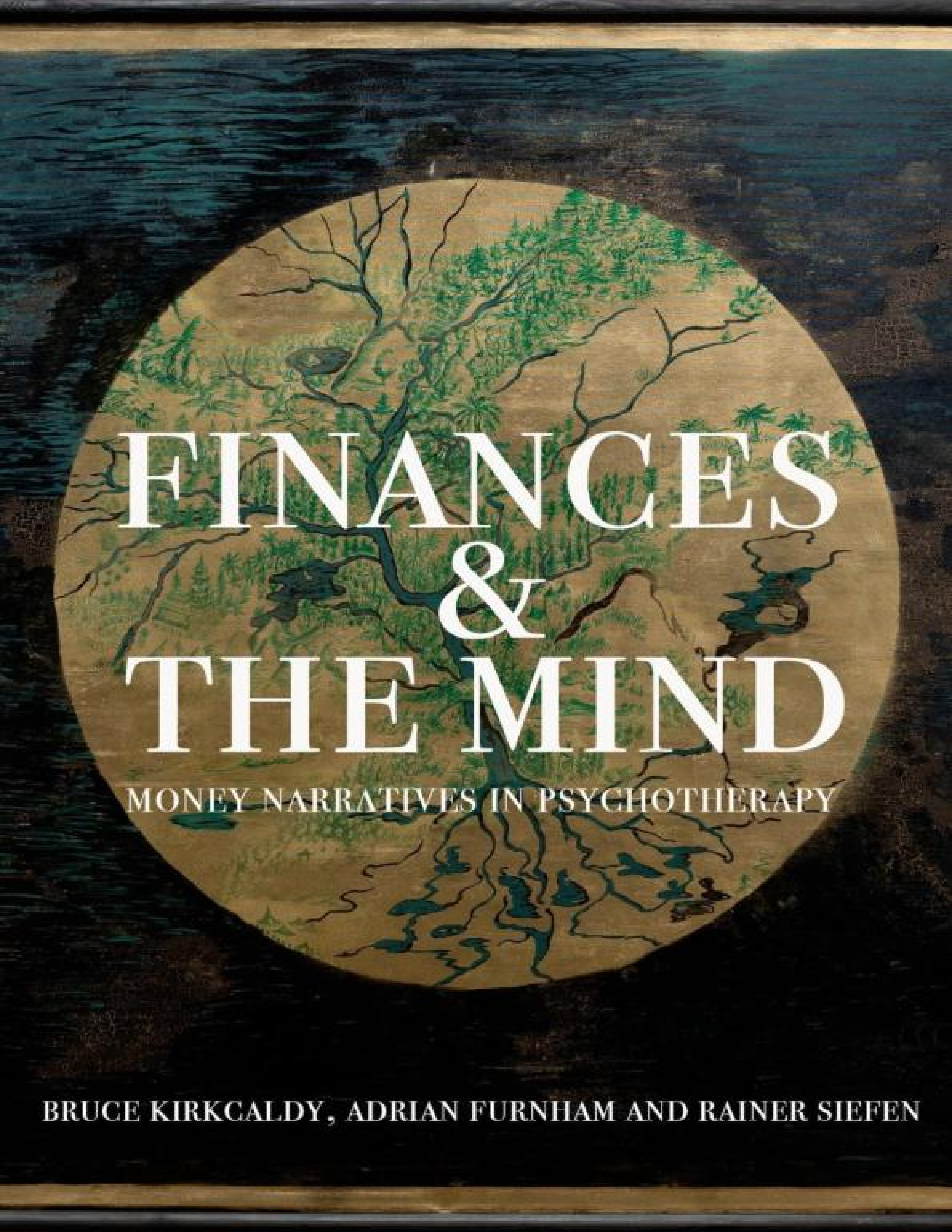
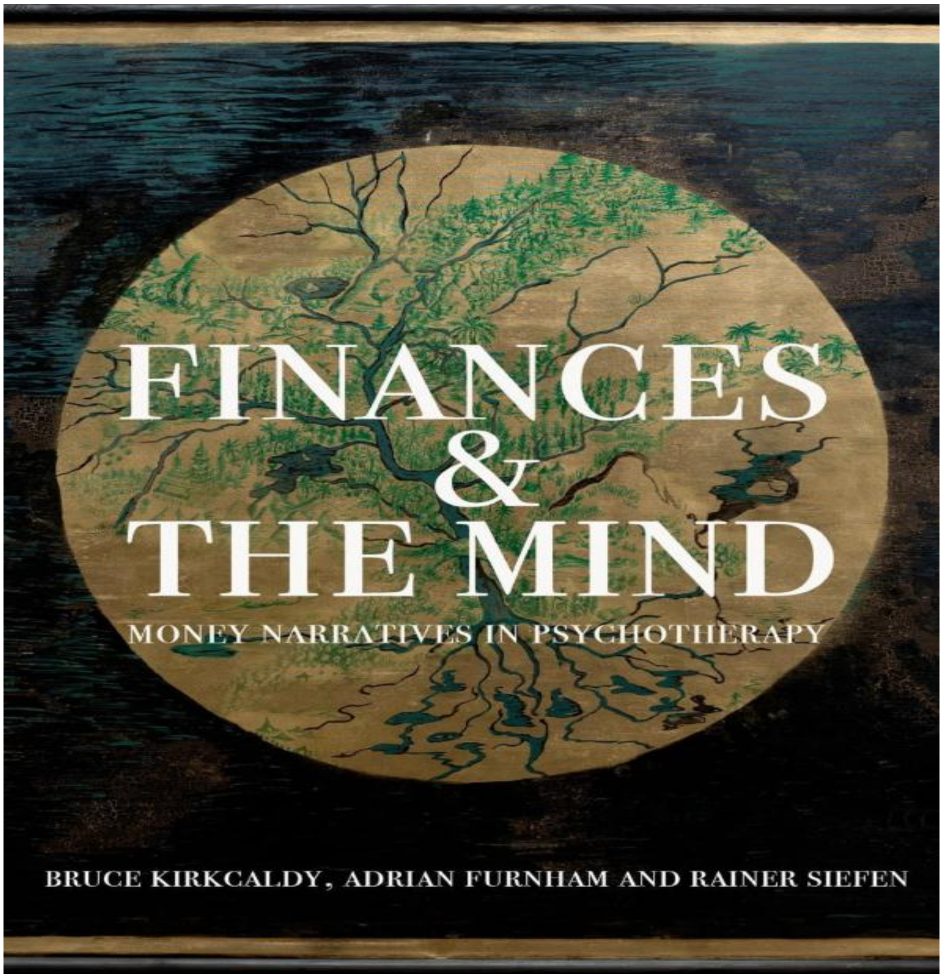


FINANCES & THE MIND

MONEY NARRATIVES IN PSYCHOTHERAPY

BRUCE KIRKCALDY, ADRIAN FURNHAM AND RAINER SIEFEN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Bruce Kirkcaldy

Finances and the Mind

Money Narratives in Psychotherapy

The Psychology of Money Mindset. Understanding Finances

Finances and the Mind: The Money Nerve.

Bruce Kirkcaldy, Adrian Furnham and Georg Siefen

This book is about a taboo topic: money; how we think about it, spend it and save it. It includes very personal accounts by psychologists, business managers, musicians, artists and scientists among others, some of whom have researched and published on the topic of money.

We have all served as academics, researchers as well as practitioners, with extensive experience in organizational and managerial psychology, and/or clinical psychology and psychosomatic medicine. In careers stretching over four decades we have focused on various behavioural phenomena. Each of us have formally reached retirement, yet continued to pursue our passions towards writing and/or teaching and consultancy. During this same period, various unpredictable transitions have occurred including a pandemic with its restrictive lockdown, the shift in financial circumstances in moving towards retirement, unforeseen illness among family members, (marital) separation or discord among immediate family members, and turmoil in terms of escalating international tension and crises cumulating in wars with uncertain conclusion. Moreover, we witness a fragility and volatility of world markets, in part generated by unpredictable outcome of aggressive politics of imposing an international tariff war.

A central focus of this book was to explore *subjective aspects of money and finance.* We chose to contact a diverse sample across several cultures about their backgrounds and beliefs about money Overall, 15 individuals responded including; three professors; an artist from New York now living in Berlin; a president of a Canadian University International Office (now retired); a graduate in Japanese studies who is a Buddhist monk in one of Europe's largest Zen temples; a psychotherapist; a British hairdresser; a tourist guide in Singapore whose parents originated from Mainland China; a former DDR physicist now turned architect; an international musician from London; an artist and book author from New York/Berlin; and a bailiff from Germany now entering retirement. Nine of the respondents had answered in German, and six in English. Some preferring to adhere to the structure of the template questionnaire whilst some deciding to use as a platform for expressing their personal narratives.

There have been a plethora of books and articles on money, yet few on *laypersons' attitudes towards money.* We feel a unique feature of this book is allowing readers from diverse backgrounds to find themselves in the content of these personal 'stories' of their meaning of money in their lives and especially careers. The questions were open-ended and offered a guideline. There was no instruction to limit response to these questions, nor any conditions about the length of responses (which varied greatly).

The book's unique angle is the inclusion of diverse lay perspectives. This is genuinely distinctive compared to purely theoretical works. The text covers *psychoanalytic, behavioural cognitive (including acceptance and commitment therapy), sociological, and cultural perspectives* on money. It integrates *quotations, case* *studies, and typologies* that may encourage a wide readership.

Others’ views

There is no shortage about what people think about money. Books of quotations always have witty quotes about money. These are some of our favorites.

“Money is like promises – easier made than kept.” *Josh Billings*

“If you wonder why something is the way it is, find out who’s making money from it being that way.” *Anon*

“I sell, therefore I am. You buy, therefore I eat.” *Craig Dormanen*

“What better way to prove that you understand a subject than to make money out of it?” *Harold Rosenberg*

“The advantage of a classical education is that it enables you to despise the wealth that it prevents you from achieving” *Russell Green*

“An economist is an expert who will know tomorrow why the things he predicted yesterday didn’t happen today.” *Evan Esar*

“Marriage is like a bank account. You put it in, you take it out, and you lose interest.” *Irwin Corey*

Let us begin with perhaps the early psychological endeavours to explain our attitudes and beliefs towards money and finance.

The Psychoanalysis of Money

Psychoanalysts have been writing about money for over 100 years. Indeed, biographers have speculated about how Freud's personal life influenced his views on the topic. Freud's obsession with 'sliding back into poverty' and his obsessive compulsive behaviour has been cited as influential in his theory. Some case studies consider issues such as how patients use money in therapy to express unconscious desires.

In an essay entitled `Character and anal eroticism' Freud (1908) argued that character traits originate in the warding off of certain primitive biological impulses. In this essay he first drew attention to the possible relationship of adult attitudes to money as a product of eroticism. In fact, he later wrote "*Happiness is the deferred fulfilment of a pre-historic wish. That is why wealth brings so little happiness; money is not an infantile wish*."

Many psychoanalytic thinkers like Fenichel (1947) and Ferenczi (1926) have developed these notions. The latter described the ontogenic stages through which the original pleasure in dirt and excreta develops into a love of money. Freud (1908) identified three main traits associated with people who had fixated at the anal stage: *orderliness, parsimony and obstinacy with associated qualities of cleanliness, conscientiousness, trustworthiness, defiance and revengefulness.*

Parental behaviour, it is argued, in this phase can cause obsessive-compulsive behaviour. Further, children will tend to parent as they were parented. Hence rigid vs. permissive, premature vs. delayed ‘potty training’ can have long lasting effects. The anal character retains childhood ambivalence and inhibitions towards money.

Toilet training conflicts relate to early obsessive-compulsive traits, which use routines to manage anxiety, but modern psychology sees them as anxiety or personality issues. The central characteristics are supposedly**:** Extreme neatness, organization, and attention to detail, often to an excessive degree (meticulousness). Furthermore, a pursuit of perfection can impede progress, as shown by prolonged research or task completion. There is an emphasis on orderliness coupled with *stubbornness, obstinacy, and parsimony.* Consequently, there's a compulsion to control, where behaviours try to reduce anxiety by creating an orderly, predictable environment.

According to the theory, all children experience pleasure in the elimination of faeces. At an early age - around 2 years - parents in the West toilet-train their children, some showing enthusiasm and praise (positive reinforcement) for defecation, others threatening and punishing a child when it refuses to do so (negative reinforcement). It is a training that occurs at the same stage that the child is striving to achieve autonomy and a sense of worth.

Often therefore toilet-training becomes a source of conflict between parents and children. The child's confusion is made all the worse by the ambiguous reactions of parents who on the one hand treat the faeces as gifts and highly valued, and then behave as if they are dirty, untouchable and in need of immediate disposal. It is little wonder than even today, findings from the Mott Poll on Children’s

Health, based on responses from 820 parents of children aged 1 to 6, revealed that 1 in 5 parents reported potty anxiety in their child, while another 20% said the process was more difficult than anticipated (Woolford et al., 2025).

Thus, the theory states quite explicitly that if the child is traumatised by the experience of toilet-training, it tends to retain ways of coping and behaving during this phase. Furnham, (2014) in the New Psychology of Money extensively studied money attitudes, identifying *misers (excessive hoarders) (psychoanalysis* perceived this as symbolic of the child’s reluctance to eliminate faeces as a response to their parents demands*)* and *spendthrifts (reckless wasters*) (those children who recall approval and affection on submission to their parents’ authority to defecate). Financial behaviors, representing imbalance, are extremes. They're often related to psychological issues like money pathologies, where misers hoard, and spendthrifts overspend, unlike the balanced frugality.

Evidence for the psychoanalytic position comes from the usual sources: patients' free associations and dreams. Freudians have also attempted to find evidence for their theory in idioms, myths, folklore and legends. There is also quite a lot of evidence from language, particularly from idiomatic expressions. Money is often called `filthy lucre', and the wealthy are often called `stinking rich'. Gambling for money is also associated with dirt and toilet-training: a poker player puts money in a `pot'; dice players shoot `craps'; card players play `dirty-Girty'; a gambler who loses everything is cleaned-out.

Haslem (2011) argued convincingly that the idea of the anal character fell out of favour as research did not back the psychoanalytic origin theory and interest in psychoanalysis declined. Even though it may seem gone, the concept lives on, now with new names and traits fueling research. The anal character highlights the unusual family resemblance among these traits: authoritarianism, conscientiousness, detail focus, disgust sensitivity, hoarding, obsessive–compulsive personality disorder, perfectionism, and Type A. He suggested, the anal character wasn't abandoned, but it evolved into better concepts.

According to psychoanalytic theory, money issues are caused by concealed conflicts, unconscious meanings, early experiences, transference, and symbolic values, which mean we must explore the past to understand them. Overall, money is not simply perceived as a symbol it is not reduced to cash. Rather it represents deeper issues like control, dependence, guilt, or self-worth, often linked to parental relationships. Therefore, the process includes uncovering hidden issues and figuring out the reasons behind your financial behaviors (such as hoarding or overspending). In our day-to-day lives, we see the immediate appeal of this model.

There are alternative explanations for example, of hoarding behavior. Hoarding vulnerability in families may also stem from modeling behavior. According to Tolin (2011), hoarding sufferers often saw or were taught these behaviors by their parents. Events like the Great Depression or times of war can have a massive impact on those who live through them. Protective cognitive frameworks can be inherited. Additionally, a lot of survivors of the Great Depression developed hoarding habits that lasted well past the end of the era. Facing times of severe scarcity, deprivation, and uncertainty can cause strong, illogical fears of lacking everything (Klontz & Klontz, 2009).

In contrast, cognitive behavioural therapy sees money problems stemming from current, incorrect thoughts (like value beliefs, scarcity) and actions (such as impulsive spending, skipping bills). These cognitions are generally conscious, and the behaviours we observe are in the present. These can be things like skewed perspectives, such as "I am unworthy of riches", or "spending makes me happy" as well as harmful actions like buying things without thinking. Therefore, these can be addressed and altered for faster, clearer outcomes, centered on the "present”. Cognitive Behavioural Therapy (CBT) is recommended in guidelines because it's backed by more evidence, but both methods can be useful. It will involve structured, goal-oriented skills training to handle financial anxiety. Essentially client and therapist work cooperatively to find destructive thought cycles and habits, debunking them, and swapping them with practical thoughts and better behaviors (such as money management, resisting impulses).

One wonders whether contemporary day psychology has a unique contribution to make about money and finances. Vicky Reynal (2025) argued that although love is a major motivator for seeking wealth, it is *not* the only one. We may seek more due to a longing for parental recognition. Loss and abandonment may cause us to hold onto things, and money can be an outlet. Purely rational or cognitive tools are insufficient for understanding money behaviors. The answer might lie within us, in our desires and fears, not in financial lessons. Our personalities and past experiences shape our intricate emotional and cognitive makeup, which, in turn, influences our behavior as complex beings. The rise of cognitive emotive therapies suggests a better approach for psychotherapists in this area.

The Emotional Underpinning of Money Pathology

In contrast to contemporary psychotherapy models such as CBT and Acceptance and Commitment Therapy (ACT) the Freudians have suggested that many money-linked attitudes disguise other powerful emotions. Many Freudians rejoice in the paradox whereby some outward, visible behaviour disguises or masks the opposite motive or desire. The poor are a psychological and economic threat to the latter because they may be prepared to work for very low wages, can easily be stigmatised and victimised as dirty, dishonest, and worthy of their fate.

One emotion frequently associated with money is *guilt*. This has been associated with Puritan values of *asceticism, denial and anhedonia.* Values such as conscientiousness, punctuality, thrift and sobriety made people with these beliefs or this socialization guilty not about the acquisition, but more the spending of money. It is not antagonistic to the concept of money or receiving equitable rewards for hard work, but Puritanism opposes money gained too easily (i.e., gambling, inheritance) or dishonestly or sinfully and particularly frivolously spent.

Money guilt, or any guilt, can lead to discomfort, dishonesty, unhappiness, and self-loathing. This guilt might be consciously experienced, and steps taken to lessen it.

According to Goldberg and Lewis (1978), money guilt might lead to psychosomatic problems, resulting in feelings of depression. Psychoanalysts have found cases of affluence fear in people raised with Puritan ideas. The root of this fear seems to be a *lack of control.* Money controls the individual; it dictates how and where one lives; it can prescribe and proscribe who are friends and associates; and can limit as much as liberate one's social activities. The Puritan ethic emphasizes limits and the conservation of things such as time, money, and resources and even emotions. If money was plentiful, there'd be less reason to control its use. This could eliminate the need for control. Controlling emotions and physical factors gives a false sense of security.

Psychoanalysts believe that one reason for those who suddenly become rich being unable to deal with their wealth is because they lack the self-discipline, and of course, actual experience to handle it. *“Where controls have not been internalized and realistic self-discipline has not evolved, the individual is dependent upon external controls to provide a sense of security”* (Goldberg & Lewis, 1978, p.75). Large amounts of money seem to imply for many individuals, that one can use it irrespective of the consequences, and this uncontrolled behaviour creates anxiety. Paradoxically if the money dries up or disappears, order and security are restored to life. Further, if people have made sudden and dramatic changes to one's life, getting rid of the money and all it bought may mean a return to normality.

Money can be a symbol of security in addition to guilt. American studies of self-made millionaires show that they frequently experienced early parental death, divorce, or major deprivation. Psychologists think that adults strive to accumulate wealth to avoid future financial insecurity.

Although the parents of many wealthy people stay married, there's a paradox: adult children of divorce are statistically more prone to instability, yet many millionaires originate from divorced homes, frequently spurred by a strong work ethic or desire to prove themselves, whereas, the wealthy generally stay married longer, forming a complex picture of correlation versus causation. They may have shown independence due to early adult responsibilities. Thus, pursuing money could be tied to emotional security over physical safety.

The concept of money-greed in psychoanalysis could be tied to *orality* rather than anality (Goldberg & Lewis, 1978). The terms “bread” and “dough,” which signify money, are referenced here. The money-hungry person who seeks and devours money with little regard to social etiquette reacts to money as a starving person does to food. It is said that this behaviour stems from a deprived childhood.

Money Archetypes

As we shall see, psychoanalytic writers have tried hard to categorise people in terms of the underlying dynamics of their money pathology. To psychoanalysts and other clinicians from diverse backgrounds money has psychological meanings: the most common and powerful of which are ***security**, **power**, **love**, and **freedom*** (Goldberg & Lewis, 1978).

1. Security: Emotional security is represented by financial security and the relationship is believed to be linear — more money, more security. Money is an emotional life-jacket, a security blanket, a method to stave off anxiety. Evidence for this is, as always, in clinical reports and archival research in the biographies of wealthy people. Yet turning to money for security can alienate people because significant others are seen as a less powerful source of security. Building the emotional wall around themselves can lead to fear and paranoia about being hurt, rejected or deprived by others. A fear of financial loss becomes paramount because the security collector supposedly depends more and more on money for ego-satisfaction: money bolsters feelings of safety and self-esteem.

Goldberg and Lewis (1978) specify several "money-types" that all, consciously or not, see money as a *symbol of security*. They provide typical "case history" data for the existence of these various types though they offer little quantitative rather than qualitative research findings.

A. Compulsive Savers: for them saving is its own reward. They tax themselves and no amount of money saved is sufficient to provide enough security. Some even become vulnerable to physical illness because they may deny themselves sufficient heat, lighting, or healthy food.

B. Self-Deniers: self-deniers tend to be savers but enjoy the self-sacrificial nature of self-imposed poverty. They may spend money on others however (though not much) to emphasise their martyrdom. Psychoanalysts point out that their behaviour is often a disguise for envy, hostility, and resentment towards those who are better off.

C. The Compulsive Bargain Hunter: money is fanatically retained until the situation is "ideal" and then joyfully given over. The thrill is in out-smarting others — both those selling and those paying the full price. The feeling of triumph often has to validate the irrationality of the purchase which may not really be wanted. But they get short changed because they focus on price not quality.

D. The Fanatical Collector: obsessed collectors accumulate all sorts of things, some without much intrinsic value. They turn to material possessions rather than humans, as potential sources of affection and security. They acquire more and more but are reticent to let any go. Collectors can give life a sense of purpose and avoid feelings of loneliness and isolation. Objects are undemanding and well-known collections can bring a sense of superiority and power.

2. Power: Because money can buy goods, services and loyalty it can be used to acquire importance, domination and control. Money can be used to buy-out or compromise enemies and clear the path for oneself. Money and the power it brings can be seen as a search to regress to infantile fantasies of omnipotence. Three money-types who are:

A. The Manipulator: These people use money to exploit others' vanity and greed. Manipulating others makes this type feel less helpless and frustrated, and they feel no qualms about taking advantage of others. Many lead exciting lives but their relationships present problems as they fail or fade due to insult, repeated indignities or neglect. Their greatest long-time loss is integrity.

B. The Empire Builder: They have (or appear to have) an overriding sense of independence and self-reliance. Repressing or denying their own dependency needs, they may try to make others dependent on them. Many inevitably become isolated and alienated particularly in their declining years.

C. The Godfather: They have more money to bribe and control so as to feel dominant. They often hide anger and a great over-sensitivity to being humiliated — hence the importance of public respect. But because they buy loyalty and devotion they tend to attract the weak and insecure. They destroy initiative and independence in others and are left surrounded by second-rate sycophants.

3. Love: For some, money is given as a substitute for emotion and affection. Money is used to buy affection, loyalty and self-worth. Further, because of the reciprocity principle inherent in gift giving, many assume that reciprocated gifts are a token of love and caring.

A. The Love Buyer: Many attempt to buy love and respect: those who visit prostitutes; those who ostentatiously give to charity, those who spoil their children. They feel unloved not unlovable and avoid feelings of rejection and worthlessness by pleasing others with their generosity. However they may have difficulty reciprocating love, or their generosity may disguise true feelings of hostility towards those they depend on.

B. The Love Seller: They promise affection, devotion, and endearment for inflating others' egos. They can feign all sorts of responses and are quite naturally particularly attracted to love buyers. Some have argued that forms of psychotherapy are a love buyer-seller business transaction open to the laws of supply and demand. The buyers purchase friendships sold happily by the therapist. Love sellers gravitate to the caring professions.

C. The Love Stealer: The kleptomaniac is not an indiscriminate thief but one who seeks out objects of symbolic value to them. They are hungry for love but don't feel they deserve it. They attempt to take the risk out of loving, and being generous, are very much liked but tend only to have very superficial relationships.

Overall then, it seems that whereas parents provide money for their children **because** they love them, parents of potential love dealers give money **instead** of love. Because they have never learnt to give or accept love freely, they feel compelled to buy, sell, or steal it. The buying, selling, trading and stealing of love is for Freudians a defence against true emotional commitment which must be the only cure.

4. Money is most often understood to mean freedom, which is why it is acceptable. It buys time to pursue one's whims and interests, and frees one from the daily routine and restrictions of a paid job. They find there are two sorts of autonomy worshippers.

A. The Freedom Buyers*:* For them money buys escaping from orders, commands, even suggestions that appear to restrict autonomy and limit independence. They want independence not love: in fact they repress and hence have a strong fear of dependency urges. They fantasise that it may be possible to have a relationship with another "free spirit" in which both can experience freedom and togetherness simultaneously. They are frequently seen as undependable and irresponsible, and can make those in any sort of relationship frustrated, hurt and angry.

B. The Freedom Fighters*:* They reject money and materialism as the cause of the enslavement of many. Frequently political radicals, drop-outs or technocrats, they are often passive-aggressive and attempt to resolve internal conflicts and confused values. Camaraderie and companionship are the main rewards for joining the anti-money forces. Again, idealism is seen as a defence against feeling. There may be a large cost if the person gets involved with cults.

An underlying theme is that dependency on other people and on the world early in life was perceived as a threatening rather than a rewarding experience. This typology is based on clinical observations and interpreted through the terminology of a particular theory. For some, this may lead to interesting hypotheses that require further proof either by experiment, or at least evidence from a much wider, normal population.

Overall, there is an immediate appeal of money typologies to non-experts which is readily apparent. People like psychology typologies because they simplify how we understand ourselves and others, offering order, self-awareness, and validation, but they might be too simple. The approach they use simplifies the process by organizing traits logically, making personality aspects easier to understand rather than looking at many separate traits.

Psychotherapy and the way we construe money

Psychotherapists believe that money beliefs and behaviours are not isolated psychic phenomena but integral to the person as a whole. People who withhold money may have tendencies to *withhold praise, affection or information* from others. The financially anxious may learn something about fear of dependence or envy. Therapists attempt to help people understand their money madness. Fantasies, fears, and wishes can centre on money, which is also intertwined with denials, distortions, impulses, and defence mechanisms.

"Thus, money may be perceived as a weapon or shield, a sedative or a stimulant, a talisman or an aphrodisiac, a satisfying morsel of food or a warm fuzzy blanket… so having money in our pockets, to save or to spend, may provide us with feelings of fullness, warmth, pride, sexual attractiveness, invulnerability, perhaps even immortality. Similarly, experiencing a dearth of money may bring on feelings of emptiness, abandonment, diminishment, vulnerability, inferiority, impotency, anxiety, anger and envy." (Matthews, 1991, p.24)

For all psychoanalytically inclined clinicians the money personality is part pleasure seeking, frustration-avoiding *id*, and part reasonable and rational *ego*, part overseeing, moral, *super ego*. This accounts for the oft-reported but curious paradox of seeing people lethargic and depressed after a major win and elated, even virtuous, after financial depletion.

Rather than typologies of money madness, Matthews (1991) sees it on a *continuum* from mild eccentricities with subtle symptoms through moderate money neurosis to full-blown money madness. Again her data is obtained from treating patients and running workshops with all the limitations that that implies. Further she believes that money attitudes and behaviours are influenced by the emotional dynamics of early childhood; interaction with families, friends, teachers and neighbours; by cultural and religious traditions and more; by modern technology and by the messages in the mass media.

She further observed that many money disorders are learned from `*family disorders*'. The message families send about money are however simultaneously overt and covert, and often paradoxical, inconsistent and confusing. Parents can, and do, express their feelings toward their children through money: reinforcing good habits, success at school. She believes there are a host of reasons why people run so easily into debt. People may buy too many things that boost their capacity for self-esteem or to try and fulfil a fantasy they have about themselves. Some may over debt out of an unconscious desire to impoverish themselves, or to get rid of their money because on some level they find it loathsome. Alternatively, they may over debt because they feel unfulfilled and frustrated in some significant aspect of their lives and because spending temporarily takes their mind off their sense of emptiness and unhappy circumstances. People may over debt because compulsive behaviour of one sort or another runs in their family or as a reaction against a family of origin where thriftiness was excessively prized. People may over debt to try to keep up with their peers, or because they are unable to resist media messages which instruct them to “shop till we drop.”

Further, the author speculates about the *“pack-thinking”* (conformity of views) of investors who play stock markets and whose greed and belief in eccentric experts can lead to spectacular monetary successes and failures. Economic shamans, the stars and superstitions appear to play a major role in a highly capricious and unpredictable world. Many behave quite irrationally to allay feelings of uncertainty and insecurity about financial matters.

Forman (1987) suggested that money neurosis is the *most prevalent neurosis*. As with all neurotic processes, unresolved conflict tied to fear and anxiety is involved, potentially relating to *maladaptive, self-defeating, irrational behaviour*. Money is unable to purchase love, affection, inner peace, self-esteem, contentment, power, status, and security. Forman argues that many people simplify things by equating money to love, self-worth, freedom, power, and security.

The literature on the emotional underpinning of money problems is certainly fascinating. Written by therapists and mainly from a psychoanalytic background it also has severe limitations. There is clearly overlap between various different systems or descriptions and there is no agreement on typologies or processes. More importantly, there is little collaborative empirical evidence for many of the points made. Whilst it is possible that many of these concepts and processes are correctly described, we need disinterested, empirical evidence demonstrating the validity of these writings. We do not need to know how widespread these pathologies are in the general population. Indeed it is striking from the scant sociological and epidemiological research on money how common money pathology is, not the reverse. There is also no clear evidence on the incidence of these pathologies in the population as a whole, nor whether therapy (of any sort) cures these problems. Long on speculation and short on evidence, this area of research warrants good empirical studies to examine these ideas.