

Money in the bank: Why does feeling powerful help people save more?

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In a materialistic culture, saving money is a challenge many of us face long before our retirement years. While many people think education, upbringing, and self-control are major contributors to a person's savings habits, a new study in the *Journal of Consumer Research* reveals that people save more when they feel powerful.

"We were interested in knowing whether the decision to save or not save money was affected by how someone was feeling during the time they were making a savings decision," write authors Emily N. Garbinsky (Stanford University), Anne-Kathrin Klesse (Tilburg University), and Jennifer Aaker (Stanford University).

Across five studies, the authors found that when made to feel powerful, the amount of money someone is willing to save for the future increases. In one study, some participants were made to feel powerful and were asked to sit in a tall chair. Other participants were made to feel powerless and were asked to sit on a low ottoman. All participants were asked to respond to some questions and were then given the option to either collect their study compensation in cash or to put it in a lab savings account. Results showed that the individuals who sat in the tall chair saved more of their money than those who sat on the low ottoman.

Another study revealed that making people feel powerful only increases saving when they are told they will be [saving money](#) to keep it or when they are not given a specific reason to save. In other words, making people feel powerful only motivates them to save money when the

purpose of saving is to accumulate financial resources, and not when the purpose of saving is to spend those resources later.

Companies offering financial services like [retirement planning](#) can use these results to help their customers prepare for the future, including the creation of more effective intervention strategies. Consumers can also use the results to better understand their own personal relationships with power and money.

"People who feel powerful use saving [money](#) as a means to maintain their current state of power. When saving no longer affords individuals the opportunity to maintain power, the effect of power on saving disappears," the authors conclude.

More information: Emily N. Garbinsky, Anne-Kathrin Klesse, and Jennifer Aaker. "Money in the Bank: Feeling Powerful Increases Saving." *Journal of Consumer Research*: October 2014.

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