

# Acceptance seen as a key to 'financial mindfulness'

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Products and services alluding to financial mindfulness abound, but what exactly are they promising?

According to new research from a Cornell professor and colleagues, financial mindfulness can be defined not just as [awareness](#) of how much money one has, but by acceptance.

"When you hear people use the term 'financial mindfulness,' they seem to be tapping into financial awareness," said Emily Garbinsky, associate professor of marketing and management communication in the Samuel Curtis Johnson Graduate School of Management, in the Cornell SC Johnson College of Business.

"You'll see things like a budgeting journal or mobile app promising to make you more financially mindful. But what they are really doing hinges on financial awareness, or helping people keep track of how much money they currently have."

"What we think is special and important about our definition," she said, "is that we make the case that financial acceptance is also really important."

Garbinsky and colleagues have proposed an eight-item scale to measure [individual differences](#) in financial mindfulness (FM). Her group's research, which comprised nine separate studies, is thought to be the first to provide a succinct way to measure FM that incorporates elements of both awareness and acceptance, specifically highlighting the role of the latter.

Garbinsky is lead author of "[Financial Mindfulness: A Scale](#)," which published July 30 in *Personality and Social Psychology Bulletin*. Co-authors are Simon Blanchard, Provost's Distinguished Associate Professor at the McDonough School of Business, Georgetown University; and Lena Kim, doctoral student in the field of marketing at Cornell.

Garbinsky said she and her collaborators were inspired by the myriad products and [financial services](#) that allude to financial or money mindfulness.

Garbinsky explained, "There are money mindfulness journals, books about financial mindfulness. Companies make promises to their customers to help them become more mindful when it comes to managing their money, and we wondered, 'What does this actually mean?' And when consumers hear the term 'financial mindfulness,' what do they think it means? And are these two things aligned?"

For their study, Garbinsky and the team first conducted a series of informal discussions with consumer financial experts, and from those conversations developed a list of 30 statements related to personal finance—15 apiece reflecting awareness and acceptance. Statements included "When I want to buy something, I know exactly how much money I have available to spend" (awareness), and "If my bank account balance is not where I want it to be, I find it difficult to focus on anything else" (acceptance).

The first of the group's nine studies, involving a total of 2,525 participants, sought to narrow the statements lists to only the most revelatory. They determined that four from both categories, which comprised their FM-Scale metric, encompassed the key aspects of both awareness and acceptance.

All of the ensuing studies—including one in which participants were retested six weeks later to see if results held—confirmed that their FM-Scale metric for determining financial mindfulness was valid. Study 3 involved credit scores, for which the group partnered with a debt payment and cash-back platform, Debbie, to administer their FM-Scale survey to more than 200 customers.

Study 4 attempted to illustrate the usefulness of the FM-Scale compared to other measures, and used "sunk-cost bias" (reluctance to abandon a poor strategy because of having invested heavily in it) as the dependent variable of interest. The study confirmed that FM predicts lower predilection toward sunk-cost bias.

The researchers said the financial mindfulness traits of awareness and acceptance are more prevalent in [older people](#), and that fintech apps and services should consider administering their FM-Scale to their younger customers.

"I think in terms of the [personal finance](#) space," she said, "there are a lot of things you could do with the younger consumers to help them become more financially mindful since, on average, our data suggests that they're less so."

Garbinsky said she hopes the FM-Scale metric will be used widely as a way for institutions to better understand their customers, for [academic researchers](#) to conduct follow-up work on financial mindfulness, and for consumers to become more attuned to financial acceptance.

"All of these budgeting apps and tools are aimed to help you track your finances, but we don't see as many tools available to help cultivate an attitude that it's OK to make mistakes," she said. "One thing we're really hoping is that companies will think about implementing this scale so that they can learn a little bit more about their customer base."

**More information:** Emily N. Garbinsky et al, Financial Mindfulness: A Scale, *Personality and Social Psychology Bulletin* (2024). [DOI: 10.1177/01461672241265995](https://doi.org/10.1177/01461672241265995)

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