

Audio file

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Transcript

The Missouri State Journal, a weekly program keeping you in touch with Missouri State University.

Emily Doll

In January 2025, many Americans made the resolution to have a no buy year. This trend challenged people to cut out non-essential spending and rethink their financial habits. Now, halfway through the year, we talked with Dr. Jeff Jones, associate Dean of the College of Business at Missouri State University. Dr. Jones holds a PhD in finance and worked in the private industry prior to the university. He joins us today to share insights on how these trends are evolving and what they reveal about our financial mindsets.

Dr. Jeff Jones

I am a chartered financial analyst. I'm a certified financial planner and currently hold an inactive license as a certified public accountant. So I have kind of have seen a lot of different things in terms of the world of personal finance. I have heard of these types of challenges before. I think this year maybe it got a little more attention because we've had several years of really pretty good economic growth, some wage growth, things of that nature. We've now seen coming in at the beginning of this year a different presidential administration, some uncertainty regarding economic policy, in particular with regard to tariffs and how that may or may not impact inflation. And so I think this year in particular, you had a lot of folks that their dollar had been stretched by inflation combined with some additional uncertainty at the beginning of the year that probably made these types of challenges more attractive for some folks to potentially free up some discretionary income in their budgets.

Emily Doll

While no spend challenges often go viral on social media. Doctor Jones points out that they're not just a trend.

Dr. Jeff Jones

These types of things, a lot of folks are really kind of competitive in nature. And so by adding kind of a competitive aspect to changing behavior, that's what a lot of people rely on to actually result in that behavior change, right? And the behavior change could be because they want to give up some activity and that it could be for financial reasons, right? As a way to save money. I think you see people do that, you know, different people would do that for different reasons.

Emily Doll

For those just starting out or struggling to sustain a no spend resolution, Dr. Jones offers a few tips to stay motivated and build lasting habits.

Dr. Jeff Jones

Well, I think a couple different things. #1 would be, you know, have a plan and write the plan down to where you know, there's no question as to "What I'm attempting to do" right here's the goal. So that would be one thing, right? Make sure you have a clear goal. The second thing would be and again it goes back to kind of the competitive nature of people. Maybe you want to involve some friends or family in this challenge with you. So maybe you have a friend that is looking to do or accomplish the same type of thing. If you're doing that together, sometimes it's easier for folks to stick to that. You know, we see a lot of those trends in terms of, like personal fitness, things like walking challenges, right? You can do the same thing with financial challenges.

Emily Doll

No buy years or no spend resolutions aren't a one-size-fits-all solution. For Dr. Jones, long term financial health still comes down to this principle.

Dr. Jeff Jones

The key is always to live slightly below your means so that you are able to accumulate wealth and so if that means participation in kind of some of these, no spend challenges, right? If that's what works for you, then great, right, do that. For others that may not be something that is productive, and in fact it could be counterproductive. Right. So if you're doing a no spend challenge, I'm not going to buy this certain good, but it increases your consumption of something else by a lot more - you've really gained nothing, so. I think it just really kind of boils down to the individual, but at the end of the day, what securing your own personal financial situation is really about spending less than you earn.

Emily Doll

I'm Emily Doll and this has been the Missouri State Journal. Thanks for listening.

For more information, contact the Office of Strategic Communication at 417-836-6397, the Missouri State Journal is available online at ksmu.org.