

Countering the Lipstick Effect During Ramadan

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Ramadan is a sacred month of fasting, reflection, and spiritual renewal for Muslims around the world. It is meant to be a time of self-restraint—not just in food and drink but in every aspect of life, including financial practices. Yet, in recent years, Ramadan has become a season of heightened consumerism, overshadowing its true purpose with the allure of discounts, promotions, and extravagant spending. This phenomenon, often amplified by what economists' term the "lipstick effect," threatens the very essence of Ramadan and challenges families across Indonesia to make mindful financial choices.

The "lipstick effect" refers to a tendency during economic uncertainty to splurge on small luxuries like cosmetics or personal care items. Data shows that Indonesians are heeding this call, often turning Ramadan into a "discount paradise." According to Google, online shopping activity during Ramadan 2024 surged by 58% compared to the secular Harbolnas sales event.

But why does this matter? More than just shopping sprees, this behavior shifts focus away from the spiritual values of Ramadan. It can lead to financial strain—families stretching budgets to afford new clothes, luxurious meals, home improvements, and even vacations. Positive traditions like *mudik* (the annual homecoming), giving *zakat* (obligatory alms), and gifting THR allowances can quickly become financial stressors without proper planning. For some, this is further exacerbated by loans or reliance on risky financial schemes.

Ramadan and the Discipline of Financial Restraint

At its core, Ramadan is about discipline. The fasting, prayers, and charitable giving are all designed to foster self-control and reflection. Yet, ironically, this is the month when temptations multiply. Shiny storefronts, influencer campaigns flaunting their Eid purchases, and irresistible ecommerce deals fuse to create a potent "fear of missing out" (FOMO). However, the discipline cultivated through fasting can extend to finances—offering a roadmap for navigating these commercial pressures.

Mindful spending during Ramadan isn't just about cutting back, but about aligning our finances with spiritual values. Create a budget that prioritizes religious obligations like *zakat*, charitable donations, and family allowances. When planning for family reunions and cultural traditions like *mudik*, budget carefully and avoid last-minute expenses. Finally, be wary of easy loans and prioritize living within your means to avoid financial burdens and risky schemes.

Tying Financial and Spiritual Discipline Together

Ramadan provides an unparalleled opportunity to blend spiritual and financial discipline in daily life. This synergy can not only help families achieve financial stability but also cultivate a deeper understanding of what truly matters. By managing spending, we make room for meaningful acts of kindness and generosity without sacrificing long-term financial security.

Experts agree that financial literacy plays a huge role in enabling individuals to make smarter money decisions. According to Indonesia's Financial Services Authority, only 65% of adults understand financial concepts well enough to make informed decisions. This Ramadan, consider utilizing financial planning tools to craft a balanced approach to spending and saving.

The HSBC Quality of Life Report 2024 underscores the importance of proactive financial planning in achieving ideal living standards. Whether it's ensuring the best education for your children or preparing for retirement, mindful financial discipline during Ramadan can lay the groundwork for long-term prosperity and success.

A More Reflective Approach to Ramadan

Ramadan isn't merely about fasts and prayers—it's a period of transformation, an opportunity to create habits that endure long after the crescent moon fades. The festive season tempts us with purchases that claim to bring joy, but the deeper rewards lie in restraint, mindfulness, and alignment with our spiritual values.

Reframe your spending habits not as sacrifices, but as intentional steps towards spiritual and financial victories. Together, we can celebrate not just the foods we fast from or the clothes we wear, but the balance and discipline we achieve in all aspects of life. May you emerge from Ramadan not only spiritually renewed but also financially empowered.
