

# **Are most consumers planners when it comes to time and money? New study shows some benefits**

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Planning -- regarding money or time -- can bring tangible benefits to consumers. A new study in the *Journal of Consumer Research* discovered what makes planners tick.

The authors developed a six-item scale that measures how likely individuals are to plan in a given domain. "Across five studies including adult participants and undergraduates, we find that planning is domain-specific," write authors John Lynch (University of Colorado at Boulder), Richard G. Netemeyer (University of Virginia), Stephen A. Spiller (Duke University), and Alessandra Zammit (University of Bologna). "High planners in a given domain set more goals, think more about means to achieve those goals, use props to help them see the big picture and to see how to manage constraints, and they prefer planning over spontaneity in that domain."

The authors focused in on money planners and time planners. "High money planners are more likely to score high on scales measuring frugality, impulse buying, coupon proneness, value consciousness and to be classified as 'tightwads' rather than 'spendthrifts,'" the authors write.

Participants who were identified as high time planners scored high in conscientiousness, intolerance of uncertainty, need for closure, and self-control. Across the studies the authors found that people plan much more for the short-run use of their time than for the long run. They

found much less difference between short-run and long-run planning for money. "This helps explain previous findings that people believe they will have time in the future but not necessarily more money," the authors write.

The authors examined the ways that long-run money planners can benefit financially. "Long-run money planners have higher FICO (credit) scores and face an accordingly lower cost of credit," the authors write. For example, a consumer with an average long-term propensity to plan for money expect to pay nearly \$20,000 more over the course of a 30-year mortgage on a \$200,000 home than a consumer who has a very long-term propensity to plan for money.

More information: John Lynch, Richard G. Netemeyer, Stephen A. Spiller, and Alessandra Zammit. "A Generalizable Scale of Propensity to Plan: The Long and the Short of Planning for Time and for Money." [Journal of Consumer Research](#): June 2010 (published online December 2, 2009).

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