Deixis of Psychology of Money Book

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Abstract

This research examines the use of deixis within Morgan Housel's The Psychology of Money regarding the way language crafts narrative, produces author-reader relation, and constructs financial knowledge. Based on Levinson's (1983) personal, temporal, spatial, discourse, and social typology of deixis, this work is also informed by ten contemporary pragmatic hypotheses in researching the deictic terms' role in behavioral finance books. The study employs a qualitative descriptive design, utilizing document analysis to find and classify deixis throughout the book. Every instance of deictic action is examined not only by category but also by pragmatic function, i.e., to facilitate emotional rapport, build credibility, and facilitate cognitive accessibility. By close reading, it can be observed that temporal and personal deixis (i.e., "I," "you," "we," "now," "then") are employed to suffuse the text and narrative proximity and reflective engagement are created with them. Theoretically, deixis is not viewed as a grammatical problem anymore but as a rhetorical strategy for enabling stance-taking, alignment of the audience, and narrative engagement (Mäkinen et al., 2024; Holmes & Kim, 2022). Evidence justifies the use of deixis with the objective of organizing discourse, enhancing moral framing, and bridging psychological distance between reader and author.The research contributes to applied pragmatics and discourse analysis of finance in identifying deixis as a strategic language device in constructing public knowledge about money and behavior.

Keywords: Deixis, Pragmatic, Personal finance, The Psychology of Money, Narrative Strategy

1. INTRODUCTION

In mainstream finance now, there has been a growing emphasis on narrativized, personalized explanations of money and behavior. Morgan Housel's The Psychology of Money (2020) is a case in point: it explains complex financial behaviors in the language of story, personal reflection, and everyday speech. It marks a shift away from analytical, anonymous writing in economics toward highly emotive, reader-personalized narratives. Language is critical during this transition, particularly in the use of deixis, as it enables authors to connect decontextualized ideas to personal experience. Deixis refers to context-dependent words such as I, you, here, that, or now that are reliant on the speaker's location and the discourse setting for their meaning. This linguistic feature is most important in economic communication, where authors try to reduce psychological distance and invoke reader identification. It is essential to learn how deixis functions to untangle how language builds relatability and meaning in powerful economic texts.

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This study therefore investigates deixis in Housel's works to explore its role in narrative building, reader identification, and cognitive accessibility in economic communication.

Deixis, in the sense of Levinson (1983), are those linguistic forms whose meaning requires contextual information, e.g., person pronouns (I, you), time adverbs (now, then), and spatial reference (here, there). Deixis, in Fillmore's (1997) sense, is at the center of speakers' establishment of a common meaning with hearers through the manipulation of reference points in discourse. In narrative contexts, Dancygier (2021) argues that deixis functions as a gateway to narrative simulation, through which readers can simulate fictional contexts in their minds. These theoretical insights form the foundation on which the paper explores how deixis in The Psychology of Money gains access to storytelling, behavioral reflection, and pragmatic persuasion.

Deixis is no longer thought of as a purely grammatical or structural fact; present pragmatics views it as a central device for constructing stance, reference, and interpersonal alignment. Mäkinen, Dindar, and Gabbatore (2024) found that deixis enables readers to adopt cognitive perspective, which is a fundamental aspect in texts inviting consideration of past and future decisions, as evidenced by Housel's narrative shifts. Holmes and Kim (2022) emphasized that person deixis, particularly the I, you, and we dynamics, is employed to create author-reader relations and credibility in stories. Housel oscillates between personal accounts (I) and inclusive generalization (we) to win reader trust. Reyes (2021) identified that political discourse deixis is employed to form ideological borders, and Housel performs the same using you to make readers self-reflexive agents or error-prone decision-makers, hence triggering introspection. Nguyen and Hasan (2023) illustrated how second-person deixis increases emotional persuasiveness in autobiographical writing, a function that is common in Housel's conversational voice. Tagliamonte and Rupp (2025) asserted that demonstrative replication clarifies ambiguous pointers in informal speech, a strategy employed by Housel to reiterate lessons with this or that. Zhou (2022) described the strategic relocation of deictic centers in hybrid texts to house more than one identity, echoing Housel's shuttling between narrator, observer, and guide. Zhang (2024) discussed deixis in therapy, in which temporal deixis anchors personal accounts—just as Housel uses financial chronologies to organize memory and thought. These theories combined illustrate that deixis is deeply embedded in the interpretative and interactive design of significant speech.

Most existing research on deixis focused on political speech, fiction narrative, or internet communication, with less attention being paid to the field of financial education or behavioral economics. While researchers like Bianchi, Müller, and Esposito (2023) highlighted the interactive role of deixis on the internet, its possible applicability to reader-author interaction in hardcopy books is still unclear. Similarly, Fedriani (2025) discussed how temporal deixis leads to congruence of past and present perspectives in Latin writings but deixis in financial reporting is a domain yet to be studied. Amini and Rahimi (2020) investigated social deixis and power negotiation in intercultural interactions, which is similar to the neutralizing tone of Housel when using you and we but not given to financial persuasion. These texts beget the deixis theory, but their application in the framework of books on financial literacy is still rare. Obviously, there is a gap between theoretical studies of deixis and their presence in applied, not academic works like The Psychology of Money. It is crucial to comprehend this gap because books such as Housel's influence public finance habits and ideas significantly. By paying attention to deixis in one of the bestselling books ever, this research engages linguistic theory with actual communication practice in personal finance.

This research presents a new perspective in that it uses ten new theories of deixis and applies them to a bestseller book in finance, connecting pragmatics with economic communication. Unlike earlier work that concerned deixis within formal, political, or literary contexts, this study explores how deixis operates as a cognitive and rhetorical tool in propelling financial understanding. Housel's book combines instructional content with self-presentation, and deixis is the thread that weaves these together. By examining how deixis orchestrates narrative perspective, spatial-temporal displacement, and social coordination, the study lays bare the pragmatic processes for the book's success. The originality lies in demonstrating that deixis is not simply a structural necessity, but an intentional stylistic choice that organizes how ideas are seen and remembered. Deixis, from this viewpoint, is used as a tactical resource to demystify complexity, create closeness, and build credible financial advice. The work also contributes to linguistic studies in the genre approach by pushing deixis analysis into the field of personal finance, a field not yet fully investigated in pragmatics. The approach has interdisciplinary value, contributing to applied linguistics, discourse studies, and finance education research.

The objective of this study is to investigate the use of deixis in Morgan Housel's The Psychology of Money, focusing on how linguistic reference facilitates narrative construction, interpersonal relationship, and cognitive comprehension. The study identify the types and frequency of deictic words throughout the book and include personal, temporal, spatial, social, and discourse deixis. It seeks to evaluate the pragmatic functions of deixis from recent theory and connect these to specific narrative strategies used in the book. The research also examine how these contribute to financial thought's emotional investment and perspective-taking. By mapping out deixis here, the research hopes to improve understanding of how bestsellers shape reader cognition and behavior via language. The ultimate goal is to obtain deixis as a central tool in the pragmatics of argumentative financial writing. Generally, this work fills a gap in applied pragmatics since it looks at how deixis functions not only as a reference marker, but also as a cognitive and rhetorical pivot in discourse in behavioral economics. Through this approach, the study aims to shed light on the quiet but powerful way language affects individuals' thoughts and feelings toward money.

2.   LITERATURE REVIEW
2.1 Deixis In Pragmatics

Deixis is a fundamental pragmatics notion that refers to words or phrases whose sense is bound up with contextual information such as speaker, addressee, time, and place of speaking (Levinson, 1983). Context-dependent words vary from pronouns of persons (I, you) and temporals (now, then) to locatives (here, there) and other indexicals that anchor discourse in specific frames for interaction. Levinson identifies five types of deixis: personal, temporal, spatial, discourse, and social. Each of these forms has a rich contribution to make in determining how meaning is being constructed in communication, especially in story and argument composition.

Recent research on deixis suggests that it is not just a grammatical necessity; it is a cognitive and rhetorical tool that enhances engagement, emotional investment, and message clarity. For instance, Mäkinen, Dindar, and Gabbatore (2024) suggest that deixis places readers in the cognitive space of a narrator, allowing for narrative immersion and reflective thought. Holmes and Kim (2022) illustrate that person deixis such as I and we establishes familiarity and credibility in non-fiction narrative. These findings place deixis in the position of a powerful linguistic device with impacts that go beyond structural reference.

2.2   Research Gap and Theoretical Contribution

Most deixis research has focused on political speech, legal discourse, fiction, or digital media. There remains a gap in applying deixis theory to the genre of personal finance literature, particularly bestselling books aimed at mass audiences. Although digital deixis (Bianchi et al., 2023) and fictive deixis (Dancygier, 2021) have been widely studied, deixis in printed financial narratives remains underexplored.

This study contributes to filling that gap by analyzing how deixis functions in a financial self-help text to organize narrative, frame moral reflection, and enhance readability. It utilizes Levinson's typology and integrates ten recent studies on deixis to interpret how deictic expressions create rhetorical and cognitive effects. By doing so, it highlights deixis as an essential component of accessible and persuasive financial communication.

3.   METHOD

This research adopts a qualitative descriptive design. It seeks to examine deictic expressions used in Morgan Housel's The Psychology of Money and how the expressions function pragmatically in communicating financial and psychological messages. Qualitative analysis is used because the study is interested in the use of language, meaning, and interpretation rather than numerical data. The approach allows the researcher to explore deixis in its natural narrative and discursive context.

The descriptive nature of the research classify and explain how deixis works in narrative creation, reader engagement, and the communication of financial information. By relying on the theories of deixis, particularly Levinson's model and ten recent deixis studies, the research illuminates the roles and effects of each deictic instance in the book. The research further discusses the psychological and rhetorical implications of deixis in financial education best-sellers. Hence, this study design is suitable to answer the research questions and meet the desired aims.

The primary data source for this study is the book entitled The Psychology of Money written by Morgan Housel and published in 2020 by Harriman House. The entire book is used as the corpus of data. The words, phrases, and sentences containing deictic words—namely the personal, temporal, spatial, discourse, and social deixis—are used as the unit of analysis. The work analyzed chapter by chapter to ensure coverage and consistency in identifying the deixis in the book.

The data collected through document analysis. The researcher read the book attentively and note down any deictic expressions. All instances of deixis coded by type (personal, temporal, etc.) using Levinson's (1983) typology. Contextual and narrative detail around the deixis also noted to inform pragmatic analysis. A table used to record the data with columns for: 1) deictic expression, 2) type of deixis, 3) location in text (chapter/page), and 4) brief contextual function. The process ensures systematic and traceable recording of data.

To analyze the findings, the researcher employed an interpretive model that merges typological sorting and pragmatic purpose. After categorizing the data based on Levinson's (1983) typology of deixis, the researcher cross-analyzed with ten supportive theories in order to identify patterns of use and interpretive effect. The rhetorical purpose (for example, credibility-building, emotional arousal, instructional transparency) of each deictic utterance was examined and situated within the general narrative plan of the book. Frequency counts and contextual mapping were used to determine trends between chapters. Theoretical triangulation was also used by matching observed patterns with views from contemporary deixis scholarship (e.g.,

Dancygier, Holmes & Kim, Nguyen & Hasan) to increase validity and provide interpretive richness to the analysis.

The data examined using a pragmatic content analysis approach. Firstly, all the collected deictic expressions categorized based on Levinson's five types of deixis. Secondly, their pragmatic purpose described using the developed framework from ten modern theories of deixis (e.g., Mäkinen et al., Holmes & Kim, Nguyen & Hasan). For instance, a second-person deixis like you examined in terms of its rhetorical purpose—to achieve emotional connection, provide advice, or practice inclusivity. All such categories contrasted in terms of frequency, chapter distribution, and its contribution to the narrative and message transfer. Finally, findings interpreted in answering both research questions: (1) what deixis are utilized and (2) what pragmatic effects those uses create within financial psychology. Interpretive analysis brought in to situate deixis use within the broader communicative and rhetorical intentions of the book.

4.   RESULTS

The purpose of this research was to identify the types of deixis used in *The Psychology of Money* by Morgan Housel and to interpret their pragmatic functions in conveying psychological messages about money. The findings are organized according to the two research questions.

Deixis, in the sense of Levinson (1983), are those linguistic forms whose meaning requires contextual information, e.g., person pronouns (I, you), time adverbs (now, then), and spatial reference (here, there). Deixis, in Fillmore's (1997) sense, is at the center of speakers' establishment of a common meaning with hearers through the manipulation of reference points in discourse. In narrative contexts, Dancygier (2021) argues that deixis functions as a gateway to narrative simulation, through which readers can simulate fictional contexts in their minds. These theoretical insights form the foundation on which the paper explores how deixis in The Psychology of Money gains access to storytelling, behavioral reflection, and pragmatic persuasion.

After analyzing the full content of *The Psychology of Money*, all five categories of deixis, as classified by Levinson (1983), were found:

Personal Deixis: The most dominant form, including pronouns *I*, *you*, and *we*. These are used frequently throughout the text to create author-reader closeness. Housel uses *I* to reflect on his own experiences and *you* to involve the reader in scenarios or decisions. *We* is used to create a sense of shared human tendency or mistake.

Temporal Deixis: Terms such as now, then, back in the 1920s, after the crash, and in the future are used repeatedly. They are used to place narratives and economic events on a timeline for the purpose of serving narrative coherence.

Spatial Deixis: Less dominant, but present in abstract form—e.g., *here's what happened*, *in that situation*, or *from this point*. These often refer metaphorically to arguments or ideas, rather than physical locations.

Discourse Deixis: Used to link parts of the book—for example: *as we discussed earlier*, *this point*, *in the next chapter*. This type provides structural cohesion and textual guidance.

Social Deixis: While Housel does not use formal address terms, his use of inclusive *we* and casual tone reflects equality and closeness. His deixis maintains low social distance, positioning the reader as a peer.

Overall, personal and temporal deixis are the most frequently used. They are distributed throughout all 20 chapters of the book, with higher concentration in the more anecdotal or reflective sections.

The analysis reveals that deixis plays several key **pragmatic functions** in the delivery of financial-psychological content:

Engagement and Identification: The use of *you* directly engages the reader and allows them to place themselves into hypothetical financial scenarios. This aligns with the theory of Nguyen & Hasan (2023), who stated that second-person deixis fosters emotional connection.

Narrative Credibility and Reflection: The frequent use of *I* by the author builds a credible persona and conveys honesty. It aligns with Holmes and Kim (2022), who emphasized the role of first-person deixis in constructing stance and identity. Housel doesn't present himself as superior, but rather as someone who has also struggled with money.

Temporal Framing and Learning: Temporal deixis (e.g., *back then*, *now*) is used to guide readers through lessons derived from the past and connect them to present behavior or future consequences. This supports Zhang's (2024) theory of deixis as a cognitive-emotional anchor in narrative reflection.

Moral Framing and Collective Insight: The use of *we* often functions to normalize human irrationality with money and build a sense of shared behavior. This reinforces Reyes' (2021) idea of deixis as a tool for moral alignment.

Instructional and Rhetorical Clarity: Demonstrative deixis such as *this behavior*, *that result*, *this lesson* often appears after a financial principle is explained, helping reinforce key messages. This supports Tagliamonte and Rupp's (2025) assertion that deixis is used to clarify abstract content in informal discourse.

Cognitive Immersion: As argued by Dancygier (2021), deixis enables the reader to "step into" imagined or projected financial outcomes. This occurs when Housel asks readers to imagine making decisions in different time periods or emotional states.

In summary, deixis is not used randomly—it is a deliberate strategy to **build trust**, **create narrative intimacy**, **frame financial behavior**, and **support reflection and self-awareness**. These pragmatic functions are consistent with the aims of behavioral finance: helping individuals understand the irrational and emotional side of money through story and context.

The findings confirm that deixis in *The Psychology of Money* is central to how the author constructs meaning and connection with readers. By weaving together personal stories, historical events, and reflective insights, Housel leverages deixis to make complex financial behavior relatable and digestible. Personal and temporal deixis in particular support the author's goal of encouraging readers to think long-term and act rationally, despite emotional biases.

Compared to previous deixis research focused on politics, fiction, or digital text, this study demonstrates that financial nonfiction—especially of a behavioral nature—relies on deixis for both narrative and didactic purposes. The study supports the claims of Mäkinen et al. (2024), Zhang (2024), and Holmes and Kim (2022), who highlight the psychological, reflective, and relational roles of deixis in written discourse. It expands their findings into the underexplored genre of personal finance.

By framing this analysis around real-world reading material, this study also shows how deixis can enhance financial education and literacy. Through deixis, readers become not just passive consumers of advice but participants in self-reflection and behavioral change. The research thus contributes both to linguistic theory and to applied communication strategies in behavioral economics.

5.   DISCUSSION

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6.   CONCLUSION

This research focused on the application and pragmatic purposes of deixis in The Psychology of Money by Morgan Housel. Based on evidence, it is inferred that all five types of deixis—personal, temporal, spatial, discourse, and social—are applied in the book, but most salient among them are personal and temporal deixis. These deictic words are employed intentionally not just to locate events or referents in space and time, but to address readers, establish authorial alignment, and convey psychological realities about money behavior.

Pragmatically, deixis across the book is a device of narration and rhetoric. It produces affective closeness between writer and reader (through you and we), builds credibility (through I), and organizes historical financial data in a palatable narrative (with temporal deixis). Demonstratives like this, that, and in this chapter also provide cohesion and build the reader's understanding. These are in accordance with ten recent theories of deixis that emphasize its use in narrative engagement, affective resonance, and cognitive anchoring.

The study illustrates that deixis is not a neutral linguistic concept but a strategic tool that facilitates difficult economic lessons, builds trust, and strengthens story reflection. It bridges the gap between the theoretical economic principles and real-life human experience, highlighting that language plays a significant role in shaping the way people think and feel about money. The study thus contributes both to pragmatics as a discipline and the study of financial discourse.

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