

# When roles in life seem more integrated, budgeting may be more flexible

December 9 2022, by Andy Elder

---



Credit: Unsplash/CC0 Public Domain

People juggle multiple roles in their lives. They may see themselves as both an executive and a mother, for example, or a musician and a student. Now, a team of researchers report that the perception of how

integrated these life roles are may influence how people move money across different budget categories.

In a series of studies, the researchers found that people who perceive their life roles as more integrated may be more willing to take [money](#) originally budgeted for a certain life role and spend it on an item associated with another role.

This ability of life roles—and life role [integration](#)—to shape spending offers new insights into how people approach their spending and budgeting behaviors, also referred to as mental accounting, said Sara Loughran Dommer, assistant professor of marketing, Smeal College of Business.

"One of the major ideas behind mental accounting is that your money should be fungible, in other words, a dollar is always a dollar, no matter what," said Dommer.

"But there are years and years of research that also show that people don't treat money like that. If we have a [budget](#) for entertainment, let's say, and a budget for travel, then we're not really likely to take from one budget to spend on the other. We treat money that we've budgeted for one thing as just for that item, even though we could easily take that money and spend it on something else. What we show in this paper is that strictly holding to budgets for different categories is less likely for people who have what we call integrated roles."

When people believe their life roles are somewhat similar, or serve a similar purpose, the roles are considered integrated. These roles can stretch across the entire spectrum of human activities—including family, occupational, leisure and political roles.

The more integrated the roles, then, the more flexible the spending

across budgets, she added.

"Let's say I have money earmarked for something related to work—maybe a new office chair—but something comes up and I need to spend on my daughter, which is much more related to my role as a mom," Dommer said. "If I see that my roles as a mom and as a worker overlap then I'm more likely to take the money I saved for the office chair and spend it on my daughter."

As the holiday shopping season nears, role integration could influence how flexible shoppers are with their budgets.

"If you're falling short in your holiday budget for your kids' presents, perhaps, but you have money stashed away for something associated with another one of your life roles, to the extent that you see these roles as integrated, you might be more likely to take from that earmarked money and spend on your child for the holidays," said Dommer, who worked with Iman Paul, assistant professor of marketing, Clarkson University and Jeffrey R. Parker, associate professor of marketing, University of Illinois Chicago.

Knowing the influence life roles can help consumers better understand budgeting, said Dommer, who added that businesses, too, can use role integration—particularly the home-life and work-life role integration—to better connect with consumers.

"If you run a business and you're selling something related to a certain role of a person, it could potentially benefit you to emphasize the kind of overlap between roles because that might make a customer more likely than to buy an item because they can justify the expense of taking money from another part of the budget," said Dommer.

## **Series of studies**

The researchers conducted five separate studies to explore the influence of role integration on spending. The first study, which included 201 participants, looked at the influence of role integration on the likelihood of consumers using funds budgeted for one role to purchase a product more closely associated with another role. The researchers also recruited 201 participants for a second study that featured a manipulated role integration in the experiment. In both the third study, with 119 participants, and fourth study with 282 subjects, the researchers studied whether how justification influenced the link between role integration and the likelihood of a purchase. Researchers examined how the role integration effect would work for real-world decisions in the fifth study, which included 152 participants.

According to the researchers, the work represents a novel step to better understanding how life roles influence spending with room for future exploration.

For example, while the team looked at role integration, researchers might also examine the influence of role conflict on saving and spending. Researchers could also design experiments to examine reactions in real-world settings.

Because many of the experiments were conducted during the COVID-19 pandemic, the researchers suggest there might be an opportunity to see how integrated roles, work-family roles—which were drastically changed during the pandemic—can alter the integration of roles and whether that impacts spending and saving when conditions return more to normal.

The researchers published their findings in a recent issue of the *Journal of Marketing Research*.

**More information:** Iman Paul et al, Role Integration Increases the

Fungibility of Mentally Accounted Funds, *Journal of Marketing Research* (2022). [DOI: 10.1177/00222437221112058](https://doi.org/10.1177/00222437221112058)

Provided by Pennsylvania State University

Citation: When roles in life seem more integrated, budgeting may be more flexible (2022, December 9) retrieved 26 June 2024 from <https://phys.org/news/2022-12-roles-life-flexible.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.