

The Pain of Paying: Implications for the Brain, Behavior, and Marriage

In research and theory, intertemporal choice is frequently conceptualized as an explicit tradeoff between costs and benefits occurring at different points in time (e.g., Mischel's delay of gratification paradigm). In the real world, however, the costs of immediate consumption are not only delayed (as in the laboratory), but also poorly defined and hence intangible as well. This presumably poses a problem to consumers, who must resist many immediate, tangible temptations. I will present neuroscientific evidence suggesting that consumers solve this problem by experiencing immediate pain in response to the prospect of spending. However, because pain is only a crude proxy for opportunity costs, relying on pain as a deterrent may lead some consumers—"spendthrifts" and "tightwads"—to chronically spend more or less than they would ideally like. Responses from over 18,000 consumers suggest that a simple four-item scale can reliably distinguish tightwads from spendthrifts. Although tightwads have far less debt and far greater savings than spendthrifts, situational factors that reduce the pain of paying (e.g., reframing a \$5 fee as a "small" \$5 fee) can temporarily make tightwads behave like spendthrifts.

Spendthrift/tightwad differences have important implications for consumer well-being in general and for relationship well-being in particular. In contrast to the typical pattern observed in couples, that "birds of a feather flock together," tightwads and spendthrifts tend to marry one another. Yet they do so at their own peril: spouses with opposing emotional reactions toward spending argue more over money, which in turn diminishes marital well-being.