- Personal finance

What's the deal with 'MONEY DYSMORPHIA'?

Have you ever found yourself doomscrolling through your socials late at night, then looking around your home in disgust, or mentally badmouthing your holiday plans, your car, your wardrobe...? You aren't alone. The pressure we face to 'keep up with the Joneses' can lead to our perception of financial reality becoming skewed, resulting in intense feelings of anxiety, guilt and stress about spending and saving

By **CAMILLA FOSTER**

'Money dysmorphia', echoing a term more usually heard around our perception of our body, can cause real emotional issues, and lead to both overspending and excessive saving, depending on how you think and feel.

'Money dysmorphia is effectively when the distorted perception of one's financial health, how you feel about your money, doesn't necessarily reflect the reality,' explains Matthew Parden, CEO of money management app Marygold & Co. 'This can be emotionally driven, shaped by irregular patterns or social pressures to keep up.'

'We've worked with anxious savers, avoidant savers and people who like to spend, so there's lots of different types of personality and money dysmorphia can manifest in all of them,' says Parden. 'Feeling uncertain or anxious about money, even though there is no apparent or immediate shortfall in money, could be a sign of money dysmorphia,' highlights Parden. 'It could be that you avoid checking your bank statements or balances and this could be because of stress, or it could be because of a fear of what you might see.

'Another sign could be fluctuating between periods where you're spending a lot and reining it back and spending a little, so you kind of vacillate between overspending and underspending. Money dysmorphia could be when you are playing down your success, payments or debts and you feel that you've fallen short, that what you have isn't not enough — even though it might be sufficient.'

Is social media to blame?

'Social media presents a curated version of life, where people are only showing the best side of financial life without providing the context,' says Parden. 'You don't see the debt, the lack of savings, the stress — that is all hidden. It does amplify these "norms" and create unrealistic expectations.

'It provokes spending which is really emotionally driven and creates a constant pressure to keep up, so that even if your financial footing is secure, you still feel that you've got some way to go. And that in itself

Psychologies
Meet the Experts



Matthew Parden

CEO of money management app Marygold & Co, chartered accountant and qualified financial adviser.

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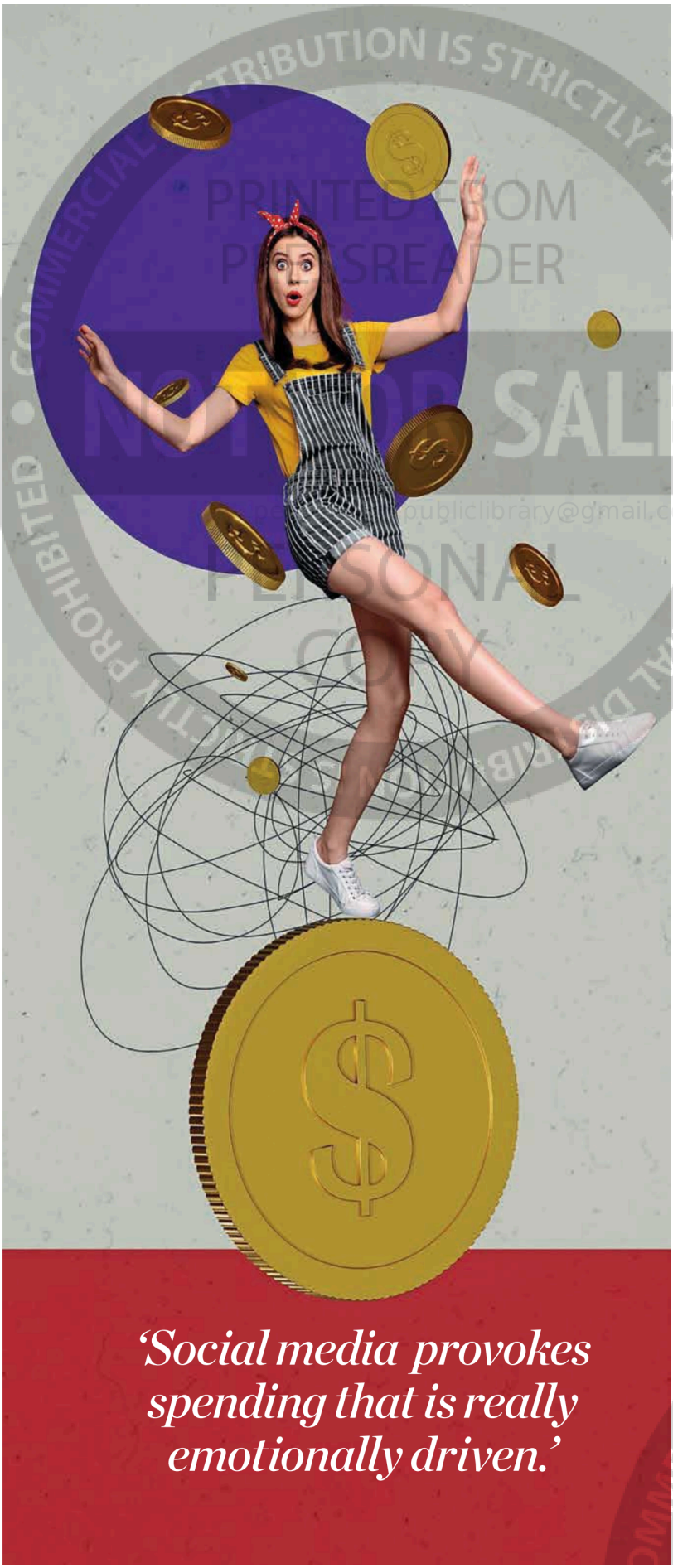

'Social media provokes spending that is really emotionally driven.'

can lead to insecurity and a distorted sense of your own financial situation and reality.'

What consequences can money dysmorphia have? 'Money dysmorphia can often make people avoid getting involved with money and that means they are avoiding financial planning and organisation of their financial life,' says Parden.' This can lead to missed opportunities like having a safety net reserve of cash. 'You don't have any savings because you are constantly spending, you may feel like you haven't ever got enough and will consistently avoid doing it. That in itself can lead to anxiety, a sense of failure and can affect your mental and physical health.'

How do we tackle it?

'Take a step back and work out what it is that may be impacting your relationship with money,' advises Parden. 'Just start with small, repeatable steps, like taking 10 minutes out of every week to look at your finances and understand what you're doing and where your money has gone and what is coming up.

'If you recognise an issue there, try not to judge yourself. Just do regular gentle reviews of your finances because that helps you start to engage with it and might help reduce the fear. It might also help you move towards bridging that gap between how you feel about your finances and actually what is true in your finances.'

There are also lots of apps available that can give you a good overview of your financial life. 'If you begin to understand your finances from a behavioural aspect, that could help you identify emotional triggers that cause you to spend or save,' says Parden. 'Apps can also help you to not spend or withdraw. On the Marygold & Co app you can set a time lock and other apps have similar tools that can put a bit of friction on your spending before you make payments.'

What are the benefits of having a clearer, healthier financial mindset? 'If you have a positive financial mindset and the tools, it gives you the ability to actually start saving for those things which are going to help you in your financial life, like building up cash reserves,' says Parden. 'Creating a financial plan will also help you meet your short-term and long-term objectives, whether it's saving for a wedding or for a holiday. Just engaging with your finances can have tremendous long-term benefits.' ■

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