



## NO IMPACT

People often struggle to pay off credit card debt, making only the minimum repayment amount. Studies have shown that the credit card repayment amount consumers choose can be influenced by the **minimum repayment amounts displayed on the bill**. It acts as **an anchor or reference point**, prompting consumers to make only the minimum repayment shown, or close to that amount. These low repayments mean consumers end up paying more in debt service costs overall, and facing a long repayment period, as well as triggering negative impacts on credit scores and poor financial well-being. In an attempt to encourage higher repayments, **the UK's Financial Conduct Authority [partnered](#) with four credit card providers to remove the 'anchoring' minimum repayment amount** from the online manual repayment screen. **Whilst some consumers increased their direct debit repayment, others did not set up a direct debit at all. Credit card debt also did not decline** because people made smaller ad-hoc payments to pay off their debt than before.

## MARGINAL IMPACT

Encouraging repeat donations and higher repeat donations is important for increasing a charity's overall revenue. A major Italian Cancer Research charity ran a **[large trial](#)** to test how different donation anchors would impact the next donation amount. They sent 150,000 existing donors a letter with either no anchor, or 'donation menu' anchors showing a range of suggested figures. After six months the average donation made by those who received the 'donation menu' letter were **significantly higher at €20.27, compared to €18.40 euros from those who received a letter with no anchor**. However, there was a **small backfire effect** amongst regular donors who 'anchored down' and decreased their donation by €3.50 on average - a reminder that it can be important to personalise your anchors.

## MAJOR IMPACT

People know they should do more exercise and often intend to but lack motivation or time. Setting a daily goal of walking 10,000 steps has helped many people to increase their walking. **Researchers [tested the impact](#) of different step goals** for university staff, determined by each person's current (baseline) daily steps. Typically, pre intervention, staff walked around 6700-7000 steps per day. Staff received a low, medium, or high walking goal (10%, 50%, or 100% increase over baseline). **Participants walked far more when given a high goal compared to a medium or low goal** - around 3500 additional steps per day (or an extra 25-30 minutes typically) compared to around 1200 extra steps in the medium goal.

Around 20% of British people regularly gamble online, but two million experience some form of gambling harm and many often overspend. **[Researchers looked](#) at how they could prevent people from gambling too much**. They reduced deposit limits on betting sites which can be up to £100,000 on some sites, as people often anchor to these. Deposit limits are set by drop down menus that show the maximum deposit limit first. The control group saw the usual drop down menu, with denominations from **£5 to £100,000**, and an optional no limit. Those in the low anchor group saw **an upper amount of £250** from a drop down menu (and could similarly choose no limit, or free text for a higher limit), whilst a no anchor group saw only a free text box. The low anchor group set deposit limits of £231 on average, whereas the control group set a deposit limit of £1601 on average. **This intervention reduced gambling deposits by 45% on average**.

People often do not plan and save money for their retirement. Researchers **[tested](#) different anchors or reference points to encourage employees to pay larger amounts into their 401(k)**. Showing employees anchors of 3%, 10%, or 20% of income in a letter all resulted in significantly higher average contributions, although with some delay. Between 5 and 11 months after receiving the email, the individuals who received an email with one of the anchors increased their contribution rates by 1.0-1.1% of income. All three anchors had equal impact.