

MARKETING COLLOQUIA

Spring 2026 - Abstract

Stephanie Smith

Assistant Professor of Marketing
University of Chicago, Booth School of
Business

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Where: 741 JMHH, 3730 Walnut Street
When: 12:00 PM to 1:20 PM

CONSUMER RESPONSES TO INCOME VS. BALANCE INFORMATION

Consumers gauge their spending against their available funds, which are usually shaped by either income (a flow) or bank balance (a stock). Drawing on stock-flow reasoning, we show that consumers anchor spending to whichever metric they attend to, and – due to debt aversion – try to spend below that amount. This means that how financial information is presented influences spending behavior. We also propose that because income reflects only a rate of change while balance captures past accumulation, attention to each of these two metrics produces systematically different spending patterns.