




Book Review of *Mind Over Money: The Psychology of Money and How to Use It Better* by Claudia Hammond

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Keywords: *psychology of money, psychology, money, financial knowledge, financial behavior, financial attitude*

Date Submitted: May 15, 2022 | **Date Published:** May 27, 2022

Recommended Citation

Molchan, S. (2022). Book review of *Mind over money: The psychology of money and how to use it better* by Claudia Hammond. *Journal of Social, Behavioral, and Health Sciences*, 16(1), 73–75.
<https://doi.org/10.5590/JSBHS/2022.16.1.05>

Review

Mind Over Money: The Psychology of Money and How to Use It Better by Claudia Hammond.
Canongate Books Ltd., 2016, ISBN 978-1-78211-207-5, 366 pages.

Mind Over Money: The Psychology of Money and How to Use It Better, by Claudia Hammond, explores research in psychology, neuroscience, biology, and behavioral economics related to how individuals interact with and manage money. Hammond is a broadcaster on the BBC, writer, and professor of psychology. In *Mind Over Money: The Psychology of Money and How to Use It Better*, Hammond uses captivating interviews, presents stories a broad audience can relate to, and cites multiple research studies to show the psychology of money. Throughout the book, Hammond not only presents readers with the research, 263 studies are mentioned, but provides 32 money tips around spending, negotiating, saving, and more. Following these tips, the readers are offered additional readings that the author found insightful around the various items and themes mentioned throughout the book.

This article will review the book's overall content, strengths, weaknesses, major themes, and usefulness to readers. Page references may differ due to the modality one is using to access the text. Readers will first be introduced to the book's main topics in the table of contents. The table of contents provides a brief summary that will grab the reader's attention and introduce them to the topic of discussion for each chapter. These short summaries seen in the table of contents are also at the start of each chapter to get the reader prepared for each new chapter.

Throughout the book, eight distinct lessons can be noticed:

- Money brings out strong emotions in people.
- Money is introduced to individuals at a young age.

- Physical money (paper money and coins) will always be interesting.
- Individuals are irrational with their money.
- Mental accounting is a common occurrence.
- Confirmation bias has an impact on our perceptions (pp. 87, 89, 108).
- Money can help solve problems in life, to an extent (pp. 176, 192, 246, 307).

Hammond (2016) stated, “Increased income certainly adds to the happiness of people, but only up to a certain point” (p. 192). Hammond backs all of these lessons with outside research studies, making the book’s lessons and stories more reliable.

Money brings out emotions in individuals. Hammond (2016) states, “Studies suggest an emotional connection with money. What’s so fascinating about the Friths’ study is that it hints at the symbolic nature of money: that we know that it can be used as a tool” (p. 23). Other research that Hammond does not explore in this part of the book also agrees that there is an emotional response to money. Ravishankar (2021) stated, “Anything important in our lives is emotional. Our relationships are emotional, our work is emotional, and so is our money” (para. 7). Negative emotions are often tied to money when an individual does not have enough of it to meet their daily necessities. This is why individuals who have more money are often happier as they can pay for their daily needs to survive and enjoy their wants.

An individual's happiness from receiving money is largely due to their income level, as a poorer individual's happiness would be greatly impacted by receiving an unexpected sum of money. Money also helps create happiness by reducing anxiety and allowing individuals to do the things they want to do in life (Hammond, 2016). When comparing this to outside research, other researchers agree that money can bring an individual happiness, but only to a certain extent. Lucas et al. (2008) stated that wealthy people are a bit happier than people at lower income levels. This can be attributed to the items that individuals with more money have access to, like material goods, entertainment, and healthcare. When an individual has money for their needs and wants, this can bring an increased level of happiness.

Hammond provides readers with thought-provoking questions throughout the book to get them thinking about various money concepts. She also uses various stories to explain money concepts as well. For example, Chapter 1 discusses the start of an individual’s relationship with money, how it is both a drug and a tool, and why individuals do not like to see it ruined. To show how money can be viewed as a drug, the chapter starts with a story about enjoying an occasional bar of chocolate. When one does this, their neurological reward system responds, and a chemical called dopamine is released. Hammond (2016) states, “Money is acting like a drug, not chemically but psychologically” (p. 19). When talking about the destruction of money, Hammond poses the following question to readers, “What was it that upset people so much about the destruction of cash?” Hammond then cites a study from Becchio et al. (2011) in which neuroscientists found that individuals were uncomfortable when money, especially large amounts, was destroyed. Again, Hammond does not make one statement throughout the book that she does not back up with research proving her point.

Through the various stories, thought-provoking questions, and research presented throughout the book, Hammond has clearly put together a well-rounded resource on the topic of psychology and money for a broad audience of readers. It is important to note that Hammond is from the United Kingdom, so there may be references throughout the book that are not common with the American vernacular. The pound sterling currency is often used throughout the book in examples. Readers who are not from the United Kingdom or a country that uses this currency may find it harder to understand the amount of money she is talking about. For example, Hammond (2016) states, “Remember the total amount of money he could earn was just £6 a week, or £24 a month. In total, the not-so-grand sum of £144” (p. 136). Although the pound sterling to the U.S. dollar is not a significant difference, it may be in other countries. According to Bloomberg, as of May 15, 2022, 1 GBP (the pound sterling) was worth 1.22 in U.S. dollars, 1.58 in Canadian dollars, and 24.69 in

Mexican pesos. Translating these amounts to the three countries used in this example, the £144 is 175.68 in US dollars, 227.52 in Canadian dollars, and 3,555.36 Mexican pesos. It will be important for the reader to understand the currency conversion from the pound sterling to their currency to understand the examples better and relate.

Mind Over Money: The Psychology of Money and How to Use It Better gives readers insight into the power that money has over them. As Hammond explores various psychology studies to back up her claims, she is able to explain to the reader in an easy-to-understand manner the relationship between psychology and money. This is mainly done through storytelling to break down complex concepts and make the book accessible to a broad audience. In addition to the various concepts readers learn about throughout the book, the book provides two additional benefits at the end: Chapter 15, Money Tips and recommendations for further reading.

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