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 pursue 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 competency 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.

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 intrinsic goals should not report lower Life Satisfaction.

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 transitioned from adolescence to adulthood (see Conger & Conger, 2002). Participants rated how much they valued money on a 1 (Strongly Agree) to 5 (Strongly disagree) scale that included 6 items (r = .89 in 2003 & .90 in 2005). One example item was: “I have enough money to afford the kind of place to live in that I should have.”

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, β = .08, 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 assess 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 was not moderated by 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 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 chosen 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.

REFERENCES


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