

# WEALTH, WELL-BEING, AND THE NEW AMERICAN DREAM

by David G. Myers

A version of this article originally appeared as part of the Center for a New American Dream's April online listserv conversation. For some excerpts of the discussion, please see page 7.



David G. Myers

Does money buy happiness? Not! Ah, but would a little more money make us a little happier? Many of us smirk and nod. There is, we believe, some connection between fiscal fitness and feeling fantastic. Most of us tell Gallup that, yes, we would like to be rich. Three in four entering American collegians—nearly double the 1970 proportion—now consider it “very important” or “essential” that they become “very well-off financially.” Money matters.

It's the old American dream: life, liberty, and the purchase of happiness. “Of course money buys happiness,” writes Andrew Tobias. Wouldn't anyone be happier with the indulgences promised by the magazine sweepstakes: a 40 foot yacht, deluxe motor home, private housekeeper? “Whoever said money can't buy happiness isn't spending it right,” proclaimed a Lexus ad. No wonder many people hunger to know the secrets of “the millionaire mind” and some would sell their souls to marry a millionaire.

Well, are rich people happier? Researchers have found that in poor countries, such as Bangladesh, being relatively well off does make for greater well-being. We need food, rest, shelter, social contact.

## Surprisingly Weak Correlation

But a surprising fact of life is that in countries where nearly everyone can afford life's necessities, increasing affluence matters little. The correlation between income and happiness is “surprisingly weak,” observed University of Michigan researcher Ronald Inglehart in one 16-nation study of 170,000 people. Once comfortable, more money provides diminishing returns. The second piece of pie, or the second \$100,000, never tastes as good as the first.

Even lottery winners and the Forbes' 100 wealthiest Americans (when surveyed by University of Illinois psychologist Ed Diener) have expressed only slightly greater

happiness than the average American. Making it big brings temporary joy. But in the long run wealth is like health: its utter absence can breed misery, but having it doesn't guarantee happiness. Happiness seems less a matter of getting what we want than of wanting what we have.

Has our happiness, however, floated upward with the rising economic tide? In 1957, when economist John Galbraith was about to describe the United States as the Affluent Society, Americans' per person income, expressed in today's dollars, was \$8700. Today it is \$20,000. Compared to 1957, we are now “the doubly affluent society”—with double what money buys. We have twice as many cars per person. We eat out two and a half times as often. In the late 1950s, few Americans had dishwashers, clothes dryers, or air conditioning. Yet, despite growing inequality—the rising tide has lifted the yachts faster than the dinghies—today, most do.

## The American Paradox

So, believing that a little more money would make us a little happier and that it's very important to be very well off, are we indeed now—after four decades of rising affluence—happier? Are we happier—with

espresso coffee, caller ID, suitcases on wheels, and Post-It notes—than before?

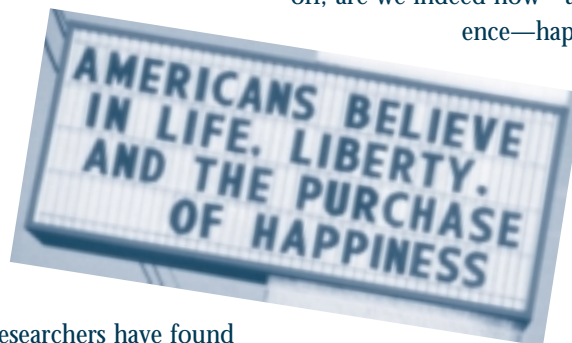
We are not. Since 1957, the number of Americans who say they are “very happy” has declined from 35 to 32 percent. Meanwhile, the divorce rate has doubled, the teen suicide rate has

nearly tripled, the now-subsiding violent crime rate has nearly quadrupled, and more people than ever (especially teens and young adults) are depressed.

I call this soaring wealth and shrinking spirit “the American paradox.” More than ever, we have big houses and broken homes, high incomes and low morale, secured rights and diminished civility. We excel at making a living but often fail at making a life. We celebrate our prosperity but yearn for purpose. We cherish our freedoms but long for connection. In an age of plenty, we feel spiritual hunger.

These facts of life explode a bombshell underneath our society's materialism: Economic growth has provided no boost to human morale. It's not the economy, stupid.

We know it, sort of. Princeton sociologist Robert



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## WEALTH, WELL-BEING (continued)

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Wuthnow reports that 89 percent of people say “our society is much too materialistic.” *Other* people are too materialistic, that is, for 84 percent also wished they had more money, and 78 percent said it was “very or fairly important” to have “a beautiful home, a new car and other nice things.”

One has to wonder, what’s the point of luxury fever? “Why,” wondered the prophet Isaiah, “do you spend your money for that which is not bread, and your labor for that which does not satisfy?” What’s the point of accumulating stacks of unplayed CDs, closets full of seldom-worn clothes, garages with luxury cars—all purchased in a vain quest for an elusive joy? And what’s the point of leaving significant inherited wealth to one’s heirs, as if it could buy them happiness, when that wealth could do so much good in a hurting world?

### A New American Dream Takes Shape

As social consciousness rouses, more people are beginning to veer off the well-traveled road of materialism and individualism. A new American dream is taking shape, one that:

- ◆ encourages initiative and restrains exploitation, thus building a more compassionate market economy that shrinks the underclass;
- ◆ welcomes children into families with mothers and fathers that love them, and into an environment that nurtures families;
- ◆ protects both basic liberties and communal well-being, enabling diverse people to advance their common good in healthy surroundings;

- ◆ encourages close relationships within extended families and with supportive neighbors and caring friends—people who celebrate when you’re born, care about you as you live, and miss you when you’re gone;
- ◆ develops children’s capacities for empathy, self-discipline, and honesty;
- ◆ provides media that offer social scripts of kindness, civility, attachment, and fidelity;
- ◆ regards relationships as covenants and sexuality not as mere recreation but as life-uniting and love-renewing;
- ◆ takes care of the soul, by developing a deeper spiritual awareness of a reality greater than self and of life’s resulting meaning, purpose, and hope.

Harbingers of this renewal are already emerging, like crocuses blooming at winter’s end. People are beginning to understand the costs as well as the benefits of the unbridled pursuit of the old American dream of individually achieved wealth. In increasing numbers, neighborhoods are organizing, foundations are taking initiatives, youth are volunteering, scholars are discerning, faith-based institutions are tackling local problems, and civic renewal organizations are emerging. Government and corporate decision makers are becoming more agreeable to family-supportive tax and benefit policies. Many are developing a renewed appreciation for the importance of our human bonds.

A communitarian “third way” proposes an alternative to the individualistic civil libertarianism of the left and the economic libertarianism of the right. It implores us, in Martin

Luther King, Jr.’s words, “to choose between chaos and community,” to balance our needs for independence and attachment, liberty and civility, me-thinking and we-thinking. Is such transformation in consciousness possible? It has happened before, and it could happen again.

*Social psychologist David G. Myers professes psychology at a place called Hope (Michigan’s Hope College). His writings have appeared in two dozen scientific periodicals, from Science to the American Psychologist, and in more than two dozen magazines, from Scientific American to Christian Century.*

*Among his dozen books is The Pursuit of Happiness: Who is Happy, and Why (Avon). His textbooks, Psychology, Exploring Psychology, and Social Psychology, are studied by students at some 1000 colleges and universities. The Preface and first chapter of his latest book, The American Paradox: Spiritual Hunger in an Age of Plenty (Yale University Press, 2000), can be read at [www.davidmyer.org](http://www.davidmyer.org).*

We’ve printed excerpts from several of the replies. The full discussion can be found at [www.newdream.org/conversation-arc/](http://www.newdream.org/conversation-arc/).

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## Highlights from the Conversation

Compiled by Sara Pipher

I FOLLOW THIS DISCUSSION with interest. But I am not sure it is fruitful to pose this as either/or (people are either individualistic or conformist). George Simmel, an amazingly forward-thinking sociologist, wrote in a 1904 article that modern consumerism depends on BOTH individualism and conformity. People use fashions to show BOTH that they are part of a group AND to stand out—consuming allows you to do both, at different times, or with different goods. So you may drive a minivan because all your friends do, but wear suede boots because you want to be different. Fashion keeps moving because both things are going on at the same time.

This whipsaw means you are driven to consume, whether you are a flamboyant 'dedicated follower of fashion,' or are just trying to fit in and be like everyone else (while group standards keep changing).

The big problem is that it's harder to send a message by NOT consuming something! People can see what you ARE wearing or driving, but they can't see what you have chosen not to wear or drive or eat. Many people I meet will never know that I refuse to buy Shell, BP or Amoco products because of those companies' environmental policies—but if I had the bad taste to wear a Nike T-shirt they would know it instantly.

So to my mind, one of the key things we need to think about to make non-consumption an attractive social option, is how to make not-consuming more visible. Any ideas?

**Rick Wilk**  
Berkeley, CA

THIS POSTING WILL ADDRESS some of the psychological issues in consumption. I come at this from my training as an economist...and my skepticism about some of the things that are taught in standard economics. What is the goal

that economists think they are pursuing? (This is a question that was pursued at length in a book I edited, with Frank Ackerman, called "*Human Well-Being and Economic Goals*"—pub. Island Press.) The formal answer to that question is "the maximization of utility." Utility is something like happiness, or satisfaction; it is, in fact, whatever you want. Unfortunately, it not only is hard to define, it also can't be seen or measured.

So what do economists actually try to maximize? Consumption! The idea is, "for most purposes, more consumption is the same as more utility..." This very bad psychology has been assumed, without serious questioning, just because it was methodologically convenient to do so. (We might also note that this is agreeable to large corporations, who want to maximize consumption so that they can keep selling their output.)

As with everything else in economics, when criticisms are raised, they are countered with, "what can you provide that is better—and just as scientific?" Now I think there is beginning to be a good answer to that question, represented in an excellent new book, "*Well-Being: The Foundations of Hedonic Psychology*."

It makes it clear that consumption and well-being are not the same things at all, and are not even very highly correlated (after basic needs are met)—just what we all knew, but now there is solid, extremely well-collected and well-analyzed data to support our intuition.

I believe that this book, and the new field of psychology which it announces, is going to be of enormous importance to all the social sciences...certainly to economics. And I think it has important bearing on our thinking about consumption.

**Neva Goodwin**, Co-director  
Global Development and Environment Institute,  
Tufts University  
Medford, MA

I'VE FOUND THE CONVERSATIONS very stimulating. What has captured my heart is the following question—How do you persuade Americans, who worship individuality, to accept this kind of

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lifestyle? To my mind, one of the key things we need to think about to make non-consumption an attractive social option, is how to make not-consuming more visible. Any ideas? My answer is Time! That's what we have to offer. When we are caught up in the consumer lifestyle we need to work longer for the money to pay for what we think we need for happiness.

Talk to any two-earner household with kids and you'll hear that the big complaint (aside from debt) is a lack of time to spend with kids, family, friends—in the garden, reading, playing, volunteering, etc. So, the way we can make not-consuming more visible is to show how much time we have and emphasizing that wonderful quality of our lives. When my friends call and ask what I'm doing and I respond that Louis is baking bread, we're listening to music, playing scrabble, or I'm working on my quilt, they laugh kind of nervously and mention how ideal it sounds! Isn't this something we can offer with great joy? Will it help convince some to accept a new lifestyle when these rewards are so inviting and exciting? Instead of a feeling of "giving up" things, they will be embracing the rewards!

**Ruah Swennerfelt**  
Charlotte, VT