

## A table for two: pay now, enjoy later

The outbreak of the coronavirus and global economic lockdowns are turning the concept of 'buy now, pay later' on its head



Now is the time to support small (or large) local businesses. If you can afford it, of course. Companies worldwide are struggling to survive, as demand has dropped significantly. The recreational sector in the Netherlands has seen [a drop of 83% in debit card transactions](#) since restaurants, museums and sport venues closed down. Despite various governmental support programmes, it remains an open question whether they'll be able to survive. One way you can (financially) support your favourite local shop is by **paying now for something you will consume later**. For example for a future dinner. This can be rational and socially-sensitive.

### But first things first

Paying for something you'll enjoy later is not a new phenomenon. In fact, many people are now stuck with tickets for a cancelled show or flight that they purchased months ago. Some companies may offer refunds for unused purchases, rescheduling or vouchers; [but this isn't as easy as it sounds](#). And with [1 in 6 people](#) in G7 countries having lost at least half their income due to the coronavirus, people will want to get their money back. Indeed, in times of emergency, it's important *to put on our own oxygen masks first, before helping others*.

At the same time, our spending patterns have radically changed over the past month. And some of us may have a [bit more cash available](#). Perhaps you've been able to save some money that you

would otherwise have spent on discretionary items, wellness or the newest fashion. In that case, “donating” that refund or holding on to your sports membership may not financially harm you. And, importantly, it could help businesses keep their heads above water.

## The benefits of prepaying

If you want your favourite restaurant or coffee shop to still exist the next time you're able to go, there are a couple of things you can do. First, thousands of [crowdfunding campaigns](#) have been initiated for sports clubs, creative industries, businesses and social enterprises. A second, interesting trend has also emerged: a voucher economy. Plenty of [cafés, restaurants](#) and [event organisers](#) now offer the possibility to “prepay” for things you can enjoy once the crisis has passed. With such a voucher you pay now, and consume later. If your budget allows, this can be a rational thing to do for a number of reasons.

- **Pulling future expenses to the 'here and now' helps your (local) store to make ends meet**

In the short run, gift vouchers create financial space for small businesses, and using your community spirit can be socially rewarding. More than ever, we feel the urge to help, and it feels good if we can. On top of that, your support may lead to (even stronger) long-term relationships with the people in your local community.

- **It gives you something to look forward to**

Whereas the well-known 'buy now, pay later' strategy gives you immediate joy, yet financial burden in the future, a voucher does the opposite. It makes you look forward to something nice, whether it's an event, dinner or trip. It is exciting to imagine yourself in the future, enjoying what you can't do now. Anticipation is also called a source of “free” happiness. It's not just businesses that could see the future a little brighter because of vouchers, we could, too. [And it's exactly what we need to stay mentally and financially healthy.](#)

- **Delayed consumption pays off**

When we have looked forward to something that was out of reach for a long time, we enjoy it even more at the moment of consumption. That's because we don't have to worry about the bill that needs to be paid, as all costs have already been covered long ago.

Furthermore, delaying consumption may even pay off physically. [Research](#) shows that when consumption is delayed, people tend to choose items that provide more lasting wellbeing in line with long-term goals (e.g. eating healthy food). In contrast, when people are asked to choose between goods for immediate consumption, they are tempted to go for options that are less healthy or only pleasurable in the short-term. For example, fast food or quick entertainment.

Now think about your own financial situation. Did your spending and saving patterns change recently? And are there any places you used to go, for example the lunchroom next to your office, that may now be struggling? If you're in good financial health, have a look online to see whether you can offer your support. With the help of a voucher or donation, that healthy meal will be happily waiting for you. And so will the owners.