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Can Cash Push People to Exercise?

Activity trackers alone don’t motivate people to exercise more, but incentives that use principles from behavioral economics can help.



Most people know that exercise is good for them, but less than half of U.S. adults get the amount of physical activity needed to see the health benefits.

Low activity levels are associated with a range of health conditions — some of which have reached epidemic proportions — including obesity, diabetes, high blood pressure, and heart disease.

For decades, experts have pondered how to get people to exercise more regularly.

Several studies released this year explore a straightforward idea: Cold hard cash.

The most recent study published this month in The Lancet Diabetes & Endocrinology, found that participants walked more steps per week when given a financial incentive.

“It’s basic economics that if you increase the benefits of walking, people will walk more,” Eric Finkelstein, Ph.D., lead study author, and professor of the Health Services and Systems Research Program at Duke-NUS Medical School in Singapore, told Healthline.

Strolling for dollars

The researchers investigated whether using an activity tracker — specifically, the Fitbit Zip — on its own or in combination with cash incentives or charitable donations, would lead people to boost their activity level and improve their health.

The study included 800 adults, all office employees, divided into four groups.

One group, the control, didn’t receive any tracking tools or financial perks, while another group received Fitbits to monitor their steps.

The other two groups received Fitbits along with monetary incentives in Singapore dollars: $15 for walking between 50,000 to 70,000 steps per week and $30 when they hit or exceeded 70,000 steps per week.

Participants in the “charity group” could choose from 13 different causes to donate the money while the “cash group” got to keep it for themselves.

Although the financial incentives were tied to step count, the researchers were actually more interested in a measure they described as “moderate-to-vigorous” activity bouts.

That’s the kind of heart-pumping exertion that’s linked to better health.

The researchers measured participants’ activity levels, and related health outcomes, at the beginning and at six months into the study.

Only the group that received cash showed a significant increase in activity.

Compared to the control group, which actually became less active, the other three groups all had a higher weekly number of moderate-to-vigorous activity minutes: About 30 minutes for the cash group, 20 minutes for the charity group, and 15 minutes for the Fitbit-only group.

But the charity and Fitbit groups didn’t really improve against their own baseline performance.

None of the groups improved on health measures like weight and blood pressure.

Finkelstein wasn’t surprised, since even the cash group only averaged about 4 minutes of extra activity per day.

He said, in general, the idea that “more is better” when it comes to exercise is probably still true.

Tying the incentives directly to “moderate-to-vigorous” exertion might make a difference, he added.

After six months, when the researchers removed the incentives, the cash group lost its lead.

At 12 months, only 10 percent of participants in all three groups still wore the Fitbit.

That suggests activity trackers, on their own, won't bolster long-term health.

"There's still potential for these devices to add value, but I think they have to move away from being measurement tools to being interventions," Finkelstein said.

Finding the right incentives

Incentivizing people to exercise isn't just about improving health.

For many companies, it's also about saving money.

Under the Affordable Care Act (ACA), employers can vary the cost of health insurance premiums by up to 30 percent based on participation in wellness programs.

For some employees, that may add up to thousands of dollars per year.

"Financial incentives are used widely by more than 80 percent of large employers in workplace wellness programs," Dr. Mitesh Patel, an assistant professor of medicine and healthcare management at the University of Pennsylvania, told Healthline.

However, the evidence about whether such programs work is mixed.

Patel said the best incentives are based on principles of behavioral economics.

For example, in one study published this year in Annals of Internal Medicine, Patel and his co-authors found that people are more motivated to exercise by the prospect of losing money rather than gaining it.

It's a principle known as "loss aversion."

In the 13-week study, participants were divided into groups and given a goal to achieve 7,000 steps per day.

For every day they met their goal, one group was told they would receive $1.40, one group was told they would be eligible to win $1.40, and the control group received only daily feedback.

Another group was told that $42 had been allotted to them for the month, but they would lose $1.40 every day they missed their step goal.

That group achieved their 7,000 steps the most often.

"Framing it as a loss was very effective, whereas framing it as a gain was no different than not paying them at all," Patel said.

In another study, published in Springer's Journal of General Internal Medicine, Patel and his co-authors found that people are more likely to boost their activity level when they earn cash based on a combination of their own individual performance and a team's performance.

In that study, people didn't fare as well if they were assessed only on their individual steps or if earning cash depended on their whole team meeting a 7,000-steps-per-day goal.

"Subtle changes can sometimes double how well people do," Patel said.

But he doesn't expect to find a one-size-fits-all approach that works for everyone.

"We need to get to a stage where we know what incentives work best and then we can tailor them or personalize them to the individual," he added.

Incentivize yourself

You don't need to sign up for a study to find someone to pay you to exercise.

If you're looking for an incentive to nudge you toward better health, there are numerous free apps that could do the trick.

Most use a combination of loss aversion and potential rewards.

With the app Pact, users promise to achieve certain health goals, like exercise or eating vegetables, and set a price to pay if they fail.

Rewards for success vary from $0.30 to $5 a week, paid for by those who didn't meet their goals.

HealthyWage and DietBet are apps that focus on weight loss and follow a similar model of having users bet on a goal and earn money for achieving it.

If you're more interested in an altruistic app, Charity Miles tracks the distance you walk, bike, or run, and translates your mileage into dollars you can donate to more than 30 causes.

For those who prefer high-tech currencies, the not-yet-launched FitCoin app claims it will give you BitCoin based on your workout intensity.

Another option is StickK, a platform developed by Yale economists.

Users must sign a “commitment contract” and can choose to put money on the line if their goal isn’t met.

Users can also opt to have a referee who verifies if the goal is achieved.

“You need someone who is going to hold you accountable. Someone who is not going to be soft on you,” Dean Karlan, Ph.D., professor of economics at Yale and one of StickK’s cofounders, told Healthline.

Users choose where their money goes if they miss their target.

Karlan suggested people are often more motivated by selecting an “anticharity,” such as a political group they strongly disagree with.

“Incentives matter,” he added. “When we do things, we are ultimately weighing costs and benefits.”