



Trying not to spend

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Abstract

Financial literacy programs aim to prevent consumer overspending by teaching and encouraging fiscally sound habits (purchase restraint, responsible credit use, savings). Unfortunately, trying not to spend is at odds with the emotions consumers experience in a tempting marketplace. The theory of trying considers attitudes and intentions, but not emotions, when trying to consume. To address this gap, we examine indebted consumers opting into formal financial literacy training explicitly designed for debt repayment and avoidance of future debt. Through indebted consumers' diary reflections and interviews with clients and debt management counselors, we show that financial literacy's emphasis on budgeting needs versus wants is not sufficient when consumers try not to spend. To reconcile budgets with actual purchasing behavior when faced with temptations in the marketplace, consumers often adopt a linguistic exercise of imaginatively bending and blending utilitarian and hedonic discourses to justify purchases by recategorizing wants as needs. Further, consumers trying not to spend experience negative emotions; how they regulate those emotions impacts their success in getting out of debt. While financial literacy courses only give consumers budget-setting tools, indebted consumers cannot be successful without tools for trying not to spend in the marketplace.

Keywords Financial literacy · Consumer debt · Financial decision making · Budgeting

Introduction

Mary Finley Celsi died before publication of this work was completed.

Tonya Bradford served as Area Editor for this article.

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A budget tells us what we can't afford, but it doesn't keep us from buying it. William Feather, American Writer and Publisher

[Managing money is] “not generally a game of knowledge, it's a game of behavior.” Sam Erdman, founder of Anchor Wealth Advisors

The Consumer Financial Protection Bureau (2013) estimates that about \$670 million is spent by federal, state and local governments, nonprofit organizations, charitable foundations and others on financial education. They compare this number to the \$17 billion the financial industry spends annually marketing consumer financial products and services. Yet, given that financial literacy education is intended to improve consumer financial decision making regarding more than just financial services, the more relevant number is the *\$1.4 trillion* U.S. companies spent on marketing in 2021 (von Hoffman, 2022). Currently, financial literacy

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education, focused on budget setting, can only do so much when consumers are exposed to trillions of dollars of marketing intended to stimulate demand, whether or not it fits within consumer budgets. Thus, education about circumstances that leave consumers vulnerable when trying not to spend must be incorporated into financial literacy. Further, the financial media landscape includes various platforms and personalities offering financial advice and education. While specific revenue figures are limited, the influence of financial media is substantial; prominent financial influencers, or “finfluencers,” can amass significant followings, with some individuals reaching millions of followers across platforms like TikTok and Instagram. Yet, indebted consumers, even when committed to debt repayment, frequently struggle to align their financial goals with their actual spending behavior.

Traditional financial literacy programs aim to equip consumers with knowledge and tools to create budgets, prioritize spending, and manage debt effectively. These programs teach budgeting through want/need categorization, with the assumption that clear distinctions will enable better financial decisions. Recent research suggests this approach has limited impact: meta-analyses indicate that financial education explains only 0.1% of variance in financial behaviors studied (Fernandes et al., 2014). Even consumers who understand budgeting principles and sincerely want to reduce their debt by entering a debt management program (DMP) often struggle in practice to maintain strict categorical distinctions.

The opening quotes speak to the complexity of budgets that guide but cannot restrain consumer spending. This gap between financial literacy knowledge and consumer behavior suggests that traditional approaches may overlook obstacles consumers face when trying not to spend on non-budgeted items. For example, programs often overlook the emotional and behavioral challenges consumers face when trying to resist spending temptations in a marketplace designed to appeal. This article examines how consumers move from budget setting to budget spending, highlighting the role played by situational factors and emotions in behaviors such as reclassifying wants as needs through imaginative linguistic justifications. Through analysis of longitudinal data from DMP participants and depth interviews with DMP counselors and clients, we examine how consumers navigate tensions between their emotions and efforts to maintain budget compliance. Our research reveals that want/need categorization is not simply a static classification to be learned, but rather a dynamic process through which consumers try not to spend. Applying the theory of trying (ToT) to the context of spending reduction, we reveal the importance of emotion regulation in overcoming debt. Through analysis of diary reflections, client interviews, and

insights from debt counselors, we argue that truly successful financial literacy programs must extend beyond traditional budgeting tools to address the behavioral and emotional dimensions of financial decision making.

While the ToT (Bagozzi & Warshaw, 1990) recognizes that goal pursuit involves multiple attempts and potential failures, it has not fully explored how emotional responses influence trying behavior. Heilman et al. (2010) suggest that different strategies used for emotion regulation may have different impacts on decision making, illuminating the need to consider how emotions drive and disrupt sustained efforts. This is particularly relevant in contexts like debt management, where consumers must repeatedly resist spending temptations over extended periods, navigating the tension between emotional well-being and financial constraints. Our research enhances understanding of how emotions shape consumers’ efforts to “try not to spend,” offering a lens through which to examine the emotional dynamics of trying behavior.

Our study makes two primary contributions. First, we extend the theory of trying by revealing how emotion regulation shapes categorization processes when consumers try not to spend. We demonstrate how need/want flexibility - rather than a failure of willpower or financial education - can function as an adaptive mechanism enabling consumers to balance their debt reduction goals with their emotional health. Second, we identify how debt management programs can better support consumers by addressing the emotional dimensions of trying not to spend. Our findings suggest that financial literacy education should equip consumers with skills that integrate financial discipline and emotional self-regulation.

Next, we overview scholarly treatments of (1) ToT, (2) emotion regulation, (3) budget setting, needs/wants, and (4) marketplace temptation when trying not to spend. We present our specific context, a debt management program, and how it makes wanting problematic for its clients. We detail our methodology. Then, we identify factors that create incompatibility between intended budget parameters and marketplace temptations. Finally, we discuss theoretical contributions, financial literacy program implications, and future research.

Literature review

Theory of trying

The ToT, introduced by Bagozzi and Warshaw (1990), emerged from a study of goal-directed behaviors of consumers and signifies the extension of two existing theories—the theory of planned behavior (Ajzen, 1985) and the theory of

goal pursuit (Bagozzi & Edwards, 2000). While the prior models failed to recognize the impediments that can stand between the decision to act (goal) and acting (goal achievement), the ToT recognizes that there are numerous instances where lack of willpower and/or unconscious habits can prevent acting to achieve a goal. Thus, the ToT literature is used as a framework for understanding the process toward achieving a goal rather than its outcome (Zhan, 2002). Prior to the ToT, the dominant goal-pursuit theory had been modeled on the attainment of consumers' end goals. In contrast, ToT emphasizes the *process* of consumers' goal-directed behaviors—specifically, the intention to try. It emphasizes the process of striving, where individuals pursue intermediate goals, take purposeful, consecutive steps toward achieving their objectives, and make ongoing efforts to succeed. ToT recognizes that failure is an inherent part of this process, noting that attempts may not always lead to immediate success (Bagozzi & Warshaw, 1990).

The rationale behind ToT is that to reach a goal, an individual must behave in a manner designed to achieve it, though they might, while doing so, face obstacles that derail efforts to change behavior. Even when exposed to the same conditions, people can be unpredictable and behave differently; for example, external factors may prompt such behavior for one consumer and not another (Foxall, 1992). Ahuja and Thatcher (2005) note that impediments shape the formation of the intent to try or the act of actual trying. ToT can explain such complicated situations (Chufama, 2021), yet, since the introduction of ToT, it has rarely been applied. Notable exceptions include its use in the field of technology to understand employee and consumer technology use (Ahuja & Thatcher, 2005; Bagozzi et al., 1992; Zaza & Junglas, 2016; Zeithaml et al., 2002). Few studies apply it to retail consumption decisions (Bray, 2008). Gould et al. (1997) study the reasons for consumers “failing to try to consume.” In this case, consumers are said to either fail to see or be ignorant of their options or make a conscious effort not to consume (Schiffman et al., 2007).

While ToT provides a framework for understanding long-term goal pursuit, it fails to take into consideration how emotion regulation may impact decision making on the journey to goal attainment. Consumers vary in the ways they respond to emotions they experience, resulting in possibly different outcomes when trying not to spend.

Emotion regulation when trying not to spend

Bagozzi and Dholakia (1999) extend the ToT by studying goal-directed consumer behavior. They recognize that assessing versus achieving one's goal results in emotional reactions. Emotion regulation involves strategies to influence how emotions are experienced and expressed. Effective

regulation helps individuals manage stress and maintain focus on goals. Fernbach et al. (2015, 1204) suggest that constraint produces “stress, negative affect, diminished cognitive capacity, discounting of the future, and a focus on the near term.” Thus, consumers constrained by their budgets are expected to experience negative emotions that may result in poor decision making when trying not to spend.

Hamilton et al. (2018) offer an integrative framework on the effects of financial constraint on consumer behavior. Their review reveals a reliance on experimental methods in the literature and paints a picture of constrained consumers facing shortages and simply coping with them. While they acknowledge that such constraints are “unpleasant,” little attention in the reviewed literature addresses emotions consumers have when constrained in their spending.

While traditional models of financial decision making emphasize knowledge gained in financial literacy education (Fernandes et al., 2014), other research shows the critical role of emotions and emotional engagement mechanisms. Gladstone et al. (2021) reveal a “financial shame spiral” in which the emotion of shame results in financial withdrawal and counterproductive financial decisions. Research on emotion regulation reveals how different patterns of emotional processing (e.g., reappraisal vs. suppression) can lead to different outcomes. Heilman et al. (2010) find that consumers who engage in cognitive reappraisal reduce the experience of negative emotions, while those who suppress those emotions are ineffective in doing so. Rekar et al., (2023, 80) focus on finance professionals such as traders, noting “what kind of an effect...an emotion [will] have depends on how an individual experiences it and how one responds to and regulates it,” which is relevant for consumers. Gross and John (2003) investigate how individuals differ in their use of emotion regulation strategies and find that reappraisal leads to greater well-being while suppression negatively affects individuals. This research suggests that understanding variations in debt management outcomes may be obtained by examining how strategies of emotional processing enable or inhibit transformative change.

Budget setting, needs and wants

Budgets are future spending plans to guide consumers' resource allocation towards their goals. Financial advisors and debt management counselors recommend that consumers develop budgets, often advocating the 50/30/20 rule (50% of income goes to needs; 30% goes to wants; 20% goes to savings) (O'Shea and Schwahn 2023). In a nationally representative survey, Zhang et al. (2022) find that nearly all consumers who budget do so within categories. Some consumers simply make a distinction between needs and wants, while others maintain specific categories (e.g.,

internet, water, gas). They find the most common reason for budget setting is to avoid overspending, although budgeting to lower existing debt is common across income categories.

Bradford (2009) offers valuable insights into how individuals attribute meaning to resources and navigate the tension between relational, often emotionally laden and emotionally charged goals, and those that are utilitarian. This framework highlights how consumers justify their financial decisions by blending practical and emotional considerations. Understanding how consumers' tensions and potential transitions between relational and utilitarian goals demonstrates that consumers reframe wants as needs and illustrates the interplay of emotional, relational, and practical factors in financial decision making. Further, Bradford (2015) conceptualizes budgets as earmarks, distinguishing between the prosaic and indexical earmarks consumers use to segregate money by source, meaning, or purpose. Consumers are unable to engage in what Bradford calls "splurge provisioning" when budgets are restricted to "thrift provisioning." Her research suggests that context matters in allocating resources; thus, the budget setting and spending contexts can be expected to impact consumer behavior differently. While budget setting offers clarity, this clarity can have both positive and negative consequences. It can be helpful in mitigating overspending (as intended by financial literacy education), but for consumers facing financial constraints, closely tracking expenses results in lower enjoyment from spending, which leads to decreased intentions to continue tracking expenses (Kan et al., 2018).

Zhang et al. (2022, 1) use bank data to deduce that increased attention to budgets by more frequent examination of account balances is negatively associated with consumers' perceived financial well-being. They speculate that "negative financial information may discourage people from budgeting to begin with." Lukas and Howard (2023, 704) conduct a series of studies to examine how budgets influence consumer spending. They find that consumers' budget compliance is weak primarily because when budgets are set, they tend to be "wildly optimistic." Interestingly, consumers who set budgets do reduce spending, yet their spending remains over budget.

Budget setting as taught in financial literacy programs requires that consumers understand the meaning of needs and wants so that they can appropriately plan for both. The definitions of needs and wants (and their synonyms) in scholarship and vernacular usage virtually always involve needs being utilitarian and functional, while wants are described as symbolic and emotional. Confusion arises when it is recognized that a single category of goods (e.g., automobiles) may have both utilitarian and hedonic qualities (Dhar & Wertenbroch, 2000); thus, classification requires contextual details.

Classic criticisms of marketing attempt to differentiate utilitarian needs from want, excess, and luxury, but this distinction is problematic. What is needed versus what is wanted is a line continuously in motion as historical, cultural, and consumption norms evolve (Braun et al., 2016). For example, microwaves and cell phones were at one time considered luxuries, but most Americans would now consider them necessities. Meanwhile, critics of marketing point to the promise of identity enhancement as a false need created by advertising, but on the other hand, Maslow (1970) includes personal identity/self-actualization in his hierarchy of needs. Campbell (1998, 239) concludes, "attempts to provide a secure ontological grounding for the distinction have proved less than successful, although establishing the precise nature of the difference between 'need' and 'want' has long been a concern of philosophers and social theorists."

In their study of desire, Belk et al. (2003, 328) conceptualize the difference between wants, needs, and desires as follows: "A want is...taken as an expression of a personal, psychological preference structure" as compared to a desire, which is "deeply linked to the social world." Other consumer behavior scholars argue that consumption choices, including needs and wants, virtually always exist within a social context, with consumers operating in the space between social rules, symbols, personal interpretations, and goals to make consumption choices (Askegaard & Linnet, 2011).

Even a cursory review of treatments of want and need, whether scholarly or secular, reveals that the two are suffused in narratives: the way wants and needs are presented often suggests that needs are justifiable and acceptable, while wants have contested moral status. As Braun et al. (2016, 211) note, wants are considered "indulgences and inferior to needs." Campbell (1998) provides an overview of what he calls the rhetorics of need and want. The rhetoric of need in American culture hails from the Puritan tradition that approves of consumption that satisfies utilitarian needs but condemns wanting. Replacement of items consumed, damaged, worn out, or lost is justified; other items are wants and their moral status is suspect. While Maslow's hierarchy of needs reflects this rhetoric to some degree, as utilitarian needs appear at the base of his pyramid, his work acknowledges psychological and social needs, such as the need for connection to others, respect, and self-actualization (Maslow, 1970).

While needs are typically morally privileged over wants in American culture, Campbell (1987, 201) writes that countercultural "romantic" movements occasionally place want ahead of need. Romantic ideals are associated with youthful, Bohemian movements that promote "a philosophy which legitimates the search for pleasure as good in itself and not merely of value because it restores the individual

to optimum efficiency.” Deighton and Grayson (1995, 660) suggest, “The paradox of seduction is that it induces consumers to enjoy things they did not intend to enjoy.” Consumers are seduced by their wants, not their needs.

If economics, sociology, philosophy, and consumer behavior literatures acknowledge the difficulty of categorizing needs and wants, how can consumers be expected to set budgets that will be enacted in a marketplace determined to convince them their wants are needs? While consumers bring their marketplace experience to the budget-setting process, they do so when they are not immersed in marketplace dynamics. There may be value hierarchies not considered when simply budgeting that consumers experience when engaged in marketplace exchanges. These hierarchies may be nested in social and cultural norms that seem to necessitate shifting wants into needs.

Marketplace temptation when trying not to spend

Consumers often face temptation and are nudged by marketers toward behaviors at odds with their financial goals. Marketers aggressively attempt to get consumers to eat foods they should not eat, drink more than they should, or spend money they should not. Hofmann et al. (2012) estimate that people experience desire about half of their waking hours, and almost half of those desires conflict with goals. While consumers engage in budget setting, confidently prioritizing needs over wants, Choe and Kan (2021) find that budgets’ effectiveness wanes over time, as consumers live in a world with markets tempting them to spend outside that budget.

The literature suggests there are any number of ways marketers tempt consumers to spend beyond their budgets, such as promotions, in-store atmospherics and/or website features. For example, Iyer et al. (2020, 384) find that marketing stimuli are “key triggers of impulse buying.” After setting a budget with needs prioritized over wants, consumers, particularly those with limited discretionary funds, enter a marketplace (whether in store or online) designed to distract from sticking to that budget and get them to spend.

We see an opportunity to investigate how consumers construct, enact, and utilize the categories of want and need when trying not to spend. As Lukas and Howard (2023, 698) attest, “[F]or all we know about the psychology of budgeting, we know very little about the extent to which budgets do (or do not) influence spending in the wild.” Our aim is to understand this gap. Our research addresses the following research questions: What obstacles do consumers encounter when trying not to spend? What happens to need/want categorization in budgets when spending in the marketplace? What role do emotions play in sticking to a budget?

Methodology

Research context

Participants in our research include counselors and their clients who voluntarily enrolled in a debt management plan (DMP), a nonprofit credit counseling program that teaches consumers budgeting and supports the repayment of debts. While counselors and clients acknowledge that clients are chiefly responsible for financial decision making, they do not necessarily believe debt is entirely their clients’ fault. Circumstances such as job loss, medical bills, and divorce play a role, as do banks’ credit card promotions, payday loans, and advertising. Most agree that lack of money management skills is the primary reason consumers fall into debt. Thus, financial literacy education is a key offering of nonprofit consumer credit counseling, where it is believed education changes attitudes and behavior. Counselors work with clients to construct strict budgets comprised primarily of needs with wants extremely restricted.

Data

The present research was conducted over an eight-year span with two related DMPs (DMP1 and DMP2). Clients of DMPs recognize their culpability in debt acquisition and actively seek DMPs for assistance on behavioral pivots that remediate debt. Specifically, DMPs aid clients in managing and ultimately eliminating current debt by negotiating terms with creditors, collecting a single payment that goes to creditors, and working to create a budget for the client where they can get out of debt in three to five years. Both DMPs situate responsibility for being in debt with consumers and seek to help them engage in better, more tenable financial behaviors. DMP1 directly addresses the distinction between needs and wants and advocates budgeting in its financial literacy education, while DMP2 focuses more generally on behavioral change and the formation of healthier financial habits.

DMP client collateral

We examined materials provided to DMP clients, which are the foundation of the DMPs’ financial literacy programs. Chapter one in the DMP1 financial education book is titled, “Use the ‘Economic Way of Thinking’ to Choose Between ‘Wants’ and ‘Needs.’” Interestingly, nowhere in the chapter are needs and wants defined other than “Every individual has different criteria, which is why a ‘want’ for one person might be a ‘need’ for someone else.” To construct budgets, counselors must learn clients’ specific needs.

Counselor focus group

Following a review of the client collateral, we conducted a focus group of nine counselors at DMP1 where the discussion centered on who succeeds in a DMP and why, and the educational approach taken with clients. The purpose of the focus group data collection is to broaden our understanding of theories applied in the field by experienced employees.

Client diaries

DMP1 identified clients who consented to share email address with DMP1's partners. The President of DMP1 sent an initial email explaining the study; we provided a link to enroll in the study and accepted participants who completed a consent form until the sample size reached 100. Participants completed a written diary consisting of a series of prompted reflective narratives once each week for 12 weeks. We collected 1,092 weekly diary responses, defined as a participant answering at least one question on the weekly prompt. We asked several open-ended questions each week regarding (1) their program goal(s) for that week and if they met those goals, (2) if they were tempted to purchase something they thought they shouldn't purchase, (3) what they were most tempted to buy and where, (4) what feelings they experienced, (5) whether they purchased and why they did or did not purchase, and (6) whether the purchase made achieving their DMP goals more difficult. This longitudinal study allows us to gauge how consumers grapple with temptation from week to week. Despite the incentive of a gift card for each week, not every participant completed every week's diary. Clients were in various stages of repaying their debt.

Diary participants are 73% female, 46% married, and 43% have children 18 or younger. Almost half of our DMP participants are White (48%), with the remaining participants Hispanic (29%), Asian (11%), African American (4%), Other (1%), or "decline to state" (7%). Household income is diverse, with the average falling somewhere between \$70,000 and \$79,999. Compared to the population of 71,754 individuals who visited DMP1 between 2006 and 2010, our sample contains more women (73% vs. 60%), is a little younger (median age is 31 to 40 while the median for the larger sample is 47), and has comparable ethnicity.

Diary entries ranged from 12 to 262 words, with an entry average of 54 words. The reflection prompts inspired participants to think about the budget they created including purchases they categorized as wants and needs. In this open-ended narrative format, participants express emotions and thoughts about challenges they faced attempting to comply with their budgets. By asking clients to reflect on recent experiences, participants' memories are fresh and vivid.

These weekly narratives reveal individuals' lived experiences: each narrative story is intertwined with a specific context (Thompson et al., 1989).

Client interviews

After the diary study, DMP1 became part of DMP2, a larger Consumer Credit Counseling Service. Fourteen clients participating in DMP2's Program were interviewed in sessions ranging from 22 to 64 min. This group includes twelve women and two men ranging in age from 28 to 71, with debt at the start of their program between \$8,000 and \$20,000. Nine DMP2 counselors with two months to twelve years of experience were interviewed in sessions ranging from 29 to 93 min.

Data caveat

The participant sample consists of sensitive information attributed to indebted consumers and their financial counselors. To protect these persons' anonymity, we reference participants based on type of data source: focus group (FG), diary (D), client interview (CLI), and counselor interview (COI). This is followed by numbers given to each unique participant (e.g., FG2, D87, and CLI4, COI6) and brief descriptors as they relate to the insights they offer as relevant in text.

Data analysis

To analyze the interview transcripts and diary entries, we employed Claude, an AI tool by Anthropic, to perform a preliminary automated text analysis. Claude, like NVivo and LIWC, is an automated text analysis aid. Claude excels in flexibility and contextual understanding, allowing for dynamic and exploratory analyses without predefined frameworks. NVivo provides structured tools for systematic coding, visualization, and mixed-methods integration. LIWC quantifies psychological and emotional dimensions through predefined linguistic categories, offering a rapid but less adaptable approach to analyzing text.

Specifically, our process involved using Claude's natural language processing (NLP) capabilities to identify recurring themes, patterns, and linguistic markers across the dataset. Claude's NLP analysis provided an initial set of explicit themes (such as spending patterns and emotional expressions) and implicit themes (such as tensions between immediate desires and long-term goals), highlighting key areas for further exploration. To assess the strength of the initial AI-identified patterns, we used the prompt "locate expressions of emotion adjacent to or within five words of justifications/rationales for spending, and/or references to needs

and wants.” Claude returned a more focused set of patterns. Researchers refined this prompt-driven AI-generated categorization, auditing data segments identified by Claude as exemplars and examining their contextual embeddings. Next, researchers reviewed the human-audited AI-generated insights, comparing and contrasting them with constructs in the extant literature and seeking broad theoretical fit and eventually theoretical fidelity.

We used a part-whole deductive approach (Robinson, 2011), also referred to as an iterative approach, to analyze the three data sources: interviews, focus groups, and diaries. Rooted in hermeneutics, a philosophical tradition that focuses on understanding texts from the emic perspective, iterative analysis is a dynamic approach that allows researchers to move across data pieces and data sources during analysis (Mihas, 2019). This allows researchers to delve into deeper interpretive layers of meaning. It emphasizes ongoing interpretation and coding refinement to uncover deeper insights and develop a richer understanding of the research topic. We began with each author reading the interview and focus group transcriptions and diary entries. Each piece of data was individually thematically coded and then coded across data sources holistically. We began with open coding, identifying broad categories of insights in a largely descriptive manner within each transcript and diary entry (Khandkar, 2009). We moved to deeper analytical coding akin to axial coding where common insights from the open coding are categorized in a layer of abstraction across data sources. We continued to refine the coding, reiterating and refining data interpretation through every layer of analysis. Overarching themes and patterns emerged in the insights toward theory building (Richards & Hemphill, 2018).

This approach of analytical elaboration leveraged AI’s automation efficiency across large textual databases and utilized human judgment necessary for deep nuanced interpretations and holistic theoretical analysis.

Findings

Budgeting and spending

Financial literacy focuses on budget setting, which aims to teach consumers how to achieve financial goals by limiting spending to budgeted items. The primary task in budget setting is the categorization of potential purchases into needs and wants. These categories are defined in the setting phase and appear to be distinct. Most consumers are successful in mastering budget setting. Unfortunately, consumers must engage in budget spending, the process of taking budgets into the marketplace. Here, when trying not to spend outside the budget, the needs and wants categorization becomes

murkier and entangled as marketplaces create environments that entice consumers to make purchases without consideration of the budget.

Budget setting Clients begin the DMP process by meeting with a counselor and setting a budget, teaching clients to allocate resources based on information provided regarding income and expenses. Analysis reveals no distinct patterns across self-ascribed gender, subcultural identification, or household income as to how indebted consumers define need and want and the efforts they employ to categorize and recategorize purchases in budget setting. Thus, DMP training is effective in upskilling budget-setting efforts. As one counselor states, budget setting is not a complicated calculation, “You find out what their living expenses are, what their income is and their credit card debt, and figure out how much money they have left over” (FG2). Budget setting asks consumers to reflect upon expenses from the past and estimate future expenses.

Budget setting includes classifying imagined future purchases as needs (in the budget) and un-budgeted wants. Once classified, they become the framework within which budgeting is implemented. In budget setting, budget decisions occur away from persuasive marketplaces and are easier to accept.

DMP1’s financial literacy materials on budgeting emphasize that people cannot have everything they want, that people make choices and those choices have consequences. They suggest a “decision-making grid” that considers alternatives in terms of cost, convenience, safety, and avoidance of debt. DMP2’s financial literacy materials on budgeting differ slightly, emphasizing an “expense prioritization” based on “how you would choose to prioritize the important things in your life.” Thus, consumers compare the importance of housing versus transportation rather than different housing alternatives.

DMP counselors do not ask that clients engage in expense tracking, although they tell clients that tracking will reveal budget holes. According to one focus group counselor,

I had a client that her budget on paper seemed fine... I asked her if she went out to eat a lot—no... she started tracking her expenses and figures out that she spends like \$20 a day on fast food kind of stuff. She gets \$8 at Starbucks and buys her lunch out. She didn’t have that in her budget. She didn’t consider that eating out... I should have known better. Now I do ask, ‘Do you do a lot of Starbucks?’ I ask that specifically now! (FG1).

The words “want” and “need” (and their synonyms) are frequently invoked budget concepts as participants consider

whether to make specific purchases in the marketplace. Often, counselors find that consumers are unaware of how the marketplace impacts their desired lifestyle:

Or when you do the budget for living expense and you ask them about all these host of things that they must do. I've said you need to consider changing that, adjusting this, or deleting that and so forth—some lifestyle changes so that you can bring your living expenses into harmony—they're all must do's. [T] hey're not even willing to make any concessions with their living expenses, so how can you [create a budget]?" (FG5).

The counselor notes the rigidity of his clients in rejecting lifestyle changes and goes on to lament that clients do not understand how much their 'must haves' may be inspired by market messaging.

Budget spending

Budget spending is where clients take the budget into a marketplace of temptation and aggressive persuasion. Spending is more complicated and ongoing than budget setting, where forecasted tradeoffs become real. At times, the budget created with the counselor is revised, and re-revised, as consumers enter the marketplace and consider items not explicitly in the original budget. Counselors do not actively engage in educating clients about experiences in the marketplace that may require budget revising; it is assumed clients will stick to their set budgets.

When DMP clients discuss needs, wants, and temptations, they often talk about what is in versus not in the budget. While the DMP programs emphasize planning for unexpected or irregular expenses, often clients fail to do so. A DMP client explains,

It's been a while since I was tempted to purchase something that wasn't in my budget. But my husband had to get his car fixed and it wasn't in the budget, so we had to rearrange some things... to get his car fixed. That's transportation; he needs to get back and forth to the doctor. That came up unexpectedly. [Interviewer: What do you mean by rearrange things?] Well, I had to not spend as much money at the grocery store. (CLI2)

Transportation and food are "needs" that should be in the budget, but when budgets are written without consideration of repair costs, other needs (like food) must be adjusted for the budget to work. Similarly, a single mother considered purchasing a new vehicle that was "reliable and big enough to store [her son's] sports equipment" (CLI3). She visited

a dealership, but when she couldn't "work a new payment into the budget," she didn't make the purchase. Here, it wasn't that money in a particular category was unavailable (as mental accounting would suggest), but that her overall budget could not accommodate a large purchase of a transportation need (a car).

Trying not to spend

Our data reveal that financial literacy's emphasis on budgeting leaves consumers ill-prepared for success in the marketplace. We find that the translation from budget as a prediction of future spending to the marketplace, where current spending occurs evokes emotions and inspires ingenuity, may or may not be consistent with sticking to a budget. The following section overviews consumer behavior as they take budgets into the marketplace.

Need vs. want

Our DMP participants learned about budgeting and were competent in deploying the meanings toward purchases categorization. Because budgets are tight, participants frequently invoke the difference between wants and needs to help prioritize expenditures: "A want is a thing that would be nice to have but does not reflect your food, safety, or security" (CLI3). For participants, needs include basic survival as covered in their financial literacy training. But in addition to "basic" needs set during the budgeting process, clients later argue for work-related "needs," social "needs" (particularly for children), and health benefit "needs."

Basic survival needs are items that involve previous commitments, such as DMP payment, "basic" grocery items, clothing, mortgage or rent payment, car and gas expenses, and utilities. These needs are viewed as most legitimate. Client D32 recognizes the priority of needs when considering a purchase outside the budget: "We had other more important bills to take care of first like the debt management payment, rent, food." As a married male client reflects, "Anything we buy outside of need makes life hard" (D81). Here, the "life" that is made "hard" when purchasing beyond needs is his and his partner's repayment goal. A client articulates the week's goal as "to stay on budget and not spend money on something that was not needed" (D3). This quote reveals the weekly goal of all DMP clients to limit spending to the budgeted categories, with success increasing if no "want" purchases were made in the week.

While participants normally consider clothing as a want, new clothing is often described as necessary for work due to the importance of portraying an appropriate professional image:

[I] had to get more work shoes and work clothes to... dress the part when seeing these clients (D66).

I need a new pair of shoes for work....The soul [sic.] of my dress shoes are a tad worn. Shoe polish and shining them can only go so far to hide how old the shoes are (D17).

This participant (D48) must have the “right” shoes to dress appropriately for work:

There are several outfits I cannot wear because I don’t have the right color/type of shoe to go with it. Frustrating because it limits my wardrobe for work. Tried to justify purchase and even checked discount stores and secondhand places.

Likewise, Client D5 justifies work clothing as needs: “Appearing professional and put-together is very important to me...I think the way you look in a work setting is a direct reflection of how people think you do your job.” Thus, the financial need to bring in income to pay off debts translates to the need to look good to be successful on the job.

Berntal et al. (2005) find that many consumers who build up substantial credit card debt feel entitled to purchase appropriate consumption markers to signal an “achieving lifestyle.” Our DMP clients frequently invoke the achieving rationale as justification for purchasing work apparel. Moreover, invoking work as a rationale for purchases distances consumers from the world of materialism and wanting since Puritan ideology privileges work over hedonism: “I think for needs it’s like things that just—I basically need to survive; and things that I need that are going to get me to and from work” (CLI7). These necessities include cars that are associated with the professional status of the clients, e.g., “I couldn’t bring myself to get an ugly cheap tiny [car]” (D80).

Like wants and desires, needs are often social as they are consumed with or build relationships. The most frequent social need in our data involves buying gifts, especially for children. Children’s needs are rarely questioned. Some participants were able to purchase or make inexpensive gifts, such as baked goods. But many participants struggle to come up with money for gifts: “The sweater and boots were a great bargain. I really needed winter clothes. I ended up not buying the gifts I needed to buy because I spent the money on myself” (D8). Two weeks later, this diarist continues to struggle to purchase needed gifts: “I was thinking about all the gifts I *need* to still buy and I’m not sure if I will be able to.” And in the final week of data collection, she is still struggling. Other participants describe negative emotions that they have not purchased enough gifts, especially for children: “Frustrated and guilty that what we have for

her [daughter] is not enough” (D32). It is not just children that justify gifts. A DMP client indulged in a professionally made cake for an 80th birthday party for her uncle because she “knew the cake is one of the focal points of the celebration” (D48).

The financial education offered by DMP1 includes a recommendation to “have a gift buying plan,” yet none of our participants discussed using a special gift fund. Instead, consumers expressed worry about how they would purchase needed gifts or decided to get creative and make gifts, often with embarrassment and disappointment. This highlights that social obligations are seen as needs when items must be purchased but not seen as needs when setting budgets.

Health benefit needs are perceived by DMP clients as a broader category than medical bills. The wish to keep food expenses to a minimum is evident in many diaries and client interviews, and only relatively inexpensive food prepared at home is classified as a need.

My husband and I have been eating all the food in the refrigerator instead of letting it go to waste. I am only purchasing food on an ‘as needed’ basis as well as freezing leftovers for future consumption (CLI 8).

This client demonstrates three strategies for minimizing food expenses: (1) eating all purchased food before it spoils, (2) purchasing judiciously as needed, and (3) freezing food to extend its useful life. Not directly mentioned but alluded to across reflections as a fourth strategy is to prepare more food than necessary for one meal to store for later when resources may be leaner. Food is the category with the most fungibility. Eating peanut butter and jelly sandwiches instead of buying lunch frees up funds to purchase items outside the budget. Additionally, diary entries frequently mention forgoing lunch when a non-budgeted item becomes a need. The series of reflections above indicate care regarding the management of food expenses, while other categories of expenses do not. For example, some participants express concern about transportation costs but do not consider options such as carpooling or taking public transportation to work.

That consuming food that can be available quickly without cooking (fast food or restaurant dining) is more enjoyable than “basic food” underlines the mundane, everyday nature of wanting, as the following excerpts reflect:

I was tempted at the grocery store to buy high fat and sugar products like pastries and other snack foods that are not necessary (D32).

I kept buying food [at the grocery store] that I really didn’t need (D51).

[I want] to eat dinner out. I get tired of cooking (D30).

Fast food always appeals to me because it doesn't take that much time to get (D96).

While most economists would grant that food is a need, our participants see food as nuanced purchases where certain foods, not necessarily expensive, are wants when not part of the budget.

Beyond food, clients saw non-budgeted products necessary for health. Client D80 expresses a health consideration: "The shoes were a good deal, and I felt I'd be motivated to exercise more if I had them." Mental health is also used to justify a purchase outside the budget. While participants struggle to spend only on budgeted needs, this effort is complicated by the frequent usage of the word 'needs' to describe emotional needs, sometimes with self-reflective irony. Negative emotions are often evident in the experience of emotional neediness:

Stressed about work and thinking that I needed to buy something to make me feel better (D43).

[I] needed to waste money to make myself happy (D12).

I want the items and I try to justify buying [them] saying that I really need it or it would make me feel better, etc. (D75).

Using products to alleviate negative emotions is a behavior aligned with a discourse that is commonly referred to as "retail therapy." Perhaps nothing is more consistent with the romantic ethic than the idea that buying things is a salve to the soul. Retail therapy promises individuals that they can transform their moods through making purchases (Richins, 2013). The idea that the desire to improve mental health is behind many episodes of wanting is supported by the frequent use of the specific words "feel better" in temptation narratives [italics added]:

I just felt like buying something to make me *feel better* about myself and not worry so much about the fact that I am struggling to make my house payment (D30).

Knowing I was short on money, I still wanted to buy stuff. I wanted to get something to make me *feel better*, like nothing was wrong (D51).

I feel blah—beauty salon would make me *feel better* (D74).

Thus, by classifying a purchase as something that will improve mood, consumers semantically change a mundane want into an urgent need.

Emotions when trying not to spend

Diary participants were asked about their emotions when tempted and after purchase or resistance. Feeling deprived, DMP clients expressed frustration at wanting for themselves or others: Client D18 says, "I felt as if I 'needed' some shoes to match certain jeans I have. Frustrating because it limits my wardrobe for work." Invoking "work" as a reason to need shoes, this client is frustrated that they cannot convince themselves the purchase is a need by putting it in quotes. Similarly, Client D32 is "really depressed and frustrated because I want my daughter to have more toys," invoking the "for the children" rationale that turns a want into a need.

During moments of temptation, DMP clients also expressed sadness: Client D43: "Sad, lonely, upset and angry about not having a larger spending budget." Client D96: "I was feeling sad because I knew I really couldn't afford it." Invoking their prior life of spending, these clients grieve the loss of their ability to purchase freely as they did in their pre-debt life.

Others found the experience of temptation stressful: Client D48: "I feel anxious and nervous because I knew that it would entail more purchases, tree stand, lights, etc." Client D22: "I was feeling stressed, overwhelmed, and like I wanted an escape from my problems." Urgency adds to the stress clients expressed: Client D66: "That it won't be there tomorrow, since those stores are high shopper stores and items aren't usually there the next day."

Some clients expressed a feeling of entitlement, saying "I felt I 'deserved' what I was tempted to buy. I felt that I have suffered in life and that I deserve to have fun times" (Client D65). Thus, having been deprived in the months or years of the DMP, clients often feel that the deprivation gives them moral license to ignore the budget.

While the initial feeling of excitement results in clients indulging in non-budgeted items, if they do make the purchase there tends to be immediate guilt and regret: "I ultimately decided to go and waste my money at the bar on 5 different days... Yes, it screwed everything up! Now I'm broke until the middle of the month and I won't be able to pay my bills!" (Client D12). Recognizing that the money was "wasted" and "screwed up" the plan to pay off debt, clients who give in to the excitement of spending quickly express regret. Giving into temptation also causes mixed emotions, where clients express pleasure in the indulgence while also recognizing that it was not consistent with their DMP commitment: "picked up some beautiful Gladiolas...

made me feel good to get them. Brightened up the kitchen a little. But I really shouldn't have" (D54).

Some clients expressed pride when they resisted temptations, invoking the need/want consideration: "When it came down to it, I didn't NEED it" (Client D2). Other clients considered the purchase but decided not to spend by recognizing the pleasure in the item would be short-lived: "I knew that the jewelry would only make me happy for a short period of time and then I wouldn't care about it" (Client D62). While taking pride in their success trying not to spend, clients considered the impact of the purchase on their future and resisted: "I've decided that the cell/smart phone will be my reward for completing my debt management repayment plan" (Client D17); "I keep a picture of my daughter on my keychain and every time I think about buying something...I think of her and her future" (Client D63).

We also considered the effects of emotional regulation patterns on clients' ultimate success or failure in completing the DMP. Three years after the diary study, the DMP identified clients who had successfully completed the program (39 clients) and those who had failed to complete by having two missed payments (26 clients). For the remaining 35 clients, an outcome was not observed because they were still in the program or had decided to self-administer. While both successful and unsuccessful clients expressed similar base emotions (anxiety, frustration, excitement), the key difference lay in how they processed and responded to these emotions. Unsuccessful clients often described their emotions without accompanying analysis or regulation strategies: "I felt adrenaline pumping to make the purchase" (Client D66); "I had a case of the 'f*** its'....a feeling where 'you only live once,' and 'I deserve it...'" (Client D65). Their responses frequently focused on immediate emotional relief: "burned out—I needed something to do... It relieved the burn-out feeling" (Client D88).

In contrast, clients who successfully completed the DMP, though having experiencing similar emotional intensities, displayed better emotional regulation and longer-term perspectives. These clients used more analytical language and explicitly considered their budgets: "I REALLY, REALLY wanted it... but Prayed about it and knew that I had to stick with my budget" (Client D44). They recognized their wants while accepting their budget limitations: "Angst, depression, trying to justify in my head why I needed clothes so bad; sad at having to weigh my spending between buying groceries for my family and clothes I felt I really need for work" (Client D8). Notably, clients who successfully completed the DMP were not necessarily less emotional, but rather did more cost-benefit analysis and considered their future: "Felt very deprived; mad that I am in this boat alone... decided I am thankful for the peanut butter and jelly and a roof over my head" (Client D31). These patterns suggest that the

ability to pair emotional awareness with practical budgeting may play a key role in program success.

Moral dimension of budgeting

Suffused in the literature is the moral superiority of needs over wants. Economists elevate needs over wants (calling wants "unreal needs," for example); other researchers, such as Maslow, also argue that basic needs must be met before less urgent wants are acknowledged. Yet, data from our DMP participants reveals virtually no instances of resisting wants because it would be morally wrong to indulge. Few participants said that paying off debt was a priority because it was the right thing to do. Instead, responses as to why wanted items were not purchased focused on lack of money or not being able to pay other bills: "was afraid we would be short for food and gas if I spent the money" (D37), and "I can't afford to buy new clothes" (D87). When the issue of a purchase being right or wrong arose, it was in the context of whether it would be fair to family to make the purchase:

Felt like I would be stealing from the family to waste money; knew it was not necessary (D68).

I thought about my child and what she needed first and that was more important [than clothes for myself] (D32).

Soman and Zhao (2011) find greater savings goal compliance when a child's picture is on an envelope containing money allocated to their education. Thus, unlike economists, consumers' moral decision typically is not wants vs. needs; it is individual wants versus family priorities.

The understanding of wants and needs from an academic perspective does not match the lived experience of our indebted consumers. With DMP clients required to construct a budget consisting only of needs, the intent is that the budget will constrain future spending. Consumers want to prioritize needs over wants, but most do not have the ability to distinguish between the two when put in the context of market temptations. And financial literacy education offers no help when consumers are trying not to spend. It may be that consumers in the setting of a lab or classroom are able to analytically separate needs versus wants, but when budget spending in the marketplace, emotional, social, situational factors, and urges create uncertainty. As a result, the client may have a different preference ordering (satisfying emotional needs over economic utility) or fall back on emotional intuition rather than analytical reasoning.

Tactics used to resist spending

DMP clients were required to participate in a financial literacy program, but this program did not provide the necessary skills to cope with emotional needs. Some diary participants created their own tactics for managing their wants and sticking to their budget. Simply not shopping is one way to resist temptation: Client D27: “Avoided the stores and started thinking about something else.” Another client, expecting her first child said, “I NEVER go into baby stores” (D41). This avoidance contrasts with another client who thought “Target is the Devil,” yet continued to go to Target every week.

Other participants engaged in financial reality checks when tempted, reminding themselves of their financial constraints: Client D74: “Because I had to figure out if I would be able to make my debt payment—and came to the conclusion no.” Client 98: “Didn’t have a penny to spare. I was in the red already.” By specifically thinking about priorities, clients could resist a tempting purchase: Client D30: “I wanted to pay my house payment so that I have a place to live for my family.” Client D9: “I did not want to deal with having our cable disconnected.”

Creative participants came up with alternatives that would allow them to indulge in a want but not break the budget: Client D3 “Instead of buying large pack of chocolates, I just bought an individual single pack for a dollar.” Purchasing something small worked for this client: “2 dollars doesn’t really break us. I feel that sometimes buying something helps us to keep our goals because I don’t feel so deprived” (Client D41). Alternatives were also found on the income side: Client D54: “I’m selling some things to help offset the cost.”

Consistent with the mindfulness literature, some clients found that pausing before purchase could enable them to walk away. Often, they found that they could wait or not purchase at all. This client’s self-dialog reflects this tactic: “I tell myself that if I really want it in a week or so, maybe I can budget a little extra money for it in the future. Usually, by the next week, the feeling passes and I have completely forgotten what I wanted to purchase” (D41).

Clients also used consideration of the future as a restraint tactic: “I decided not to use the money because there was not immediate need...the money was better saved just in case I had unexpected expenses in the future” (D14). ‘Playing the movie backward’ enabled a Client D22 to recognize, “I know I would have buyer’s remorse afterward.”

Discussion

Our research examines consumers’ experiences with debt, advancing understanding of financial decision making with a focus on budget spending in four key ways. First, we find that budgeting and spending are distinct processes separated by time and context. This disconnect often hinders consumers’ ability to achieve financial goals. Second, the literature lacks clarity on defining “needs” versus “wants,” with ambiguity about whether they are fixed, culturally determined, or emotionally influenced. Our findings reveal that emotions are deeply tied to these concepts, contrasting the theoretical separation of budgeting and spending in mental accounting. Third, we apply ToT and emotion regulation to uncover how consumers navigate debt repayment and avoidance. Consumers face significant temptations that challenge their efforts and intentions, and emotions influence how needs and wants are categorized, affecting spending decisions. Finally, combining these theories provides a holistic framework for understanding the interplay of emotional and behavioral factors in consumer debt remediation.

Budgeting vs. spending

Financial literacy programs emphasize budget setting as a cornerstone of financial success. However, our findings reveal that separating budgeting from spending overlooks the emotional challenges consumers face in the marketplace. In Sokumbi’s (2023) view, “The process of budgeting doesn’t have to be difficult or complicated.” Consumers must be instilled with the confidence to understand and apply needs and wants in budgeting and know that appropriate spending is doable. Yet, many DMP clients either fail to budget effectively or struggle to adhere to their budgets. For example, financial advice from DMP2 recommends specific budget allocations (e.g., housing at 25 to 35%, food/variable expenses at 20%, debt payments at 10 to 20%, and savings at 10%). Despite such guidance, little clarity exists as what constitutes needs versus wants. Sokumbi (2023) defines needs as “the things you need to live your life. This does not include money for shopping or getting your nails done—those are not essentials,” while wants are “splurge money... money you would spend shopping or save for a wish list item, eating out, traveling, entertaining yourself...whatever else it is that you would typically do to enjoy your life” (CleverGirlFinance.com). However, both financial literacy experts and our participants grapple with operationalizing these definitions, often relying on juxtaposed examples.

In practice, consumers frequently reclassify wants as needs in response to situational, social, or emotional factors. For instance, they may justify purchases like a sweater for cooling weather or eating out as situational needs.

Marketers amplify this challenge by designing products to stimulate spending, which results in consumers debating whether purchases align with their budgets. These behaviors deviate from mental accounting theories, where consumers rationally reallocate categories. Instead, consumers engage in semantic reclassification and narrative justification, transforming wants into perceived needs.

Our findings align with Zhang et al. (2022), who demonstrate that consumers with limited budgetary slack adjust spending or income-generating strategies, while those with surplus exhibit little behavioral change. Participants echoed this asymmetry, using extra funds for indulgent ‘treats’ rather than debt repayment, underscoring emotional dimensions of spending.

Thomas and Epp (2019) argue that plans often fail due to behavioral incompatibility. Similarly, our participants creatively reinterpret budgets to accommodate market pressures. While such adaptations often subvert original intentions, they do so within the framework of financial literacy principles. Rather than rejecting budgeting outright, participants reimagine it to include marketplace behaviors they initially sought to change.

Emotions in the experience of needing and wanting

Our findings concerning wanting have implications for consumer behavior theory. Data reveal that emotions are prevalent in spending when on a budget but are seldom addressed in financial literacy materials or financial coaching and counseling. Our research participants find that covering needs induces negative emotions such as anxiety, while spending on wants induces longing and the promise of positive emotions. Data demonstrate that the meaning of need may be stretched by consumers to include emotional needs.

Findings show that consumers experience wanting as an everyday craving for hedonic items that serve immediate pleasure, identity building, and social connection purposes. The emotion associated with desire is passion (Belk et al., 2003), while excitement is the most common emotion linked with want in our research; wanted products bring with them anticipation of stimulation and enjoyment. The social nature of wanting is demonstrated in the frequent wish to spend money on the everyday ritual of eating out, often with family, friends, or colleagues. Also, purchasing clothing, makeup, jewelry, and home decorations connect to desired social identities. While the escape associated with desire involves medium or long-term escape (vacation, passionate hobby, new car, or new house (Belk et al., 2003), the escape associated with wanting is often fleeting, allowing only for short-term relief from negative emotions, boredom, financial difficulties, and workplace stress. Lastly, want is embodied, as participants experience emotional and physical craving,

sometimes described simply as overwhelming “urges.” The narrative of wanting is romantic in that it involves pleasure-seeking, but it is nevertheless consistently described to be less intense than desire. As consumer researchers, we need to understand not only what drives consumer’s desire (Belk et al., 2003), but also recognize the ways in which consumers manage everyday wants when they try not to spend.

Even the “rational human” who received relevant financial education and information and was taught how to budget experiences temptation as they try not to spend on items that can negatively impact their behavior (Dowling et al., 2019). Because of the emotions associated with wanting, most DMP clients narrate intense struggle with their wants. As do dieters (Krishnamurthy & Prokopec, 2010), they may experience limited self-control. DMP clients redefine wants as needs, employ budgeting behaviors that enable them to purchase wants, or even describe themselves as giving into “urges” beyond their control. Clearly, semantic transformation and budget shuffling combined with vulnerability to market temptation enable spending on wanted products. The experience of being overextended or merely over a short-term budget is common for consumers. It is not only a lack of financial education and information that leads to overspending, but also exposure to marketplace stimulants and the invocation of semantic transformation and budget shuffling that subverts budgets.

Some scholars find that managing consumption involves moral dilemmas in which we “moderate” our consumption by looking to various cultural ethics (Belk et al., 2003; Foucault, 1985; Ger & Belk, 1999; Peñaloza & Barnhart, 2011). However, only one of our participants talked about “a moral obligation to pay the creditors I had” (CLI2). The goal of many DMP clients may not have been debt repayment and learning how to stay out of debt as the DMPs imagine but rather to improve credit scores to facilitate future purchases. While there is a moral dimension to semantic classification, we find that most debt-ridden consumers harken back to their pre-DMP spending rather than cultural ethics. They struggle to participate in consumption activities expected by family, friends, and coworkers. Setting a tight budget causes consumers to prioritize by looking to definitions of want and need that stress the symbolic and emotional aspects of wants and the utilitarian and basic nature of need. Semantically transforming a want to become a need demonstrates that semantic categories collapse when consumers try not to spend. While budget setting intended to facilitate prioritization does at times aid consumers in their quest to limit spending on wants, at other times budgeting behaviors such as shuffling reveal that consumers are creative when it comes to finding money to spend on wants.

We extend mental accounting research conducted in labs that classifies hypothetical expenses into mental accounts

(Cheema & Soman, 2006). We consider the lived experience of consumers without the luxury of a “surplus” allowed to laboratory participants. While mental accounting research does not explicitly distinguish need and want, they offer participants specific spending categories for discretionary expenses that can be considered wants. Our findings support and explain Cheema and Soman’s (2006, 42) finding that “ambiguity can be exploited to justify a desirable choice.” We extend this literature by identifying situational, social, and emotional contexts that consumers use to turn wants into needs. While the literature makes clear distinctions between need and want, consumers’ lived experience is not so clear-cut. Firat (1987, 265) notes, “We need to break away from just identifying needs and wants and try to understand them.” Our findings contribute to understanding how consumers enact these constructs.

DMP clients frequently experience their circumstances as a reduction in pleasure and in their sense of self. As participants struggle to pay for needs and perhaps still indulge in some wants, they narrate disappointment, sadness, anxiety, frustration, and even anger. Within this emotion-laden context, participants regularly seek semantic classification so that they can prioritize needs, as they have learned in financial literacy class. Nevertheless, wanting hedonic products is a frequent experience. Because needs are justified by their nature, participants semantically transform products from the want to the need category, invoking emotional, situational, or social obligations to legitimate these rhetorical moves. At other times, participants completely circumvent the process of justifying wants by making purchases simply because of overwhelming urges, rendering the semantic classification moot. While the budget is sometimes invoked to prevent purchases of wanted products, at other times budget shuffling and simply ignoring budgets allow participants to purchase wants. The overarching portrait is one of markets working against consumer efforts to try not to spend. This occurs because budgets are undermined as wants are legitimated.

The theory of trying and emotion regulation in financial health

Our research extends ToT (Bagozzi & Warshaw, 1990) by applying it to the context of financial behavior, focusing on how debtors enrolled in voluntary debt management programs try to repay their current debt and avoid accumulating new debt. ToT measures intentions and other cognitions to predict trying behavior. By examining iterative efforts of individuals trying to achieve their debt goals, we study how constructs such as intention (mental commitment), effort (energy expended), and environmental obstacles (temptations) operate in the realm of financial recovery. This

application broadens the scope of the ToT, demonstrating its relevance in addressing the challenges and behaviors associated with overcoming debt.

As mentioned previously, budgeting and spending are not cold cognitive behaviors; rather, they engage emotions. We apply the theory of emotion regulation (Gross, 1998) to the field of debt management, emphasizing the pivotal role of emotional self-regulation in achieving financial goals. Negative emotions, such as frustration, guilt, or anxiety, often arise when individuals resist spending temptations or face financial stress (Baumeister et al., 1994). This research shows how the ability to manage these emotions influences debtors’ persistence and ultimate success in repayment objectives.

We find that emotions, and emotion regulation, play an important role in how consumers respond to the marketplace when on a tight budget. DMP clients universally experience excitement when anticipating a purchase that is not in the budget—i.e., not a “need.” In addition, they experience anxiety, sadness, and frustration when considering the implications of that purchase for DMP completion. While felt emotions are very similar between DMP clients who successfully complete their program and those who fail to do so, what distinguishes them is how those emotions are regulated. Failed clients gave into more extreme emotions, e.g., “rage” and “depression,” while successful clients were more likely to react to the excitement of a potential purchase with a rational assessment of their budget, asking themselves if they really “needed” the tempting item. Program failures used more impulsive language while program successes used more future-oriented terminology, anticipating the effects of the purchase on any budget revision that would be needed. This insight reveals that financial literacy education should include content on emotional self-regulation to mitigate the impact of environmental temptations within the market.

By combining the theory of trying (Bagozzi & Warshaw, 1990) with the theory of emotion regulation (Gross, 1998), this research develops a new conceptual framework for understanding the interplay between emotional resilience and goal-directed behavior in debt management. Bagozzi and Dholakia (1999, 25–26), in their effort to understand goal setting and goal striving, recognize that goals can provide a basis for consumer decision making, but more is needed to activate intentions. Noting that “researchers only recently have begun to study the role of anticipated emotions in decision making,” they posit that certain positive and negative emotions have the potential to activate intentions. Integrating ToT with emotion regulation theory helps explain why debtors who successfully address their

emotions are better able to sustain their efforts, resist temptation, navigate setbacks, and ultimately achieve repayment success.

This study advances the behavioral finance literature by identifying emotion regulation as a critical determinant of financial behavior. While much extant literature focuses on cognitive aspects of decision making (Thaler, 1999; Kahneman & Tversky, 1979), this research underscores the importance of addressing emotional dimensions of financial distress as they are triggered by the market environment and impact intention and effort. This novel approach contributes to both theories by highlighting their interdependence in a context where emotional and behavioral processes are deeply intertwined. This theoretical pairing advances holistic understanding of consumer behavior in challenging financial contexts and enriches our knowledge of financial decision making.

Implications for financial literacy and debt mitigation programs

Educational and government agencies around the world are making huge investments in financial literacy education. States are moving to require financial literacy education as a condition of high school graduation (Blume, 2024). Financial educators promote the use of personal finance knowledge in the hope that consumers improve or regain their financial status. Consumers in a DMP have bought into the importance of budgeting in getting out of debt: “having a budget is probably the most important factor of being successful in the [DMP] program” (CLI8). Yet, while financial literacy programs provide consumers with knowledge, they do precious little to give consumers the behavioral tools to enact budgets when spending. Since most DMP participants fail to stick to budgets, more than a good understanding of budget setting is needed. The quote from Sam Erdman (2024) at the beginning of our paper highlights our finding that financial decisions are not only about knowledge. Kaiser et al. (2022) find that treatment effects of financial education is low, and lower for behavior than knowledge. They argue that this effect is comparable to what education researchers consider “medium” in education interventions. Financial literacy programs ignore the in-the-moment experiences of stress and temptation when trying not to spend, which renders consumers incapable of applying the financial lessons learned.

Our findings suggest that education should include the experience of spending situations, such as how to handle common circumstances in which consumers are most vulnerable (stressed, tired), to avoid marketplace temptations (find other satisfying activities to substitute for shopping), and to become more mindful toward impulse avoidance

(walk away from a potential purchase for five minutes, look at a picture of loved ones). Conversely, financial education should include prompting consumers to reflect upon moments where they overcame temptation and the accompanying positive emotions that may fortify their goal commitment (Akaka & Schau, 2019). The more emotion-regulating tools given to consumers who are trying not to spend, the more likely they can adhere to their budgets. Assuming consumers represent the “rational man” of economics who only need an initial infusion of financial education to make good choices fails to recognize ongoing emotional, situational, and social aspects of consumers’ lives. We find that budget setting is a rationally developed simulation that loses relevancy when consumers are faced with temptations in the marketplace.

Celsi et al. (2017) suggest that mindfulness techniques can help with consumers’ impulsive tendencies. We are assuming that almost all clients in a DMP are lower on trait self-control and can benefit from interventions. Several DMP clients developed the tactic of pausing before purchasing on their own to help them try not to spend. Putting something in an online shopping cart but waiting until the next day to purchase can be a useful strategy offered in financial literacy education.

Like mindfulness, teaching consumers self-affirmation techniques may help them resist temptation (Schmeichel & Vohs, 2009). Receiving positive feedback from others, perhaps in a support group, or reflecting on positive aspects of oneself seems to counter ego depletion for those low in self-control. Several of our participants kept their financial situation secret from family and friends. For example, Client CLI1 said that only her husband knows about the DMP involvement, saying, “I never talk my business. I don’t want my [adult] kids to worry.” Having support groups, either in person or virtually, where DMP clients can openly discuss their financial struggles and share ideas about how not to spend can be beneficial. Haws, Bearden and Kenkov (2012) suggest that external prompts (like our informant who carried a picture of her daughter on her keychain) can increase self-control effectiveness. In financial education, clients can be given some symbol of their commitment to the program (like the Alcoholics Anonymous Sobriety coin) to look at whenever they are tempted to spend outside the budget.

Haws (2016) offers an excellent review of literature on enhancing consumers’ self-control. Our findings suggest that strategies she reveals may be applicable to financial literacy education. Making plans, like a budget, may be central to enacting self-control, but considering what the future holds (e.g., a debt-free existence) helps motivate and refine budgetary plans. Avoiding attractive marketplace environments when one is vulnerable (e.g., stressed, hungry, fatigued), can

also be an effective strategy for consumers' success in trying not to spend.

The extant literature mostly examines ways self-control can be enhanced, but decreasing desire can also help indebted consumers. Redden and Haws (2013) find desire for food is reduced when desire is satiated sooner. It may be that offering consumers a small amount of 'fun money' in budgeting could lessen desire for higher expense items during the spending phase. Some participants learned they could stay within budget if they splurged on something small.

In our final communication with DMP diary participants, we asked how they felt about the 12 weeks of prompts in reflecting on temptations when trying not to spend. DMP counselors are available when clients contact the organization, but responses from week 12 provide evidence that DMP clients can benefit from more regular contact from the program, even if it is a simple prompt to reflect on their emotions. Client D49 said, "The study was a constant reminder of both my long- and short-term goals, even if I did experience a few bumps in the road." Client D31 supports the idea of a safe place to share, saying, "[The diary] also gave me a place to vent when I couldn't talk with anyone else about my money issues; it felt like you understood... I looked forward to receiving the survey each week."

Based on our research, we advocate that financial literacy educators arm students with spending resistance techniques that bridge the gulf between budget setting and marketplace experiences designed to nudge consumers toward impulsive spending. We recommend celebrating null activities daily, e.g., no-buy days/weeks/months, as clients who took pride in resisting tempting products were more likely to succeed in the DMP. In addition to shifting the purpose from an intangible prevention to a manifest null outcome, this can make the effort perception of budgets more hedonic or fun as people delight in realizing a streak of so many days with no purchases. Importantly, it is imperative that financial literacy switch from a one-and-done cadence to a focus on ongoing efforts. By introducing budget spending, budgeting becomes an ongoing set of behaviors, a process. Table 1 details specific strategies.

Incorporating financial wellness apps with emotion regulation prompts

To maximize impact, financial literacy and debt management programs should incorporate a financial wellness app positioned as a complementary tool to budgeting and counseling efforts. Counselors can guide participants on how to use these apps effectively, integrating app-based prompts and emotional regulation exercises into their broader financial management plans. By leveraging the real-time capabilities

of financial wellness apps, managers can create a seamless ecosystem of tools and resources that empowers participants to achieve financial stability and emotional well-being. Table 2 details a few specific app recommendations.

Future research

Based on our analysis of trying not to spend in a DMP, we suggest future research of other consumer behaviors requiring long-term commitment. Research is needed into the pivotal role of emotions in the successful outcome of ongoing services, and research on trying when services are complex. For example, what is the likelihood of trying to stick with a recommended protocol in which the consumer is expected to carry it out for an extended period? Consumers must try to adhere to the required behavior in some services for a few months (prenatal care), others for a few years (education), still others for a lifetime (diabetes care). In each of these types of services the customer acts independently between visits with the provider. Without tools to manage the long-term process, success will be unlikely.

Other investigations could examine trying in situations when emotions run high, e.g., when abstaining in a situation like dieting or sobriety in the tempting world of sugar and alcohol. Does the act of setting a diet that seems achievable at home subvert plans in real situations, e.g., conflicting emotions when birthdays are celebrated with cake at work versus at home? Is the goal of becoming sober more achievable when someone is a member of an organized program, e.g., Alcoholics Anonymous, but undermined by emotions when trying without external support?

Future research should illuminate the role of trying in complex services requiring long-term decision making, e.g., retirement planning (Barrett et al., 2024). In addition, what is the importance of trying in long-term services when adhering is arduous and noncompliance is exceedingly harmful, e.g., abandoning a substance abuse program?

Future research may explore how emotional ability (Kidwell et al., 2008)—rather than simply emotional intensity—shapes outcomes in long-term services, building on our finding that successful DMP clients were not necessarily less emotional but rather showed greater capacity to integrate emotional awareness with analytical thinking. While extensive literature examines emotional ability in therapeutic contexts, little research investigates scalable interventions to enhance emotional ability in service settings or explores how service providers might identify clients needing additional emotional support. Studies could investigate whether 'thin slice' indicators from initial client interactions, such as patterns in recorded service calls or early spending behaviors, could help programs efficiently identify clients who might benefit from enhanced emotional

Table 1 Recommended strategies

Strategy	Strategy Description
<i>Enhancing Budgeting Tools with Emotion Regulation Training</i>	While budgeting remains a cornerstone of financial literacy and debt counseling, our research suggests it should be complemented with training on emotion regulation. Data reveal that effective debt management requires not only cognitive skills to create and adhere to budgets but the emotional resilience to manage stress, guilt, and temptation. While DMP counselors see themselves as educators, not therapists, our analysis suggests they should undergo training to integrate strategies like mindfulness, reframing, and stress reduction techniques into budgeting sessions to help participants maintain discipline under emotional and financial pressures.
<i>Customizing Budgeting Tools to Address Spending Rationalizations</i>	Findings indicate that debt mitigation programs should address how participants may undermine budgeting efforts by recategorizing wants as needs. Traditional budgeting tools can be enhanced with features that encourage users to critically evaluate and categorize expenses, helping them identify and challenge self-justifications. Our research suggests that including exercises or prompts that make participants aware of this behavior can improve adherence to financial plans and reduce impulsive spending.
<i>Blending Utilitarian and Emotional Messaging in Budgeting Content</i>	Based on our findings, budgeting tools and financial literacy materials should be designed to appeal to both utilitarian aspects of financial management (e.g., tracking and allocating resources) and emotional benefits of budgeting success. Findings highlight how sticking to a budget can reduce stress, foster confidence, and create a sense of financial control. Our research suggests that counselors can frame budgeting to achieve emotionally meaningful goals, such as financial security for family or personal well-being.
<i>Focusing on Iterative Budgeting Goals and Celebrating Small Wins</i>	Findings indicate programs should emphasize iterative goal setting within the budgeting process, recognizing that financial improvement is incremental. Data point toward the efficacy of encouraging participants to set achievable budgeting milestones, such as cutting unnecessary expenses or saving a small percentage of income. Consistent with Akaka and Schau (2019), our data show that celebrating these small wins reinforces commitment and builds momentum. Further, counselors should help participants adjust budgets dynamically based on progress and challenges, ensuring long-term success.
<i>Incorporating AI Tools to Support Budgeting and Counseling</i>	Based on our research, we advocate for the use of AI tools like Claude or other natural language processing systems that can enhance budgeting and counseling efforts by analyzing consumer-generated data, such as diary entries or spending logs. These tools can identify patterns, such as emotional spending triggers or deviations from budgets, and provide insights for refining and personalizing counseling sessions. AI-enabled budgeting tools could also offer real-time feedback and tailored suggestions to help participants stay on track.
<i>Integrating Budgeting with Tailored Interventions</i>	Our research indicates that managers should design financial literacy programs that pair traditional budgeting tools with interventions customized to participants' unique financial and emotional circumstances. We advocate for personalized plans that could include one-on-one sessions to review and refine budgets, group workshops focused on specific financial challenges, or digital tools that adapt to changing financial situations. These tailored approaches ensure that budgeting becomes a dynamic and effective tool for debt mitigation.
<i>Evaluating Budgeting Effectiveness and Iterating Program Design</i>	Findings suggest managers should continuously assess effectiveness of budgeting tools and programs to meet participants' needs. Metrics such as budgeting adherence, repayment success rates, and participant feedback can provide insights into program strengths and areas for improvement. Regularly updating budgeting tools to incorporate new research and insights will ensure they remain practical, relevant, and aligned with best practices in financial counseling.
<i>Positioning Budgeting as a Tool for Both Planning and Emotional Stability</i>	Beyond its utility for tracking expenses, our research reveals that budgeting should be framed as a tool for achieving emotional stability. Counselors can teach participants how to use budgeting not only for financial control but also as a source of reassurance and predictability during periods of uncertainty. Linking budgeting success to emotional well-being reinforces its importance and motivates participants to stick with their financial plans. By leveraging and enhancing budgeting tools alongside emotional and behavioral interventions, managers can create comprehensive financial literacy programs and debt counseling strategies that better support participants' financial stability and repayment success.

Table 2 Recommended app strategies

App Strategy	Strategy Description
<i>Integrating Financial Wellness Apps into Counseling Programs</i>	Financial wellness apps can serve as powerful tools to complement traditional budgeting and debt management programs by offering real-time support for participants. Apps equipped with features that prompt users to pause, reflect, and self-regulate their emotions before making financial decisions can bridge the gap between intention and action. By integrating these apps into counseling strategies, managers can provide participants with an accessible, on-demand resource for managing spending behaviors and emotional triggers.
<i>Nudging Users Toward Emotional and Financial Awareness</i>	Apps that include nudges, like notifications to pause and reflect before completing a transaction, can help users align their actions with their budgeting goals. These prompts might encourage users to consider questions like, “Is this a want or a need?” or “How will this purchase impact your financial goals?” By fostering self-awareness during decision making, these apps can reinforce principles taught in financial literacy programs and improve adherence to budgets.
<i>Providing Tools for Emotion Regulation</i>	Financial wellness apps can incorporate features designed to promote emotion regulation. For example, guided breathing exercises, mood tracking, or journaling prompts embedded within the app can help users process stress or anxiety related to financial decisions. These tools enable participants to manage their emotional responses proactively, reducing impulsive spending and strengthening their commitment to repayment goals.
<i>Personalized Insights Through Data Integration</i>	Financial wellness apps can analyze users’ spending patterns and emotional inputs to provide personalized recommendations. For instance, if a user frequently spends impulsively at certain times or under specific circumstances, the app could generate tailored suggestions, such as setting spending limits or scheduling reminders to review their budget. These insights help participants develop self-regulation strategies that are specific to their behaviors and challenges.
<i>Gamifying Financial and Emotional Goals</i>	To increase engagement, financial wellness apps can gamify the process of budgeting and emotional regulation. Features such as streaks (a gamification feature that rewards users for consistently performing an action or behavior over a set period of time) for adhering to budgets, rewards for completing self-reflection exercises, or milestones for maintaining emotional balance can motivate users to stay on track. Gamification links financial wellness with positive reinforcement, making the process of managing money and emotions more engaging.
<i>Enhancing Access and Reach</i>	By integrating financial wellness apps into their offerings, managers can make financial literacy and counseling programs more accessible to a wider audience. These apps allow users to receive continuous support outside of counseling sessions, ensuring consistent reinforcement of program principles. This scalability ensures that participants have tools readily available to navigate both financial and emotional challenges in real time.
<i>Evaluating App Efficacy and User Experience</i>	Managers should regularly assess the effectiveness of financial wellness apps in improving participants’ financial and emotional outcomes. Metrics such as changes in spending habits, emotional self-regulation scores, and user engagement levels can provide insights into app performance. Participant feedback can also inform iterative improvements to app features, ensuring they remain user-centric and effective in achieving program goals.

regulation support, particularly given that certain purchasing patterns may reveal underlying emotional states. Additionally, research could examine how programs operating at scale, such as call centers, could use these early warning signals to develop targeted interventions that improve emotional ability and ultimately increase program completion rates.

When examining long-term services, it is particularly important to use longitudinal qualitative data; cross-sectional data cannot capture or reveal the process of trying involved in repeated behavior over an extended period, impact of emotions on outcome, and ways in which complexity of the services influences trying.

Conclusion

Most consumers and researchers think they have a clear understanding of what a want is in comparison to a need; wants are hedonic and fun, while needs are utilitarian and dull. Our research offers a much richer understanding of consumers’ semantic grasp of the constructs as participants attempt to prioritize needs over wants every day. We demonstrate how consumers bridge the gulf between budgeting and spending in the marketplace when they are trying to responsibly restrict their spending. They are not trying to cut out spending entirely; they are trying to restrict spending in a way where they are responsibly managing their budget. Our data reveal maladaptive bridging behaviors (semantic

transformation and budget shifting) that subvert the definition of want by adopting the language of need to justify purchases outside the budget simulation items. Recognizing these tendencies, the financial literacy model that privileges budget setting over budget spending is not appropriate or useful. Our findings inform understanding of consumer want and offer ideas for improving consumers' financial well-being.

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Declarations

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