

APRIL 17, 2008, 9:25 AM

Tightwads v. Spendthrifts

By *JOHN TIERNEY*

To the legions of Lab readers who clicked on the link here last year for [the Tightwad-Spendthrift survey](#) by behavioral economists: Your efforts have now entered the scientific literature. The results of the survey, which gathered more than 10,000 responses from Lab readers, appear in the April issue of the *Journal of Consumer Research*, in an article by Scott Rick, of the University of Pennsylvania, and Cynthia Cryder and George Loewenstein of Carnegie Mellon University.

The article begins with an apt line from Dante's "Inferno" describing two kinds of people consigned to the fourth circle of hell: "They were so skewed and squint-eyed in their minds, their misering or extravagance mocked all reason." So perhaps the best news from the survey is that most of the Lab readers who responded may not end up in this particular hell. About 60 percent of the respondents were classified as "unconflicted" shoppers, meaning they fall in the mid-range of Tightwad-Spendthrift scale used to rate people according to their attitudes on spending money.

The remaining 40 percent of Lab respondents were classified as either tightwads or spendthrifts, with the tightwads outnumbering the spendthrifts by a roughly 3-to-2 ratio. Of course, this online survey was taken by volunteers who aren't a representative sample of either Lab readers or the rest of the population, as the researchers caution. They note that they found different tightwad-spendthrift ratios in other groups they studied – about 3,000 people who were surveyed on campus and through the Web sites of other media companies.

The researchers say they're not sure just how prevalent tightwads and spendthrifts in the general population, but they did identify significant patterns among the tightwads and spendthrifts in their study:

* Men have a harder time spending money. Women are no more likely to be spendthrifts than tightwads, whereas men are nearly three times more likely to be tightwads than spendthrifts.

* Whether they find spending money painful has a much greater impact on the shopping behavior of men than of women. Women are more likely to take other factors into account when shopping, such as the extent to which spending is expected to be 'therapeutic.' As a result, the spending differences between male tightwads and male

spendthrifts are generally much greater than the spending differences between female tightwads and female spendthrifts.

* Respondents in their 20s are more likely to be spendthrifts than any of the older age groups, and respondents over 70 are more likely to be tightwads than any younger age group. “Longitudinal research is needed,” the researchers write, “to determine whether this pattern reflects the effects of growing up in different generations, or instead whether people generally move toward the tightwad end of the continuum as they age.”

Some of the respondents to the survey were asked different questions about their willingness to pay \$100 for a massage. In this experiment, some respondents were told that the massage was for treatment for a bad back; others were told it was for pleasure.

When the massage was for a bad back, most of the spendthrifts (78 percent) as well as most of the tightwads (69 percent) were willing to pay for it. When it was described as a massage for pleasure, 49 percent of the spendthrifts were still willing to pay, but only 23 percent of the tightwads were willing — apparently because they figured the pleasure couldn’t outweigh the pain of parting with \$100.

Not surprisingly, the tightwads reported having more savings than the spendthrifts. But the spendthrifts were more likely to have money automatically deducted for savings from their paychecks — a finding that surprised me, although perhaps it just shows that spendthrifts recognize their own weakness, whereas tightwads realize they don’t need the extra help. As one female tightwad explained in her response:

To be honest, I consciously try not to strategize about ways to save money. I tend to analyze my potential purchases too much as it is — do I like it? Is it useful or necessary? Do I want it as much as they’re charging for it? Do I care enough to want to get it right now, or would I rather put it off? — I think if I added a conscious level of rigor to not spending, I would end up as one of those crazy miser ladies who live a sub-poverty life, yet have millions. I’m maybe a little too good at saving money already; I don’t think I need to strategize to get better at it.

Do you have any reactions to these results? Any explanations for the differences between tightwads and spendthrifts? Which category, if either, would you put yourself in?

And how reliable do you think an online survey like this is? Some researchers say that the Internet has made possible better social-science research by enabling them to survey much larger numbers of people from the general population instead of relying on the traditional studies using relatively small samples, often composed mainly of university students. But some wonder how reliable the answers are when the respondents are a self-selected group of anonymous volunteers.