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# The Mexican Revelry Spirit: A Study on Household Spending Behavior Linked to Festivities

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*Abstract: The objective of this article is to study the impact of the cultural deep-rooted fondness in Mexico for festivities and celebrations on household spending behavior. Using an interdisciplinary approach, this work analyzes official records of expenditure related to festivities in Mexico. The study finds evidence of an abundant allocation of family economic resources to events such as family parties, festivals, parades, and civic and religious ceremonies. Some of the celebrations are held regularly, whereas others take place on special occasions in individuals' lives. In either case, the result is a significant flow of spending to finance the appetite for revelry. This work concludes that, as a result of cultural factors, Mexican people are used to holding celebrations quite frequently. Those celebrations often involve conspicuous spending. Both the frequency and the ostentatious spending impact negatively on family finances for urban and rural households, the latter bearing the brunt of the burden because their average income is lower than that of the former.*

*Keywords: Mexican Culture, Community Customs, Consumption for Festivities, Cultural Economics, Household Spending Behavior, Family Finances*

## Introduction

On September 9, 2019, a peculiar demonstration took place in front of the National Palace in Mexico City. Residents of a town located near the capital were accompanied by many groups of mariachis who played for hours to protest in front of the president's residence. What was especially noteworthy about the event was that protesters were not there to complain about the rampant criminality, the shortage of medicines in public hospitals, or the zero economic growth rate in Mexico at that time. They wanted the government to provide a big piece of land for people's festivities (Velázquez 2019). The event graphically portrays what this article is about.

Although many authors have examined different aspects of the relationship between culture and economics, only some have tackled the influence of cultural traits on household spending behavior related to celebrations, and this omission is particularly notable in reference to the Latin American region. Additionally, mainstream economic literature has disregarded expenditure on festivities because it is considered irrational behavior (Rao 2001). However, this phenomenon has important economic consequences, especially at the household level, which is addressed in this work.

Culture influences the importance that people attach to saving and expenditure, the way they spend money and time, as well as the kinds of goods they consume. It is also a key factor in determining families' spending priorities.

In Mexico—as well as in the rest of the Latin American countries—social and family ties contribute significantly to life satisfaction (Beytía 2016). Celebrations serve as occasions for social connection (Haidt, Seder, and Keselin 2008); however, they entail a great deal of conspicuous spending, often linked to obtaining social prestige. Celebrations are also

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encouraged by retail chains to prompt sales.<sup>2</sup> Thus, the cultural phenomenon studied here has an important impact on spending behavior, with implications for family finances.

In this work, the term “Mexican revelry spirit” describes an ingrained cultural fondness for festivities and celebrations. This article aims to answer the following research questions: Does *Mexican revelry spirit* affect household saving and spending behavior? If so, in what sense? The hypothesis to be tested is

*H: Mexican revelry spirit* does affect Mexican household spending behavior and is detrimental to family finances.

The article is organized as follows: the second section examines the existing literature on the topic. Because this is an interdisciplinary study, works by specialists in different areas and from diverse countries were selected according to the common criterion that they address the relationship between festivities and household expenditure. The third section provides details of the data sources and explains the methodology used in this study. The fourth and the fifth sections discuss the results and its implications, respectively. From the data analysis, the sixth section concludes that the frequency with which celebrations are held in Mexico and the conspicuous expenditure involved have negative effects on family finances. The impact of the *fiesta spending* is greater in rural households, reaching more than a third of their income. Finally, this article provides elements for future research from interdisciplinary perspectives on native customs and their relationship with family finances. Furthermore, this work encourages the analysis of new cases of study for countries or regions with cultural traits similar to those examined here.

## Review of Literature

### *Cultural Traditions and Spending Behavior*

Several factors may influence spending behavior, some of which are entirely economic (Callen and Thimann 1997) and others social or psychological (Lunt and Livingstone 1991); culture, undoubtedly, is one of the main determinants (Fuchs-Schuendeln, Masella, and Paule-Paludkiewicz 2019). In this work, culture is understood as Throsby (2000, 4) defines it:

A set of attitudes, beliefs, mores, customs, values, and practices which are common to or shared by a group. The group may be defined in terms of politics, geography, religion, ethnicity or some other characteristic, making it possible to refer, for example, to Mexican culture... Jewish culture...corporate culture...and so on...One of the critical functions of these manifestations of the group's culture is to...contribute to establish, the group distinctive identity, and thereby to provide a means by which the members of the group can differentiate themselves from other groups.

Culture influences the way individuals and families manage their finances, as well as spending decisions. Cultural attitudes toward spending can be traced to antique texts, such as the Bible: “There is a treasure to be desired and oil in the dwelling of the wise, but a foolish man spendeth it up” (Bible, n.d., *The Book of Proverbs* 21:20). In sixth century BC, Confucius noted the following in regard to the management of money: “[E]xtravagance leads to arrogance; prudence, steadfastness. Instead of arrogance, prefer steadfastness” (Analects 7:35, cited by Chancellor and Lyubomirsky 2011). The cultural tie between frugality and economic progress

<sup>2</sup> Celebrations generate important economic spillovers for retail and services. The Mexican National Confederation of Chambers of Commerce, Services, and Tourism (CONCANACO-SERVITUR) has estimated sales for those businesses owing to diverse celebrations and can be consulted at <https://www.concanaco.com.mx/>.

was closely observed by Weber in protestant European ethics. He noted that the limitation of consumption led to the accumulation of capital through an *ascetic compulsion to save*. The restraint in the consumption of wealth finally brought about its increase, through investment in productive capital (Weber [1905] 2005)

Many other authors have explored the link between cultures and spending behavior. Fan (1998), for example, found cultural differences in expenditure patterns between Hispanic white and Asian American households. Nowak and Kochkova (2011) analyzed income levels and household consumption expenditures across twenty five countries of the European Union and concluded that culture is an important factor explaining most of the variations in consumption expenditures among them. Hofstede, Hofstede, and Minkov (2010), in their six-dimension model, introduced a category that relates culture to the tendency to consume: *restraint* versus *indulgence*. The former could be defined as the conviction that people's actions should be limited by many social rules and proscriptions. Thus, people from *restraint cultures* usually perceive that leisure activities, spending money, and other forms of self-indulgence are somewhat wrong. On the other hand, *indulgence* describes the behavior of people who act as they please. People from *indulgence cultures*—as the Mexican one, according to Hofstede's scales—are given to spending money on satisfying their desires and are devoted to leisure and fun activities, alone or with friends (Hofstede, Hofstede, and Minkov 2010).

It has also been found in other societies that their traditions—such as those of some sub-Saharan tribes—are averse to frugality. Maridal (2013) noted that in those cases surplus income is often consumed immediately. Dia (1991) claims that there seems to be a social need and a mystical element that leads people to what in western countries can be regarded as “wastefulness.” He also portrays how traditions can lead to a squandering of resources that could otherwise be used in the cause of furthering well-being. For example, among the Diola Tribe in Senegal, a man witnessed the sacrifice of 750 heads of cattle in a circumcision ceremony. He adds that “it is not uncommon for poor, malnourished farmers to give away vast quantities of foods on the occasion of marriages, circumcisions, or burials” (Dia 1991, 5, cited by Maridal 2013, 137).

Etounga-Manguelle (2000) asserted that the Africans demonstrate a penchant for feasts, which suggests that their societies are structured around pleasure. He also emphasized the importance of social connection, despite the pecuniary load it may entail: “[W]hether one's salary is considerable or modest, whether one's granaries are empty or full, the feast must be beautiful and must include the maximum possible number of guests” (Etounga-Manguelle 2000, 72).

Rao (2001) observed that in rural South India a typical household spends nearly seven times its annual income on a daughter's marriage. Bloch, Rao, and Desai (2004) affirmed that such an event often drives Indian parents into massive debts at interest rates exceeding 200 percent. Banerjee and Duflo (2007) found that in Udaipur (a city in northwest India), the median household spent approximately 10 percent of its annual budget on festivals.

Fests and celebrations not only cater to people's desire for amusement but are also associated with the craving for economic, social, or political prestige of the host. Smith (1977) notes that fests are organized by identifiable sponsors for ritual fulfillment, political gain, demonstration of power and authority, the elicitation of labor commitments, or merely prestige.

Wolf (1957) points out that *the prestige economy* works chiefly by backing the communal religious cult and related religious activities. He cites in the example of Central Java, where livestock is a symbol of landownership and wealth is spent conspicuously in cattle sacrifices and several ritual fests. People used to hold such events as an offering intended to safeguard their households from evil or distress, to celebrate singular occasions in the life cycle, to mark holidays, or to underscore periods in the production of rice. He also cites the making of pilgrimages to Mecca—with a view to earning prestige, spending vast amounts of surplus wealth, and the case of adult members of Mesoamerican communities that commit themselves

to financing a part or all of the ritual fests for one or more saints, when they assume religious office. “Expenditures may prove economically ruinous, though they earn great social prestige for the spender” (Wolf 1957, 4). Sosis and Ruffle (2003) point out that the costliness of ritual actions serves as a signal of loyalty to a group’s goals and beliefs. Schmidt’s (2006) field study in Andean Ecuador found evidence of both the relevance of religious festivals as a way to gain prestige for the family as well as a path for emigrants to demonstrate that they still belong to the community.

### *The Mexican Revelry Spirit*

This work uses the concept of “revelry spirit” to refer to a strong fondness for festivities and celebrations. This cultural trait is not exclusive to Mexican people but has some singular characteristics linked to its origins and also has particular links to household spending behavior.

The Mexican festive vocation can be traced to pre-Hispanic times, full of ceremonials<sup>3</sup> packed with music, dances, and human sacrifices for native gods (Sahagún [1577] 2006). In Mesoamerica, the calendar was divided into 18 months of 20 days each; every month had a principal fest and many other minor ceremonies (Broda 2003).

The Spaniard spiritual conquest, initiated in the sixteenth century, brought the Roman Catholic religion to new territories. The new religion implied a renewed source of festivities and ceremonies. Spaniards tried to replace native rituals for their religious celebrations.<sup>4</sup> Hence, in New Spain, many towns, cities, and neighborhoods within them adopted different virgins or saints as their patrons (Gonzalbo-Aizpuru 1993), while syncretism assumed many forms (Báez-Jorge 1998). Demonstrations of colonial power also played a role in the celebrations (Beezley, Martin, and French 1994; Farré-Vidal 2013).

Religious fests have always had an economic aspect. Clergy, retail traders, and even the government benefited from expenditure on festivities in regard to clothing for dancers, offerings for saints, fireworks, pulque, and so forth.<sup>5</sup> These celebrations also involved squandering on a large scale, drunkenness, and idolatry, prompting the Spanish Bourbon crown to attempt to reduce them during the eighteenth century. This led to indigenous rebellions or civil disobedience, sometimes supported by parish priests (Enríquez-Sánchez 2015).

An important tradition linked to religious fests, specifically in indigenous villages, is the *mayordomías* or *cargo* system. The responsibilities of *mayordomos* can vary among different Mexican communities, but one common and main responsibility is to organize the celebration of the village’s patron saint or virgin. The *cargo* (position, office, post) generally lasts one year, in which the *mayordomo* performs a multiplicity of costly arrangements. The *mayordomo* gets no payment for his services; on the contrary, his work sometimes involves extreme sacrifices in time and money. As compensation, the *cargos* bestow great social prestige on members of the community (Korsback 1996; Smith 1977). Conspicuous consumption for such fests has even been assumed to be a means of levelling wealth differences. In this regard, Wolf asserts that the demonstration of affluence in Mesoamerica is viewed with outright hostility, whereas poverty and resignation are honored: “We have seen how much surplus wealth is destroyed or redistributed through participation in the communal religious cult” (Wolf 1957). Cancian (1965) holds an opposite opinion; he asserts that the *cargo* system is a display of wealth and social

<sup>3</sup> According to Goody (1961), a *ceremonial* “consists of a specific sequence of ritual acts, performed in public.”

<sup>4</sup> Anthropologists conventionally consider one of the main functions of religion as being to promote the solidarity of human groups, and most of them have recognized rituals as a mechanism through which this solidarity is achieved (Sosis and Ruffle 2003). Hence the importance of the Catholic religion and rituals in the pacification of postconquest Mexico.

<sup>5</sup> Pulque is a typical alcoholic beverage of central Mexico, made from fermented sap of the maguey plant (*agave Americana*). Pulque and fireworks were taxed by the government.

status. Regardless of those different points of view, no author disputes the economic burden of the *cargo* system for poor peasants (Roberts and Chick 2007).

Fests impact the family finances not only of the *mayordomos* but also of entire communities. People in some towns or neighborhoods in cities are asked to contribute in money or kind to local celebrations. The funding of traditional festivals has shifted increasingly from being an individual responsibility to a shared one (Brandes 1981). In some indigenous townships, villagers are compelled to donate. This has displaced persecuted non-Roman Catholic families who refuse to pay for those activities and, as a consequence, has exposed them to aggression, often forcing them to flee, leaving homes, lands, and belongings behind (Comision Nacional de Los Derechos Humanos [CNDH] 2016; Rivera 2013).

The war of independence, civil conflicts, and foreign invasions during the nineteenth century are represented on the Mexican festive calendar with new dates to commemorate heroes and epic deeds. That is the case of the independence “Grito” (the cry) on the night of September 15 and a day off on September 16, when a military parade takes place. Other such celebrations include the battle of *Cinco de Mayo* (May 5), the birthday of President Benito Juárez (March 21), or the *Niños Héroes* (Boy Heroes) Feast (September 15). The Mexican Revolution (celebrated on November 20) and the publication of the 1917 Constitution (February 5) had the same effect in the earlier twentieth century.

No depiction of the festive spirit of the Mexican people can match that provided by the philosopher and poet Octavio Paz, who in his famous book, *The Labyrinth of Solitude*, stated that Mexicans love fiestas and public gatherings:

Any occasion [...] will serve, any pretext to stop the flow of time and commemorate men and events with festivals and ceremonies. We are ritual people...There are few places in the world where it is possible to take part in a spectacle like our great religious fiestas with their...bizarre costumes and dances, their fireworks and ceremonies, and their inexhaustible welter of surprises: the fruit, candy, toys, and other objects sold on these days in the plazas and other open-air markets. Our calendar is crowded with fiestas. There are certain days when the whole country, from the most remote villages to the largest cities, prays, shouts, fests, gets drunk and kills in honor of the Virgin of Guadalupe or Benito Juárez...time comes to a full stop, and...offers a complete and perfect today of dancing and revelry, of communion with the most ancient and secrete Mexico... The life of every city and village is ruled by a patron saint whose blessing is celebrated with devout regularity. Neighborhoods and trades also have their annual fiestas, their ceremonies, and fairs. (Paz 1985, 47–48)

The Mexican revelry spirit, however, is not limited to fiestas organized by governments or the predominant Roman Catholic Church<sup>6</sup> but also pervades families and social networks on crowded and sumptuous festivities for every opportunity. Weddings, graduations, birthdays, Roman Catholic baptisms, first communions, *posadas*<sup>7</sup> with big *piñatas*, long mystical pilgrimages on behalf of *Guadalupe-Tonanzin*, the famous *quinceañera*<sup>8</sup> parties, are just some examples. Events entail logistics, gifts, food, beverages, and even dressing. They can take place at homes, party halls, night clubs, or public places like streets or public squares. Depending on

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<sup>6</sup> Despite decreasing in number, according to the last national census (Instituto nacional de Estadística y Geografía, INEGI 2020), nearly 80 percent of the Mexican population are Roman Catholics.

<sup>7</sup> *Posadas* is a nine-day celebration to commemorate the pilgrimage of Joseph and Mary from Nazareth to Belem before the birth of Jesus.

<sup>8</sup> *Quinceañera* is a girl celebrating her fifteenth birthday. The celebration marks the transition from childhood to womanhood. It usually entails two ceremonies on a single day: a Roman Catholic mass, followed by a party with family and friends.

the occasion, celebrations may consist of dances, dinners, exchange of gifts, festivals, parades, concerts, fairs, or a combination thereof.

Alan Riding (1984) asserted that the fiesta provides a vital catharsis for Mexicans. The excuse could be a religious or patriotic event, a saint's day, a birthday, or one of the various special days on the calendar for children, mothers, fathers, "compadres," teachers, secretaries, postmen, masons, and so forth.

New commemoration days, parades, and other celebrations have been added recently, including the *Day of the Dead Parade*. Although Day of the Dead celebration is quite an ancient tradition (Brandes 1998), the parade has been held annually only since 2016, inspired by some scenes shown in the 2015 James Bond film *Spectre*. Zarauz and Florescano (2018) highlight that many of the Mexican fiestas have been driven by large retail chains to boost the consumption of merchandise they offer for those occasions.

The *National Survey of Cultural Consumption* (Instituto Nacional de Estadística y Geografía [INEGI] 2014) was a unique exercise that helps to get a general perspective on the attendance of Mexicans at various cultural events, among which traditional festivals were considered. The report derived from the survey shows that in the year it was conducted, a total of 141 million people attended the traditional fests and that expenditure on those events totaled around 36 million USD. Although no other survey like this one has been conducted, the figures afford us a glimpse: Mexico's festivities attract a multitude of people and involve significant expenditure.

## Methodology

The study gathered data on holiday spending and calculated what percentage of the income of Mexican families, both rural and urban, it represented. Households were considered rural if located in a town with a population of less than 2,500; they were deemed urban if populated by 2,500 or more people, according to the criterion of the National Institute of Geography and Statistics (INEGI). The hypothesis to be tested is

*H: Mexican revelry spirit does affect Mexican household spending behavior and is detrimental to family finances.*

## Sources of Data

As the "revelry spirit" is studied here in connection with spending behavior, specifically on festivities and celebrations, data was collected from the following official sources and analyzed:

- a) The National Survey of Household Incomes and Expenditures (ENIGH), conducted by the INEGI (2018).
- b) Polls carried out by Federal Consumer Protection Bureau (Procuraduría Federal del Consumidor [PROFECO], n.d.), from 2009 to 2019.

## Data Analysis Procedure

Five steps were used to test the hypothesis *H*. They are as follows:

1. Items related to *fiesta* spending were located in the *ENIGH* and the annual expenditure was calculated. This was designated the *Recurring Fiesta Expenditure* (RFE).
2. The PROFECO carries out polls that yield interesting data on spending on specific celebrations. The information available, however, does not show the year-wise expenditure on each of the celebrations. Thus, the figures for each of the holidays recorded in the 2009 to 2019 period were added and an average of the annual

- expenditure was obtained. This was designated the *Event-based Fiesta Expenditure* (EBFE).
3. The RFE and the EBFE were summed up to get the *Total Fiesta Expenditure* (TFE).
  4. Data on the rural and the urban household average income (HAI) was also obtained from the ENIGH.
  5. To determine a threshold for expenditure on festivities and celebrations, the rule of thumb 50–20–30 for budgeting was used,<sup>9</sup> according to which 50 percent of one's income should be used to cover essential expenses such as housing, food, utilities, and transportation for work; 20 percent to achieve financial goals (savings, investments, and debt-reduction payments); and the remaining 30 percent for flexible nonessential expenses (Johnson, Shenaq, and Thakor 2016; Opong 2018; Warren and Tyagi 2005). In accordance with the rule, the maximum spending on parties and celebrations was stipulated as not exceeding 30 percent of family income. Thus, the test of the hypothesis was conducted as follows: If  $TFE \geq 30$  percent of HAI, then  $H$  must be accepted. If  $TFE \leq 30$  percent of HAI, then  $H$  must be rejected.
  6. Wherever the original figures were in Mexican pesos, I performed the conversion to US dollars according to the official exchange rate records of the Bank of Mexico (BANXICO, n.d.), calculating the average for each of the years used.

## Results

### *The Recurring Fiesta Expenditure*

The ENIGH consists of a broad application of questionnaires applied in 89,138 Mexican homes by the National Institute of Geography and Statistics to people 12 years old and older. If there are household members under 12 years of age, the questionnaire is administered to a person older than 18 years in charge of the minor (INEGI 2018).

Among the nearly 750 expenditure items included in the most recent survey, three were identified that were of relevance to the aim of this work: *fiesta packages*, *night clubs*, and *communal cargos for local festivities*. The amounts for each of these items recorded in the most recent ENIGH (INEGI 2018) are shown in Table 1, and their total will be considered as the *Recurring Fiesta Expenditure* (RFE).

Table 1: Recurring Fiesta Expenditure in USD

<i>Item</i>	<i>Annual Average in USD</i>
Fiesta packages	\$779.66
Nightclubs	\$ 650.96
Communal <i>cargos</i> for local festivities	\$49.13
<i>Total RFE</i>	\$1,479.75

Source: Fonseca, with data from INEGI 2018

### *The Event-Based Fiesta Expenditure*

The Consumer Protection Federal Bureau (PROFECO 2009–2019) has carried out surveys, yielding data on consumer spending on the main Mexican celebrations. Polls and samples differ from year to year, but the sample for the complete period 2009 to 2019 consists of more than 6,000 people, most of them aged between 18 and 65.

<sup>9</sup> Nowadays, there is a myriad of advice and technological tools for managing personal and family finances. “The best way” to plan expenses can lead to endless discussions. I thus chose this rule because it is widely accepted and used.



Table 2 shows the calculated annual average annual consumption in US dollars for each of the celebrations reported by PROFECO. Their total will be called the *Event-based Fiesta Expenditure* (EBFE).

Table 2: Event-Based Fiesta Expenditure in USD

<i>Celebrations</i>	<i>Average Annual Consumption in USD (2009–2019)</i>
Valentine’s day	\$46.49
Carnivals	\$57.85
Mother’s day	\$54.41
Teacher’s day	\$15.11
Father’s day	\$40.28
Independence day	\$39.74
Day of the dead	\$29.85
Halloween	\$26.92
Guadalupe’s day	\$20.52
Christmas dinner	\$52.16
New Year’s day	\$51.59
Posadas	\$37.16
Christmas Eve gifts	\$64.90
Three Kings’ day gifts	\$72.22
Children’s day	\$15.16
<i>Total EBFE</i>	<i>\$624.37</i>

Source: Fonseca, with data from PROFECO 2009–2019

**Total Fiesta Expenditure and the Household Average Annual Income**

Adding up the totals from Tables 1 and 2 yields the *Total Fiesta Expenditure* (TFE):

$$\$1,479 + 624.79 = 2,104.13$$

Table 3 shows the final results of this study. The first column classifies households into rural and urban households according to the previously mentioned INEGI criteria. The annualized average income of both urban and rural households according to the ENIGH appears in the second column. The third column contains the Total Fiesta Expenditure as a percentage of the annualized average income. Finally, the fourth column indicates the result of the test of the hypothesis.

Table 3: Total Fiesta Expenditure versus Income and Hypothesis Test

<i>Household Type</i>	<i>Average Annual Income</i>	<i>TFE as % of HAI</i>	<i>H</i>
Urban	\$11,536	18.24	Not supported
Rural	\$ 6,240	33.72	Supported

Source: Fonseca

From Table 3, we note that in the case of urban households, the *total fiesta expenditure* is less than 30 percent of their annual average income. On the other hand, in the case of rural households *total fiesta expenditure* on celebrations is greater than 30 percent of their average annual income. These results are discussed in the next section along with some additional considerations.

## Implications

Undoubtedly, an outpouring of a festive spirit such as that described by Alan Riding and Octavio Paz—cited in the literature review section—entails economic consequences. Paz considered it an impossible task to calculate how many fiestas Mexicans have and how much time and money they spend on them. The same author himself recalls asking the mayor of a poor village how its budget was spent; the mayor answered: “Mostly on fiestas, señor. We are a small village, but we have two patron saints.” Paz, to whom the answer came as no surprise, adds that Mexican poverty can be measured by the frequency and luxuriousness of Mexican festivities (Paz 1985).

Quantities observed from the Results section of this work for *Recurring Fiesta Expenditure* afford a better insight about what those expenses imply for a household when they are compared with other selected items from the ENIGH. For example, annual expenditure in fiesta packages (\$779) surpasses spending on *computers and tablets* (\$620), whereas spending in *nightclubs* (\$650) far exceeds that in *books* (including schoolbooks, \$554; data on items for comparison retrieved from INEGI 2018). Regarding the expenditure on *communal cargos for local festivities*, although not a large amount (\$49), it is usually carried out by poor villagers, as noted in the literature review section.

Furthermore, some very onerous celebrations take place only once or a few times in a lifetime, such as weddings and quinceañera parties. These events may not be detected timely in the periodic official records. Therefore, there may be periods during which household spending on holidays is much higher than the average income, causing household indebtedness.

Concerning the *Event-Based Fiesta Expenditure*, the figures reported by PROFECO for spending on each of the celebrations may not seem dramatic when considered separately. However, in light of the number and frequency of festivities, the expenditure materially impacts family finances.

As the results show, the celebrations could consume up to almost one-fifth of an urban household’s income and more than one-third of a rural household’s. Yet we must take into account PROFECO’s practice of reporting amounts spent only on major, not all, celebrations.

It should also be noted that according to the 50–20–30 rule, a maximum of 30 percent of family income should be allocated to nonessential personal expenses. Even so, if most, or the whole, of those resources are consumed by parties and celebrations, there will be little room left for other nonessential expenses. Therefore, the consumption of other nonessential goods would have to be financed through debt and/or by sacrificing the resources required to meet basic needs or achieve financial goals.

Also important to note is that expenditure on festivities and celebrations is mostly allocated to conspicuous consumption, which can be defined as the expenditure by individuals on obtaining or maintaining a high social status (Mason 1980; Ryabov 2016; Veblen 2005). This applies to the expenditure of many Mexican fiestas, often aimed at flaunting social status or gaining prestige, which entails high costs for families. Riding (1984) noted the issue with the household economy:

Status and appearances are crucial throughout society. The poor spend ostentatiously to hide the “shame” of their poverty, going into debt to pay for village fiestas, lavish weddings, birthday parties, and funerals. Among the more affluent, similar symbols

proliferate. An expensive present reflects the wealth of the donor as much as the importance of the recipient. (Riding 1984, 10–11)

To defray their festive expenses, Mexicans sometimes turn to cooperative networks—godparents, relatives, and close friends (Zarauz and Florescano 2018)—who also assume part of the financial burden.

Conspicuous consumption damages personal and family finances, mostly in the case of the poor. For example, Moav and Neeman (2012) demonstrated that people with lower levels of human capital tend to spend larger proportions of their income on conspicuous consumption, trapping their progeny in poverty. Deprivation of nutritional food is another consequence of such expenditures (Bellet and Colson-Sihra 2018).

The heavy financial load on Mexican families caused by festive spending has been a permanent part of their lives since colonial times. Riva Palacio (1987, cited by Enríquez-Sánchez 2015) notes that there were poor day laborers and farm workers who would have spent their hard-earned money on firecrackers rather than on food or clothing for them or their families. He asserts that the main cause of the misery of indigenous people is the succession of immoderate expenditures on religious fests. The results of the present study indicate that the *Mexican revelry spirit* continues to impact family finances nowadays, especially those of the poorest households in rural areas.

Although it is difficult to determine the exact macrolevel effect of festivities and celebrations on total household expenditure, it is worth noting that the Mexican rate remains one of the highest among the Organization for Economic Cooperation and Development (OECD) countries as a percentage of GDP, as shown in Figure 1.

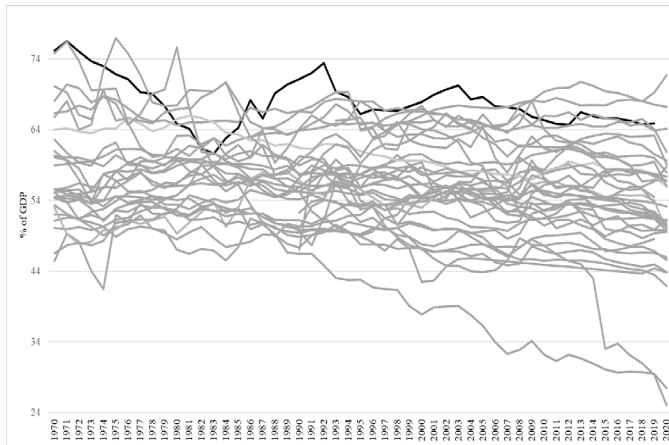


Figure 1: Mexico (Black Line) and the Rest of OECD Countries (Grey Lines)  
 Figure 1: Source: Fonseca, with data from OECD n.d.

It is also worth noting that even though the World Health Organization (WHO) and some local authorities strongly recommended that social distance be maintained to stop the spread of the virus during the COVID-19 pandemic (WHO, n.d.), a multitude of Mexicans continued to hold fiestas and religious celebrations all through 2020 and 2021, both in urban and in rural areas (e.g., Nava 2020; Valtierra and Córdova-Hernández 2021), despite the economic crisis resulting from the contingency.

## Conclusion

This study has shown that a strong fondness for festivities and celebrations is an ingrained element of Mexican culture. On the basis of the data collected, festive events have been identified as entailing lavish expenses, not necessarily on each celebration but certainly for the multiplicity and frequency of them. Although “fiesta expenditure” is not specific to low-income families alone, it places a heavier financial burden on them.

From the perspective of family finances, the results of this study indicate that Mexicans’ over-fondness for festivities implies the consumption of a significant percentage of family income, which if reallocated to priority issues such as food, health, and education would improve their living standards.

Concerning public policies, if a cultural feature is found to impact negatively on family finances, then cultural change appears as a possible solution. However, we must desist from assuming that the sudden suppression of certain traditions would bring positive results immediately. Such a misleading conjecture applied to public policies could cause confusion and unrest (as Bourbon Monarchy experienced in the eighteenth century). A more feasible approach is to teach people, from younger ages, the convenience of allocating work time and money to priority issues and to saving for the future so that people can strike an appropriate balance between social life and sound finances.

Future work on this and related topics, such as financial literacy and household financial management, along with the use of different research methods, will enrich our knowledge of this economic and cultural phenomenon.

## Topics for Further Research

On the basis of the findings of this article, I pose the following research questions for future studies: (a) What are the economic outcomes in other societies with similar traits as the ones examined in this work? (b) Is it possible to find such similarities in broad regions so as to study, for example, a *Latin American* or *African* “revelry spirit”? (c) Have cultural changes in regard to this aspect taken place over time? (d) What have its results been for family finances? (e) What are other—economic and noneconomic—impacts of the *revelry spirit*? (f) Is it possible and acceptable to modify certain traditions (e.g., through public policies) for the sake of healthier household finances? (g) What would be the appropriate spending for festivities and celebrations according to different household income levels?

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