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RESEARCH IN PROGRESS

The Role of Personality and Late-Life Categorical Spending Regret

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Abstract This study examines the association between the big five "OCEAN" personality traits and late-life categorical spending regret. The categorical spending regrets examined are housing, food, clothing, appliances/furnishings, cars, leisure, child-related expenses, and providing financial help. Openness was associated negatively with spending regret on food. Conscientiousness was associated positively with spending regret on appliances/furnishings and cars. Extraversion was associated negatively with spending regret on food, cars, and providing financial help. Agreeableness was associated positively with spending regret on food, clothing, leisure, and providing financial help. The results for Neuroticism indicated no statistically significant association between the OCEAN personality traits and the categorical spending regrets tested. The findings provide insight into the psychological mechanisms underlying consumer spending regret and offer additional support for research on the psychological benefits of personality-matched spending.

Keywords Aging · Financial satisfaction · OCEAN · Personality traits · Spending regret

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Introduction

The ubiquitous act of spending serves as the primary medium for acquiring necessities to meet basic life needs. Operating under the condition that individuals maintain a budget constraint, individuals face trade-offs between what they can or cannot acquire through their limited financial resources. Given their respective budget constraints, individuals must decide how to consume in a manner that promotes the greatest utility from their limited resources. Consequently, spending can be viewed as an intended action that is performed in a manner that facilitates the greatest hedonic benefit for both oneself and others who have an interdependent connection with the spender.

Spending involves opportunity costs in addition to direct monetary costs (Mellers & McGraw, 2001; Mellers et al., 1999). Opportunity costs are the benefits foregone that a consumer would have derived by considering spending alternatives. Spending, therefore, has the potential to foster emotions of pleasure and pain given the monetary and opportunity costs associated with this daily consumer activity. Using an event-related fMRI study design, Knutson et al. (2007) found that the anticipatory influence of pleasure and pain precedes and supports spending decisions.

Considering the gains and losses resulting from monetary and opportunity costs, the intended effect of spending is to maximize economic benefit and satisfaction (Csikszentmihalyi, 2000; Korankye & Pearson, 2023; Matz et al., 2016). However, researchers have suggested that this relationship is subjective in nature, arguing that individual differences moderate the optimal types of spending decisions (Hill & Howell, 2014; Liu et al., 2023a; Pearson, 2020; Rowena et al., 2023; Zhang et al., 2014). For example, self-congruity theory suggests that individuals spend on items not only for their functional intent but also because of their perception of brand image and perception of their own self-image (Sirgy, 1982, 1985). Ozer and Benet-Martinez (2006) showed that preferences vary across a vast array of domains, and these preferences are driven by psychological characteristics.

As noted by Matz et al. (2016), psychological theory offers a framework that explains the connection between spending satisfaction, spending regret, and individual differences. Moreover, personality traits embody fundamental differences in the way individuals think, feel, and behave (APA, 2022), and they are closely related to preferences that predict behaviors (Bleidorn et al., 2019; Golsteyn & Schildberg-Hörisch, 2017; Ozer & Benet-Martínez, 2006), including how individuals manage their finances (Asebedo et al., 2019; Fenton-O'Creevy & Furnham, 2020; Liu et al., 2023b; Pearson & Lee, 2022) and accumulate wealth (Asebedo et al., 2022). Consequently, personality traits provide a useful framework to identify the contributing factors that explain the variation in spending and spending regret among the populace.

Spending Regret verse Buyer's Remorse

Regret is a set of cognitively based negative emotions which are experienced when one has realized or imagined that their current condition would have been improved if one would have taken a different set of actions (Zeelenberg, 1999). Consequently, spending regret can be defined as a set of experienced cognitively based negative emotions that result from the experiences received and foregone that result from spending behavior.

The distinction between spending regret and buyer's remorse is paramount, as the concept of spending regret transcends the temporary salience of buyer's remorse. Buyer's remorse is defined as a sense of disappointment resulting from a consumer purchase. The theory underlying buyer's remorse is rooted in the concept of cognitive dissonance, suggesting one consciously and unconsciously pursues psychological internal consistency (Festinger, 1957). When spending decisions do not align with expectations, a consumer may experience buyer's remorse (Akerlof & Dicken, 1982; Maziriri & Madina, 2015). This helps explain why buyer's remorse is associated with ceasing to use a particular product or service (Kang et al., 2009; Korankye et al., 2024; Lemon et al., 2002).

During a reflective life-stage, such as in late life, the assessment of lifetime purchase behavior allows for the opportunity to understand how spending behaviors may have manifested into spending regret. Spending regret, or the long-term dissatisfaction received from the purchase of certain goods and services and the dissatisfaction received from the foregone purchase alternatives, may potentially be explained by a misalignment of spending behavior and one's personality traits.

Spending and the Big Five "OCEAN" Personality Traits

Recent research has generally shifted the scholarship trajectory from pinpointing what types of spending increase spending satisfaction in favor of examining the types of spending that increase an *individual's* spending satisfaction (see Gladstone et al., 2019; Matz et al., 2016; Pearson et al., 2024). Much of the research is based upon the premise that individuals' personalities can influence both the relative amount of individual spending and the types of spending (Maddi et al., 2013; Tovanich et al., 2021). For example, Zhang et al. (2014) found that experiential purchases result in greater satisfaction for buyers who value experiential purchases compared to buyers who value material purchases.

This study's purpose is to investigate the connection between the big five model of personality traits and late-life categorical spending regret. The Big Five model posits that five traits comprise an individual's general personality framework: openness to experience, conscientiousness, extraversion, agreeableness, and neuroticism ("OCEAN"; Costa & McCrae, 1985; Goldberg, 1992). This study posits that spending provides an increase in satisfaction and well-being when there is an alignment between one's spending and one's OCEAN personality traits. Without this alignment, the second research hypothesis is that individuals are more likely to experience spending regret in late life.

Big Five Personality Traits and Late-Life Categorical Spending Regret Hypotheses

Expected Outcomes

Table 1 provides the hypothesized associations between the OCEAN personality traits and late-life categorical spending regret.

Openness to Experience

Openness to experience (Openness) is best regarded as both motivational and structural (McCrae & Costa, 1997). Openness is a predictor of the active pursuit of new and diverse experiences and provides an indicator of how relatively open one is to an experience (Barrick & Mount, 1991; McCrae, 1993; Pearson et al., 2021). Individuals with higher levels of openness are associated with less materialism (Troisi et al., 2006) and enjoy creative activities (Tan et al., 2019). It is hypothesized that individuals who are open will regret spending on materialistic categories but will not regret spending on experience-based categories.

H1 Openness is associated negatively with regret on food and leisure categorical spending.

Table 1 Hypothesized association between OCEAN personality traits and categorical spending regrets

	Openness	Conscientiousness	Extraversion	Agreeableness	Neuroticism
Housing	±	±	±	±	±
Food	−	±	−	+	±
Clothing	±	+	±	+	±
Appliances/furnishings	±	+	−	+	±
Car	±	+	−	+	±
Leisure	−	±	±	+	±
Children’s education	±	±	±	±	−
Providing help	±	±	±	±	−

Conscientiousness

Individuals exhibiting greater conscientiousness have a propensity to be orderly, self-controlled, hardworking, and rule-abiding (Roberts et al., 2009, 2014). Conscientiousness is a predictor of achievement independent of cognitive ability (Noftle & Robins, 2007; Roberts et al., 2007), job performance (Dudley et al., 2006), and income (Moffitt et al., 2011). Research also suggests that conscientiousness is related to higher levels of net worth (Duckworth et al., 2012; Letkiewicz & Fox, 2014) and is associated negatively with impulsive spending (Weston et al., 2019). Conscientiousness is hypothesized to be associated positively with spending regret on categories that could be perceived as impulsive and that are related to depreciating assets.

H2 Conscientiousness is associated positively with regret on clothing, appliances/furnishings, and car categorical spending.

Extraversion

Extraversion represents the extent to which an individual exhibits sociability, positive emotions, and activity (Costa & McCrae, 1980). Those with greater extraversion are more likely to rely on others for guidance (Amirkhan et al., 1995), have a larger social network, and contact their social network more frequently (Russell et al., 1997). Extraversion within the financial domain tends to be associated with lower savings rates (Hirsh, 2015) and impulsive spending (Fenton-O’Creevy & Furnham, 2020).

H3 Extraversion is associated negatively with regret on food, clothing, appliances/furnishings, car, and leisure categorical spending.

Agreeableness

Agreeableness is associated with behavioral characteristics that are warm, cooperative, kind, and sympathetic (Costa et al., 1991; Graziano & Eisenberg, 1997). Agreeableness is also related to the motivation to acquire and maintain positive interpersonal relations (Graziano, 1996; Jensen-Campbell & Graziano, 2001). Evidence from Mongrain et al. (2018) show that individuals with high levels of agreeableness tend to spend money on others to promote their happiness. In addition, greater agreeability is inversely related to investment and savings behavior (Nyhus & Webley, 2001; Pearson & Guillemette, 2020) and positively with compulsive buying behavior (Mowen & Spears, 1999).

H4 Agreeableness is associated positively with regret on food, clothing, appliances/furnishings, car, and leisure categorical spending.

Neuroticism

Neuroticism is associated with an increased enduring tendency to exhibit negative emotions such as stress, fear, sadness, and worry (Claridge & David, 2001). Individuals who are neurotic tend to exhibit behaviors related to self-consciousness and tend to be more vulnerable to emotional hurt (Costa & McCrae, 1985). Morrison (1997) found that those with higher levels of neuroticism have a greater external locus of control, and Wang et al. (2008) suggested that those with a greater external locus of control view their finances as beyond the individual’s control.

H5 H5: Neuroticism is associated positively with regret on child-related expenses and providing financial help categorical spending.

Methods

Transparency and Openness

This study, the hypotheses, and analyses were not preregistered. All data, analytic code, and research materials are available online. This study and its results have not been reported elsewhere.

Data and Sample

This study used data collected from a survey fielded in the RAND American Life Panel (ALP). The survey data were collected between December 2017 and February 2018. Weights were provided to approximate the distributions of age, sex, ethnicity, education, and income in the Current Population Survey. The data collection targeted individuals over the age of 50. The sample size was 1886. See Hudomiet et al. (2018) for a further description of the data. Institutional Review Board approval was not required to conduct this study, as the data are available to the public and not individually identifiable.

Table 2 provides a summary of the descriptive statistics of the sample. The sample is comprised of individuals that are White (87.6%), men (46.2%), married (62%), employed (53.3%), and have at least a 4-year college degree (50.2%). 39.8% had household income of more than $75,000 annually. The average age of the sample was 63.

This study is interested in late-life categorical spending regrets. A relatively older and fully developed sample provides personality stability (Costa & McCrae, 1986; Damian et al., 2019; McCrae & Costa, 1994). Life choices made at later stages in the life cycle are more likely to reflect one's personality when compared to life choices that are made in earlier stages (Mortimer & Simmons, 1978; Stokes et al., 1989). The older sample allows for the opportunity to explore regrets related to accumulate lifetime spending.

Spending Regret

Survey participants from the RAND ALP were presented with the prompt, "To save more you have to spend less. Which of the spending categories could you have possibly spent less on?" The possible responses included: housing, food, clothing, appliances and home furnishings (appliances/furnishings), car, leisure/going out/dining out, hobbies, etc. (leisure), children's education or other child-related expenses (child-related expenses), and providing financial help. Survey participants had the opportunity to select multiple spending regret categories.

Table 3 provides the average categorical means of the spending regrets. Survey participants experienced spending regret (%) in the following categories: housing (10.2%), food (24.2%), clothing (18.9%), appliances/furnishings (11.5%), car (15.3%), leisure (31.8%), child-related expenses (4.6%), and providing financial help (10.7%).

Table 4 provides a summary of the frequency distribution for the categorical spending regrets. Of the 1886 sample, 1013 (53.7%) responded with having no spending regret. The remaining sample reported having at least one categorical spending regret. Of the 1886 sample, 199 (10.6%) reported having 1 categorical spending regret, 240 (12.7%) reported having 2 categorical spending regrets, 187 (9.9%) reported having 3 categorical spending regrets, 146 (7.74%) reported having 4 categorical spending regrets, 54 (2.9%) reported having 5 categorical spending regrets, 31

Table 2 Descriptive statistics

	Mean	Standard dev
Income (under 75 k as base)	39.77%	48.95
Married (non-married as base)	62.04%	48.54
Male (female as base)	46.18%	49.86
White (non-white as base)	87.59%	32.98
Education (no 4-year degree as base)	50.21%	50.01
Age	62.91	7.51
Employed (not employed as base)	53.29%	49.91

N = 1886

If the respondent was male, white, married, made $75,000 or more annually, or had at least a 4-year college education, a separate dummy variable for each variable are created with an assigned value of '1.' All other responses are coded as '0'

Table 3 Average categorical spending regret

	Mean	Standard dev
Housing	10.18%	30.24
Food	24.18%	65.28
Clothing	18.88%	39.14
Appliances/furnishings	11.51%	31.92
Car	15.27%	35.98
Leisure	31.81%	46.59
Children's education	4.56%	20.87
Providing help	10.66%	30.87

N = 1886

Table 4 Frequency distribution of multiple categorical spending regrets

	Frequency	Percentage	Cumm. percentage
0 Spending regret(s)	1013	53.71%	53.71%
1 Spending regret(s)	199	10.55%	64.26%
2 Spending regret(s)	240	12.73%	76.99%
3 Spending regret(s)	187	9.92%	86.9%
4 Spending regret(s)	146	7.74%	94.64%
5 Spending regret(s)	54	2.86%	97.51%
6 Spending regret(s)	31	1.64%	99.15%
7 Spending regret(s)	12	0.64%	99.79%
8 Spending regret(s)	4	0.21%	100%

N = 1886

(1.6%) reported having 6 categorical spending regrets, 12 (0.6%) reported having 7 categorical spending regrets, and 4 (0.21%) reported having all 8 categorical spending regrets.

Big Five Personality Traits

The big five personality traits: Openness, conscientiousness, extraversion, agreeableness, and neuroticism served as the latent variables constructed using indicators obtained from the ALP data. The personality explanatory variables are estimated by utilizing Lachman and Weaver's (1997) approach to personality scale construction and scoring. The ordinal indicators were measured using a 4-point Likert-type scale. The higher the indicator reflected greater identification with each trait. Each of the OCEAN traits exhibited acceptable ($0.7 \leq \alpha < 0.8$) internal reliability. The Cronbach's Alpha scores of 0.70 for openness, 0.77 for conscientiousness, 0.71 for extraversion, 0.71 for agreeableness, and 0.73 for neuroticism.

A structural equation model with a confirmatory factor analysis (CFA) was utilized to examine the underlying personality traits and indicators obtained from the ALP data. The results are reported in Fig. 1 and Table 5. All unstandardized and standardized pattern coefficients were significant ($p < 0.001$).

The Chi-square test initially indicated large differences between expected and observed covariance matrices ($\chi 2$(df 289) = 3813.04; $p \leq 0.001$). However, the Chi-square test is sensitive to rejection when testing larger sample sizes (Kline, 2016; Ullman & Bentler, 2003). The root mean square error of approximation (RMSEA) is useful when conducting a CFA on a large sample size (Savalei, 2012; Schubert et al., 2017). The model's RMSEA of 0.05 (90% CI = 0.048, 0.052) indicates an adequate fit. The comparative fit index (CFI) and the Tucker-Lewis index (TLI) indicate an adequate fit, with results of 0.89 and 0.88, respectively.

Model

To model the relationship between the Big Five personality traits and the categorical spending regrets, the following probit models were estimated via maximum likelihood:

$$\text{SpendRegret}_z = \beta_0 + \beta_j \text{OCEAN}_j + +\beta_h D_h + e_z$$

with

$$P\left(Y = 1|\text{OCEAN}_j, D_h\right) = \Phi\left(\beta 0 + \beta_j 5\text{OCEAN}_j + \beta_h D_h\right)$$

where SpendRegret_z is a matrix of the observed dependent variables, coded as a "1" if the respondent reported a spending regret in the spending regret category tested and a "0" otherwise.

The matrix OCEAN_j enters the model as a series of continuous variables representing the OCEAN traits. Each of the five traits was estimated utilizing the recommended methodology on a 4-point Likert-type scale (Lachman & Weaver, 1997). The scale was based upon the extent survey respondents felt 20 adjectives described them. The higher respondents scores reflected greater identification with each of the traits. This methodology has been well established in the psychology literature (Asebedo et al., 2019; Lachman & Weaver, 1997; Mueller & Plug, 2006).

D_h is a matrix representing the survey participants demographic variables. The demographic variables that were included in the model were indicator variables for whether the participant was married, was male, was white, had a 4-year college degree, was employed, made over $75,000 annually, and a continuous variable measuring age.

β_0 represents the y-intercept of the model. β_j is the vector of coefficients related to the OCEAN_j matrix of personality variables. β_h is the vector of coefficients associated with the demographic variables. e_z is the vector of error terms related to each of the regressions. Average marginal effects were

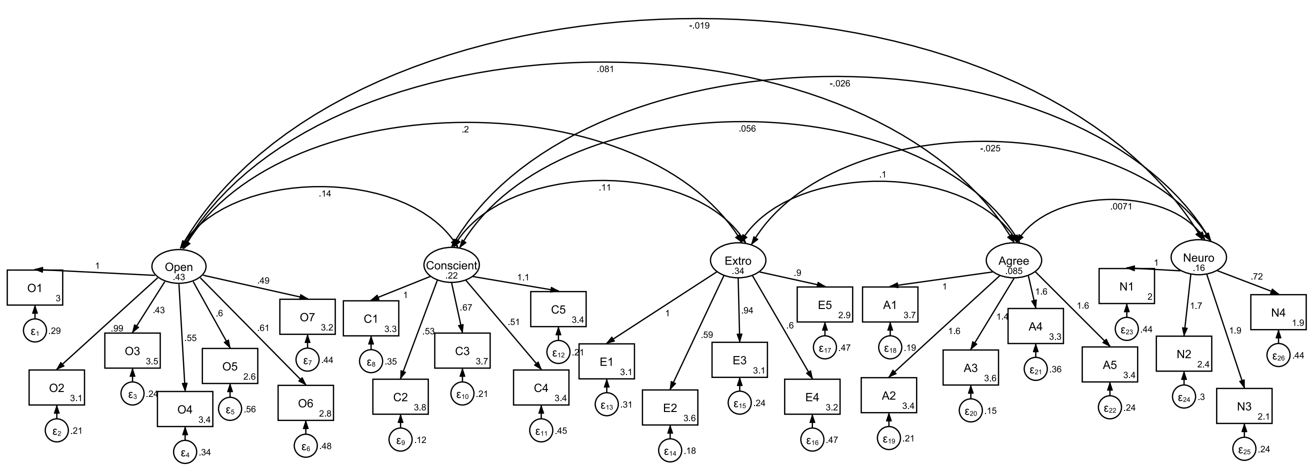

Fig. 1 Structural equation model with confirmatory factor analysis

Table 5 Confirmatory factor analysis results

Parameter		Unstandardized		Standardized	
		Coeff	SE	Coeff	SE
Openness					
O1	Creative	1[a]		0.77	0.01
O2	Imaginative	0.98	0.03	0.81	0.01
O3	Intelligent	0.43	0.02	0.50	0.02
O4	Curious	0.55	0.03	0.53	0.02
O5	Sophisticated	0.60	0.04	0.46	0.02
O6	Adventurous	0.61	0.03	0.50	0.02
O7	Broadminded	0.49	0.03	0.44	0.02
Conscientiousness					
C1	Organized	1[a]		0.62	0.02
C2	Responsible	0.53	0.03	0.58	0.02
C3	Hardworking	0.67	0.04	0.57	0.02
C4	Careless	0.51	0.04	0.33	0.02
C5	Thorough	1.06	0.04	0.74	0.02
Extraversion					
E1	Outgoing	1[a]		0.72	0.02
E2	Friendly	0.59	0.03	0.62	0.02
E3	Lively	0.94	0.03	0.74	0.01
E4	Active	0.60	0.04	0.45	0.02
E5	Talkative	0.90	0.04	0.61	0.02
Agreeableness					
A1	Helpful	1[a]		0.55	0.02
A2	Warm	1.57	0.08	0.71	0.02
A3	Caring	1.40	0.07	0.73	0.01
A4	Softhearted	1.60	0.09	0.62	0.02
A5	Sympathetic	1.57	0.08	0.69	0.02
Neuroticism					
N1	Moody	1[a]		0.52	0.02
N2	Worrying	1.71	0.09	0.78	0.02
N3	Nervous	1.86	0.9	0.83	0.02
N4	Calm	0.72	0.5	0.40	0.02

[a]Not tested for statistical significance. All other unstandardized and standardized pattern coefficients are significant at $p < 0.001$

Model fit indices are: $\chi 2$(df 289) = 3813.04, $p \leq 0.000$; RMSEA = 0.05, 90% CI [0.048, 0.052], CFI = 0.89, TLI = 0.88

calculated to determine the magnitudes of the associations of these variables and the categorical spending regrets.

Results

OCEAN Traits Association with Spending Regrets

Table 6 provides the average marginal effects and standard errors from the probit regressions. The OCEAN Traits were associated significantly with the following categorical spending regrets: food, clothing, appliances/furnishings, car, leisure, and providing help. Housing and children's education had no statistically significant association with any of the OCEAN personality traits.

Each of the OCEAN traits had their own unique associations. Openness was associated negatively with the food categorical spending regret ($p < 0.10$). Consciousness was associated positively with the appliances/furnishings categorical spending regret ($p < 0.05$) and was associated positively with the car categorical spending regret ($p < 0.01$). Extraversion was associated negatively with the food categorical spending regret ($p < 0.10$), was associated negatively with the car categorical spending regret ($p < 0.05$), and was associated negatively with the *providing help* categorical spending regret ($p < 0.001$). Agreeableness was associated positively with the food categorical spending regret ($p < 0.01$), associated positively with the clothing categorical spending regret ($p < 0.01$), was associated positively with the leisure categorical spending regret ($p < 0.01$), and was associated positively with the providing help categorical spending regret ($p < 0.001$). The results for neuroticism indicate no statistically significant association between the categorical spending regrets tested.

Discussion and Conclusion

Openness

Individuals who are more open are less likely to regret lifetime spending on food. The conscious (unconscious) edible (non-edible) food experience emphasizes the viewpoint of food as an experiential product. Rosenzweig and Gilovich (2012) showed material versus experiential properties of a product influence spending behavior and regret. The experiences received from food purchases by individuals who are more open may lead to greater lifetime spending satisfaction and a decrease in the likelihood of having spending regret in late life.

Conscientiousness

Individuals who are more conscientious are more likely to regret lifetime spending on appliances/furnishings and cars. The monetary values of cars and appliances/furnishings rarely appreciate over time; rather, the monetary values of cars and appliances/furnishings are more likely to depreciate over time. Because conscientiousness has been associated with higher levels of net worth (Duckworth et al., 2012; Letkiewicz & Fox, 2014), it is likely that individuals who are more conscientious receive dissatisfaction from the monetary depreciation of their cars and appliances/furnishings post-purchase. The accumulated dissatisfaction received from the monetary depreciation of lifetime purchases can

Table 6 Probit regression average marginal effects and standard errors

	Housing		Food		Clothing		Appliances/furnishings	
	Marginal effect	Standard error	Marginal effect	Standard error	Marginal effect	Standard error	Marginal effect	Standard error
Open	−0.0137	0.0169	−0.0337†	0.0183	−0.0185	0.0216	−0.0201	0.0178
Conscien-tiousness	0.0192	0.0187	−0.0146	0.0193	−0.0129	0.0235	0.0396*	0.0198
Extraversion	0.0119	0.0163	−0.0296†	0.0172	0.0218	0.0207	0.0178	0.0173
Agreeableness	0.0231	0.0186	0.0564**	0.0202	0.0722**	0.0243	0.0226	0.0197
Neuroticism	0.0122	0.0147	0.0004	0.0162	−0.0281	0.0191	0.0096	0.0157
Income	0.0058	0.0163	0.0089	0.0175	0.0095	0.0209	0.0116	0.0172
Married	0.0049	0.0157	−0.0157	0.0166	−0.0329†	0.0196	−0.0239	0.0162
Male	0.0372*	0.0149	0.0088	0.0162	−0.0761***	0.0192	0.0407**	0.0157
White	0.0147	0.0227	0.0196	0.0240	−0.0549*	0.0264	−0.0152	0.0222
Education	−0.0145	0.0151	−0.0424**	0.0612	−0.0272	0.0191	−0.0539***	0.0151
Age	0.0021†	0.0011	0.0018	0.0012	0.0056***	0.0014	0.0026*	0.0012
Employed	0.0194	0.0163	0.0349*	0.0175	0.0377†	0.0207	−0.0089	0.0169
	Car		Leisure		Children's education		Providing help	
	Marginal effect	Standard error	Marginal effect	Standard error	Marginal effect	Standard error	Marginal effect	Standard error
Open	−0.0187	0.0198	−0.0201	0.0257	−0.0072	0.0116	0.0254	0.0173
Conscien-tiousness	0.0601**	0.0219	−0.0441	0.0273	0.0134	0.0131	0.0222	0.0192
Extraversion	−0.0327*	0.0188	−0.0362	0.0244	0.0008	0.0109	−0.0581***	0.0160
Agreeableness	0.0231	0.0214	0.0919**	0.0278	0.0101	0.0131	0.0841***	0.0201
Neuroticism	0.0212	0.01756	−0.0141	0.0227	0.0119	0.0101	0.0102	0.0149
Income	0.0068	0.0192	−0.0167	0.0248	0.0274*	0.0116	0.0165	0.0162
Married	−0.0026	0.0185	−0.0375	0.0234	−0.0179	0.0109	−0.0203	0.0154
Gender	0.0889***	0.0175	0.0613**	0.0226	−0.0161	0.0107	−0.0131	0.0153
White	−0.0111	0.0257	−0.0234	0.0326	0.0272	0.0177	−0.0368	0.0207
Education	−0.0265	0.0177	−0.0873***	0.0225	−0.0121	0.0104	−0.0258†	0.0150
Age	0.0059***	0.0013	0.0094***	0.0016	0.0004	0.0008	0.0056***	0.0011
Employed	0.0262	0.0191	0.0923***	0.0244-	0.0025	0.0113	0.0378*	0.0162

$N = 1886$

If the respondent was male, white, married, made $75,000 or more annually, or had at least a 4-year college education, a separate dummy variable for each variable are created with an assigned value of '1.' All other responses are coded as '0'

Significance is defined as follows: † significant at $p < 0.10$; * significant at $p < 0.05$; ** significant at $p < 0.01$; *** significant at $p < 0.001$

help explain the association between conscientiousness and appliances/furnishings and cars categorical spending regret.

Extraversion

Individuals who are extraverted are less likely to regret lifetime spending on food, cars, and providing financial help. Extraversion is associated with excitement and stimulation, which are associated with impulsive purchases (Hussain & Siddiqui, 2019; Verplanken & Sato, 2011). Fenton-O'Creevy and Furnham (2020) provided evidence that individuals who are more extraverted tend to be impulsive with their purchases. The categories of food, cars, and providing financial help present opportunities for impulsive purchasing, which may manifest into spending regret.

Agreeableness

Individuals who are more agreeable are more likely to regret lifetime spending on food, clothing, leisure, and providing financial help. This finding links to the evidence provided by Mowen and Spears (1999), who showed agreeability is related positively to compulsive buying behavior. Housed inside of the food, clothing, and leisure spending categories are a plethora of compulsive purchase opportunities.

Compiled over a lifetime, compulsive purchases help explain the positive association with late-life spending regret.

In addition, an overextension of providing financial help can be regarded as compulsive. This leaves individuals who are more agreeable in a particularly vulnerable position, as those with greater agreeableness are more likely to spend money on others to promote their happiness (Mongrain et al., 2018). This may lead individuals who are more agreeable to be susceptible to financial exploitation.

Neuroticism

The results for neuroticism revealed no statistically significant association with any of the spending regret categories tested.

Conclusion

This study finds that the Big Five personality traits are significantly associated (more regret ± less regret) with the following categorical spending regrets in late-life. Openness: food (−). Conscientiousness: appliances/furnishings (+) and cars (+). Extraversion: food (−), car (−), and providing financial help (−). Agreeableness: food (+), clothing (+), leisure (+), and providing financial help (+). The findings provide insight into the role of personality traits and categorical spending regret. When taken together, the results suggest that there are optimal ways to allocate spending on an individual level to minimize spending regret. Continued research exploring personality-based spending optimization may further uncover opportunities to enhance spending to promote financial satisfaction and prevent spending regret.

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Declarations

Conflicts of interest There are no conflicts of interests or competing interests.

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