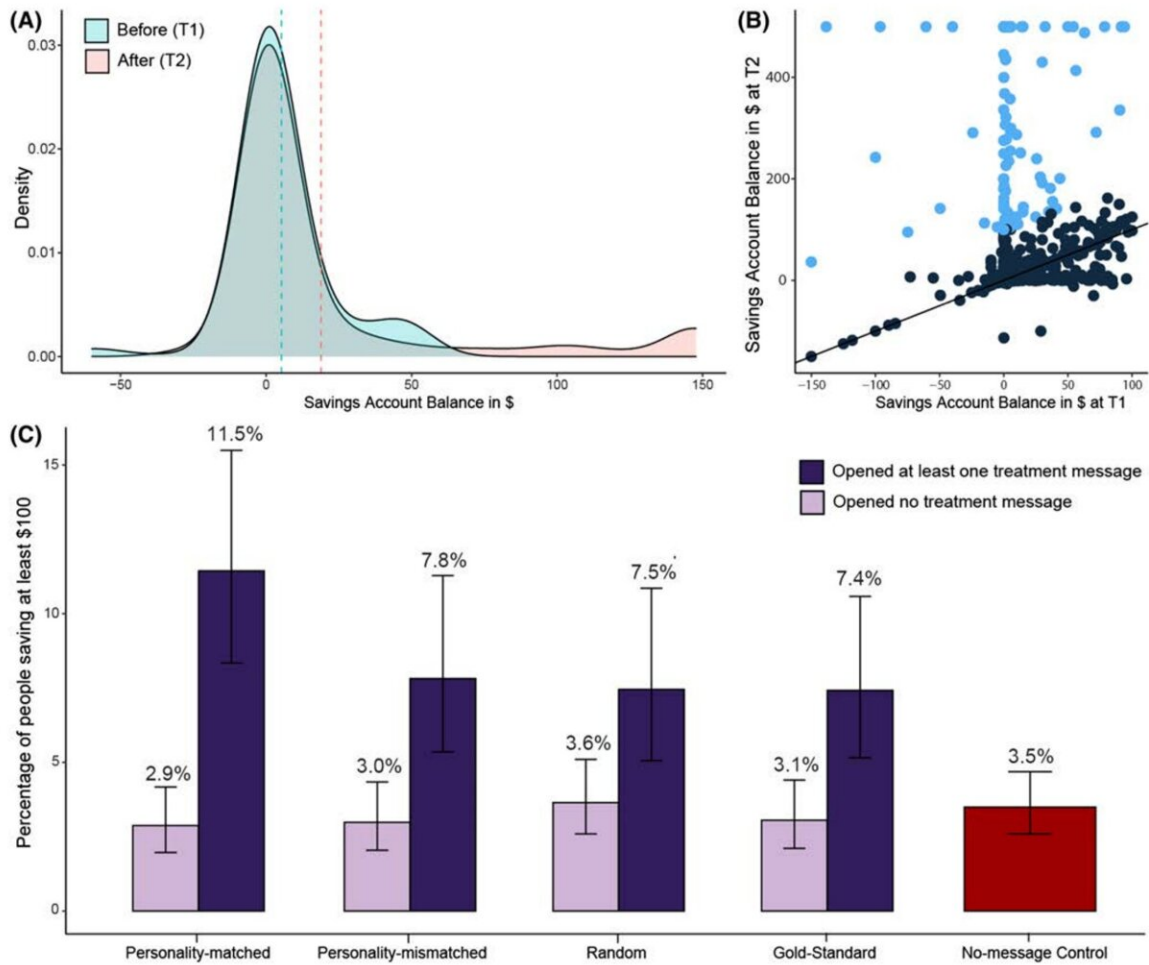


People can save more money when their goals fit their personality traits

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(A) Distribution of savings among people who opened at least one message in the treatment arms before (blue) and after the intervention (red). (B) Scatterplot of savings before (X axis) and after (Y axis) the intervention, with individuals who managed to save during the period plotted above the line, and individuals who managed to save at least \$100 plotted in light blue. (C) Percentages of

individuals in each of the treatment arms (purple) as well as the control condition (red). Dark purple indicates the groups of individuals who opened at least one message, and light purple those in the relevant treatment group who did not open any messages. Error bars indicate 95% binomial confidence intervals. T1 = time 1; T2 = time 2. Credit: *American Psychologist* (2023). DOI: 10.1037/amp0001128

People whose savings goals align well with their dominant personality traits are more likely to save money, according to research published by the American Psychological Association.

In the U.S. and around the world, savings rates are critically low. In October 2022, the Bureau of Economic Analysis reported Americans save just 2.3% of their income, the lowest in nearly two decades. Although people report wanting to save more money, [saving](#) is difficult—in part because it requires people to overcome the psychological hurdle of making a sacrifice in the present to benefit themselves in the future.

Researcher Sandra Matz, Ph.D., of Columbia University, and her colleagues Joe Gladstone, Ph.D., of the University of Colorado at Boulder, and Robert Farrokhnia, Ph.D., of Columbia University, wanted to see if aligning people's savings goals to their [personality](#) traits might make it easier for them to save.

The research was published in the journal *American Psychologist*.

Previous research by Matz and Gladstone found that people high in agreeableness are less likely to save than others, possibly because they've been taught that valuing people and valuing money are at odds with one another, and that "nice people" don't value money.

"We tried to think of ways we could motivate agreeable people to save more," Matz said. "Could we simply highlight how saving money would help them protect their loved ones? This suddenly makes money a means to an end that they care about."

More generally, she and her colleagues hypothesized that some goals might be a better fit for people with certain personality traits compared with others. For example, a person high in conscientiousness might be more likely to plan for the future and thus more motivated to save for retirement.

Matz and her colleague tested the hypothesis in a survey and a field experiment. First, they analyzed data from 2,447 participants in the United Kingdom who answered questions about their Big Five personality traits (agreeableness, conscientiousness, neuroticism, openness and extraversion), as well as their savings goals.

Independent raters coded the savings goals into categories of fit for the personality traits. Goals included such things as saving for a future purchase such as a car, saving for leisure/vacation spending, saving for a "rainy day," and saving for retirement.

Overall, the researchers found that people whose self-reported savings goals were a good fit for their [personality traits](#) had a bigger nest egg, on average. The effect held true across both poorer and wealthier participants. Not surprisingly, people who earned more money had more savings, on average, but personality-goal fit explained about 5% of the variance in savings amount across all income levels.

Next, the researchers conducted an experiment with 6,056 participants, all of whom were taking part in a savings incentive program through a nonprofit savings app called SaverLife. Participants in the study had less than \$100 in savings when they joined the program and were given the

goal of saving at least \$100 more in one month.

Each participant took a 30-item personality assessment, and then the researchers divided them into five groups. One group received five emails during the month encouraging them to save toward a goal that was a good fit with their most salient personality trait. Another group received emails with a goal mismatched to their personality type, a third group received randomly selected goal messages, a fourth group received emails with a generic message encouraging saving but no particular goal, and a fifth group did not receive any emails.

Not all of the participants opened the emails, but for those who did, the researchers found that participants who received the personality-matched condition had the highest success rate, with 11.4% reaching the \$100 savings goal. That compared with 7.42% in the standard message group, 7.46% in the random message group, and 7.85% in the personality-mismatched condition. Only 3.4% of those in the no-email control condition met the savings goal. Participants who were in the email groups but didn't open their emails had about a 3% success rate.

Overall, according to Gladstone, people who received the personality-tailored intervention were 3.57 times more likely to achieve the \$100 savings target than those in the control condition.

"It was wonderful to see this approach worked," said Farrokhnia.

"It was important for us from the get-go to not only contribute to the existing literature and have a vigorous research study, but also to deploy the findings in the real world and come up with something companies could actually use and implement. Given the dire facts about savings in the U.S., we were particularly interested in helping to alleviate some of the challenges low-income and distressed households face in managing their finances."

"The recent economic downturn, including rising prices and higher challenges around achieving personal savings goals, made this pursuit even more important to us."

More information: Sandra C. Matz et al, Leveraging psychological fit to encourage saving behavior., *American Psychologist* (2023). [DOI: 10.1037/amp0001128](https://doi.org/10.1037/amp0001128)

Provided by American Psychological Association

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