

Incentive Design Worksheet

Create personalized incentive systems to achieve your financial goals

Concept Review

Incentives motivate action. You can design incentives for yourself to achieve financial goals. There are four types: positive (rewards), negative (consequences), structural (systems), and social (accountability).

Step 1: Choose Your Financial Goal

☐ Save \$2,000 for a specific purpose by a target date

☐ Reduce discretionary spending by \$100/month

☐ Increase income by \$200/month

☐ Build emergency fund to \$1,500

☐ Other:

Step 2: Design Your Incentive System

Goal

Positive Incentives (Rewards for Progress)

Small milestone reward

When I reach

	<input type="text" value="e.g., 25%"/> I will reward myself with <input type="text" value="e.g., favorite coffee drink"/>
Medium milestone reward	When I reach <input type="text" value="e.g., 50%"/> I will reward myself with <input type="text" value="e.g., dinner at favorite restaurant"/>
Goal completion reward	When I complete the goal <input type="text" value="e.g., buy that item I've wanted"/>
Negative Incentives (Consequences for Falling Short)	
If I don't hit weekly target	<input type="text" value="e.g., I must skip entertainment that week"/>
If I spend outside budget	<input type="text" value="e.g., I must add double that amount to savings"/>
Accountability partner	<input type="text" value="Who will check your progress? How often?"/>
Structural Incentives (Make It Easier to Succeed)	
Automate savings	Set up automatic transfer of \$ <input type="text" value="amount"/> Frequency <input type="text" value="e.g., weekly, bi-weekly"/>
Remove temptation	I will delete/avoid <input type="text" value="e.g., shopping apps, certain stores"/>

Visual tracking	e.g., spreadsheet, app, chart on wall
Social Incentives (Peer Pressure/Support)	
Accountability buddy	Who? How will they hold you accountable?
Public commitment	Who will you tell about your goal?
Friendly competition	Who will you challenge to save with you?

Examples from Other Students

Example 1: Marcus (Saving for Car)

- Goal:** Save \$3,000 in 6 months
- Positive:** Every \$500 saved = dinner out at favorite restaurant
- Negative:** If he misses weekly goal, he skips his favorite streaming service that week
- Structural:** Automatic \$115/week transfer to separate savings account, can't access with debit card
- Social:** Told his sister his goal; she texts him every Friday to check progress

Example 2: Aisha (Reducing Spending)

- Goal:** Cut discretionary spending from \$400/month to \$250/month
- Positive:** Save \$150/month x 12 = \$1,800/year; reward herself with \$300 vacation using savings
- Negative:** Uses cash-only system for discretionary spending; when it's gone, it's gone
- Structural:** Deleted food delivery apps, unsubscribed from marketing emails

Social:

Joins "No-Spend Challenge" with friends; they support each other

Discussion Questions

1. Which type of incentive (positive, negative, structural, social) is most powerful for YOU? Why?

Your answer...

2. How do your incentives align with your values and personality?

Your answer...

3. What incentives have you seen work in other areas of life (school, work, sports, etc.)?

Your answer...