

The Price of Valuing Money on Well-Being

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INTRODUCTION

Psychological Needs Theory suggests that individuals have intrinsic needs that need to be fulfilled through goal-directed action (see e.g., Ryan & Deci, 2008). Individuals should experience higher levels of well-being when they attain goals that are consistent with these needs. However, if the goals individuals set and attain are inconsistent with these needs, then individuals should experience lower levels of well-being (Sheldon & Kasser, 1998).

Ryan and Deci (2004, 2008) called these two types of goals intrinsic and extrinsic goals. For example, Kasser and Ryan (1993) as well as others have found that individuals who value monetary goals report lower levels of well being. Conversely, having goals related to autonomy, affiliation, and competence was related to less anxiety and depression and greater self-actualization. Sheldon, Ryan, Deci and Kasser (2004) found that individuals even predicted that they would feel less happy in the future if they pursued extrinsic goals.

However, existing research has mainly relied on college student samples (Kasser and Ryan, 1993, Sheldon et al, 2004) over relatively short periods of time. The current study used participants from the Family Transitions Project, where participants were interviewed annually about their feelings, behaviors, and conditions in their life. Thus, our study did not rely on a student sample and we were able to assess the variables of interest across an interval of up to 6 years.

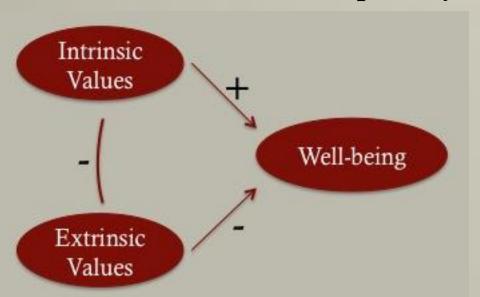


Figure 1. Valence of Values Impacts Well-being

HYPOTHESES

- 1. Individuals who value extrinsic goals such as money or reputation will report lower Life Satisfaction than those who do not. Similarly, individuals with intrinsic goals such as relationships (intimacy) and work will report higher Life Satisfaction.
- 2. Individuals with higher self-concordance (more intrinsic relative to extrinsic goals) will be higher in Life Satisfaction
- 3. Individuals who have extrinsic goals, such as making more money, but have relatively higher incomes should not report lower well-being.
- 4. Gender should not moderate the effects of self-concordance on well-being or life satisfaction.

METHODS

Sample and Procedures

The data analyses in this report are based on data from a subset of the 559 (56% female) participants in the ongoing Family Transitions Project (FTP; see Conger & Conger, 2002, for an overview of the study). The ethnic/racial background was predominately European American and largely reflected the underlying demographics of rural Iowa. The FTP was started in 1994 when the Iowa Youth and Families Project and the Iowa Single Parent Project were merged to follow the focal participants as they transitioned from adolescence to adulthood (see Conger & Conger, 2002).

In 1999, there were 483 participants who answered the questions about values when participants were an average of 23.78 years old (SD = .42). Of the 483 participants in 1999, 419 (87%) responded to the outcome measures in 2003 and 407 (84%) responded in 2005.

Measures

All items were recoded such that higher numbers indicated individuals felt the goal was more important to them.

Relationship Goals. Participants rated how much they valued marriage and parenthood on a 1 (Extremely important) to 5 (Not at all important) scale that included 4 items (α = .88). An example item was: "How important is it to you to have a good marriage."

Work Goals. Participants rated how much they valued work on a 1 (Extremely important) to 5 (Not at all important) scale that included 3 items (α = .81). One example item was: "How important is it to you to achieve your occupational plans."

Reputation Goals. Participants rated how much they valued their adult reputation on a 1 (Extremely important) to 5 (Not at all important) scale that included 5 items ($\alpha = .67$). One example item was: "How important is it to you to have a good reputation in your community."

Money Goals. Participants rated how much they valued money on a 1 (Strongly Agree) to 5 (Strongly disagree) scale that included 3 items ($\alpha = .35$). One example item was: "One of the most important things about a person is that she/he is well off financially."

Self-Concordance. We created a self-concordance scale by adding the two intrinsic values (value love and value work) and the two extrinsic values (reputation and money). Then we subtracted the extrinsic values from the intrinsic values. Therefore, higher numbers on this scale (M = 9.21, SD = 1.63, Min = 3.85, Max = 12.80) reflect that individuals value intrinsic goals more than extrinsic goals.

Depression. Participants rated how often they felt sad or happy during the past month on a 1 (All of the time) to 6 (None of the time) scale that included 9 items ($\alpha = .89$ in 2003 & .90 in 2005). One example item was: "Have you felt so down in the dumps that nothing could cheer you up?"

Life Satisfaction. Participants rated how often they viewed their life as satisfying during the past month on a 1 (All of the time) to 6 (None of the time) scale that included 6 items ($\alpha = .89$ in 2003 & .90 in 2005). One example item was: "Has your daily life been full of things that were interesting to you."

Material Needs. Participants rated how they felt about their financial situation on a 1 (Strongly Agree) to 5 (Strongly disagree) scale that included 6 items ($\alpha = .90$ in 2003 & .92 in 2005). One example item was: "I have enough money to afford the kind of place to live in that I should have."

Income. Participants reported how much they earned "per hour, week, month, or year in this job" 2003 and 2005. We transformed these responses into an annual income variable. The rank-order stability of income from 2003 to 2005 was .58.

RESULTS

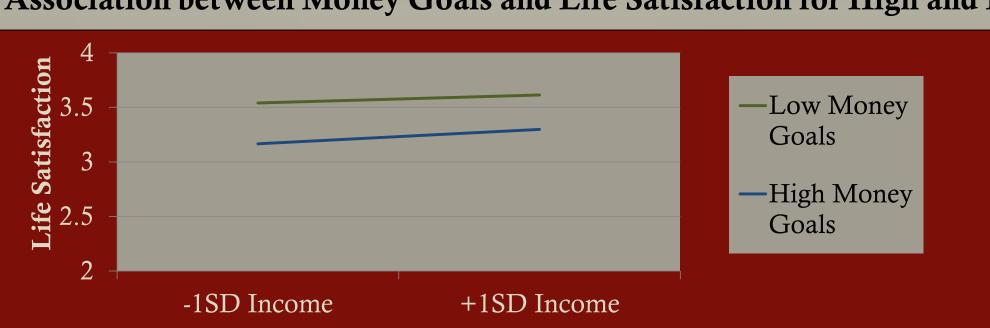
Table 1. Correlation and Descriptive Statistics between 199 Goals and 2003 / 2005 Life Satisfaction, Depression, Material Needs, and Income.

	Life Satisfaction	Depression	Material Needs	Income	Mean (SD)
Relationship Goals	.16* / .11*	07 /04	.06 / .04	09 /05	4.41(.74)
Work Goals	.13* / .09	03 /03	.11* / .04	.12* / .06	4.27(.58)
Money Goals	14*/18*	.15* / .22*	17* /20*	.01 /04	2.78(.62)
Reputation Goals	21* /18*	.16* / .08	19* /23*	06 /01	2.26(.69)
Self-Concordance	.27* / .23*	17* /15*	.21* / .20*	.03 / .02	9.21 (1.63)
Mean (SD)	3.33 (.82) / 3.35 (.81)	2.64 (.75) / 2.64 (.76)	3.80 (.80) / 3.91 (.81)	30,087 (20,857) / 37,074 (27,094)	

*Statistically Significant at p < .05. N = 419. The first values are associations with 2003. The second values are associations with 2005.

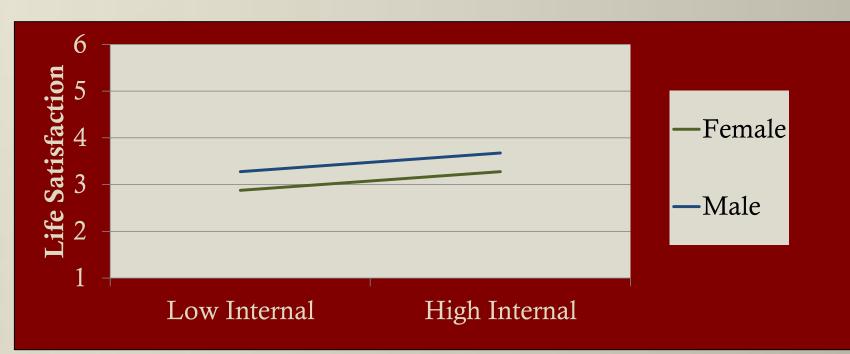
We first tested hypothesis 1, examining the relationship between goals and Life Satisfaction. We found that intrinsic Goals (Relationship & Work) were positively related to life satisfaction and negatively related to depression. Extrinsic Goals (Money & Reputation) were negatively related to life satisfaction and material needs as well as positively related with depression. Valuing work was positively related to Income in 2003. As we speculated in hypothesis 2, Self-Concordance was positively related to Life Satisfaction and Material Needs while being negatively related to Depression. In general, intrinsic values were positively associated with measures of well-being 4 and 6 years later.

Figure 2. The Association between Money Goals and Life Satisfaction for High and Low Income



Next, we tested our third hypothesis to see whether income would moderate the association between money goals and life satisfaction. We performed multiple regression analyses predicting 2005 Life Satisfaction from standardized 1999 Money Goals, standardized 2005 Income, and the Interaction. Figure 2 shows the interaction, which was not statistically significant, $\beta = .02$, ns. Our hypothesis that income would moderate the association between money goals and well-being was not supported by these findings. We found that individuals who valued money and had higher income still reported lower well being than did people who did not value money and had higher incomes. It seems that an emphasis on money goals is harmful to well-being regardless of how much money individuals make relative to their peers.

Figure 3. The Association between Self-Concordance and Life Satisfaction for Males and Females



Finally, to investigate hypothesis 4, we performed multiple regression analysis to test whether the association between self-concordance and life satisfaction differed for males and females. As can be seen in Figure 3, males were higher than females in Life Satisfaction, but the pattern of association was similar for males as for females, $\beta = -.00$, ns.

CONCLUSION

The main contributions of our work include the 6 year span between reports of goal content and reports of well-being. In addition, we used a non-student sample to test these hypotheses. Finally, we used a nomothetic approach to assessing goals rather than an idiographic approach where participants list out their personal goals. Regardless, our results are generally consistent with existing research.

We found that individuals who endorsed intrinsic goals relative to extrinsic goals reported higher levels of life satisfaction over a period of 6 years.

In addition the association between goal content and well-being seemed consistent regardless of attainment. That is, the association between money goals and life satisfaction did not change for those who made low-versus high income. Our results were consistent for both males and females.

Limitations of our work include the reliance on self-reports, which could inflate the associations between goal content and well-being. In addition, the measures available may not have adequately captured goal attainment over the 6-year time span. Thus, future research might test these associations using informant reports for one or more measures and specifically test whether or not participants actually attained their goals.

Still, our work shows that the goals one values have a long standing impact on their health. These findings can be taken to heart by all people, in that we have choices about what we will make a priority in our lives. From these findings, we can see that valuing goals related to relationships and work is associated with higher levels of well-being than valuing money or reputation.

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