

Materialism and Attitudes Toward Money: An Exploratory Investigation

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ABSTRACT - To explore the relationship between materialism and money attitudes, 204 American college students completed Richins and Dawson's (1992) Materialism Scale and Furnham's (1984) Money Beliefs and Behaviors Scale (MBBS). Correlational analyses revealed that materialism was positively related to feelings of inadequacy about money and the tendency to use money as a means of self-aggrandizement. Materialism was negatively related to the conservative approach to money, and was unrelated to negative emotions toward money. We discuss how the link between money and possessions may be mediated by materialism and raise questions about a possible relationship between materialism and compulsive shopping. Further research is suggested to illuminate the interplay between materialism, the acquisition of money, and dysfunctional money behaviors.

The notion of materialism precedes the existence of psychology as a formal science by more than 2000 years. Some early philosophers, such as Democritus, are classified as "materialists" because they believed that all matter was made of the same atomic material. Recently, psychologists and economists have come to define materialism more specifically as "...the importance a consumer attaches to worldly possessions" (Belk, 1984, p. 291) and "...an interest in getting and spending" (Rassuli & Hollander, 1986, p. 10). Thus, the "atomic material" to which these researchers are referring is material possessions. Whether the drive to acquire material possessions is fueled by a need to overcome perceived shortcomings (Braun & Wicklund, 1989) or by an interest in self-expression (Belk, 1988), fulfillment of this desire typically requires money. The current research explored how materialism is related to different attitudes toward money, the vehicle through which possessions are usually acquired. First, this article will discuss existing research on the materialism construct and its relationship to other economic and psychological variables. Then, it will highlight research on money attitudes. Finally, it will extend previous research by using an American college age sample to examine how materialistic values may be related to money attitudes.

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Materialism

In their extensive reviews of the materialism literature, Richins and Dawson (1992) and Richins and Rudmin (1994) delineated three components of materialistic values. First, materialistic individuals tend to need possessions to be *happy in life*. There are certainly many sources of happiness available (e.g., religion), and the materialistic person prefers to pursue happiness by acquiring possessions. Second, materialistic individuals tend to judge people's *successfulness* by the quantity and quality of their possessions. Thus, materialistic people should theoretically attribute greater success to a person living in a mansion than to a person living in a small house. Finally, materialistic individuals consider possessions to be a *central aspect* of their lives; that is, materialistic people tend to direct their thoughts and behaviors toward possessions over other pursuits (e.g., intellectual enrichment).

With the development of scales (e.g., Belk, 1984; Richins & Dawson, 1992) to measure materialism at an individual level, researchers have begun to learn how the extent of a person's materialistic values is related to other economic and psychological variables. For instance, Christopher and Schlenker (in press) found that highly materialistic individuals tended to experience greater negative affect and less positive affect than did less materialistic individuals. Further, highly materialistic individuals tended to be more concerned with their social images than were less materialistic individuals.

One way in which people can project their social images is through the use of material possessions (e.g., Belk, 1988). In a series of three studies to probe the relationship between materialism and reasons for owning specific possessions, Richins (1994) found that highly materialistic people valued their possessions for their utilitarian and social status benefits, whereas less materialistic people valued their possessions for the pleasure and comfort they could provide. In addition, highly materialistic people were more likely than less materialistic people to mention an item's financial worth when describing why it was important to them.

Not only is materialism associated with how people relate to their possessions, but it may also be associated with people's spending preferences. When asking participants specifically about money, Richins and Dawson (1992) found that highly materialistic people believed they needed more income to satisfy their needs than did less materialistic people. Furthermore, compared with less materialistic people, highly materialistic individuals were more likely to spend hypothetical money on themselves than on friends and family, and to contribute less money to charities. Thus, it appears that highly materialistic people tend to differ from less materialistic people in how they relate to their possessions and in how they spend their money. To gain insight into how materialism may be related to attitudes toward money, we turn our attention to the money attitudes literature.

Money Attitudes

As has been discussed extensively elsewhere (e.g., Opsahl & Dunnette, 1966), money, despite the fact it has no intrinsic value, is a prominent feature and powerful motivator of behavior in Western society. Perhaps because of the paradoxical nature of money, it is not surprising "...that money does 'mean different things to different people'" (Wernimont & Fitzpatrick, 1972, p. 218). For instance, these researchers found that employed people tended to have a more positive attitude toward money than unemployed people. The authors ended their research by stating that "The one clearest conclusion...is that one cannot make general statements about the meaning or the role of money for the population in general" (p. 226).

To better understand the different meanings that money holds for different people, empirical research has focused primarily on the development of scales to assess such differences (e.g., Furnham, 1984; Tang, 1992; Yamauchi & Templer, 1982). These undertakings, summarized in Furnham and Argyle (1998), have each demonstrated that the meanings people ascribe to money are indeed diverse. For example, Furnham's (1984) Money Beliefs and Behaviors Scale (MBBS) factored into six distinct dimensions. The first factor reflected an *obsession with money*, in that money can be used for comparisons, provide feelings of superiority, and can be a solution to most problems. Furnham's second factor, *power/spending*, reflected a need to spend money to convey status to other people. The third factor reflected a cautious use of money and was called *retention of money*. The fourth factor was called *security/conservation* because it reflected an old-fashioned philosophy toward money. Furnham's fifth factor reflected the belief one does not have enough money, and was thus labeled *inadequacy of money*. Finally, his sixth factor measured the extent to which one feels that the amount of money a person has is a result of *effort and ability*.

The "interest in getting and spending" (Rassuli & Hollander, 1986, p. 10) that is characteristic of materialism may entrap materialistic people in a continuous cycle of striving for money to spend on new acquisitions, particularly if the satisfaction derived from a purchase is not long-lasting (e.g., Richins & Dawson, 1992). If indeed materialistic people tend to spend rather than retain their money, then they may believe (perhaps accurately so) that they do not have as much money as they desire. Further, Richins and Dawson found that highly materialistic people felt they would need about 50% more income than less materialistic people to satisfy their needs. Thus, it does appear as though we might expect relationships between materialism and different money attitudes.

We offer the following hypotheses concerning the relationship between materialism and money:

H1: Because money is the means to acquiring material possessions, we expected materialism to be positively associated with the obsession money attitude.

H2: Given that materialistic individuals are more likely to value their most cherished possessions for the social images they convey (Richins, 1994), we expected a positive relationship between materialism and the power/spending money attitude.

H3: To acquire material possessions, one must normally spend money. We expected that highly materialistic people in particular would be driven to spend money freely. Thus, we predicted a negative relationship between materialism and the retention of money.

H4: Because the value of money is extrinsic, measured by the goods it can be used to purchase, and because materialistic people emphasize possession of goods, we expected materialism to be negatively related to the security/conservation attitude toward money.

H5: Given that materialistic people feel they need more money to satisfy their basic needs (Richins & Dawson, 1992; Wachtel & Blatt, 1990) we predicted that materialism will be positively related to feelings of inadequacy about money.

With respect to the effort/ability money attitude, given our traditional college-age sample, we deleted two items from Furnham's (1984) MBBS that related to income, both of which contributed to his effort/ability factor. Thus, we were hesitant to offer a hypothesis about the relationship between materialism and effort/ability.

Method

Participants

With an incentive of extra credit toward course grades, 204 undergraduate students (147 females and 54 males; 3 failed to indicate sex) participated in this study. Of this sample, 146 participants were students in the introductory psychology and research methods courses at St. Michael's College (Vermont), and 58 participants were students in the organizational and social psychology courses at Anderson College (South Carolina). They ranged in age from 17 years, 8 months to 44 years, 7 months, with an average age of 20 years, 3 months.

Materials

Participants completed the 18-item Richins and Dawson (1992) Materialism Scale using a 1 (*I strongly disagree with this statement*) to 5 (*I strongly agree with this statement*) scale. Example items from this scale include "My life would be better if I owned certain things I don't have," "The things I own say a lot about how well I'm doing in life," and "I wouldn't be any happier if I owned nicer things" (reverse-scored). This scale has been used in many investigations, and it possesses acceptable psychometric qualities (e.g., Christopher & Schlenker, in press; Kasser & Ahuvia, 2002; Richins & Dawson).

We used the 47 MBBS items from Furnham's (1984) results. These items have been the basis for several investigations (e.g., Hanley & Wilhelm, 1992; Hayhoe, Leach, & Turner, 1999). Because we used a sample of primarily traditional-aged college students, who tend not to be currently employed in their permanent occupations, we deleted two items that inquired about the equity of the respondent's current income. Specifically, we deleted the items "I believe that my present income is about what I deserve, given the job I do" and "I believe that my present income is far less than I deserve given the job I do." Thus, we thus used 45 items from Furnham's results, providing respondents with a 1 (*I strongly disagree with the statement*) to 5 (*I strongly agree with the statement*) response range.

We collected demographic data pertaining to sex and socio-economic status (SES). We assessed SES via three measures: educational level attained by the father, educational level attained by the mother, and perceived comparative wealth in the home environment in which participants lived up until their 18th birthdays. Previous research (e.g., Burroughs & Rindfleisch, 2002) suggested that subjective measures of SES predict economic phenomena at least as effectively as do objective measures. To obtain a composite measure of SES, we averaged participants' standardized scores on these three variables.

Procedure

After the researcher explained in class that the study was designed to assess college students' attitudes toward economic phenomena, students volunteered to participate. Participants read and signed an informed consent, received the materials and completed them during a regular class session. The demographic items were answered only after answering the items pertaining to money attitudes and materialism.

Results and Discussion

Table 1 contains the results of our principal components analysis, orthogonal varimax rotation, of the items from the Furnham (1984) MBBS. An application of the scree test (Cattell, 1966) and conceptual interpretability of the results factors suggested that four factors should be retained. To be preserved on a factor, an item had to load at least 0.40 on its primary factor and have a squared cross-loading at least three times as great as its squared cross-loading on any other factor. Given these criteria, we found that 18 of the

45 items were retained on one of four factors. Two of our factors, *inadequacy of money* (7 items) and *a conservative approach to money* (3 items) were quite similar to Furnham's original factors. Our money as a *self-aggrandizing tool* factor (6 items) contained items primarily from Furnham's obsession with money factor. Our *negative emotions toward money* factor (2 items), though small and of questionable consistency, bore resemblance to Yamauchi and Templer's (1982) distrust of money factor and Tang's (1992) money is evil factor. The mean inter-item correlations were: for the inadequacy of money factor, 0.25; for the self-aggrandizing factor, 0.27; for the conservative approach factor, 0.42; and for the negative emotions factor, 0.20. With the exception of the conservative approach factor, these mean inter-item correlations fall within the optimal range of 0.20 to 0.40 that Briggs and Cheek (1986) suggested. In subsequent analyses, we summed together those items that comprised each money attitude factor.

Table 1
Principal Components Analysis (Orthogonal Varimax Rotation) of the Furnham (1984) Money Beliefs and Behaviours Scale

Item	Factor			
	1	2	3	4
5. Most of my friends seem to have more money than I do	.649	-.180	-.110	-.084
33. I have less money than most of my friends think.	.640	-.001	-.120	-.088
36. The amount of money that I have saved never seems to be enough	.620	-.033	.020	.100
14. I have more money than my friends think	-.577	.110	.108	.251
17. I worry about money much of the time	.536	.027	.000	-.034
27. I believe that I have very little control over my financial situation in terms of my power to change it	.494	.247	-.011	.193
28. I often fantasize about money and what I could do if I had more of it	.446	.156	-.114	.115
21. I feel that money is the only thing I can count on in the world	.068	.629	-.054	.007
22. I sometimes feel superior to those who have less money than I do	.019	.579	.042	.073
25. I believe that people's salaries are very revealing in assessing their intelligence	-.043	.529	-.067	-.202
39. I believe that the amount of money that a person earns is closely related to his/her ability and effort	-.167	.494	.089	-.156
15. I believe that time not spent making money is time wasted	.229	.432	-.167	-.047
7. I do not hesitate to let people know when I have money	-.002	.421	-.167	.163
23. I am proud of my ability to save money	-.147	-.116	.641	-.029
11. I like to save money because I'm never sure when I will need the cash	.036	-.194	.612	.038
6. I always pay my bills promptly	.043	-.119	.604	-.097
30. I often feel disdain for money and look down on those who have it	.056	-.017	.031	.575
10. I feel stupid if I pay a little more for something than a friend did	-.075	.076	.097	.431
Eigenvalue	4.972	3.577	2.713	2.096
Variance	11.05%	7.95%	6.03%	4.66%

Note: These items reprinted from Furnham (1984) with permission from Elsevier Publishing. Significant factor loadings are noted in bold. Factors: 1 = Inadequacy of Money; 2 = Self-Aggrandizement; 3 = Conservative Approach to Money; 4 = Negative Emotions.

Correlations between our four money attitudes factors, materialism, participant sex, and SES appear in Table 2. The four money attitude factors were indeed unrelated to each other. However, correlations suggested support for three of our hypothesized relationships between money attitudes and materialism.

First, materialism was positively related to the inadequacy of money. It has been discussed that materialists are caught in a never-ending pursuit of acquiring more and more possessions to maintain the same level of happiness (e.g., Richins, 1995). As Scitovsky (1976) noted, materialistic people may simply be unable to satiate their desire for possessions, so it stands to reason materialists might believe that they do not have enough money to buy the endless number of things they desire. Although speculative, it might be that materialists do not have a stable sense of identity. If this is the case, then perhaps part of the reason materialistic people need to continuously acquire possessions is to help them establish an identity (cf. Belk, 1988; Braun & Wicklund, 1989). In an attempt to establish an identity, materialistic people are caught in this never-ending pursuit of possession acquisition, resulting in a perception that one lacks an adequate supply of money.

Table 2
Descriptive Statistics and Correlations Between Study Variables

Variable	<i>M</i>	<i>SD</i>	α	1	2	3	4	5	6	7
1. Inadequacy of Money	22.0	5.0	0.70	----						
2. Self-Aggrandizement	11.3	3.8	0.70	0.05	----					
3. Conservative Approach to Money	11.2	2.7	0.68	-0.12	-0.11	----				
4. Negative Emotions Toward Money	4.6	1.6	0.32	-0.02	0.03	0.03	----			
5. Materialism	51.6	10.2	0.82	0.26**	0.43**	-0.31**	-0.04	----		
6. Participant Sex*	----	----	----	0.05	0.09	-0.05	-0.14*	0.11	----	
7. Participant SES	----	----	----	-0.32**	0.16*	0.04	0.11	-0.09	0.02	----

*Female = 0; Male = 1

** $p < 0.01$ * $p < .05$

Second, materialism was negatively related to a conservative approach toward money. As previously suggested, the conservative approach is an old-fashion monetary philosophy, which emphasizes saving money for "a rainy day." Of course, such a philosophy inhibits spending money, which is usually important in acquiring material possessions. Given their "worship of things" (Bredemeier & Toby, 1960, p. 77), it should not be surprising that materialists tended not to adhere to a conservative approach toward money.

Third, materialism was positively related to using money as a self-aggrandizing tool, a factor that reflected Furnham's obsession with money. In research on money styles, Prince (1993) found that Americans tended to view money as "a symbol and vehicle of prestige, power and success" (p. 179). The penchant for using money as a self-aggrandizing vehicle is consistent with the finding that materialism involves, among other behaviors and mental processes, a concern with creating particular impressions on others (e.g., Christopher & Schlenker, in press).

The finding that participant SES was inversely related to feelings of inadequacy of money further supports the validity of using subjective measures of SES (see Burroughs & Rindfleisch, 2002). Likewise, higher SES participants tended to use money as a self-

aggrandizing mechanism, as such individuals can afford to use money to satisfy more than basic necessities. Women tended to experience greater negative emotions about money than did men. This finding is conceptually similar to Prince's (1993) finding that "Females have a greater sense of envy...with respect toward money" (p. 180).

The current study addressed the link between materialism and attitudes toward money; however, it did not address the link between materialism and dysfunctional money behaviors. Forman (1987) identified five types of money neuroses (miser, spendthrift, tycoon, bargain hunter, and gambler). The miser, for example, tends to hoard money and has a fear of losing money. Results of the present study illuminate two rival hypotheses with respect to the miser. Because inadequacy of money was a positive predictor of materialism, we might expect that materialistic people would score higher on the miser neurosis than less materialistic people. However, because the conservative approach to money was a negative predictor of materialism, we might also expect materialistic people would score lower on the miser neurosis than less materialistic people. Research using Forman's (1987) money neuroses has been minimal (see Furnham, 1996 for one such investigation); however, such a study emerges as a potentially fruitful extension of the current research.

Another extension of the current investigation would be to empirically test the theoretical taxonomy of materialistic values and money attitudes proposed by Tatzel (2002). She proposed that people could either be high or low in materialism, and simultaneously either tight or loose with money (see p. 115). These two dichotomies result in four groups: those tight with money and materialistic (value seekers), those loose with money and materialistic (big spenders), those tight with money and not materialistic (non-spenders), and those loose with money and not materialistic (experiencers). For each of these four groups, Tatzel proposed psychological outcomes. For instance, big spenders might suffer from compulsive spending and debt, whereas non-spenders might be individualistic and less in need of social approval. Unfortunately, the current study did not collect such outcome measures. However, a replication of this study with the inclusion of these outcome data could easily test the hypotheses she proposed, as well as other potential interactive effects of materialism and different money attitudes on various psychological outcomes.

Given our college-age sample, care should be taken in generalizing these results. We found, for example, that there was a negative relationship between materialism and the money attitude of security/conservation. Traditional college-age people are perhaps more accepting of the fact that borrowing money (akin to using credit) is a necessity at this point in their lives. Davies and Lea (1995) found that undergraduate students were more tolerant of debt, perhaps because many undergraduates consider borrowing money to be a means of financing their education. Clearly, a more heterogeneous sample would provide more generalizable data pertaining to the influence of demographic variables on the interplay between money attitudes and materialism.

With respect to research on money attitudes, future research might well benefit from a large-scale study with multiple measures of money attitudes (i.e., Furnham, 1984; Tang, 1992; Wernimont & Fitzpatrick, 1972; Yamauchi & Templer, 1982) to discern money attitude factors across these measures. Such an investigation might resemble Furnham's (1990) factor analysis of all contemporary measures of the work ethic.

In sum, this exploratory investigation suggested that materialism is positively related to feelings of inadequacy about money and the tendency to use money as a self-aggrandizing mechanism; however, materialism was negatively related to a conservative approach toward money.

Author Notes

We thank Adrian Furnham for his comments on previous drafts of this article. This work was supported by a grant from the Hewlett-Mellon Fund for Faculty Development at Albion College, Albion, MI. Portions of this research were presented at the 14th Annual Convention of the American Psychological Society, New Orleans, LA, June 2002.

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Received 07/31/2003; Accepted 09/08/2003