes is a valuable skill that enables children to be prepared for whatever comes their way, good or bad. While there are products available, including Kit, which go part way to allowing children to split their money between goals, they often fail to recognise the cognitive load and decision fatigue this can create. By allowing children to automatically split their money between Stacks (including any linked CommBank Youthsaver account) Kit will make saving easier for children, and support them in creating momentum towards their goals.

We look forward to sharing more of our learnings in our next Money Matters report.

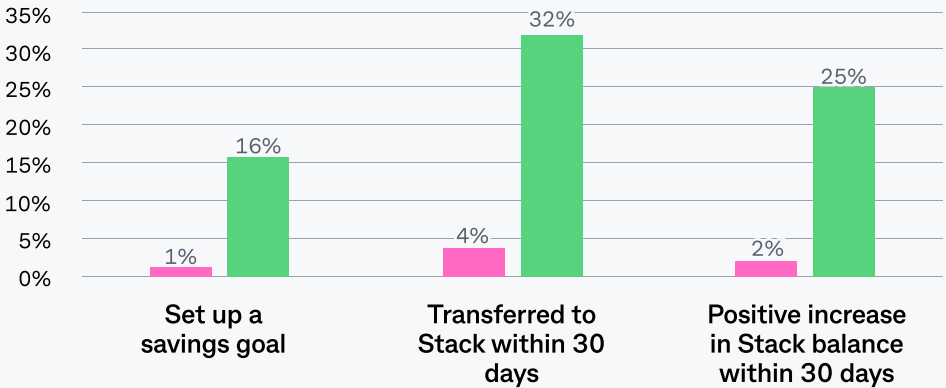


Appendices

1.0 Graphs:

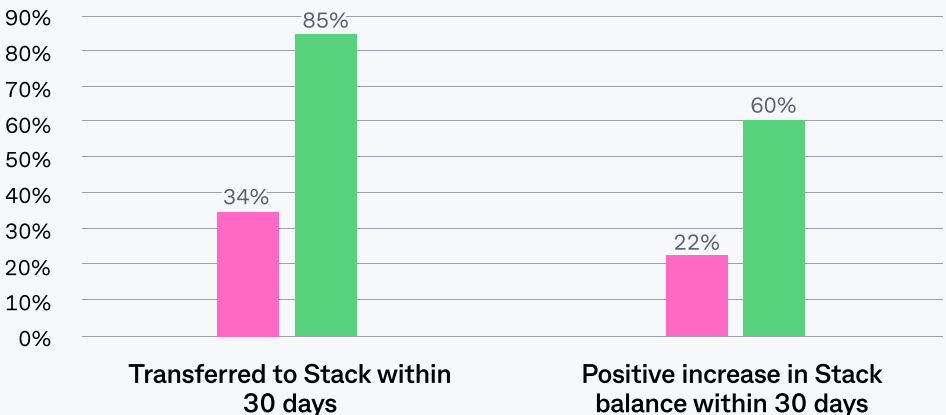
Graph 1:
Stack walkthrough nudge

Not engaged with nudges Engaged with nudges



Graph 2:
Goal progress nudges

Not engaged with nudges Engaged with nudges



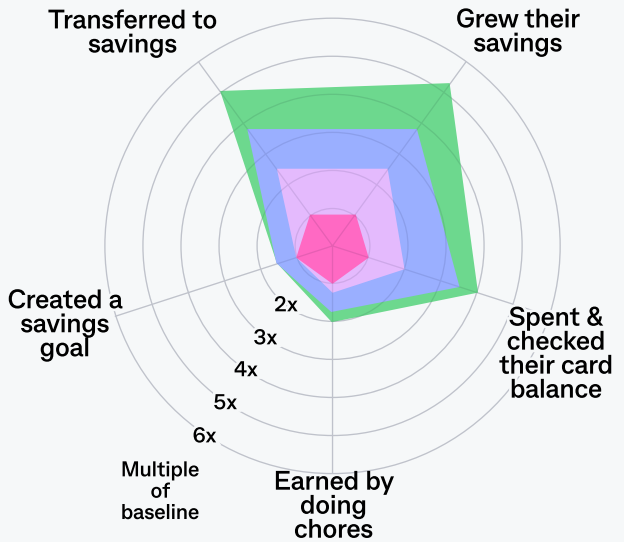
Graph 3:
Impact of learning on demonstrated financial capability behaviours

- Not engaged with learning content
- Engaged with learning content



Graph 4:
Impact of financial socialisation on demonstrated financial capability behaviours

- Parent/carer not engaged & kid hasn't learnt recently
- Parent/carer engaged & kid hasn't learnt recently
- Parent/carer not engaged & kid has learnt recently
- Parent/carer engaged & kid has learnt recently



2.0 Definitions:

Avatar: An in-app character kids can create themselves, which can be customised with items.

CommBank Youthsaver*: A youth savings account issued by the Commonwealth Bank of Australia. Kit customers can link a Youthsaver to their Kit account.

Earn: A feature in the Kit app by which families can set pocket money to be paid on completion of set chores, or as stand-alone payments.

Kit Money Quests: Kit Money Quests is gamified learning content in the Kit app, teaching kids financial concepts through guided activities of scenario-based learning, with quizzes and rewards.

Nudge: A nudge is an in-app prompt delivered by the Kit character, with contextual 'just in time' instructions, information or support.

Parent or carer engagement: Parent or carer has logged in and taken an action in-app (e.g. approved Payday, transferred, updated settings) or navigated to the child profile.

PayDay: The day on which children receive their pocket money, facilitated through the Kit app.

Quizzes: Two fortnightly quizzes of five questions each, which test kids' financial literacy.

Stacks: Savings buckets within Kit where a child can store money for a goal with a target date and amount

Stories: Bite-sized learning content delivered through a chatbot-like interface

Winkits: A collectable currency that exists in-app which kids receive for completing quizzes. Winkits can be used to redeem new avatar items.

*CBA New Digital Businesses Pty Ltd (ABN 38 633 072 830), trading as Hey Kit, has been appointed as authorised representative (001296799) of Commonwealth Bank of Australia (ABN 48 123 123 124 AFSL 234945) who is the issuer of the CommBank Youthsaver account.



Citations

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3. Alexis M. Mellis, Sarah E. Snider, Harsh U. Deshpande, Stephen M. LaConte, and Warren K. Bickel, "Practicing Prospection Promotes Patience: Repeated Episodic Future Thinking Cumulatively Reduces Delay Discounting," *Drug and Alcohol Dependence* 204 (2019): 107507.
4. Michael Sailer and Lisa Homner, "The Gamification of Learning: A Meta-Analysis," *Educational Psychology Review* 32 (2020): 77–112. <https://doi.org/10.1007/s10648-019-09498-w>
5. İbrahim Yıldırım and Serkan Şen, "The Effects of Gamification on Students' Academic Achievement: A Meta-Analysis Study," *Interactive Learning Environments* 29, no. 8 (2019): 1301–1318. <https://doi.org/10.1080/10494820.2019.1636089>.
6. Richard M. Ryan and Edward L. Deci, "Overview of Self-Determination Theory: An Organismic Dialectical Perspective," in *Handbook of Self-Determination Research*, ed. Richard M. Ryan and Edward L. Deci (Rochester, NY: University of Rochester Press, 2002), 3–33.
7. Jinhee Kim and Swarn Chatterjee, "Childhood Financial Socialization and Young Adults' Financial Management Behaviors," *Journal of Financial Counseling and Planning* 24, no. 1 (2013): 61–79.





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