

Increasing Applications for Small Dollar Loans

A Behavioral Design Checklist

This resource is designed to help providers increase uptake of their small dollar loan product. In it, we lay out evidence-based tactics that draw on conversations with customers, financial providers, and financial organizations, as well as decades of behavioral science research. No one tactic is most important, and the best approach will vary depending on the provider’s specific circumstances. Below, you’ll find a one-page checklist, followed by a deeper explanation of each tactic.

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| <p>1. Make It Relevant Send eligible customers messages that are clearly relevant to them.</p> | <ul style="list-style-type: none"> 1 Is your outreach likely to reach eligible customers when they have a specific need? 2 Are you highlighting the ways your small dollar loan meets your customers’ needs? |
| <p>2. Inspire Trust and Confidence Increase transparency, support, and credibility to build confidence in an unfamiliar product.</p> | <ul style="list-style-type: none"> 3 Are you transparent about eligibility requirements, fees, and the application process? 4 Can customers easily access help if they have a question? 5 Do you use a friendly, positive tone and normalize customers’ circumstances? 6 Can customers easily find out about peers’ experiences with your loan? |
| <p>3. Clarify Information Ensure loan information is easy to understand and compare.</p> | <ul style="list-style-type: none"> 7 Do you use plain language to communicate information? 8 Do you give customers a way to understand how much they could be eligible for? 9 Do you compare your small dollar loan product to common alternatives? |
| <p>4. Facilitate Action Help customers follow through on their intentions by simplifying steps and providing resources.</p> | <ul style="list-style-type: none"> 10 Have you simplified the application process? 11 When steps can’t be removed or simplified, do you provide tools and resources to make applying as easy as possible? |
| <p>5. Increase Eligibility Expand your market by helping potential borrowers become eligible.</p> | <ul style="list-style-type: none"> 12 Are potential borrowers prompted to consider and prepare for their future needs? 13 Do you highlight progress to motivate potential borrowers? 14 Are you preparing denied borrowers to become eligible? |