

Master Thesis

Mental budgeting and the consumer's purposes of spending money



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Abstract

This study examines how mental budgets are formed and applied in real life. Consumers' spending purposes to form mental budgets, the way mental budgets are made and the way mental budgets lead to the fulfilment of consumers' purposes are identified. In-depth interviews were conducted with 20 respondents, aged 23 to 64. The results show that consumers' purposes in life do lead to mental budgets for savings, which helps to fulfill one's purposes. However, these purposes and mental budgets depend on several situational factors, such as: age, family situation, COVID-19, and religion. This study contributes to scientific literature on mental budgeting, consumer needs, and savings in several ways. Because this study is highly exploratory in nature, it is suggested that further research will be conducted in the future.

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1. Introduction

Money has always been an important aspect of society. Nowadays, many people are still struggling with spending not too much money. Therefore, it is increasingly important for people to get insight into how they are currently spending their money. Several banks have already contributed to this process by including expenditure categories in their applications in order to give their clients insight into their income and spending (ABN Amro, n.d.; Rabobank, n.d.). This study will look into how consumers' spending categories are formed and how these spending categories are related to the fulfilment of their goals.

The phenomenon that will be studied is called mental accounting. Mental accounting has been studied earlier, for instance by Antonides, de Groot and van Raaij (2011), Heath and Soll (1996) and Thaler (1990). Mental accounting is defined as: "the psychological separation of economic categories" (Antonides et al., 2011, p. 546). In a narrow sense, mental accounting is also called mental budgeting. Mental budgeting may either refer to the source of the money or the category of products people spend money on (Thaler, 1999).

Heath and Soll (1996) state that mental budgeting impacts consumer behavior. They argue that when the budget of a certain category is exhausted, it is not likely for the customer to purchase another product in that category. Furthermore, Xiao and O'Neill (2018) point out that the degree of budgeting behavior is negatively correlated to the availability of economic resources. This implies that budgeting behavior is more important for consumers with low incomes than for consumers with higher incomes (Xiao & O'Neill, 2018).

A categorization of sources of funds is already available. Sources of funds can be categorized according to current income, current assets, and future income (Thaler, 1990). In addition, changes in current income can be further divided into "regular income" and "windfall gains" (Arkes, Joyner, Pezzo, Nash, Siegel-Jacobs & Stone, 1994; Milkman & Beshears, 2009; Thaler, 1999). However, such a categorization is not yet available for expenses of consumers. Also, it is not known for which purposes consumers use certain categories (Zhang & Sussman, 2018). In this study, consumer purposes reflect mental categories, not accounting items. It also should be noted that mental categories may vary from one consumer to another. This study looks into mental categories, associated with consumer purposes, an area which is still largely unexplored by the current literature. A category can be defined as a group of people or objects with homogeneous characteristics. Expenses can be divided into budgets, such as an entertainment budget or a clothing budget. Entertainment and

clothing are considered product categories. On the other hand, there are purposes. Purposes are the underlying reasons for which these categories are formed. A purpose of expenses could be to buy products used to fulfil particular safety needs, such as housing.

The aim of this study is to find out how mental budgets are formed in real life, which leads to the research questions:

“Which spending purposes do consumers have to form mental budgets, and how are these purposes used to form mental budgets? And to what extent does mental budgeting lead to the fulfilment of their purposes?”

This study will contribute to the scientific literature on mental budgeting, by assessing the consumer’s purposes of spending in relation to mental budgets for these expenditures. In addition, this study aims to contribute to marketing practice because mental budgets are crucial for households and individuals in order to manage their finances. In addition, this study may help marketing professionals to understand how mental budgets affect demand for several products and services (Zhang & Sussman, 2018). It might also explain apparently illogical behavior.

First, a literature review on mental accounting will be undertaken in order to provide a background of the construct. Secondly, the method of research will be explained. Next, the method of data analysis will be described and the results will be presented. After that, conclusions will be drawn and results will be discussed. This study concludes with an explanation of the research limitations and suggestions for future research.

2. Theoretical background

In this chapter, the theoretical background of mental budgeting will be outlined. The following concepts will be discussed: mental budgeting, purpose of spending money, the free sorting task, the how versus why task, and means–end chain theory. Lastly, a conceptual model will be introduced.

2.1 *Mental budgeting*

Mental budgeting is derived from mental accounting. Mental accounting is defined as “the psychological separation of economic categories” (Antonides et al., 2011, p. 546). In the context of mental budgeting, this means that people may divide their budget over multiple mental accounts (Thaler, 1999). Thaler and Shefrin (1981) define mental accounting as a set of patterns used by consumers to keep their expenses within their budgets. Mental budgeting is one of these patterns. Other patterns are: hedonic editing, earmarking, labeling of income and assets, and categorization of gains and losses.

Mental budgeting describes how expenses and savings categories are labeled (Antonides et al., 2011). Mental budgeting may both refer to the source of the money and the use of spending the money (Thaler, 1999). Heath and Soll (1996) developed a theory of mental budgeting for expenses. They describe two main parts of mental budgeting: setting a budget and tracking ongoing expenses against the budget.

1. *Setting a budget*

Consumers usually set a budget for certain categories before purchasing any products. This is mainly because of self-control (Heath and Soll, 1996). Self-control occurs when people choose long-term interests over short-term interests. The opposite of self-control is called indulgence. Indulgence may have several destructive consequences (Laran, 2020). A hungry person can choose between ordering a pizza and going to the grocery store and buy something healthy to eat. The benefit of ordering a pizza is that you do not have to cook and your needs will be satisfied fast because it will be there within half an hour. This is an example of indulgence because it will benefit you in the short term. The other option is going to the grocery store, which will benefit you in the long-term because you will probably buy something that is cheaper than the ordered pizza. This option is thus an example of self-control. It is known that consumers will have more self-control when setting a budget (Laran, 2020).

However, the budget must be somehow inflexible in order to be effective (Heath & Soll, 1996). This means that consumers should not change their budgets whenever they want to. This inflexibility influences consumer behavior because consumers will not spend any money when the budget for a certain category is depleted. For example, the consumer may choose not to buy an expensive dress because there is not any money left in the clothing budget, while there is still money left in another budget category, such as the entertainment budget.

This clothing example shows what Thaler (1990) calls the violation of the assumption of fungibility, which means that money has no labels and a particular expense can be made from any part of the total budget. This is not the case in mental budgeting. The assignment of categories of expenses may lead to either underconsumption or overconsumption, depending on whether the budget has been set too low or too high. This is because it is difficult for consumers to determine a priori how much they will spend on different purposes. Therefore, it is possible that they will spend too much money on things they desire less and vice versa (Heath & Soll, 1996).

2. Tracking ongoing expenses against the budget

In order to be able to track expenses against the budget, two things are necessary. Firstly, the expense must be perceived (Heath & Soll, 1996). For example, a student might have forgotten about the € 1,- he spent on a cup of coffee at the university. Because the expense was trivial and the amount of money spent marginal. When you get home, you already forgot about your purchase because the amount of money you spent is relatively small. Thus, the expense is ignored. Secondly, the expense must be assigned to the right budget or category (Heath & Soll, 1996). This means that expenses on a dress should be assigned to the clothing budget instead of the entertainment budget.

Furthermore, Thaler (1999) addresses another aspect of mental budgeting, which is called evaluation. Evaluation refers to how frequently accounts are checked. Consumers can check their accounts periodically, for example, daily, weekly, monthly or annually. The timing of the evaluation of accounts can differ across consumers. However, it is known that families with less money usually evaluate their accounts over short periods. This can, for example, be a month or a week. In contrast, richer families tend to evaluate their accounts over longer periods, such as a year.

Moreover, the degree of budgeting behavior is negatively correlated to the availability of economic resources. This implies that budgeting behavior is more important to consumers with low incomes than for consumers with high incomes (Xiao & O'Neill, 2018).

2.2 Purpose of spending money

When it comes to the origin of a consumer's money, a classification can be made between different sources of funds. Classifying different sources of income and expenses is an important feature of mental accounting. These funds can be categorized into current income, current assets, and future income (Thaler, 1990). Changes in current income can be further divided into "regular income" and "windfall gains." Regular income are anticipated earnings. Windfall gain, on the other hand, is money that is unexpectedly earned (Arkes, Joyner, Pezzo, Nash, Siegel-Jacobs & Stone, 1994; Milkman and Beshears, 2009; Thaler, 1999). In addition to income categories, spending categories may be used by consumers.

Currently, it is not known which categories consumers use for their expenses. But more importantly, it is not known for which purposes consumers make mental budgets. However, it is known that people have certain needs that motivate them to behave in a certain way (Maslow, 1943). According to Maslow (1943) people have five levels of needs in life: physiological needs, safety needs, love and belonging, self-esteem and self-actualization. This theory defines humans as "perpetually wanting animals," which means that humans always have needs that need to be fulfilled. These needs are hierarchical, indicating that lower-order needs have to be fulfilled before one can satisfy a higher-order need. Stated differently, if a lower-order need such as food consumption is satisfied, one will be motivated to move on to fulfill a higher-order need such as acquiring property.

The first purpose, or needs as Maslow (1943) calls it, are physiological needs. This purpose relates to the consumption of necessities in life, for example, water, shelter and food. These are things everyone needs in order to survive. Secondly, Maslow (1943) defines safety needs. Safety needs relate to being safe from, for example, murder. It can also relate to organizing one's resources when emergencies arise. One can also seek safety in buying familiar versus unfamiliar products. Other examples of fulfilling safety needs can be employment, health and property. The third need is love and belonging. This need can be further divided into companionship, family and intimacy. It is important to note that this need relates both to receiving love and giving love. Furthermore, the need for self-esteem can be defined. Maslow (1943) distinguishes three aspects within the need for self-esteem, which

are: the need for self-respect, or self-esteem, and for the esteem of others. Moreover, this need can be further divided into confidence, independence and freedom, and on the other hand there is prestige. The highest need is self-actualization. Maslow (1943) defines this need as “doing what one is fitted for.” Thus, this need is about developing oneself to one’s full potential.

The hierarchical theory of needs was chosen because it is known that there is a causal relationship between financial security and the fulfilment of the needs that Maslow (1943) has defined (Howell, Kurai, & Tam, 2013).

It should be noted that Maslow (1943) uses the word “needs” instead of “purposes”. However, the term purposes is more appropriate to use in this research because, in this context, it relates to spending money to reach certain aims. Several different possible ways of assessing a consumer’s purposes may be used in empirical research: the free sorting task, the how versus why task, and the means–end chain, to be considered next.

2.3 Free sorting task

The sorting task is a method to look for similarity in data. Multiple variations of the free sorting task exist. Which one to use, depends on the goal and the applications of the study. Multiple cards are on a table. Objectives are written down on these cards. Respondents are asked to look at the objectives on the table and to sort them into groups. These groups must be mutually exclusive and based on certain similarities. The researcher may decide whether to stop the free sorting task at this point or to ask the respondent to name these groups (Varela & Ares, 2014).

2.4 How versus why task

As described before, this study addresses mental budgeting and the underlying purposes that consumers have for spending money. However, it is likely that consumers are not aware of the purposes they have or the mental budgets they use. To assess the money-spending purposes for different spending categories, how versus why task may be used.

The mental budgets that consumers form and the underlying purposes may be assessed by an interview technique called the ‘how versus why task.’ Although the ‘how versus why task’ is not officially part of construal level theory, they are closely linked. For example Griffioen, Handgraaf and Antonides (2019) have manipulated construal with the ‘how versus

why task.’ With respect to mental budgeting, a consumer’s spending purposes may be assessed by using the ‘how versus why task.’ For example: “how does one deal with the household money every month? Budgets are made. How are these budgets divided?” The purposes may be questioned by asking about why people do this. For instance: “why do you spend money? Because I need pretty clothes. Why do you need pretty clothes?” Etcetera.

Construal level theory (Trope & Liberman, 2010) is based on the level of abstraction of one’s thinking. Trope and Liberman (2010) state that different types of distance are linked to mental construals. Distance may refer to time (now versus later), social relations (close versus unrelated), or physical proximity (short versus long distance). For example, it is only possible for people to imagine what is happening right now. Things that will happen in the future are more difficult to imagine and are associated with a kind of abstract thinking. Construal level theory is used to grasp how people make choices and plans (Wiesenfeld, Reyt, Brockner, & Trope, 2017). The way people make choices depends on the level of abstraction, or seeing the bigger picture. Construal level theory distinguishes two levels of abstraction: low construal level (concrete) and high construal level (abstract) (Trope & Liberman, 2010). Liberman and Trope (1998) state that high level construals are abstract, general, superordinate, and decontextualized. In contrast, low-level construals are specific, subordinate and contextualized.

Furthermore, Trope and Liberman (2010) argue that low construal thinking is associated with the ‘how’ of things. Low construal thinking is more concrete, so it can be more easily defined how something works, for instance making budgets for one’s household. One can recall how it is done. Because of this concreteness, specific behaviors can be described.

High-level construals are associated with the ‘why’ of things (Trope & Liberman, 2010). Thinking is more abstract, so it will be more difficult to describe how things are done. Besides, it might be unknown why people do something. Details are less concrete, such as when one defines the underlying purposes of spending money.

2.5 Means–end chain theory

Besides the ‘how versus why task,’ means–end chain theory (Howard, 1977) can also be used to assess the money-spending purposes for different spending categories. Howard (1977) states that consumers’ knowledge consists of different abstraction levels. More specifically,

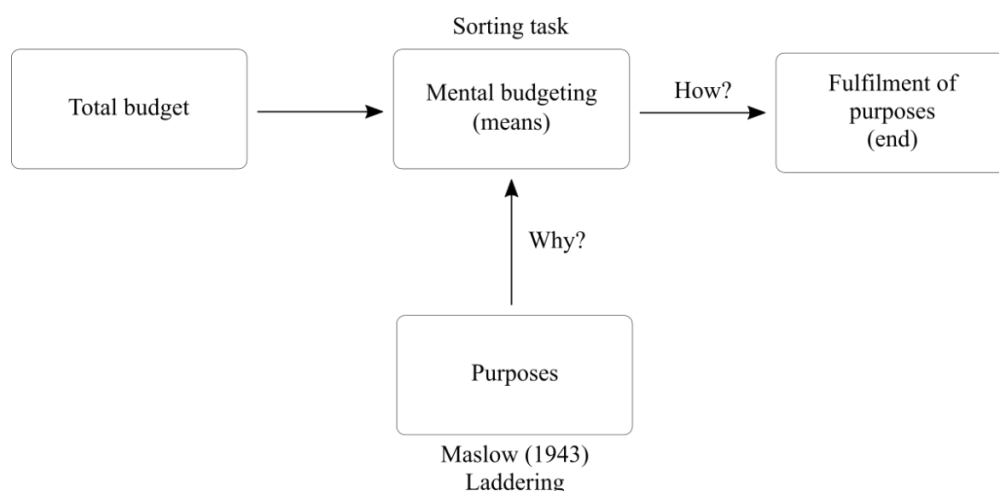
means–end chain theory is about buying behavior. Gutman (1982) states that the means–end chain consists of three elements: attributes (means), consequences, and psychological personal values (ends). Attributes are characteristics of the products or services that are bought. Attributes can be physical, but not necessarily so. Examples of attributes are size, color or brand. Consequences arise when consumers use the product or service. Finally, personal values are the things that are important to oneself and stimulate behavior. According to this theory, attributes, consequences and personal values are linked. Wang (2008) states that the elements in the means–end chain are hierarchically linked. This means that abstract elements and concrete elements are connected.

Attributes of products or services help to achieve the consumer’s purposes. Consequences reflect the satisfaction or dissatisfaction that arises when a product or service contains certain attributes. Personal values are related to the purposes that consumers are trying to achieve by buying certain products. These elements form a so-called means–end chain because products that consumers buy are seen as a means to achieve certain purposes. Means–end chains are usually studied using an interview technique called ‘laddering.’ People are asked why they find a certain attribute important and why they find the chosen answer important, until they can no longer answer the question (Gutman, 1982). In this way, ‘laddering’ uses a similar technique as the ‘how versus why task.’

2.6 Conceptual model

To visualize the previous theories, a conceptual model is introduced (Figure 1).

Figure 1 Conceptual model



People may divide their budget over multiple mental accounts (Thaler, 1999). Therefore, mental budgets are part of consumer's total budgets. The free sorting task (Varela & Ares, 2014) may help to the researcher to assess which mental budgets consumers make. As can be seen in Figure 1, mental budgets may be seen as a means to an end because they may lead to the fulfilment of purposes. The means–end chain theory (Howard, 1977) is relevant because it connects product or services attributes to certain consequences and values, which may also be related to mental budgets.

Consumer's purposes for making mental budgets are not identified yet. In order to find out for which purposes consumers make mental budgets, the theory of hierarchical needs (Maslow, 1943), the laddering technique (Gutman, 1982), and the 'how versus why task' may be used. The theory of hierarchical needs was chosen because it is already known that there is a causal relationship between financial security and the fulfilment of the needs that Maslow (1943) has defined (Howell et al., 2013). Furthermore, the 'how versus why task' and the laddering technique may be used in order to find out for which purposes mental budgets are made.

Fulfilment of a certain purpose may be the consequence of making mental budgets since mental budgets may be seen as a means to an end. The 'how versus why task' may be used in order to find out how mental budgets lead to the fulfilment of purposes.

Because little is known about the categories of mental budgets and underlying purposes (Antonides et al., 2011; Heath & Soll, 1996; Thaler, 1990; Thaler, 1999), this study will be qualitative and exploratory in nature. This study is primarily focused on finding out how and why mental budgets are formed, and developing new theories or elaborating theories, which fits qualitative research (Denzin & Lincoln, 2008). Therefore, no hypotheses will be drawn up beforehand.

3. Methodology

In this chapter, the methodology of research will be explained. Firstly, the research strategy will be described. Then the sampling procedure and ethics will be explained. Finally, the interview structure will be described.

3.1 Research strategy

This study is qualitative and highly exploratory. Qualitative methods provide the opportunity to get a thorough understanding of people's motivations, thoughts, reasons and actions (Myers, 2013). Furthermore, Maxwell (1997) argues that qualitative research offers the opportunity to understand a phenomenon in its specific context because of the wording of the respondent. This opportunity is not available when using quantitative research. The goal is to develop a new theory about the purposes of mental accounting and to complement existing theories about mental budgeting, which fits the purpose of qualitative research (Denzin & Lincoln, 2008).

The method to collect data used in this study is grounded theory. Grounded theory is defined as: "The discovery of theory from data – systematically obtained and analyzed in social research" (Glaser and Strauss, 1967, p. 1). When using this data collection method, the researcher does not define hypotheses a priori because the theory should come from the data that is collected. It is allowed for the researcher to use theoretical background before gathering data, but the researcher must not be restricted by this knowledge (Myers, 2013). Grounded theory is an inductive research method, which means that central concepts will be defined after analyzing data (Bleijenbergh, 2015).

Open interviews were used as a data source in this study. More specifically, semi-structured interviews were used. The wording and order of the questions were predetermined, but this order sometimes changed during the interviews (Bleijenbergh, 2015). Open interviews were chosen as a data source is because it allowed the respondents to use their own language, which helped to explain the phenomenon that is researched (Myers, 2013). Furthermore, due to the COVID-19 situation, the interviews were conducted via video calls. These video calls were held via Skype, Facebook, Zoom and Whatsapp. Moreover, the interviews were recorded using a smartphone.

Data from the interview were coded. The purpose of coding is to provide comparison, insight and the development of theory (Myers, 2013). Glaser (1967) divided the coding process into: open coding, axial coding and theoretical coding. In open coding, labels were assigned to fragments. Axial coding is more abstract, as fragments that were assigned to the same codes were compared. Finally, theoretical coding was used in order to define concepts and develop a theory. Coding was done by using a computer program called Atlas.ti (ATLAS.ti, n.d.). Codes were based on the answers of the respondents. The researcher was not restricted by any theory during encoding. However, the coding was guided by looking at the answers that were given in the light of the theory of hierarchical needs (Maslow, 1943), and means–end chain theory (Howard, 1977). The coding scheme can be found in Appendix D.

3.2 Sample

Respondents were selected based on different criteria. Respondents had to be 18 years or older and had to pay for their own expenses. They had to be responsible for their own expenses in order to be able to participate in this study.

Following Evers and De Boer (2012), the aim was to interview at least 20 respondents or to continue until no new information was given. Therefore, 20 respondents participated in this study. Their ages ranged from 23 to 64 years old. The sample consisted of 17 women and 3 men. An overview of information about the respondents that participated in this study can be found in Appendix C.

Due to limitations of time and money, convenience sampling was used in order to approach respondents. Convenience sampling is a non-probability technique whereby the researcher chooses respondents simply because they are available (Myers, 2013). Respondents with different ages were selected in order to obtain a varied sample. This has been done by asking acquaintances to refer potential respondents. Acquaintances with different backgrounds and ages were asked so the starting point of the sampling technique would vary substantially. By doing this, the sample would not only consist of direct acquaintances of the researcher.

3.3 Ethics

Myers (2013) describes a few ethical guidelines for conducting qualitative research. One of the ethical guidelines is informed consent. Respondents gave their informed consent to contribute to this study and they could terminate their participation at any time. Furthermore, privacy was taken into consideration. This means the identity of respondents was confidential. Besides, permission to record the interviews was asked before the interview started. Data retention was also considered. Names were left out of the transcriptions of the interviews. Besides, only the researcher had access to the interview transcripts and the recordings of the interviews. In addition, some quotes have been adjusted due to the privacy of respondents.

3.4 Interview strategy

Before the interview started, respondents were informed about the aim of the research, the amount of time the interview would take and what was expected of the respondent. Nothing has been said that could bias the respondent's input. Furthermore, the respondents were told that their identity would remain anonymous. Permission was asked to record the interviews by using a mobile phone. This has been done to make transcriptions of the interviews. After all questions were asked, the researcher gave a short summary of the respondent's answers. This provided the respondents with the opportunity to check their answers, thus increasing internal validity (Bleijenbergh, 2015). The interview ended by thanking the respondent.

An interview format has been developed. The questions that seemed most important and a few follow-up questions were predetermined. This increased reliability because reproducibility was higher. It also increased validity because there was room to add questions during the interview (Evers & de Boer, 2012).

Firstly, some general questions were asked about the respondent's financial situation. This has been done to assess the financial situation of the respondent and to check if they are responsible for their expenses. Moreover, it is important to find out if the respondent had a financial budget since this interview was about mental budgeting and spending purposes.

Next, the free sorting task was used in order to assess the types of mental budgets people use. Respondents were asked to mention twelve expenses they regularly made. After that, they were asked to determine which expenses could be grouped into categories and

which purposes these different categories served. In case the respondent could not name twelve expenses, the researcher gave some examples of expenses.

The following question was based on the ‘how versus why task’ as described before. Consumers’ purposes were assessed by asking about the ‘why’ of consumption and expenses. The interviewer used probes when the respondent did not know how to answer the question. Since it was not possible to assess the purposes for all of the respondent’s expenses, the task was performed for two expenses that the respondent put in the same category and two expenses that the respondent put in different categories. This has been done in order to test if different categories served different purposes. The condition was that the respondent had made different categories. The task was performed for each of these expenses separately. The mental budgets were measured by an interview technique whereby the researcher kept asking about the ‘how’ of reaching certain purposes.

Lastly, ‘laddering’ was used to find out why certain attributes, consequences and psychological personal values were important and to construct a means–end chain for the consumer’s purposes of spending money. ‘Laddering’ is defined as: “an in-depth, one-on-one interviewing technique used to develop an understanding of how consumers translate the attributes of products into meaningful associations with respect to self, following Means–End Theory” (Reynolds and Gutman, 1988, p. 12). This task has been performed for the expenses that were mentioned in the second question. The task has been completed for two expenses that the respondent put in the same category and two expenses that the respondent put in different categories. Again, this has been done in order to test if different categories served different purposes. The interview format can be found in Appendix A and one of the transcripts can be found in Appendix E.

Before interviewing respondents, a pilot was held in order to assess the correctness of the interview format. Two interviews were conducted. The researcher assessed the quality of the interviews and, when necessary, adapted questions. After the pilot, the question: “Do you spend your money in order to achieve certain purposes?” has been changed split up into multiple questions. These questions were: “Are there goals you are trying to reach? If yes, could you mention one of them? How are you trying to reach this purpose?” This has been done because respondents did not understand the question. Besides, the respondents were asked about five expenses they regularly made. After the pilot, this has been changed to twelve expenses the respondents regularly made in order to obtain more valuable information.

4. Results

In this chapter, the results of this study will be presented. The results are arranged according to the overarching codes that were found during the analysis.

4.1 Financial situation

The results in this section were obtained by asking several questions about the respondents' financial situations. No specific questioning technique was used.

The majority of the respondents, 16 out of 20 respondents, indicated that they were satisfied with their current financial situation. Those who were not satisfied with their financial situation, indicated that this was because they did not have a job at the moment or because a partner lost their job.

Respondents were asked about the source of their income. Four respondents owned a business, two respondents did not work at that moment, and one respondent was retired. Also, three respondents were students. The remaining respondents were employed. Half of the respondents had one income per household and the other half had two incomes per household.

Moreover, half of the respondents indicated that their financial situation was stable. Those who indicated that their financial situation was not stable, either indicated that they were going to switch jobs or that they were looking for a job. Therefore, they expected their financial situation to improve within one year. Another factor that caused fluctuations in their financial situation was housing. A 36-year old female respondent provided an example: *"We currently have two houses. We have a newly built house and we just sold our own house. But the transfer is still to come, so we have to pay a double mortgage."*

Half of the respondents indicated that they did not have a financial budget as they did not experience financial difficulties. Some of them knew what worked for them financially because they spent roughly the same amount of money each month. They have learned how to deal with their money by experience. Other respondents who did not have a budget, said that they simply had enough money to live without a budget. A 34-year old female respondent said: *"There is always enough. I am aware that is a luxury position. We can always pay the fixed costs and then there is enough left to do other things."*

Half of the respondents had a financial budget. They managed their financial budgets by calculating their fixed costs. They either spent or saved the amount of money that was left after payment of their fixed costs.

Eight respondents made a financial forecast for the upcoming year. Sometimes they did it to compose their financial budget. Other respondents did it to be able to predict what they could expect financially. They wrote their expenses down, or they did it for instance by composing an Excel sheet. A 38-year old male respondent explained why he had composed a financial forecast: *“I update that overview every year. Then I know what, for example, my energy and insurance costs are. That Excel sheet changes every year. So I know what we will need.”*

Finally, only three respondents indicated that they invested their money. However, two out of these three respondents were investing less than they did in the past because they lost their job or because they wanted to use the money to buy a house.

These results indicate that most of the respondents were satisfied with their financial situation. Furthermore, it should be noted that half of the respondents did not have a financial budget and that only half of the respondents did have a financial budget.

When looking at co-occurrences, it should be noted that five out of ten respondents who did have a financial budget, also had mental budgets. Three of them had mental budgets for savings ($c\text{-coefficient} = 0.15$) and three of them had mental budgets for expenses ($c\text{-coefficient} = 0.2$). A $c\text{-coefficient}$ can be calculated, which is similar to a correlation coefficient, and is between zero and one. The closer to one, the more robust the relationship between the codes (ATLAS.ti, 2019). No $c\text{-coefficient}$ is available for not having a financial budget and having mental budgets. Thus, making mental budgets often goes hand in hand with having a financial budget. However the $c\text{-coefficients}$ in this study should be carefully interpreted since the sample size is relatively small which can cause statistical tests to be insensitive (Hair, 2013). All code co-occurrence tables can be found in Appendix F.

4.2 Mental budgeting

As already stated in Chapter 2, mental budgeting implies the labeling of expenses and savings categories (Antonides et al., 2011). The results in this section were obtained by asking questions about respondents' financial situations, using no specific questioning technique.

Firstly, we look at the mental budgets for saving categories. 19 Out of twenty respondents said that they had savings. However, only eight respondents did have mental budgets for savings. When looking at the savings categories, the most common categories of these savings were: for housing, for children, for oneself and in order to pay off a student loan. An example of labelling for savings categories was given by a 34-year old female respondent: *“Privately I have several savings accounts: the study debt account, one for when things really go wrong, an account for daughter... and I have a separate account for charities. Ten percent of my salary is automatically transferred into that account.”*

Moreover, four respondents described their financial behavior in terms of expenses as mental budgeting. A 25-year old female respondent said: *“At this bank I can set a budget. For going out or to lunch. I have now set an amount that I can spend, which is 200 pounds a month. That is quite a lot, but I do not want to go beyond that amount.”* The mental budgets for expenses that were mentioned are: housing, going out and lunch, groceries and vacation.

In terms of managing mental budgets for savings, seven respondents indicated that they automatically saved a fixed amount of money each month, others indicated, for instance, that they saved whatever was left of their budgets. When looking at managing mental budgets for expenses, these budgets were either a fixed amount of money or a fixed percentage of a salary. An overview of the mental budgeting behavior of the respondents that participated in this study and how frequently these mental budgets were mentioned can be found in Table 1.

Table 1 Mental budgets of respondents

Mental budgets for savings	Frequency	Mental budgets for expenses	Frequency
Housing	5	Housing	2
Children	4	Going out and lunch	1
For myself	2	Groceries	1
Pay off student loan	2	Vacation	1

In light of these results, it can be said that mental budgeting played a bigger role in the savings of the respondents than in their expenses. Furthermore, housing seemed to be an important mental budget for both the savings and the expenses of the respondents. These

results did not correspond to the expectations of the researcher, since it was expected that mental budgets played a bigger role in expenses.

4.3 Categories of expenses

During the interviews, respondents were asked to group their expenses and to assign categories to these groups. Thus, the results in this section were obtained using the free sorting task (Varela & Ares, 2014).

The categories that were mentioned most were: necessities, spare time, food and beverages, appearance, and luxury. In total, 28 different categories have been made by the respondents. All of the respondents were able to assign their expenses to categories.

The category of necessities was mentioned most often. This category contained expenses like groceries, housing, electricity, taxes and insurances. The respondents mostly indicated that these expenses were fixed, such as housing costs.

The category of spare time was mentioned most often after necessities. This category contained, amongst others, vacation, sports, day trips and multimedia. A 24-year old female respondent said the following about her spare time category: *“They are not expenses you need, but they are fun things to do. I would cut back on them first if I had to.”*

Furthermore, the food and beverage category has been brought up frequently. It should be noticed that this category had some overlap with the necessities category because groceries were mostly seen as a necessity. However, food and beverage category usually contained going out for dinner, which was not seen as a necessity by the respondents.

Moreover, both appearance and luxury categories were mentioned. Appearance was mostly about clothing and makeup. Luxury also has some overlap with the spare time category as vacation was mentioned both in the spare time category and the luxury category. Besides vacation, the luxury category also contained expenses like presents and flowers. An overview of the most frequently mentioned categories and how often they were mentioned can be found in Table 2.

Table 2 Categories of expenses

Categories of expenses	Frequency
Necessities	22

Spare time	16
Food and beverages	7
Appearance	6
Luxury	6

Although these results did not directly refer to the mental accounts that the respondents had for their expenses, the results indicate which categories of mental budgets they would make. It should be noted that the necessities category, the spare time category and the food and beverages category, largely correspond to the mental budgets for expenses that were mentioned by the respondents. For example, a mental budget for expenses that was mentioned was groceries, which corresponds to the category of food and beverages. It should be noted that all four of the respondents who had mental budgets for expenses, also indicated they would make categories for necessities (c-coefficient = 0.24), spare time (c-coefficient = 0.25) and/or food and beverages (c-coefficient = 0.14). Thus, having mental budgets for expenses co-occurred with assigning expenses to one or more of these categories.

4.4 Purposes in life

Respondents were also asked about their purposes in life, using no specific questioning technique. The purposes in life that were mentioned most frequently were: career, housing, happiness, travelling, children and health.

Career was mentioned most often. The purpose of career entailed different aspects of a career. Two respondents mentioned the kind of jobs they would like to have in the future. Four respondents indicated that they would like to have a career, which was not as specific. Furthermore, two respondents already owned a business and they said that they would like to make the business even more successful. Another example of this purpose in life was given by a 42-year old female respondent: *“I have a really nice job and I am really good at it. But I would like to get better at my job and I would like to learn how to do that.”*

The second most frequently mentioned purpose in life was housing. Three respondents already owned a house, but they wanted to renovate the house or to move to another house. Five respondents would like to buy a house in the future.

Moreover, happiness was an important purpose in life according to the respondents. All of the respondents that indicated this as a life purpose, were already happy. A 55-year old

female respondent said: *“I want to stay healthy and fit. And I want to stay happy. Other than that, we do not really have any goals. I am happy with the things as they are now.”*

In addition, traveling was mentioned as a purpose in life by five respondents. The final most frequently mentioned purpose in life was related to children. Three of the respondents said that they already had children, but they wanted to make their children happy or they wanted to raise them well. Two respondents indicated that they did not have children, but they wanted to have children in the future. Finally, health was mentioned frequently. Just as with happiness, the respondents indicated that they were already healthy, but they wanted to stay that way.

An overview of the most frequently mentioned purposes in life and how often they were brought up can be found in Table 3. It can be assumed that these were the most important purposes in life for the respondents. It should be noted that the purpose in life ‘housing’ has also been identified as a mental budget for savings. All three respondents that indicated to have a mental budget for savings called ‘housing,’ also mentioned the purpose in life ‘housing’ (c-coefficient = 0.3). This does not hold for mental budgets for expenses. Thus, there seemed to be co-occurrence for mental budgets for savings and purposes in life. In addition, spending categories like ‘spare time’ may indirectly cause the purpose in life ‘happiness.’ Five out of six respondents that had the purpose in life ‘happiness’, also mentioned the spending category ‘spare time’ (c-coefficient = 0.23).

Table 3 Purposes in life

Purposes in life	Frequency
Career	10
Housing	8
Happiness	6
Traveling	5
Children	5
Health	4

4.5 Purposes of expenses

In addition, respondents were asked about the purposes they had for their expenses. These results were obtained using the ‘how versus why task’ and the laddering technique (Gutman,

1982). The purposes of expenses that were mentioned most frequently were: social, relaxation, necessities, children and appearance.

Firstly, the social purpose was mentioned most often. The social purpose entailed different expenses, for example: going out with friends, going out to dinner, traveling or buying someone else a present. It should be noted that the social purpose can be related to, for instance, the relaxation purpose. A vacation can be both relaxing and serve social purposes. There seemed to be co-occurrence for these purposes. Ten out of thirteen respondents who indicated to have a relaxation purpose for their expenses, also indicated to have a social purpose for their expenses (c-coefficient = 0.15). A 23-year old female respondent said the following about her vacation expenses: *“To me, vacation is about being with other people, not just the surroundings. I think it is important to spend my vacation with a certain person.”*

Moreover, relaxation was mentioned frequently as a purpose of expenses. The relaxation purpose also contained different expenses. Some examples of these expenses were: cooking, going to the hairdresser, watching television, and hiring a cleaner. There were different motives to spend money on relaxation. One example was given by a 34-year old female respondent: *“I work hard. Therefore, it is important for me to be able to relax.”* Another example was provided by a 36-year old female respondent: *“It relaxes me as a person. It gives me the opportunity to be busy with other things than work or being a mother.”*

Furthermore, necessities were an important purpose of expenses for most of the respondents. This purpose usually was associated with things the respondents had to spend money on in order to survive, to work or to live somewhere, such as: groceries, taxes, rent, mortgage, and public transport.

Children also turned out to be an essential purpose of expenses. These expenses mostly contained: day care, sports or day trips. Respondents explained that they wanted to spend time with their children or to spend money on things that were good for their children's development.

Appearance was also mentioned as a common purpose for expenses. Respondents often related this purpose of expenses to feeling good, expressing oneself or taking care of oneself. An example of expressing oneself was given by a 42-year old female respondent: *“I think it is something for the outside world. Also for yourself. People look at you in a certain way.”* The expenses related to appearance mostly contained: clothing, makeup or jewelry. An

overview of the most frequently mentioned purposes of expenses and how often they were brought up can be found in Table 4.

Table 4 Purposes of expenses

Purposes of expenses	Frequency
Social	36
Relaxation	24
Necessities	18
Children	9
Appearance	8

Only ‘children’ was both mentioned as a purpose of expenses and a purpose in life. Therefore, there is not much overlap between the most frequently mentioned purposes in life and purposes of expenses. In addition, there seemed to be co-occurrence between the purposes of expenses ‘social’ and ‘relaxation’ (c-coefficient = 0.15).

4.6 Fulfilment of purposes

Respondents were asked about how they wanted to achieve the purposes in life they mentioned. Thus, these results were obtained using the how versus why task. The most common answers were: savings, education, social, work and eating healthy.

Firstly, savings was mentioned most often as a way to fulfill purposes. Secondly, the respondents indicated that education was a way to fulfill their purposes. Education could entail both a college degree and a training for work. Another way to fulfill purposes in life was called social. The social category was rather broad. Some example of fulfilling purposes by performing social activities were: by keeping in touch with other people and meeting other people. Furthermore, work was a way to fulfill purposes in life according to the respondents. A 33-year old female respondent said: *“We have recently opened a branch in one city and we hope to have a lot of customers there soon. We are also striving to open a branch in another city.”* Another way by which work can fulfill purposes was by applying for jobs. Finally, eating healthy food was mentioned as a way to fulfil purpose in life. The most frequently mentioned ways to fulfill purposes in life and how often they were mentioned can be seen in Table 5.

Table 5 Fulfilment of purposes

Fulfilment of purposes	Frequency
Savings	14
Education	9
Social	5
Work	5
Eating healthy	3

The results reveal that savings was an important way to fulfill purposes in life, which also seemed to play a role in the respondent's mental budgeting behavior. Five out of eight respondents who indicated that they had a mental budget for savings, also revealed that savings were a way to fulfill their purposes in life (c-coefficient = 0.2). Moreover, social was seen both as a way to fulfill purposes and as a substantial purpose of expenses. All four respondents who mentioned 'social' as a way to fulfill purposes in life, also identified 'social' as a purpose of expenses (c-coefficient = 0.08). In addition, career and eating healthy both related to the purposes in life 'career' and 'health.' All four respondents who identified 'work' as a way to fulfill purposes in life, also mentioned 'career' as a purpose in life (c-coefficient = 0.36). All three respondents who mentioned 'eating healthy' as a way to fulfill purposes in life, also identified 'health' as a purpose in life (c-coefficient = 0.33). Thus, co-occurrence was discovered between several purposes in life and ways to fulfill purposes in life. In addition, there seemed to be co-occurrence between mental budgets for savings and savings as a way to fulfill purposes in life.

4.7 Attributes and consequences

In this study, attributes of products or services are means to achieve the consumer's purposes. Consequences reflect the satisfaction or dissatisfaction that arises when a product or service contains certain attributes. These aspects of buying products will be discussed in this section. The results in this section were obtained by asking questions that were based on the means-end chain theory (Howard, 1977).

The most frequently mentioned attributes that were important to achieve the consumer's purpose of buying the product or service were: price, design, safety and healthiness. An example of price was given by a 33-year old female respondent: "First, I will

see if it is a discount. That is what I am going for, I usually buy offers.” Furthermore, the respondents indicated that design was an important aspect when buying a product. In addition, safety seemed to be an important aspect for the respondents. Safety was important when spending money on different products and services, such as: housing, insurance, sports attributes and cars. The final attribute that was mentioned most frequently was healthiness. All three respondents who mentioned healthiness as an important aspect talked about food. Thus, there is co-occurrence between the aspect healthiness and food. The most frequently mentioned aspects and how often they were mentioned can be seen in Table 6.

Table 6 Aspects

Aspects	Frequency
Price	8
Design	6
Safety	5
Healthiness	4

When talking about the consequences that arise when buying a certain product or service, there were only two consequences that were mentioned most often: to feel happy, which was mentioned fifteen times, and to feel satisfied, which was mentioned five times.

4.8 Purposes of categories

In this study, respondents were continuously asked about the purposes of their expenses using the laddering technique (Gutman, 1982) and the ‘how versus why task.’ Beforehand, the respondents divided their expenses into categories using the free sorting task (Varela & Ares, 2014). These purposes of categories have been compared. This has been done in order to test if different categories served different purposes and to test if one category might serve different purposes.

In total, respondents 14 times indicated that purchases within a certain category of expenses served the same purpose. A 49-year old female respondent put both clothing and makeup in a category called ‘appearance.’ She indicated that for her, both of these expenses served the purpose of luxury. Expenses within the categories: spare time, luxury, and

necessities served the same purposes for the respondents. 'Spare time' was mentioned four times, 'luxury' and 'necessities' both were mentioned twice.

Furthermore, respondents said 25 times that the same category served different purposes. An example was given by a 31-year old male respondent. He put both going out for dinner and groceries in a category called 'food and beverages.' However, he said that going out for dinner served a social purpose, while he saw groceries as a necessity. Expenses within the categories: food and beverages, spare time, luxury and necessities served different purposes for the respondents. 'Food and beverages' was mentioned five times, 'spare time' was mentioned four times, 'luxury' was mentioned three times and 'necessities' was mentioned three times.

These results indicate that a category of expenses might have several purposes. Within the category of food and beverages, the social purpose and the necessity purpose co-occurred three out of seven times ($c\text{-coefficient} = 0.05$). This is because the respondents indicated that going out to dinner and groceries served different purposes. In addition, within the category of luxury, the social purpose and the relaxation purpose co-occurred two out of three times ($c\text{-coefficient} = 0.15$). This is because respondents indicated that giving presents and day trips served different purposes.

4.9 Situational factors

It was found that some situational factors played a role in the answers of the respondents. No specific questioning technique was used to obtain these results. These situational factors are highlighted in this section.

The first situational factor that seemed to play a role was age as younger people had different purposes in life than older people. Younger people often indicated that their purpose in life was to find a job or to buy a house. Older people frequently indicated their purposes in life to be staying healthy and staying happy. In total, eight respondents indicated that their purpose in life was to stay healthy or to stay healthy. Five out of these eight respondents were forty years or older.

The second situational factor was whether the respondents had children. The respondents who had children, referred to them when talking about their expenses, purposes of expenses and purposes in life. Furthermore, children also turned out to be important when talking about the categories of expenses. Eleven respondents indicated that they had children.

Ten out of eleven respondents referred to their children when talking about their expenses, savings, purposes of expenses or purposes in life.

It was also striking that COVID-19 seemed to be a situational factor. This factor seemed to influence the respondents' financial situations significantly. COVID-19 was brought up eight times by the respondents. Six respondents indicated that COVID-19 influenced their financial situations negatively. A 42-year old female respondent said the following: *"I think the Corona situation makes me more conscious about money because you do not know what is coming next."* Moreover, this situation also seemed to influence the respondent's buying behavior. A 36-year old female respondent said: *"Due to the Corona situation, I consciously do not look at what is on sale, but I support the local economy. So I also buy extra products at my beautician."*

Furthermore, it was found that religion seemed to have an influence on mental budgets for savings. A 34-year old female respondent said: *"According to my religion, you should reserve ten percent of your income to help other people."* However, religion was only mentioned once.

It can be said that these situational factors should be taken into account when talking about purposes in life, purposes of expenses and mental budgeting since they might influence the results. Being forty years or older co-occurred with the purposes in life 'health' (c-coefficient = 0.6) and 'happiness' (c-coefficient = 0.43). Having children co-occurred with mental budget for savings called 'children' (c-coefficient 0.45) and purposes of expenses called 'children' (c-coefficient = 0.67). In addition, COVID-19 co-occurred with having a poorer financial situation than before (c-coefficient = 0.38). Finally, religion co-occurred with a mental budget for savings called 'charities' (c-coefficient = 1).

5. Conclusion and recommendations

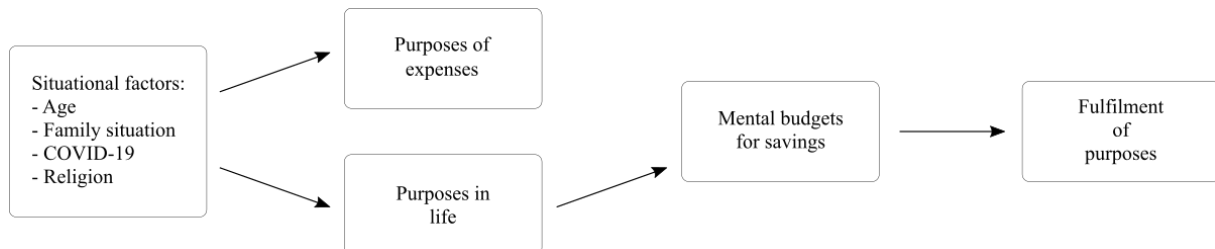
In this chapter, a conclusion and a discussion will be provided. Additionally, limitations are outlined and suggestions for further research will be given. Besides, practical implications will be described. Finally, a concluding statement can be found in this chapter.

5.1 Conclusion

The following research questions guided this study: (1) Which spending purposes do consumers have to form mental budgets, (2) and how are these purposes used to form to mental budgets? (3) And to what extent does mental budgeting lead to the fulfilment of their purposes?

In conclusion, consumers' purposes in life do lead to mental budgets for savings, which lead to the fulfilment of purposes. However, these purposes and mental budgets depend on several situational factors. A revised conceptual model can be found in Figure 2. This conclusion will be further explained in this section.

Figure 2 Revised conceptual model



The c-coefficients are shown in Table 7. Only c-coefficients $\geq .3$ are displayed in this table since correlations between 0 and $< .3$ are usually seen as low positive correlations.

Table 7 C-coefficients

	Purpose in life - housing	Purpose in life - career	Purpose in life - health	Purpose in life - happiness	Mental budget savings	Purpose of expenses - children	Corona	Religion
Mental budget savings	0.3							1
Fulfilment purposes - work		0.36						
Fulfilment purposes - eating healthy			0.33					
Age above 40			0.6	0.43				
Having children					0.45	0.67		
Poorer financial situation							0.38	

Consumer spending purposes consist of two groups, namely: purposes in life and purposes of expenses. Consumers' main purposes in life are: career, housing, traveling, children, and health. Moreover, consumers' main purposes of expenses are: social, relaxation, necessities, children, and appearance. It should be noted that an expense may simultaneously serve multiple purposes. Such as a vacation that serves 'social' and 'relaxation' purposes. Only 'children' was both mentioned as a purpose of expenses and a purpose in life. Therefore, there is not much overlap between the most frequently mentioned purposes in life and purposes of expenses. An interrelationship between purposes of expenses and purposes in life has not been found. In addition, purposes for expenses cannot be linked to mental budgets but purposes in life can. Consequently, it can be said that consumers' purposes in life are used to form mental budgets.

It was found that the mental budgets for savings are: for housing, for children, for oneself and in order to pay off a student loan. Moreover, the mental budgets for expenses are: housing, going out and lunch, groceries and vacation. The categories that are assigned to expenses are: necessities, spare time, food and beverages, appearance, and luxury. Consumers manage their mental budgets by saving automatically, saving what is left of their budgets, spending a fixed amount of money or spending a fixed percentage of their salary. When comparing the purposes to mental budgets and categories of expenses, it can be seen that both mental budgets of savings and categories of expenses follow from consumers' purposes in life. This does not hold for mental budgets for expenses. For example, purpose in life 'housing' co-occurs with making a mental budget for savings. In addition, spending categories like 'spare time' co-occur with the purpose in life 'happiness.' Nonetheless, it should be noted that this is a weak result since these categories of expenses are not the same as mental budgets. On the other hand, mental budgets for expenses co-occur with assigning expenses to one of more of the categories: necessities, spare time, and food and beverages. Finally, making mental budgets often goes hand in hand with having a financial budget since co-occurrences were found between these two behaviors.

Moreover, the most significant way to fulfill consumers' purposes is saving money since this was the most frequently mentioned manner. To be more specific, having a mental budget for savings co-occurs with savings as a way to fulfill purposes in life. This supports the finding that mental budgets for savings play a bigger role than mental budgets for expenses. Therefore, it can be concluded that to a large extent mental budgets for savings lead to the fulfilment of purposes. Other ways to fulfill consumers' purposes are education, social,

work and eating healthy. Co-occurrences exist between several purposes in life and ways to fulfill purposes, such as: ‘work’ as a way to fulfill purposes in life and ‘career’ as a purpose in life, and ‘eating healthy’ as a way to fulfill purposes in life and ‘health’ as a purpose in life.

A side effect that is found is that financial behavior, which includes mental budgeting, depends on several situational factors, which are: age, family situation, COVID-19, and religion. Being forty years or older co-occurs with the purposes in life ‘health’ and ‘happiness.’ Having children co-occurs with savings, purposes of expenses or purposes in life. In addition, COVID-19 co-occurs with having a poorer financial situation. Finally, religion co-occurs with purposes of expenses, mental budgets for savings and purposes in life. In addition, purposes of expenses and mental budgets are not solely taken into account when purchasing products or services. Other factors like price, design, safety, health, happiness and satisfaction are also taken into account by consumers in purchase decisions.

5.2 Discussion

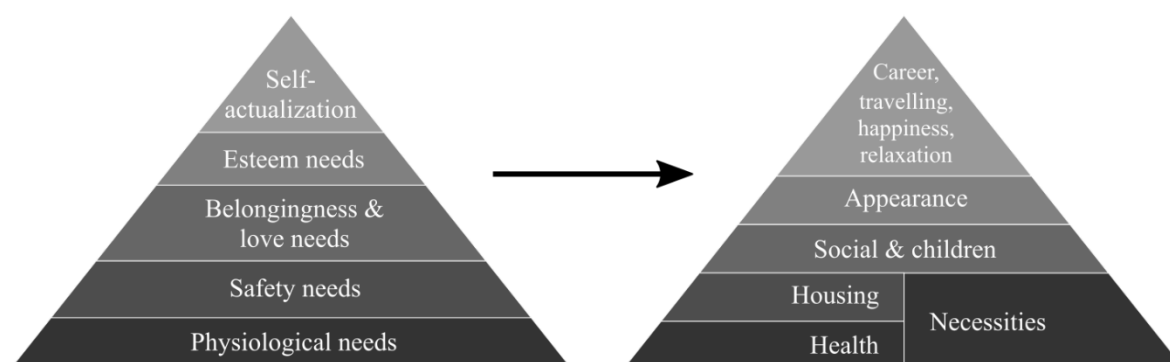
This study aims to contribute to scientific literature on mental budgeting, consumer needs, and savings in several ways. In order to describe these theoretical implications, we will first look at the findings of earlier studies.

Earlier studies found that mental budgeting implied the labeling for expenses and savings categories (Antonides et al., 2011). Furthermore, it was found that there are two main parts of mental budgeting: setting a budget and tracking ongoing expenses against the budget (Heath & Soll, 1996). Thaler (1990) identified a categorization for sources of funds, namely: current income, current assets, and future income. Current income could also be divided into multiple categories (Arkes, Joyner, Pezzo, Nash, Siegel-Jacobs & Stone, 1994; Milkman & Beshears, 2009; Thaler, 1999). This study deviates from earlier studies because there was no knowledge about such a categorization for mental budgets and the underlying purposes for which consumers make mental budgets. This study identified categorizations for both mental budgets for savings and expenses and identified consumers’ purposes to form mental budgets.

The theory of hierarchical needs (Maslow, 1943) explains why people are motivated to behave the way they do. According to Maslow (1943) people have five levels of needs in life: physiological needs, safety needs, love and belonging, self-esteem and self-actualization. This study suggests to present consumers’ purposes for spending money as a hierarchical framework similar to Maslow’s theory of hierarchical needs (1943). When comparing the

purposes of expenses and purposes in life to this theory, some similarity can be observed. Some kind of hierarchy can also be derived from the how versus why task since one has purposes and then acts in order to fulfil these purposes. This is supported by co-occurrences that have been found in this study between purposes in life and fulfilment of purposes. This hierarchy is not similar to Maslow's theory (1943) because the results of this study do not show that lower-order needs have to be fulfilled before one can satisfy a higher-order need. However, the purposes can be linked to the needs that Maslow (1943) defined. Physiological needs can be linked to the purposes 'necessities' and 'health.' In addition, safety needs can be linked to the purposes 'housing' and 'necessities.' Love and belonging needs can be matched to the purposes 'social' and 'children'. Moreover, self-esteem needs can be linked to 'appearance.' Finally, self-actualization can be matched to purposes like 'traveling', 'career', 'happiness', and 'relaxation.' The links between the theory of hierarchical needs (Maslow, 1943) and the conclusions of this study are shown below in Figure 3.

Figure 3 Links between Maslow (1943) and this study



Studies on saving money have been conducted by several economic psychologists. Saving money can be defined as: “refraining from consumption during one period in favor of later possibilities for consumption“ (Wärneryd, 1989, p. 516). Wärneryd (1989) reviewed earlier work on saving behavior, like the impatience theory of saving (Fisher, 1930), Keynes’ psychological law (Schumpeter & Keynes, 1985), Katona’s economic-psychological theory of saving (Katona, 1975), and a hierarchical theory of saving motives (Lindqvist, 1981).

Katona (1975) identified three types of savings: contractual saving, discretionary saving, and residual saving. Contractual saving usually contains a contract and payment for a longer timeframe. Discretionary saving is about the savings that are left after basic needs have

been satisfied. People may choose between different appealing reasons to save. Residual saving refers to money that is saved for no specific reason. When comparing the mental budgets for savings that have been identified in this study to Katona's (1975) types of savings, some similarity can be observed. Contractual saving can be compared to mental budgets for necessities, such as a house, because it usually contains a contract and one owns a house for a longer period of time. In addition, discretionary saving can be compared to all other mental budgets for savings, since consumers can choose for which purpose they would like to save. Residual saving cannot be compared to the findings of this study since mental budgets for savings are formed for a specific reason.

Furthermore, four motives to save money have been identified by Lindqvist (1981). These motives are ordered in a hierarchical manner, like the theory of hierarchical needs (Maslow, 1943). The motives that Lindqvist (1981) identified are: cash management, buffer for unforeseen emergencies, financial means for attaining a desired goal, and wealth management. The motive of financial means for attaining a desired goal, like discretionary saving (Katona, 1975), can be compared to mental budgets for savings since consumers are able to choose for which purpose they would like to save. Moreover, mental budgeting is also seen as a means to an end in this study.

This study identifies for which purposes consumers save money and how mental budgets for savings lead to the fulfilment of purposes.

5.3 Limitations and further research

This study has some limitations, which may offer opportunities for further research.

Firstly, dynamics between household members have not been taken into account in this study. From the respondents living together with a partner, only one of the partners participated in this study. Therefore, it would be possible that dynamics between household members might play a role in saving and budgeting behavior. This might be worthwhile to explore in future research.

Secondly, the current COVID-19 situation might cause some bias in the answers of respondents. It is a situation that causes much stress and uncertainty, especially financially, and it is highly relevant at the moment. It might be interesting to see if results would differ if this study would be repeated in a different period of time in order to ensure the reliability of this study. Besides COVID-19, other factors concerning time could bias the respondent's

answers. For example, if their business performs better in certain seasons or if they are in a relationship.

Besides, a limitation is that the results of this study cannot be generalized to the whole population of consumers in the Netherlands. This is due to the sample size and sampling technique. In addition, more women than men were included in the sample, namely 17 women and three men. Therefore, this might also have caused some bias. Men might have different purposes than women. Women could, for instance, attach great value to clothing, while men would not. Further research could build upon this study by testing the revised conceptual model using quantitative methods and ensure generalizability.

Another limitation arises from the cognitive abilities of the respondents. During the data collection, it was assumed that the respondents' cognitive abilities were sufficient to recall and to categorize their expenses. This might have been easier for some respondents than for others, which might have caused bias. Moreover, the mental budgets, purposes, categories of expenses, and ways to fulfill purposes are highly subjective. The entertainment category might, for instance, be understood differently by respondents. Future research might include fixed guidelines about what a category includes so these would be understood more objectively. This would increase the validity of the research.

Furthermore, personality traits have not been taken into account in this study. Personality might play a role in financial behavior. Therefore, it might be interesting to explore in further research whether personality traits may have influence consumers' purposes, their mental budgets and the way they fulfill their purposes. Moreover, it can be studied whether a specific target group has a certain mental budget.

Finally, the sample solely consists of Dutch respondents. The results might have been different when this study would have been conducted in different countries due to cultural differences. When looking at Hofstede's culture dimensions (Hofstede, 1983), all of these dimensions might cause differences between results. Therefore, it would be valuable to repeat this research among different countries and consequently different cultures.

5.4 Practical implications

This study has several practical implications. Three implications will be addressed in this section, which are using mental budgets for customer segmentation, promotion of mental budgets and the trade-off between expenditures within a mental budget.

Firstly, knowledge about purposes, mental budgets and fulfilment of purposes can be used for segmentation. Usually, the market is segmented according to several criteria. These criteria for segmentation can entail different characteristics: demographic, geographic, psychographic, and behavioral characteristics. Mental budgets present a new way to target marketing efforts. Nowadays, multiple techniques can be used to gain information in order to segment customers. Segmenting on the basis of mental budgets can be a better proxy than other segmentation criteria. As such, it gives marketers more parameters to interact with consumers that are probably interested in their products. As an example: a religious consumer may have a mental budget for donating to charities and she saves ten percent of her salary every month. In that case, segmentation might be more efficient based on existence of a mental budget for charities than by their religious background.

A second implication is that if a product or service does not fit in any common mental budget, it may be very difficult to sell it. The manager might want to think of a way to motivate people first to make a budget for its services or products. An example of this is funeral insurances. None of the respondents in this study reported to save for their funeral. It would make little sense to convince people to spend their budget on their insurance. They could better find ways to convince them to reserve money for that in the first place.

Finally, this study emphasizes that managers should understand that there is a trade-off between products within a mental budget. It is hard for managers to take all possible alternatives into account, which may be in areas that seem unrelated and they cannot control directly. For example, when looking at the COVID-19 situation. A deep recession is expected. Also, it will be difficult to travel and spend money abroad. Normally, one would not expect expensive daytrips, such as skydive or glamping to become more popular in a recession. But one should not be surprised if they actually did in this particular situation, simply because it comes in favor of an even more expensive alternative.

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Appendices

Appendix A. Interview format

Before the interview starts, the interviewer makes sure the respondent is comfortable. A short introduction will be given about the goal of the interview. Nothing will be said that could bias the respondent's input. Respondents will be made aware of their right to withdraw at any time, when they do not want to continue. Secondly, permission will be asked to record the interview. Furthermore, the respondent will be told that her or his identity remains anonymous. Real names of respondents will not be included in this study. After this introduction, the interview will start if respondents do not have any questions about the interview procedure.

My name is Laura van Houtum. I study at the Radboud University in Nijmegen. This interview is part of my Master thesis in Marketing. I will be asking some questions and this interview will take about 30 minutes. Firstly, I would like to thank you for participating in my research. I want to ask your permission to include our conversation in my research. This information will not be passed on to third parties. You are allowed to stop at any moment.

- Do you agree to the interview being recorded?

Then we will start the interview now.

1. Financial situation

- What is your name?
- How old are you?
- What can you tell me about your financial situation (that concerns your income, savings, and expenses)?
 - o Are you satisfied with this situation?
 - o Has this situation changed in recent year?
 - o Do you expect this situation to change within one year?
 - o Would your spending pattern change as a result?
 - o Do you have a financial budget?
 - o How do you stay within the limits of your financial budget each month/week?
- Who is responsible for most of the spending in your household?

The following question is about mental budgets and the fulfilment of consumer's purposes by spending money. Respondents are asked to name twelve expenses they regularly do. They are asked which expenses would belong together. This question is based on the free sorting task. In case the respondent cannot think of twelve expenses, the researcher is allowed to name some examples, such as: "Do you ever have expenses for gas and light?"

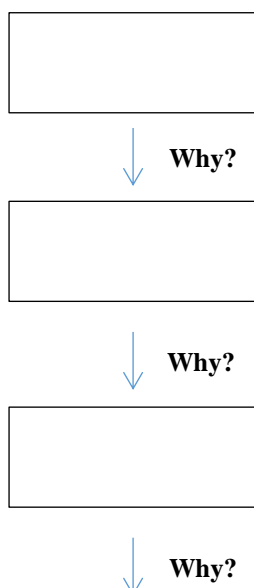
2. *Mental budgeting → fulfilment of purposes*

- When you think of your expenses, could you please name twelve of them?
- Which ones would you put together?
- Which purposes do the expenses have that you have put together?
- Does the size of your budget differ for these budgets?

The "how versus why" task will be used in order to find out which underlying purposes respondents have for their expenses. The interviewer keeps asking about the "why" of things, until no answers will be given anymore. The interviewer is allowed to use probes when the respondent gets stuck. Since it is not possible to assess the purposes for all of the respondent's expenses, this task will only be performed for the expenses that were mentioned in the previous question. The task will be performed for two expenses that the respondent put in the same category and two expenses that the respondent put in different categories. This will be done in order to test if different categories serve different purposes. The condition is that the respondent has made different categories in the previous question.

3. *Expenses → Purposes*

In the previous question, you have mentioned expense X. Can you indicate which purpose this expense serves?



↓ **Why?**

The “how versus why” task will also be used for the following question in order to find out which mental budgets are formed due to the purposes that consumers have for spending their money. The interviewer keeps asking about the “how” of things, until no answers will be given anymore. The interviewer is allowed to use probes when the respondent gets stuck. The interviewer is allowed to give some examples. An example could be “money that is used to fulfill physiological needs”. If the respondent gets stuck, the interviewer could ask: “And what about your expenses, are they done to reach some of your purposes?”

4. *Purposes → Mental budgeting*

Think of the purposes you have in life. Are there goals you are trying to reach? If yes, could you mention one of them? How are you trying to reach this purpose?

↓ **How?**

↓ **How?**

↓ **How?**

↓ **How?**

In the following question, the means–end chain theory is used to find out the underlying goals of certain purchases. Since it is not possible to assess the purposes for all of the respondent's expenses, this task will only be performed for the expenses that were mentioned in the second question. The task will be performed for two expenses that the respondent put in the same category and two expenses that the respondent put in different categories. This will be done in order to test if different categories serve different purposes. The condition is that the respondent has made different categories in the previous question. The laddering technique is used for those purchases.

5. *Means–end chain, laddering*

- In the second question, you have mentioned expense X. For each expense, the following questions will be asked:
 - Which aspects of this product/service do you find most important?
 - Why are these important to you? Why?
 - What does the product mean to you? Why?
 - How do you feel when this product/service does contain these aspects? Why?
 - What are you trying to achieve by buying this product/service? Why?

These questions will be asked until no new answers come up.

The researcher gives a short summary of the answers given by the respondent. By doing this, the researcher is able to check whether the free sorting task, the “why task”, the “how task”, and the laddering technique lead to similar outcomes. Should the answers be contradictory, the researcher can, for example, ask these questions again.

The interview ends with thanking the respondent. The respondent is asked whether he or she would like to receive the results.

Appendix B. Master thesis planning

Period	To do	Notes
27/03 – 24/04	<ul style="list-style-type: none">- Find and contact respondents- Conduct pilot interviews- Check whether the interviews need to be adjusted- Conduct interviews- Start transcribing the interviews- Start analyzing interviews	<ul style="list-style-type: none">- Convenience sampling- Twenty interviews or until no new information comes up- Discuss progress with supervisor
25/04 – 16/05	<ul style="list-style-type: none">- Start or proceed with chapter 4: results- Finish transcription- Finish analysis and provide results	<ul style="list-style-type: none">- Discuss progress with supervisor
16/05 31/05	<ul style="list-style-type: none">- Begin writing chapter 5: conclusion and discussion- Finish chapter 5	<ul style="list-style-type: none">- Discuss progress with supervisor
01/06 - 15/06	<ul style="list-style-type: none">- Improve chapter 4 and 5- Hand in	<ul style="list-style-type: none">- Discuss progress with supervisor

Appendix C. Overview of respondents

Respondent	Date of interview	Age	Gender
1.	01/05/2020	24	F
2.	03/05/2020	29	F
3.	04/05/2020	23	F
4.	04/05/2020	31	M
5.	04/05/2020	59	F
6.	04/05/2020	24	F
7.	05/05/2020	36	F
8.	06/05/2020	25	F
9.	06/05/2020	27	F
10.	06/05/2020	61	F
11.	07/05/2020	38	F
12.	08/05/2020	55	F
13.	08/05/2020	49	F
14.	12/05/2020	34	F
15.	15/05/2020	36	F
16.	15/05/2020	64	M
17.	15/05/2020	42	F
18.	17/05/2020	33	F
19.	20/05/2020	38	M
20.	21/05/2020	24	F

Appendix D. Coding scheme

Overarching codes	Subcodes <i>Note: The sub-codes shown in this column are in some cases deepened in further underlying sub-codes.</i>
Financial situation	<ul style="list-style-type: none"> - Satisfaction financial situation - Financial stability - Income - Having a budget - Financial forecast - Investment
Mental budgeting	<ul style="list-style-type: none"> - Mental budgets saving - Mental budgets spending - Managing mental budgets
Categories of expenses	<ul style="list-style-type: none"> - Necessities - Spare time - Food and beverages - Appearance - Luxury
Purposes in life	<ul style="list-style-type: none"> - Career - Housing - Happiness - Travelling - Children - Health
Purposes of expenses	<ul style="list-style-type: none"> - Social - Relaxation - Necessities - Children - Appearance
Fulfilment of purposes	<ul style="list-style-type: none"> - Savings - Education - Social - Work - Eating healthy
Attributes and consequences	<ul style="list-style-type: none"> - Price - Design - Safety - Health - Happiness - Satisfaction
Situational factors	<ul style="list-style-type: none"> - Age - Family situation - COVID-19 - Religion

Appendix E. Interview transcript

1. Financial situation

- Hoe oud ben je?

Ik ben 36.

- Wat kun je mij vertellen over je financiële situatie (die betrekking heeft op je inkomsten, besparingen en uitgaven)?

Ik heb een stabiel inkomen en mijn man ook. Wij hebben een gezin. Dus we hebben misschien iets andere uitgaven dan mensen zonder kinderen. We zijn best wel bewust bezig met bepaalde uitgaven. We houden ook alles wel bij in Excel waarin ik periodiek ook alles noteer wat we aan uitgaven hebben gedaan zodat we ook echt inzichtelijk hebben, wat geven we nou eigenlijk uit. Dus daar zijn we wel bewust mee bezig. Maar van de andere kant gaan we ook met gemak het terras op of gaan we een nachtje weg. Van de ene kant goed opletten, zodat je aan de andere kant wat kunt genieten. We sparen, wat wil je nog meer weten?

- Beleggen jullie bijvoorbeeld nog?

Nee. We hebben ook geen beleggingshypotheek. We hebben een spaarhypotheek, we hebben spaargeld wat we zelf beheren. Gewoon op de bank, niet in deposito. We sparen voor onze dochter, ook een uitgave die groeit.

- Ben je tevreden met deze situatie?

Ja zeker, is anders geweest hoor. Maar nu zijn we heel tevreden.

- Is deze situatie het afgelopen jaar veranderd?

Nee. Niet heel veel. Misschien trouwens wel, maar dat merken we nog niet zoveel. We hebben momenteel nu twee huizen. We hebben een nieuwbouwhuis en ons eigen huis hebben we nu net verkocht. Maar de overdracht komt nog, dus we hebben een dubbele hypotheek. Dat merken we nu nog niet zo heel erg, maar het is er wel.

- Verwacht je dat deze situatie binnen een jaar zal veranderen?

Nee, buiten het huis niet.

- Je noemde net al dat je budgetten hebt en een Excel lijst bijhoudt. Heb je dan ook potjes voor verschillende uitgaven?

Wat wij doen, wij hebben een geregistreerd partnerschap. Maar we hebben nog wel allebei aparte rekeningen en een gezamenlijke rekening. Dus wat ik doe, ik bereken dan periodiek wat we aan bepaalde kostenposten uitgeven. Dus ik heb bijvoorbeeld een kostenpost voor vaste lasten. Dan heb je de hypotheek, de nutslasten, je abonnementen. Daarnaast hebben we ieder onze eigen kosten. Zoals studieschuld, je eigen uitgaven op het gebied van lunch, je

reiskosten, je persoonlijke verzorging, de kapper, de schoonheidsspecialiste. En dan hebben we nog onze gezamenlijke verzorgingskosten en verder sparen we.

- Hoe blijf je binnen de grenzen van je financieel budget per maand/week?

Ja, dat is ook waarom ik het periodiek wil bekijken. Zo blijf je continu bewust van, geven we nou echt meer uit, ja of nee. Zo kwamen we erachter dat we ineens best wel veel uitgaven aan eten en uitjes. Toen bleek Thuisbezorgd ineens een grote kostenpost te zijn. Dan ga je er wel heel bewust naar kijken en daar bewust mee aan de slag. Het is niet dat ik tot een bepaald budget uitgeef en dat het dan op is. Maar we kijken wel periodiek of we in dezelfde lijn zitten, en zo niet, is dat dan noodzakelijk?

- Dus je overlegt dat ook met je partner?

Ja, zeker.

- Wie is verantwoordelijk voor het grootste deel van de uitgaven in je huishouden?

We hebben alles gesplitst naar inkomen. Bij ons verschilt dat niet zo heel veel. Dus we bekijken ook echt wat we persoonlijk uitgeven. Ik heb nog heel lang een restschuld van een ander huis gehad. Op een gegeven moment stopt dat. Dan betekent dat, dat ik meer overhoud om te besteden. Toen werd de verdeling ook anders. We verdelen onze lasten naar inkomen en naar uitgaven.

2. *Mental budgeting → fulfilment of purposes*

- Als je aan je uitgaven denkt, kun je er dan twaalf noemen?

1. Hypotheek
2. Nutsvoorzieningen
3. Telefonie
4. Boodschappen
5. Vakantie
6. Uitjes
7. Sparen
8. Kinderopvang
9. Huis en tuin onderhoud
10. VVE
11. Verzorging
12. Studieschuld

- Welke van deze twaalf zou je samenvoegen?
- Welke doeleinden hebben de uitgaven die je hebt samengesteld?

Groep 1: hypotheek, nutsvoorzieningen, telefonie, boodschappen, sparen, huis en tuin, VVE, verzorging → Vaste lasten. Die zijn er altijd. Daarvoor zorgen we ook dat er altijd budget voor is. Dat is de groep die moet betaald zijn.

Groep 2: vakantie, uitjes, sparen → Die zijn het meest variabel. Daar zetten we wel een vast bedrag voor opzij, maar mocht je nu toch een keer een tegenvaller hebben, dan sleutelen we daaraan.

Groep 3: kinderopvang → Daar zetten we standaard geld voor opzij. Maar die heb ik apart gezet omdat je er ook weer geld voor terugkrijgt. Dus daar heb je ook een stukje inkomsten op.

Groep 4: studieschuld → Vaste lasten. Dit moet ook altijd betaald worden. Die komt elke maand terug. Ik heb hem apart gezet omdat ik vind dat een schuld niet bij mijn vaste lasten hoort.

- Verschilt de omvang van uw budget voor deze ‘groepen’?

Ja.

- Hoe zou je dat indelen?

De eerste groep is makkelijk te berekenen, dat is elke maand hetzelfde. De studieschuld is ook elke maand hetzelfde, maar daar kun je eventueel nog wat mee doen. Als het echt noodzakelijk is, dan kun je een andere betalingsregeling afspreken. En als we extra spaargeld hebben, kijken we of we dat kunnen oplossen. De uitgaven voor onze dochter is eigenlijk ook vast. We weten wat we daarop terugkrijgen. Maar dat is bewerkelijk, want als er een verandering in inkomsten is, dan moet ik met mijn toeslagen aan de slag. Hij is dus ergens ook variabel omdat je de ene keer wat meer terugkrijgt dan de andere keer. En de laatste groep van vakantie enzo, die is ook wel vast. Maar dat is een beetje variabel, op het moment dat het nodig is dan ga je daar wat mee schuiven.

3. *Expenses* → *Purposes*

- In de vorige vraag heb je uitgave vakantie genoemd. Kun je aangeven welke doel deze uitgave dient?

Ja, wij boeken altijd één keer per jaar een vakantie. Wat we ook heel belangrijk vinden en waar we heel erg naartoe leven. We houden niet heel erg van luxe, misschien ook ergens wel. Maar we hebben altijd wel wensen, en dat zijn niet de goedkoopste wensen. Wij vinden het fijn om daar wel alvast wat voor weg te zetten.

- Waarom is dat zo belangrijk voor jou?

Ik vind dat wij er hard genoeg voor werken. Dat we dat verdiend hebben. Dan mogen we ook echt even weg. Weggaan is toch, zorgt wel voor een andere vakantie dan wanneer je niet weggaat.

- Dus je omschrijft het als een stukje ontspanning?

Ja.

- Of zou je het anders noemen?

Een stukje ontspanning, maar ook een stukje bezinning denk ik. Even stilstaan bij wat er gebeurd is, waar je op dit moment staat in het leven. Ik vind het ook wel een moment om met elkaar weer even te praten over zaken. Je neemt dan meer bewust de tijd voor elkaar.

- Dus er zit ook een sociaal stukje in?

Ja.

- Want je gaat altijd met je gezin of ook met anderen?

Echt op het vakantie gaan is wel altijd met het gezin. Ik moet zeggen, ik ga ook wel vaak met vriendinnen weg, maar dat noem ik geen vakantie. Vakantie is voor mij 3 weken in Spanje.

- En je hebt ook uitjes genoemd in dezelfde categorie. Waarom geef je daar geld aan uit?

Het is een soort mini vakantiegevoel. Dus even er tussenuit gaan. Voor ons is het ook heel belangrijk om even zonder onze dochter er tussenuit te gaan. Even geen ouders zijn. Ik denk dat dat voor ons nu heel typisch voor een uitje is. Voordat we haar hadden was dat anders. Nu is het inderdaad ook even uit het leven van alledag stappen.

- Dus ook hetzelfde als de vakantie, een beetje tijd voor elkaar en ontspanning?

Ja. En genieten. Even wat luxe.

- En in een andere categorie heb je kinderopvang genoemd. Waarom vind je dat zo belangrijk?

Omdat de kinderopvang ervoor zorgt, nu realiseer ik me dat meer dan ooit, dat je meer bent dan alleen ouder. De kinderopvang zorgt er voor mij voor dat ik mijn ambitie kan blijven houden. En dat ik me nuttig kan maken. Me nuttig voelen.

- Dus dat is voor jou het allerbelangrijkst?

Ja. Het is eigenlijk heel egoïstisch, maar dat is hoe het is.

- En in een andere groep heb je de hypotheek genoemd. Waarom vind je het belangrijk om een eigen huis te hebben?

Op de lange termijn vind ik dat een betere investering dan huren. Ik vind ook met je eigen huis, het is een stukje eigen verantwoordelijkheid. Je mag zelf de beslissingen nemen. Het is ook een stukje normaal dat je een huis hebt.

- Waarom vind je dat zo belangrijk?

Je haalt er echt wel een stuk investering uit aan het einde van de streep. Natuurlijk betaal je ervoor en natuurlijk is het duur, maar het is niet een nieuw kledingstuk wat je koopt. Je kunt er jaren mee vooruit. Het zegt ook wie je bent.

- Hoezo zegt dat wie je bent?

Ik vind dat als je ergens binnenstapt en je kent iemand niet, dan heb je wel een gevoel. Een huis kan heel veel zeggen wie je bent als persoon, waar jij waarde aan hecht. Het is een sfeer.

- Dus het is voor jou meer dan een bezit?

Het is een gevoel voor thuis zijn, ik vind thuis en familie heel belangrijk.

4. *Purposes → Mental budgeting*

- Zijn er doelen die je probeert te bereiken in je leven? Zo ja, kun je er een paar noemen?

Een heel groot doel wat wij binnenkort mogen verwezenlijken is ons nieuwe huis. Daar hebben we heel erg naartoe geleefd en daar hebben we hard voor gewerkt. Dat is al een doel op zich.

- En heb je nog meer doelen?

Ja, ik zou ooit wel weer wat met mijn gastvrijheid passie, met mijn horeca passie willen doen. iets zelf. Een B&B of iets in die richting.

- En het nieuwe huis, hoe heb je ervoor gezorgd dat dat er kwam?

Wij hebben eerst mijn restschuld helemaal weggewerkt. Dus we hebben ervoor gespaard. En ik denk ook wel dat we de goede tijd hebben afgewacht. En ook wanneer we toe waren aan een nieuw huis. En dat was een beetje wanneer we onze dochter kregen.

- En heb je je uitgaven daarop aangepast?

Ja zeker, ik ben veel meer gaan sparen ineens.

- En had je dat spaarpotje ook echt voor je huis?

Ja, dat hebben we echt wel voor het nieuwe huis. Ik ben nooit zo'n spaarder geweest. Ik wist niet dat ik het in me had.

- En de horeca passie, ben je daar al mee bezig?

Nee.

- Dus dat is echt iets voor in de toekomst?

Daar is nu echt nog geen ruimte voor.

- En zou je daar in de toekomst dan rekening mee houden?

Ja, daar zouden we dan financieel wel echt rekening mee moeten houden. Als ik minder zou werken, dan komen er minder inkomsten binnen. Een passie hoeft niet persé geld op te leveren, daar moeten we wel echt naartoe werken.

- Dus je zou je uitgaven daar echt wel op aanpassen?

Ja, absoluut.

5. *Means–end chain, laddering*

- Bij de tweede vraag heb je uitgave boodschappen genoemd. Welke aspecten aan boodschappen doen vind je het belangrijkste?

Wij kijken wel naar aanbiedingen, wij zijn wel seizoenskopers. We kijken naar seizoensgroenten, seizoensfruit. We kijken naar de folders online. Dan kijken we wat er goedkoop is en daar pas ik dan de recepten op aan. Wij zijn grootinkopers. Als we ergens een aanbieding zien van een bepaald product, dan kopen we een voorraad in. We hebben dus altijd wel een voorraad liggen. We zijn daar wel bewust van. Als we zien dat onze wijn in de aanbieding is, dan nemen we 5 dozen mee in plaats van 1 doos. Daar gaan we wel heel bewust mee om.

- Is het een hobby van jou of een noodzaak?

Allebei, ik vind het leuk om te doen, maar het is wel noodzaak. Boodschappen doen is noodzakelijk, maar niet alle producten die je koopt zijn noodzakelijk.

- Welke zou je dan bijvoorbeeld kopen die niet noodzakelijk zijn?

Wijn. Ik denk dat je groenten en fruit noodzakelijk zijn. Ook omdat je zelf gezond wil zijn, maar alles daar omheen is niet noodzakelijk. Ik vind drinken sowieso niet noodzakelijk. Je kunt ook water drinken.

- Waarom zijn deze boodschappen belangrijk voor jou?

Dat maakt mij heel gelukkig. Wij houden allebei wel van eten, van een bourgondische levensstijl. Dat maakt mij als mens gelukkig. Dat maakt mij als mens ontspannen. Dat geeft mij de mogelijkheid om met andere dingen bezig te zijn dan met werk of moeder zijn.

- Dus het is voor jou niet alleen noodzaak, maar ook ontspanning?

Ja.

- En in dezelfde categorie heb je verzorging genoemd. Wat vind je daar belangrijk aan?

Ik vind het belangrijk dat je verzorgd voor de dag komt, waarbij ik een kappersbezoek dan nog het minst belangrijk zou vinden. Ik ga nooit alleen naar de kapper om alleen maar mijn haar te knippen, dus dan wordt het een luxegoed. Dus daar kun je ook keuzes in maken. En in verzorging ook. Sommige dingen zijn noodzakelijk, je moet je haar wassen, je moet iets hebben om je in te zepen onder de douche. Maar dat hoeft geen dure scrub te zijn. En nu met corona, nu kijk ik heel bewust niet naar wat er in de aanbieding is, maar support ik de lokale economie. Dus ik koop ook producten bij mijn schoonheidsspecialiste extra. Dat doe je nu heel bewust. Dat vind ik wel heel belangrijk.

- Dus je vindt het niet alleen belangrijk als luxegoed, maar ook om andere ondernemers om andere ondernemers te supporten?

Ja, vooral nu wel.

- Maar je vindt het ook een stukje luxe?

Absoluut.

- Waarom is dat belangrijk voor jou?

Het kan. We hebben ervoor gekozen om allebei qua baan iets te hebben waardoor we dat ook kunnen doen, dat is een keuze die je maakt. Wij kunnen er allebei wel van genieten. Ik vind het ook fijn om iets lekkers te kunnen kopen.

- Maar je voelt je er dus fijn bij als je zoiets kunt doen?

Ja, ik vind het altijd wel een uitje hoor. Naar de drogist ook. Ik vind het ook heerlijk om naar de kapper te gaan, ik geniet daar wel van. Ook een stukje ontspanning.

- En dan hebben we nog de VVE. Waarom doe je dat?

Het is noodzakelijk, het moet bij ons. Het is geen vrijwillige keuze.

- Wat vind je belangrijk dat zij regelen?

Het onderhoud van de balustrade, het schilderwerk. Wij wonen op een maisonnette dus wij hebben gezamenlijk een galerij, een gezamenlijke trap, een berging met een gezamenlijke ingang. Ik betaal daar aan zodat het onderhouden wordt.

- Dus ook zodat je het zelf niet hoeft te doen?

Ja, die keuze is hier gemaakt ooit, het moet.

- Zijn er bepaalde dingen die je ervan verwacht?

Ja, ik verwacht dat het bedrijf wat wij inhuren als VVE, dat die haar werk doet en dat wij een gezonde VVE zijn.

- Betekent dat nog iets voor jou?

Ja, als de VVE er niet was, dan betekent dat nieuwe kostenposten waar wij geen ervaring mee hebben. Dan moeten we het zelf gaan doen.

- Dus het is ook een stukje zekerheid?

Dat klopt, nu weten we dat er elke 4 jaar geschilderd wordt en daar kunnen we rekening mee houden. Straks moeten we dat zelf regelen en het kan zomaar zijn dat dat op een moment is dat het financieel niet uitkomt.

Appendix F. Code co-occurrence tables

	◇ mental budget for expenses	◇ mental budget for savings
◇ financial budget	3 (0,20)	3 (0,15)
◇ no financial budget		

	◇ categories - food and beverages	◇ Categories - necessities	◇ categories - spare time
◇ mental budget for expenses	2 (0,14)	6 (0,24)	5 (0,25)

	◇ purposes life - being happy
◇ categories - spare time	5 (0,23)

	◇ mental budget for savings
◇ purpose in life housing	3 (0,30)

	◇ purposes - relaxation
◇ purposes - social	9 (0,15)

	◇ mental budget for savings
◇ fulfillment purposes - savings	5 (0,20)

	◇ purposes - social
◇ fulfillment purposes - social	4 (0,08)

	◇ purposes life - career
◇ fulfillment purposes - work	4 (0,36)

	◇ purposes life - staying healthy
◇ fulfillment purposes - eating healthy	2 (0,33)

	◇ purposes - necessities
◇ purposes - social	3 (0,05)

	◇ purposes - relaxation
◇ purposes - social	10 (0,15)

	◇ purposes life - being happy	◇ purposes life - staying healthy
◇ age above 40	3 (0,43)	3 (0,60)

	◇ has children
◇ mental budget for savings - children	5 (0,45)
◇ purposes - raising child	8 (0,67)

	◇ Corona
◇ poorer financial situa...	3 (0,38)

	◇ mental budget for savings - charities
◇ religion	1 (1,00)