

GAMIFIED SAVINGS

GAMIFIED SAVINGS AS A PROBLEM GAMBLING INTERVENTION IN KENYA AND UGANDA

AUTHORS:

Laura Barasa, University of Nairobi, Kenya (lauranelima@uonbi.ac.ke)

Sylvan Herskowitz, The World Bank, Washington DC (sherskowitz@worldbank.org)

Annet Adong, Makerere University, Uganda (annetadong@gmail.com)

Maximilian Müller, University of California, Berkeley (mwmueller@berkeley.edu)



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The rise of mobile gambling applications has significantly impacted male youth in Kenya and Uganda, leading to increased gambling expenditure and diminished savings. This policy brief presents evidence from a randomized field experiment conducted in 2023-2024 that gamified soccer-based prize-linked savings products can effectively promote savings.

Specifically, skewness (i.e., high-probability small rewards vs low-probability large rewards), delayed payment, and non-gamification leads to a 5% increase in the decision to save. However, skewness, early payment and gamification including the soccer-betting component lead to a 15% increase in the decision to save while skewness, early payment and non-gamification leads to an 11% increase in the decision to save. By leveraging the appeal of sports betting, these innovative financial tools can help vulnerable youth improve their financial resilience and well-being.

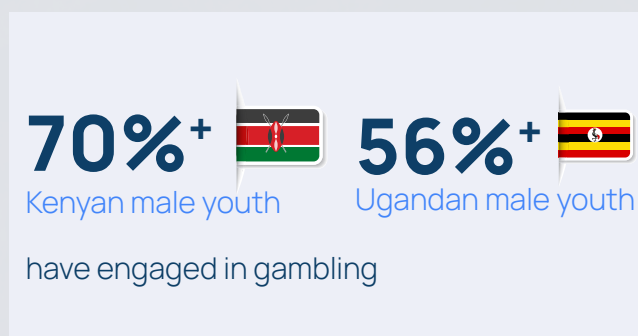
Policymakers are urged to support the integration of these products into national financial literacy programs to combat the growing issue of gambling addiction.

Background

The rapid proliferation of mobile technology in Kenya and Uganda has facilitated the rise of mobile sports betting, particularly among young males.

Over 70% of Kenyan male youth and 56% of Ugandan male youth have engaged in gambling, with a significant portion using mobile phones for betting activities (Wangari, 2017).

This trend has raised concerns about gambling addiction, which poses substantial social and financial risks, including loss of savings and increased personal debt.



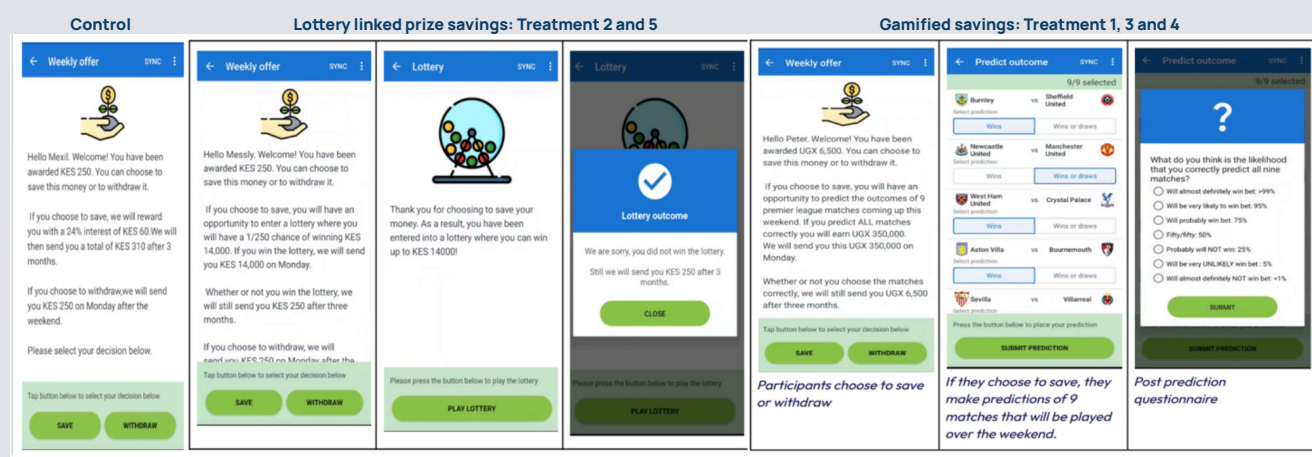
Study Key Objectives:

- To investigate the impact of prize-linked savings products on the decision to save among male youth in Kenya and Uganda.
- To investigate the impact of gamified soccer-based prize-linked savings products with a small reward on the decision to save among male youth in Kenya and Uganda.
- To investigate the impact of gamified soccer-based prize-linked savings products with a large reward on the decision to save among male youth in Kenya and Uganda.
- To provide policy recommendations on designing alternative savings products to attract savings from young men and reduce problem gambling behavior.

Methods:

The research employed a lab-in-the-field experimental design with a sample of 1,571 male youth from Nairobi, Kenya, and Kampala, Uganda. The study used smart sensing mobile application to track participants' deposits and withdrawals into their mobile wallets based on an app developed for the purposes of this study. Participants were randomly assigned to various treatment groups that tested the effects of gamified soccer-based prize-linked savings products with different reward structures on their saving behavior.

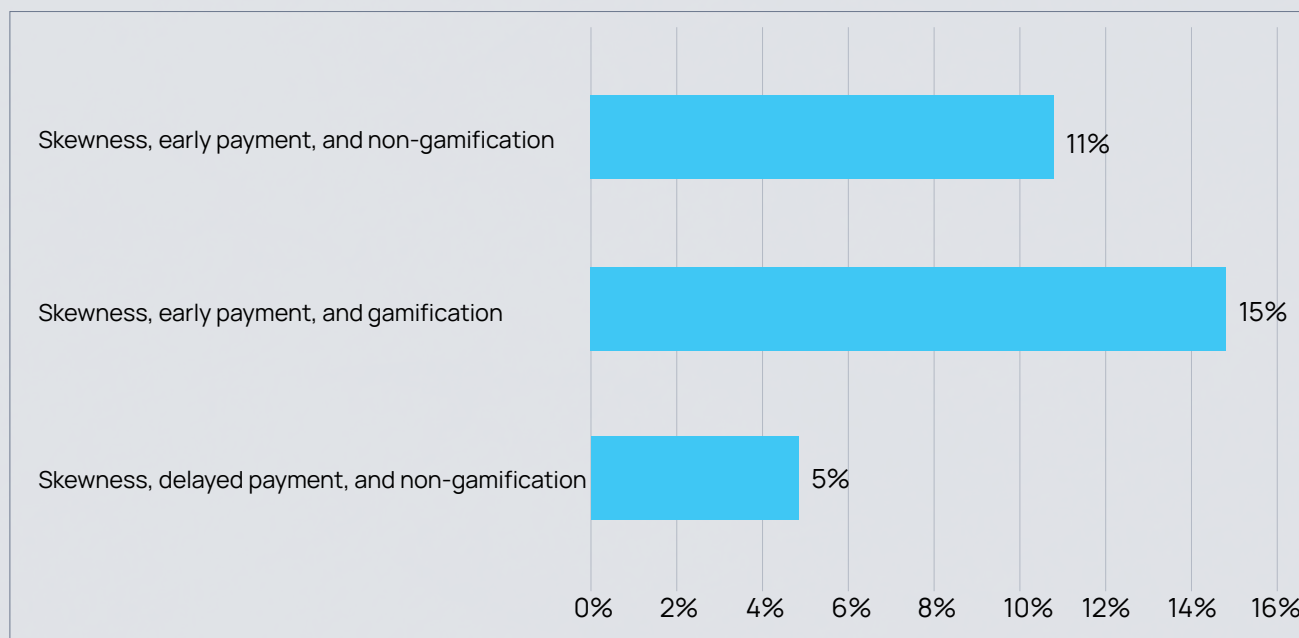
Figure 1. Mobile application



Key Findings:

The fun aspect of predicting soccer match outcomes had a positive impact on savings as compared to traditional saving methods. Hence, gamified soccer-based prize-linked savings products can effectively promote savings (Figure 2).

Figure 2. Impact of gamified savings on the decision to save



Policy and Practice Implications:

The findings underscore the need for innovative approaches to address problem gambling among youth. Gamified savings products can serve as dual-purpose interventions that not only promote saving but also mitigate harmful gambling behaviours.

Policymakers should consider integrating these products into existing financial literacy programs targeting youth, thereby fostering healthier financial habits while addressing the growing concern of gambling addiction.

Additionally, collaboration between government entities and financial institutions is essential for developing user-friendly platforms that resonate with young users. Moreover, as both Kenya and Uganda are currently revising their gambling regulations—such as the Gambling Control Bill in Kenya—there is an opportunity to incorporate provisions that support gamified savings initiatives.

By doing so, they can create a regulatory environment conducive to responsible gambling practices while enhancing financial inclusion for vulnerable populations.

Recommendations:

- 1. Policy Development:** Formulate policies that endorse the integration of gamified savings products into national financial literacy initiatives.
- 2. Funding Allocation:** Direct resources towards the development and promotion of these innovative financial tools aimed at youth.
- 3. Public Awareness Campaigns:** Launch educational campaigns highlighting the benefits of saving through gamification while raising awareness about the risks associated with gambling.
- 4. Partnerships:** One avenue for future research includes working in partnership with mobile network operators and financial service providers to develop a similar offering that could be immediately profitable when rolled out to their clients at negligible marginal cost. This would offer an opportunity to test a scaled-up version of the intervention with mobile network operators and financial service providers.
- 5. Monitoring Mechanisms:** Establish frameworks for evaluating the effectiveness of implemented programs to ensure they adapt based on participant feedback and evolving trends in gambling behavior.

Call to Action:

We urge policymakers, financial institutions, and community organizations to collaborate in promoting gamified savings products as a viable solution to combat problem gambling among youth in Kenya and Uganda. By prioritizing this innovative approach within national policies and programs, we can empower young individuals to make informed financial decisions while reducing their vulnerability to the risks associated with gambling addiction.

Conclusions:

The increasing rates of problem gambling among youth in Kenya and Uganda necessitate immediate policy action. Gamified savings products offer a promising solution that can enhance saving behaviours while reducing harmful gambling expenditures. By adopting these recommendations, stakeholders can create a healthier financial environment for future generations.

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References:

Wangari, N. (2017, March 31). Mobile Gambling among Youth in Sub-Saharan Africa. GeoPoll. <https://www.geopoll.com/blog/mobile-gambling-among-youth-in-sub-saharan-africa/>

Engage with us:



info@nieraglobal.org



@NIERA_EA



nieraglobal.org



The Network of Impact Evaluation Researchers in Africa



@nieraglobal.bsky.social



HQ Nairobi Pramukh Towers, Westland's Road, 6th Floor, Room 610,



P.O. Box 11750-00400, Nairobi, Kenya