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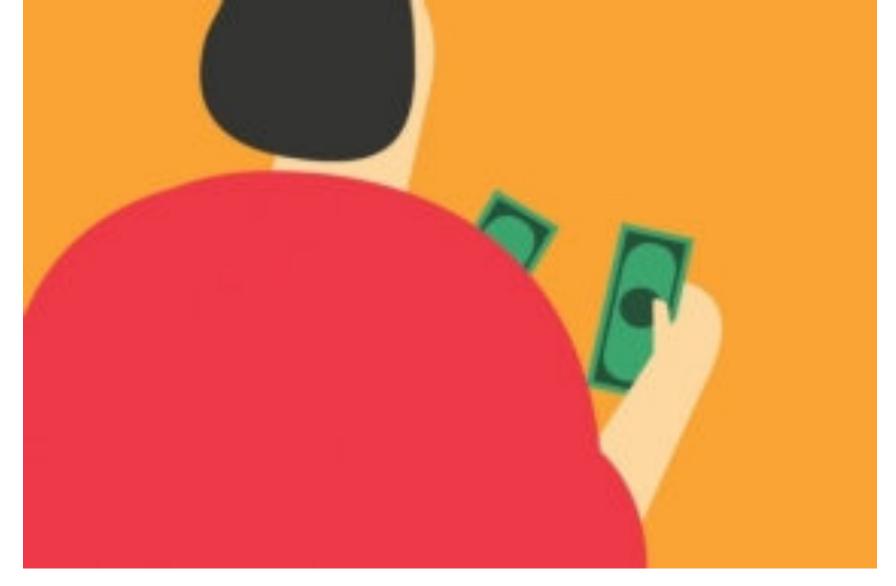


BEHAVIOR & SOCIETY

How to Be a Better Spender

Four tips from experts on how to get more joy from your purchases

By Sunny Sea Gold on January 1, 2017 أعرض هذا باللغة العربية



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Our brand-new family budget is my best friend—and my nemesis. It has allowed me to work less so I can have time to pick up our kindergartner from school and cook dinners for my family, which I love. But it also forces me to go without things that I *want*, which I don't love. In fact, I hate it. I've been spoiled too long by a professional job, a two-income marriage, and our collective culture of credit cards and mass consumption. Practicing smart restraint doesn't feel natural to me yet, but I'm hoping that this advice, gleaned from experts in marketing and psychology research, will help me become a smarter, happier spender. Maybe it will help you, too.

#1 Beware the magpie effect. Human beings are excited by shiny, new objects—and stores and car showrooms and Web sites are full of them, just sitting there, begging us to

spend money on them. "New and different things grab our attention quickly," says Elizabeth Dunn, a professor of psychology at the University of British Columbia and coauthor of the book *Happy Money: The Science of Smarter Spending* (Simon & Schuster, 2013). Multiple functional MRI studies have shown that when humans see something new, the brain's "novelty center"—the substantia nigra/ventral tegmental area (SN/VTA)—becomes active. Just the anticipation of interacting with something novel sets off a cascade of SN/VTA activity, a 2007 study from University College London found.

That's why we have to arm ourselves with this knowledge when we feel compelled to spend on something new that we don't really need: what is new now will one day become old and much less exciting. "A new luxury car will make you happier for a while, but you'll adapt quickly to the heated seats and leather steering wheel that initially captivated your attention, and they'll fade into the background when you're racing to work in the mornings," Dunn says.

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#2 Buy yourself some time. A smart use of your funds is something that gives you the gift of time, Dunn says. In a study published in April 2016 in *Social Psychological and Personality Science*, Dunn and her colleagues found that people who value time over money report higher levels of happiness and satisfaction with life. "Maybe you're buying a Roomba vacuum for the house so you won't have to spend your Saturday afternoons vacuuming," Dunn says. "But if you're buying your fifth pair of black heels? We would argue that using your money to improve how you spend your minutes and seconds of the day is one of the most direct routes to happiness."

#3 Spend when you're smiling. Lots of people shop when stressed-out or unhappy— so many, in fact, that "retail therapy" has an entry in the *Oxford English Dictionary*. The phenomenon isn't recognized by the *DSM-5*, the most recent edition of the *Diagnostic and Statistical Manual of Mental Disorders*, psychiatry's "bible," but research suggests we shouldn't ignore it. Studies by psychologist Jennifer Lerner, co-founder of the Harvard

Decision Science Laboratory, have shown that sadness increases consumption, both of goods and food. Not only that, but in a 2008 study in *Psychological Science*, she reported that feeling blue also makes people willing to pay higher prices. Lerner and her colleagues have labeled this the "misery is not miserly effect." Perhaps this explains my Zappos.com order of luxurious leather boots, placed in the middle of a nerve-racking night. (Needless to say, the boots went back.)

#4 Ignore price (sort of). It's not that we shouldn't take advantage of price breaks or comparison shop, but we should be careful of "sales" as a matter of course, says psychologist Kit Yarrow, author of *Decoding the New Consumer Mind* (Wiley, 2014). "As an ethnographer, I spend a lot of time looking under beds and in the backs of closets for what *didn't* work for the shopper—a 'mispurchase,' you might say," she says. "I find a lot of sale merchandise there. This might be something that turned out to be the wrong color, wrong size or wrong flavor, but it was the right price. They aren't really things the shopper wants or needs. They're purchased for the glory of getting a great price."

I'm a sucker for a sale, and I have wasted a ton of money over the years on a bunch of useless stuff. But perhaps this last piece of advice from the wise Dr. Yarrow will help keep me from slipping back into old spending habits the next time I see a "50 percent off!" sign: "Focus on what you're giving up, not just what you're getting. Often shoppers get so excited about a bargain, they lose sight of what they're spending—and what they could be buying instead."

Skipping the boots, for example, could fund a whole date night alone with my husband. And for parents of two young kids, that's truly priceless.