MARKETING COLLOQUIA

Fall 2026 - Abstract

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When: 12:00 PM to 1:20 PM
Where: 3730 Walnut Street, Suite 700

THE ROLE OF SELF-CONSCIOUSNESS IN INFORMAL BORROWING CHOICES

Consumers who face financial hardship may want to borrow money from family members. From a financial standpoint, such informal loans are often attractive: they tend to offer favorable terms relative to formal loans and are available to many consumers. However, mixing family and money can be socially risky, potentially straining close relationships. We find that, relative to formal borrowing, informal borrowing elicits negative self-consciousness: an aversive focus on how seeking financial help reflects on the self and might impact one's social standing and relationships. This focus serves an important social role, helping borrowers preserve valued relationships. At the same time, negative self-conscious thoughts dominate the borrower's cognition, leading consumers to neglect the financial advantages of informal loans relative to other options. Although this thought process inhibits borrowers from seeking informal loans, it may also serve an interpersonal function by increasing lenders' willingness to provide support. Our findings reveal a fundamental tension in informal borrowing: the very psychological processes that help consumers maintain social relationships can interfere with the thinking most advantageous for complex, high-stakes decision-making.