

Gamified Apps: New Ways to Encourage Financial Education

Gamification is reshaping financial services.

By Susan Mangiero

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Games are an integral part of the entertainment and information landscapes with more than [190 million Americans playing](#) video games every week. Given the popularity of games for players of all ages, it's no surprise that financial service companies are using game elements to boost the strength of their customer interactions. [Statista reports](#) the value of the gamification market as 11.94 billion dollars in 2021, up from 4.91 billion dollars in 2016. Savvy banks, advisory firms and asset managers understand the advantages of gamification: Build brand awareness, promote new products, increase financial literacy (which could arguably lower the corporate liability risk of dealing with ill-informed decision makers), grow market share and collect (with permission) important data.

Gamification 101

Gamification is the application of points, leaderboards, streaks, progressive challenges and other game mechanics to encourage behavioral changes, foster engagement and enhance learning. The term, coined in 2002, is [attributed to Nick Pelling](#), a UK computer programmer. The concept of nudging individuals towards a desired goal or overcoming roadblocks is not new. A [2018 thesis by Gerald Christians](#), "The Origins and Future of Gamification," chronicles the introduction of successful incentive programs, including S&H Green Stamps (1896), Boy Scout badge system (1908), *The Game of Work* (1973), and AAdvantage, American Airlines' bonus plan for frequent flyers (1981).

Gamification, like any initiative, begins with an objective and an identification of the target market. A financial service firm needs to decide what to create, for whom, and the optimal delivery format. It must understand and adhere to federal and state regulations, fiduciary duties and ethical best practices.

It's paramount for financial service companies to understand what motivates retirees, savers planning for retirement, young adults earning money for the first time and risk-hearty traders. Yu-kai Chou, a technology pioneer, [cites eight core factors](#) that comprise his [Octalysis Framework for Gamification & Behavioral Design](#). These are: (1) a call to be part of something big; (2) accomplishment; (3) empowerment ; (4) ownership such as wanting to amass wealth; (5) social influence; (6) scarcity; (7) curiosity; and (8) loss and avoidance.

Game Design Principles



David Kuelz

[Gotham Writers Workshop](#)

[David Kuelz](#), a freelance narrative designer, writer and adjunct instructor with the Gotham Writers Workshop, describes gamification as an important communications tool, especially when the resulting experience is fun for

the user. The fun factor is so important that, as Kuelz explains, it's an integral part of what comprises an excellent game in terms of MDA gamification design. Mechanics, the "M" factor, are the rules of a game. Dynamics, the "D" factor, are the decision paths selected by players. Aesthetics, the "A" factor, are the emotional responses of players as they grapple with obstacles, increase their joy, network with peers or discover new skills. Kuelz likens the use of the MDA Framework to the process of a movie director who arranges things to make the audience feel a certain way.

Current examples of gamification include Wealth Plan, offered by [J.P. Morgan Wealth Management](#) as a complimentary "digital money coach" to help people budget, track their money, get personalized tips and set up a call with an advisor. Sallie Mae, formerly known as the Student Loan Marketing Association, provides [SmartyPig](#), a "free online piggy bank for people saving for financial goals like holiday gifts, vacations, and even retirement." Fidelity utilizes progress tracking, hints and point rewards in its [Five Money Musts](#) game to encourage financial literacy in the areas of budgeting, retirement, investing, credit and debt.



Maureen Doyle-Spare
[UST](#)

Designing an effective gamified product or service requires understanding how game mechanics influence user behavior. [Maureen Doyle-Spare](#), head of banking and financial services at UST, emphasizes the importance of personalization in this approach. When done right, gamification fosters excitement, motivation and community around financial education, helping to promote financial literacy.

Gamification and Learning



Karl Kapp
[Commonwealth University](#)

To encourage learning, companies should break big tasks into smaller ones. As Dr. [Karl Kapp](#), professor of Instructional Design and Technology at Commonwealth University, puts it, "You need to save the princess by first figuring out how to climb the castle wall." He adds, "Don't focus so much on the 'gaminess' but instead think about the psychology behind goal setting." Frequent reminders are one way to shape the outcome.

Storytelling is another powerful technique to gain someone's attention and keep it. A gamified financial planning tool could include hypothetical case studies such as a couple wanting to send their first child to college or a budding entrepreneur who wants to open a restaurant. When asked about ways to improve financial literacy, Kapp replies, "This topic can be boring. You need something to stimulate people. Determine how to overcome a short attention span and bring your topic to life. It can be done. Look how children put away their electronic devices to read Harry Potter books."



Robert Gardner
[Redington](#)

[Robert Gardner](#), a serial entrepreneur and philanthropist, combines fun, pedagogy, storytelling and finance with every one of his kid-centered initiatives. An enthusiastic advocate of youth empowerment, he created a card game called [Silly Monkeys](#). The game reinforces the important economic concepts he describes in his book [Save Your Acorns](#). Half of the proceeds from this cheerily illustrated book go to charity. Since 2006, when Gardner co-founded the British charity [RedSTART](#), he has appeared in classrooms, delivering financial education instruction to children between the ages of four and eleven. With his help, students learn and earn. Kings College London monitors their progress. They have an app with math puzzles, which the pupils solve, earning RedSTART (British) pounds to save or spend on small items, e.g. stationery, and bigger items like LEGO sets. To date, RedSTART and over fifty corporate partners have provided financial education to more than 53,000 children and 170 schools.

As co-founder and one-time co-CEO of Redington, a pension consultancy, Gardner understands the mental anguish associated with poor planning for the future, having worked with businesses that provide multi-layered benefit programs to employees at all income levels. The human imperative accounts for his enthusiastic support of academic research about financial literacy. Gardner says, “We are fortunate to ally with King’s College on a longitudinal study about the behaviour of adults whose children are trained to earn, keep, and grow their money. I do not know of another study like ours that examines the psychology of money on an inter-generational basis.”

Gamification in the Financial Service Industry

Notwithstanding the explosive growth of games and gamification in business, used for both customers and employees, there is no consensus about whether financial service companies will allocate resources to this technique in a big way. Compliance and ethics are major concerns.

According to Gardner, the B2B use of gamification is evolving. He says, “At Redington, we created a war game to help clients set strategic objectives for their large pension funds, like a Harvard Business School case exercise. We created a fictional company with various assumptions and constraints. Since I founded Rebalance Earth, an asset management firm ‘[focused on Nature as an investable asset](#),’ I’ve become aware of companies that use strategy games to assess the business risks associated with climate change. The limiting factor is what latitude exists to encourage executives to make major decisions based on the result of these scenario games.”

Kuelz describes gamification as a double-edged sword. “The upside,” he says, “is the proven efficacy of games to instruct. The downside is the reality that games are manipulation devices.” He warns, “A poorly designed app with game-like elements could put the sponsor in dangerous territory if, for example, the app encourages a user to gamble, spend too much money on the game currency, or invest unwisely. You need to avoid building ‘gotcha systems’ that cross prudential boundaries.” He says, “A financial service company could have a conflict of interest if its sole purpose in using gamification is to grow assets or the number of customers without consideration for the end user downside.” He thinks it is possible for businesses to benefit from gamification while avoiding unwanted side effects for an investor.



Rebecca Fike

[Vinson & Elkins](#)

Attorney [Rebecca Fike](#), a partner in the Government Investigations and SEC Enforcement Defense practice areas of Vinson & Elkins, is less sanguine about this brave new world. Her 2024 article, “[Game Over: Robinhood Pays \\$7.5 Million to Resolve ‘Gamification’ Securities Violations](#),” lists items found to be wanting by the Massachusetts Securities Division, part of the Office of the Secretary of the Commonwealth. These include: (1) digital confetti that fell from the top of a computer screen after a retail investor finished their first stock trade; (2) synthetic lotteries offering gifts of “free” stock in companies like Apple or Microsoft; and (3) use of emojis to push investors to buy from a curated list of stocks. Fike highlights the fiduciary duty of a firm that prohibits inappropriately influencing an investor. While this case involves a state regulator, federal regulators are scrutinizing the use of gamification. Fike characterizes the situation as a “delicate balance.” Fike adds, “A regulated entity such as a broker-dealer cannot profit from apps with embedded game features when it has a fiduciary duty to each investor to consider their different and unique situations.” She continues, “A financial service company’s exposure depends on what the U.S. Securities and Exchange Commission ultimately decides about what, and how much, gamification a regulated entity can use.” Her advice is to tread carefully.

Doyle-Spare highlights the dual-edged nature of gamification, noting, “Gamification, when implemented effectively, can encourage positive financial habits, offering rewards that steer users away from harmful behaviors.” However, she cautions that it may lead individuals to focus on short-term gains or oversimplify complex financial concepts, reducing long-term effectiveness. She stresses the need for thoughtful design, ensuring gamification encourages positive outcomes and avoids negative behaviors. UST’s [Eddy award](#)-winning platform demonstrates how gamification can help individuals reach financial goals through education, digital tools and financial adviser access.

Kapp, an expert in the behavior of gamers, loves the immediacy of friendly reminders, embedded in apps, that influence individuals to refrain from eating late at night, regularly invest pocket change or otherwise act productively. He embraces the social aspect of benchmarking against peers, citing the example of an app-delivered notice when one saves ten percent more than others during a specified time. He too worries about the fine line between nudging and manipulation. He advises developers and company sponsors, “Be transparent and allow people to set their own goals. There are those who think the capital markets are a rigged game. Refute that notion with functionality that educates.”

Conclusion

Gamification is one way for financial service companies to reach their customers, particularly younger investors, in a novel and entertaining way. Evolving regulations and investors’ preferences for how they gather information are two considerations for its future use.

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Susan Mangiero is an award-winning financial journalist, ghostwriter, and content strategist with articles, books, and thought leadership work appearing in more than one hundred business outlets. Her past work includes trading derivatives on Wall Street, launching a knowledge-sharing digital platform for institutional investors, teaching

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