

Wealth, Well-Being, and the New American Dream.

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by 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? Anyone who has seen *Lifestyles of the Rich and Famous* knows as much. “Whoever said money can’t buy happiness isn’t spending it right,” proclaimed a Lexus ad.

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.

But a surprising fact of life is that in countries where nearly everyone can afford life’s necessities, increasing affluence matters surprisingly 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; today, most do.

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?

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 violent crime rate has nearly quadrupled (even after the recent decline), 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*. When it comes to psychological well-being, it is not the economy, stupid.

We know it, sort of. Princeton sociologist Robert 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? “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 CD’s, 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?

As we enter the new millennium more and more people are asking such questions. A new American dream is taking shape. Having secured our human rights and achieved affluence, we now long for connection and purpose. We seek better balance between our needs for independence and attachment, liberty and civility, me-thinking and we-thinking. Such transformation in consciousness has happened before, and it could happen again.

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