Feeling money scarcity makes people become defensive toward financial advice. We provide two ways to reduce the threat from the money scarcity: by reducing the threat from the money scarcity - Self-affirmation and by reducing the threat from the financial advice – Message-framing.

**Objective**
- We investigate the psychological reasoning behind the avoidance toward financial advice (e.g., financial services, mobile apps, books) that money scarce consumers have.
- We investigate different ways to reduce such avoidance.

**Background**
Consumers who are money scarce often ignore financial advice that can help them manage their money.

- We suggest that financial advice is perceived as a threat, instead of aid to reduce the threat they are facing. We can help you improve your financial situation.
- We can help you reduce that stress.

**Study 1**
**Design:** 2(scarcity: money scarcity vs. time scarcity) × 2 (self-affirmation: present vs. absent)
**Subjects:** 344 Students from Hong Kong
**Manipulation:** Recall task

**DV:**
1) Choose one book that you are likely to read
2) Likely to purchase each book

**Results**
1) Book Choice
   - Money scarcity condition: χ²(2, 161) = 11.84, p = .003
     - No affirmation: 34.5%
     - Self-affirmation: 61.5%
   - 2) Purchase likelihood: F(1, 316) = 9.16, p = .003, ηp² = .03

**Study 2** (pre-registered study)
**Subjects:** 500 participants from Prolific
**Design:** 2(scarcity: money scarcity vs. time scarcity) × 2 (message framing: stressed vs. strapped) × personal relevance
**Procedure:**
1) **Phase 1:** (500 participants) Measured financial advice relevance
2) **Phase 2:** (1 week later; 346 participants; 12 excluded)
   - 2(scarcity: money scarcity vs. time scarcity) × 2 (message framing: stressed vs. strapped)
     - Stress framing: “Stressed about money? Managing money can be stressful. We can help you reduce that stress”
     - Strap framing: “Strapped for money? Managing money is essential. We can help you improve your financial situation”

**DV:**
1) Likely to use the financial service
2) Attitude toward the advertisement (bad/good, negative/positive, unappealing/appealing, undesirable/desirable)

**Conclusion**
- Feeling money scarcity makes people become defensive toward financial advice, which is perceived as a further threat
- money scarcity shows greater reluctance toward financial advice
- The effect can be moderated by buffering the threat they are feeling (i.e., self-affirmation) or framing the message to devalue the threat of the message (i.e., money scarcity as being stressed about money)

**References**
Block and Williams 2002; Despard et al. 2020; Fernandes et al. 2014; Hall et al. 2014; Hamilton et al. 2019; NFCS 2018; Paley et al. 2019 Roux et al. 2015; Sharma and Alter 2012

Jane So, janeso@cityu.edu.hk