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## Holding money tightly may choke off happiness

Gregory Karp Spending smart

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Call it the tightwad paradox. Ultrafrugal people are likely to have money in the bank and be in good financial position, which should contribute to their happiness. But that death grip on their dollars can detract from it.

Tightwads feel an emotional "pain of paying." They spend less than their rational selves want to, according to an academic study "Tightwads and Spendthrifts" by University of Michigan professor Scott Rick and co-authors.

"There's an assumption in popular culture that everybody loves to buy stuff, and that's just not true," said Gretchen Rubin, author of The Happiness Project blog ([happiness-project.com](http://happiness-project.com)) and a forthcoming book of the same name. "Some people hate to shop. That's unpleasant too. No one ever talks about that. It's stressful to be an underbuyer."

Here are some ideas to relieve the anxiety.

*Spend out:* Hoarders can become happier by directing expenditures outward and using what they own. Rubin, a self-professed hoarder, received fancy stationery as a gift. Though she loved it, she wouldn't write on it for fear of using it up.

"If you have something and you're not using it, you're wasting it just as if you threw it away," Rubin said.

*Trust in abundance:* Tightwads see spending trade-offs, or what economists call opportunity costs. If they spend now, they must forgo something later. They are acutely aware that money is finite.

"People who experience an intense pain of paying may behave as if dining out tonight requires giving up several nicer dinners next month," researchers said in "Tightwads and Spendthrifts." One solution is to count the number of times in your life you were starving, homeless or without clothes. If that number is zero, perhaps you can trust that there will be enough.

*Battle underbuying:* Overspending can cause unhappiness by creating debt, guilt and strained relationships. But underbuying causes problems too. Underbuyers dash out at night for toilet paper or contact-lens solution because they ran out, Rubin said. They can't bring themselves to stockpile basic goods or don't pay for proper maintenance. This money conservation can end up costing more the long run.

*Pay by credit:* Research finds consumers feel less pain when paying with plastic, so it's good for spendthrifts to use cash. But for those who need a push to spend, plastic might be the way to go. They're unlikely to get into serious credit card debt. But a purchase on credit might provoke a fear of debt for a tightwad, Rick said, and cause him to

experience the payment twice, when buying and paying the bill.

*Buy online:* It can ease the transaction and might lower emotional barrier to spending.

*Good enough:* "What if I'm missing a better deal?" This inner voice haunts chronic underspenders. At some point, you must stop researching products and prices and buy. Develop a routine for significant purchases. Read three reviews and check prices at three online stores. Then buy.

Other findings from academia find that if a tightwad can think of a potential purchase as "small" or as an "investment," buying becomes easier, Rick said.

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