

# Scarcity vs Abundance: The Mindset Shift That Could Make You Rich

It is so easy to go with the norm. You know, the usual save, invest, and live below your means type of advice. This is great advice, no doubt, but is it really? This approach often makes people scared to do anything outside of that, making them scared to take risks.

As a kid, I watched my parents conserve everything. Food was strictly portioned to avoid waste. We'd add water to nearly empty dishwashing liquid to make it last longer. With toothpaste, we'd squeeze out every last drop before buying a new tube. The same applied to lotions and even clothes.

Some might argue this is a great way to cut expenses and save money, but at what cost?

Living in constant fear of not having enough is known as a scarcity mindset. I call it a lack mindset. You feel compelled to conserve everything, worried you won't have money to replace things if they're "wasted". While this might seem like a good savings strategy, it's terrible for achieving wealth or abundance. This article aims to help you recognize if you have a scarcity mindset and, if so, overcome it.

## But what exactly are scarcity and abundance mindsets? And why are they important?

A scarcity mindset believes there's never enough—money, resources, or opportunities. It makes you play it safe, never taking risks. This thinking can trap you in a cycle of fear and limitation.

In contrast, an abundance mindset believes there are plenty of opportunities and resources for everyone. It allows you to take risks and pursue dreams, knowing that even if you fail, more chances will come. It focuses on what you have and can achieve rather than what you lack.

The key difference: **Scarcity sees limits; abundance sees possibilities.**

This matters because your mindset shapes your reality. When you think abundantly, you're more open to opportunities and willing to take steps to achieve your goals.

Oprah Winfrey once said, *"The greatest discovery of all time is that a person can change their future by merely changing their attitude."* That's what we're discussing here—changing your attitude from scarcity to abundance.

An abundance mindset means you're not just surviving, but thriving. You're living a life full of possibilities and growth. Isn't that what we all want?

Let's look at a few scenarios to help you determine if you have an abundance or scarcity mindset:

1. **Shopping for Groceries**
  - a. Scarcity: Always buys the cheapest brands, even if the quality is low.
  - b. Abundance: Buys quality products, valuing health and satisfaction.
2. **Career Opportunities**
  - a. Scarcity: Avoids applying for better jobs, fearing rejection or feeling unqualified.
  - b. Abundance: Seeks out opportunities, confident in their skills and experiences.
3. **Investing Money**
  - a. Scarcity: Keeps money in savings, afraid of losing it in investments.
  - b. Abundance: Invests in stocks, real estate, or businesses, seeing potential growth.
4. **Handling Bills**
  - a. Scarcity: Stresses over every bill, fearing insufficient funds.
  - b. Abundance: Pays bills promptly, trusting in future income and financial planning.
5. **Generosity**
  - a. Scarcity: Rarely donates, worrying about personal future needs.
  - b. Abundance: Gives generously, believing it brings more blessings and creates positive impact.

## IS THIS YOU?

SCENARIO	SCARCITY MINDSET	ABUNDANCE MINDSET
1. Shopping for Groceries	Always buys the cheapest brands to save money.	Buys quality products, believing in the value they provide.
2. Career Opportunities	Avoids applying for higher-paying jobs due to fear of rejection.	Seeks out better opportunities, confident in their skills.
3. Investing Money	Keeps money in a savings account, afraid of losing it.	Invests in stocks or businesses, seeing potential growth.
4. Handling Bills	Stresses over every bill, fearing they won't have enough.	Pays bills promptly, trusting more money will come in.
5. Generosity	Rarely donates or helps others financially, worrying about personal needs.	Gives generously, believing in the flow of giving and receiving.

If from the table above, you realize that you have a scarcity mindset, then keep reading because this is where things are about to get really exciting.

## **Effects of Each Mindset on Personal and Professional Life**

The impact of your mindset on your personal and professional life is significant. A scarcity mindset often leads to increased stress and missed opportunities. On the other hand, an abundance mindset is associated with greater happiness and success. People with this outlook tend to take more calculated risks, leading to financial stability.

Interestingly, a study by Financial Finesse found that employees with an abundance mindset were 41% less likely to live paycheck-to-paycheck compared to those with a scarcity mindset. This shows that your mindset doesn't just affect your outlook—it can have a real impact on your financial well-being and overall quality of life.

## **So how can one shift from scarcity to abundance thinking?**

### **You may ask.**

The answer is simple—start spending more money. Now, I know that sounds counterintuitive, maybe even a bit crazy. But hear me out. I'm not talking about blowing your savings on frivolous purchases. I'm talking about strategic spending that aligns with an abundance mindset.

You see, constantly pinching pennies reinforces the idea that there's never enough. But when you allow yourself to spend on things that truly add value to your life—whether it's investing in your education, buying quality items that last longer, or even treating yourself to experiences that bring joy—you're sending a powerful message to your brain. You're saying, "There's enough to go around, and I deserve good things."

A study published in the *Journal of Consumer Research* backs this up. It found that people who made occasional indulgences were actually more successful at saving money in the long run compared to extreme penny-pinchers. Why? Because those small splurges helped them stick to their overall financial goals without feeling deprived.

This doesn't mean going into debt or being reckless. It means being intentional about your spending. Maybe it's buying that slightly more expensive coffee that you really enjoy instead of always opting for the cheapest option. Or perhaps it's finally taking that course that could boost your career prospects.

The key is to shift your focus from "How can I spend less?" to "How can I use my money to create more value in my life?" This subtle change can start rewiring your brain from scarcity to abundance, opening up new possibilities and opportunities you might have previously overlooked.

Remember, wealth isn't just about how much money you have in the bank. It's about the richness of your life experiences and the opportunities you create for yourself. So go ahead, spend a little more—wisely and intentionally. Your future abundant self will thank you.