The Poverty of Affluence: 
Addiction to Wealth and its Effects on Well-Being
Brian J. Sherman
Teachers College, Columbia University

Although children in affluent families are generally presumed to be at low risk for developmental disturbances, recent evidence suggests otherwise. Affluent children show elevated levels of depression, anxiety, and substance use when compared to national norms in preadolescent and teenage cohorts and when compared to their low-income, inner-city counterparts. These adjustment problems are directly linked to the ecological context of affluent communities, particularly parental and peer-socialization factors. This paper briefly summarizes extant evidence, provides fresh insight into the negative effects of affluence, discusses limitations of current findings, and directions for future research.

Children from affluent communities are often considered to be at low risk for mental health problems. However, while financial security may provide luxuries and opportunities otherwise precluded, there are certain negative outcomes of excessive affluence. Children of affluent parents show elevated rates of clinical depression up to three times higher than national norms, and substance use is significantly higher in affluent samples than in their inner-city counterparts. Furthermore, internalizing symptoms have been linked to substance use, suggesting that these children are self-medicating their depression (Luthar & D’Avanzo, 1999; Luthar & Becker, 2002). Findings implicate achievement pressures and feelings of isolation as contributors to these outcomes. This brief report examines further the ecological context of affluent communities and the negative effects on well-being.

Understanding abnormal development

One of the first studies on adjustment problems in children from affluent communities was conducted by Luthar and D’Avanzo (1999). The authors examined associations between substance use and two contextual constructs, personal psychopathology and social competence, by comparing low-income inner-city tenth graders with tenth graders from an affluent suburban high school. Personal psychopathology was defined by internalizing and externalizing problems, while social competence measures included quality of peer relations and academic performance. Results showed significantly higher tobacco, alcohol, and marijuana use in affluent children than in their inner-city counterparts. Among affluent males, substance use was highly correlated with peer acceptance, implicating peer acceptance in substance use.

Clinical rates of depression were three times higher among tenth grade affluent girls than the national norm for all tenth grade girls (21% vs. 7%, respectively), indicating a significant problem among this subgroup warranting further investigation. In addition, substance use was linked with depression and anxiety in the affluent female subgroup. This finding is of particular concern as it suggests that these girls are possibly self-medicating, a trend which has become more common among females than males (Kandel, Ravies, & Davies, 1991). Moreover, research indicates that self-medicating substance use is more harmful to overall development than socially stimulated substance use (Cooper, 1994), placing these girls at even higher risk for long-term psychological distress.

As a follow-up, Luthar and Becker (2002) examined substance use, particularly alcohol, tobacco, and marijuana use, and internalizing symptoms in sixth and seventh graders from affluent communities. Additional constructs of achievement pressures and isolation from parents were included as hypothesized predictive factors. Results were consistent with Luthar and D’Avanzo (1999); specifically, clinically significant rates of depression in seventh grade girls were twice as high as in normative samples (Luthar & Becker, 2002). Additionally, peer approval was associated with substance use in seventh grade boys. Internalizing symptoms—anxiety and depression—were linked with substance use in boys and girls, again suggesting that these children are self-medicating. As hypothesized, achievement pressures and isolation from parents were both correlated with elevated distress among this sample. These two studies demonstrate consistency across age groups indicating significant problems with substance use and internalizing symptoms in affluent communities. Furthermore, these problems may reinforce each other in a negative feedback loop via self-medication.

A more broad-based longitudinal study, following over two thousand teenagers through high school and beyond, compared happiness and self-esteem among affluent, mid-
dle-class, and low-income populations. Csikszentmihalyi and Schneider (2000) had participants record their moods continuously in their natural environment, making the data particularly powerful. Findings revealed an inverse relationship between socioeconomic status (SES) and teenagers’ happiness and self-esteem. Teens from affluent communities had lower self-reported happiness and self-esteem than both their middle-class and low-income counterparts. This study illustrates an overall trend of poor psychological well-being among affluent children, and when paired with the aforementioned studies brings to the forefront an issue in dire need of further research.

Given that children in affluent communities show elevated rates of substance use, internalizing symptoms, and overall poor psychological functioning and contextual factors such as peer acceptance, achievement pressures, and isolation from parents play a causal role, we must look further at the ecological context of affluent communities to fully understand the etiology of these harmful realities.

Material Wealth: The Addiction of American Affluence

Attaining wealth and status is part of the “American Dream.” It is ingrained in the social fabric of America and is often mistakenly equated with happiness. While money is necessary to obtain food, clothes, and shelter, the question remains: does wealth breed happiness? Evidence suggests otherwise. Extensive research on the United States indicates that over the past fifty years, while the gross national product (GNP) has more than tripled, life satisfaction has not changed (Diener & Seligman, 2004). This appears to refute the belief that money invariably leads to happiness. Furthermore, some research indicates that those in economically developed nations show elevated levels of depression (Buss, 2000) and lower subjective well-being (Deiner & Biswas-Deiner, 2002) compared to less developed nations. However, before we conclude that wealth breeds unhappiness and depression, we must consider other factors that may mediate the relationship between financial success and poor psychological functioning. As Luther (2003) suggests, “It is not the surfeit of riches in itself, but rather, an over-emphasis on status and wealth that is likely to compromise well-being” (p.1589).

Along these lines, Whybrow (2005) likens striving for material wealth to any addiction where the need for material gain can “hijack our reward system” (p. 93). Expanding on this idea, other research has shown that once survival needs are secured (i.e. food, clothing, and shelter), there are diminishing returns from increased wealth; in wealthy nations, well-being is dependent on relative wealth, such that more and more money is required to maintain the same level of well-being (Myers, 2000; Diener & Seligman, 2004). In such societies the endless pursuit of relative wealth often leads to poor mental health and interpersonal deficiencies, affecting not only the individuals but their families as well. In summary, increases in material wealth do not necessarily result in increased life satisfaction and have actually been linked with lower psychological well-being.

How does one wind up in such a predicament? Some point to personal value systems to explain the links between acquiring wealth and personal distress and unhappiness. Kasser and Ryan (1996) examined the effects of valuing intrinsic versus extrinsic rewards on personal well-being and distress. Participants who valued intrinsic rewards, including self-acceptance, community service, and personal growth, showed lower levels of distress and higher well-being, than participants who valued extrinsic rewards such as financial success, appealing appearance, and social recognition. Those who viewed financial success as a central life goal showed particularly high levels of anxiety and depression. By focusing on the external rewards of financial success, intrinsic, self-actualizing tendencies that promote personal growth and well-being are neglected. A clearer picture begins to emerge as we see the associations between extrinsic reward systems and distress and well-being.

A longitudinal study by Nickerson, Schwarz, Diener and Kahneman (2003) provides perhaps the most compelling evidence for the deleterious effects of affluence on psychological well-being and family cohesion. Nickerson et al. (2003) compared data from a 1976 survey of incoming college students assessing importance of financial success (“financial goal”) with a 19 year follow-up survey assessing overall life satisfaction and satisfaction in other specific domains including family, job, and physical health. Financial goal was negatively correlated with overall life satisfaction, while income level was positively correlated with overall life satisfaction. This finding suggests that it is not the money itself, since having money can facilitate happiness; rather, it is the excessive preoccupation with acquiring financial success that compromises psychological health. Moreover, quality of family life suffered the most out of all the specific domains assessed among people with high financial goals. Family relationships may be particularly vulnerable because having high financial goals requires spending late nights at work and often, frequent business travel. Consequently, family interactions can become restricted and inadequate. Specifically, not only are children precluded positive parental support and love, they learn to value extrinsic rather than intrinsic rewards (Kasser &Ryan, 1996). It is no wonder isolation and achievement pressure have been implicated in the mental health problems of affluent children. Case studies by Levine (in press) explain this phenomenon. When one or both parents spend excessive time away from home, and “when money becomes overly important…work, friendship, marriage, hobbies, parenting, spiritual development, and intellectual challenges can all fall by the wayside” (p.47). In addition, affluent parents generally underestimate the effects of these absences on their children, while children are often painfully aware that they are not a top priority.
Interventions: Informing Normal Development

As stated previously, underage drinking has become commonplace among affluent suburban high schools across the nation (Luthar & Sexton, 2004), and curbing this trend requires parents to monitor their children’s activities. Not only is monitoring children’s behaviors significantly linked with lower rates of drug use and sexual promiscuity, it is positively correlated with better academic achievement and higher self-esteem (Dishion & Kavanagh, 2003).

In addition, deeper within the ecological context, there exists the issue of parents’ awareness and attention to their own mental health problems. Research suggests that affluent parents may deny their own psychological problems that are in need of attention (Luthar & Latendresse, 2005). Considering the associations among the acquisition of wealth, unhappiness, and the erosion of family structure, psychological interventions aimed at affluent parents may be helpful to both parents and children.

Summary and Conclusion

Recent evidence indicates that children in affluent communities are at elevated risk for adjustment problems. Significantly elevated rates of depression among girls and substance use among boys and girls were found in both seventh and tenth grade cohorts. Peer relations, achievement pressures, and isolation from parents are implicated in these affluent samples. Thus, the socioeconomic status of affluent children by no means inoculates them from psychopathology and in fact, may contribute to its development.

While the evidence shows elevated rates of depressive symptoms and substance use in affluent children, it still begs the question: how serious are these symptoms over the course of development? Additional longitudinal studies examining the predictive value of these findings are needed. Also, as all of the research on specific indicators of affluent youth problems comes from Northeast samples (Luthar, 2003; Luthar and Sexton, 2004), it is important to conduct similar studies with affluent youth from geographically diverse areas. Finally, in the interest of public health, researchers must expand on this body of research and inform parents of the risks associated with addiction to affluence.

References


