
Poverty, Money, and Happiness

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IN THIS PAPER I PLAN TO ASK SOME POTENTIALLY disorienting questions about the relationship between poverty, money, and happiness.¹ In short, I worry that thinking about poverty in a manner that over-emphasizes the importance of personal finances can lead to an over-simplified view that money equals well-being and that wealth should be measured in terms of private property rather than shared social goods.

The full extent of global poverty can be difficult to comprehend from our privileged perspective. According to a recent United Nations report, the top 1 percent of the world's adult population owns about 40 percent of the world's total net worth.² The bottom half of the world's population owns only 1.1 percent of the world's wealth. To put this in perspective, in 2008-09 my base salary as an associate professor will be \$68,430. According to figures provided by the World Bank, this places me in the top .86 percent of the world's wealthiest people.³ For serving as a Discovery Author—which requires me to write this essay and participate in a few University events throughout the year, I was paid an additional \$2,500. One requires only \$2,138 in *net worth* to be counted among the wealthiest half of the world's adult population.⁴ Approximately 2.7 billion people struggle to survive on less than \$2 per day, which is about what I spend *per diem* to feed and care for my dog.⁵ These are grave statistics, and their numbers cannot adequately convey the extent of human suffering.

Here, however, a few questions arise that complicate beliefs that accumulation of personal wealth offers the most direct path to well-being. Those committed to economic justice, and I include myself here, can reinforce the view that money is the best measure of the value of one's life when we advocate for raising the poor to the rich. We imply that if poverty equals suffering and unhappiness, then wealth equals happiness. It should not surprise us, therefore, when our students seem to worship money as a kind of god and view other sorts of value judgments as moralistic naiveté.

The belief that money equals happiness, however, is highly dubious. Social scientists have long doubted that

increasing one's wealth also increases one's happiness once basic needs are met, and the cliché that money cannot buy happiness turn out to be more or less true.⁶

Why, then, are we so concerned with poverty? Many of us who are most troubled by economic injustice appreciate that a life driven by money is ultimately hollow and that it would seem especially unfortunate to “cure” local and global poverty by replacing it with the sorts of one-dimensional consumerist wealth that destroys both our spirits and our planet. If choosing between “living simply” and being “hyper-consumers,” the richer life may be the one that requires less money. In this spirit many religious traditions require vows of poverty as a means of achieving true wealth, glorifying material indigence as a kind of virtue.

This leads me to a rather confusing question: if we seek to raise the world's poor out of poverty, is our ultimate goal to usher them into the “wealth” of American-style consumerism? There are good reasons to question this objective, ranging from the environmental consequences of 6 billion people living in 2500 square foot homes, driving automobiles, and eating meat at U.S. rates to concerns regarding the homogenization of traditional ways of life into a global monoculture featuring the likes of Wal-Mart and McDonald's.

Rather than simply equating poverty with an individual's lack of money and wealth with an individual's financial security, we might gain a clearer view of the relation between poverty, wealth, and happiness if think more broadly and pluralistically about our social goods.

My own situation provides a potentially interesting example. Before coming to UNH I worked as an attorney at a very large Manhattan law firm. If I had stayed there, I would now make approximately five times my current professor's salary. Despite the precipitous decline in income, I am much happier here. I find this job more fulfilling, I have a great deal of freedom to structure my days in order to spend time with my family, I do not have to worry much about job security, and I take great pleasure in the many public natural resources available in the area such as the oceans, mountains, and lakes. For me, the lifestyle with the lower salary is much richer.

Notice, however, that even my base professor's salary—without including my wife's income or the various forms of additional compensation I receive—I am in the top .86 percent of the world's richest people. With the law firm salary, I'd be in the top .001 percent. In either case, I am securely in the wealthiest one percent of the world's population. We can often lose sight of the extent of our privilege over some 99% of the world's population, instead coveting the lifestyles of the ultra-rich continually paraded before us in various forms of media.

There are many reasons why even the very rich focus on what they don't have rather than what they do, including the incessant drumbeat of advertisements to make our lives better by buying something. Yet even if one considers oneself fairly immune to the lures of consumer culture, we still find ourselves within a social, political, and economic environment where so many goods necessary for flourishing are potentially out of reach for even the global rich.

Consider, for instance, a college education, which is increasingly considered an essential need rather than a luxury. According to conservative estimates such as those provided by Fidelity Investments, if a family with a one year old child in 2008 hoped to eventually send her to the University of New Hampshire the cost would be \$279,256.⁷ In order to afford this, they would need to invest over \$9,000 per year for the next eighteen years in a 529 College Savings Plan.⁸ Larger families may need to save more than \$30,000 per year just to afford to send their children to a state university. This does not include the costs of education past an undergraduate degree, which may seem even more compulsory in the competitive global economy of 2030 and beyond.

Thus even though our salaries place us within the top one percent of the world's richest people, it makes some sense that so many “middle class” Americans—I place this term in scare quotes because those who consider themselves middle class are very rich on the global scale—do not feel wealthy because we face considerable difficulty paying for basic goods such as education, health care, transportation, child care, elderly care, and even safe, nutritious, and sustainable food.

Because we are each left to solve so many of these problems on our own, we tend to think of this as an individual problem that can be solved by making more money. If only we have more personal wealth, we might think, we could afford better education, health care, and so on. We might work longer hours to make more money, but then face heightened anxieties regarding child-care while we work, transportation costs to commute to work, diminished leisure, and the physical and

mental costs that accrue for the well-being of ourselves and our families.

Recent and soon-to-be college graduates face similar concerns, as they soon realize that the answer to the question of “what they will do with their life” is overtaken by the need to get a job that pays their student loans and provides health care benefits. Rather than setting off to follow their deepest passions, many of our most talented and driven graduates just need to get a job, whatever job, that best allows them to begin a life of paying off debt. Regardless of the high-minded values we hope to instill in our children and students, we can rarely be heard over the mantra of capitalism: Money Equals Happiness. These are also the concerns that lead me to wonder, on bad days, if it was a mistake to give up my law firm salary. Although I may love being a professor, will my children pay the price for my happiness if I cannot pay for their college tuition?

The absurdity of the world's richest people feeling too poor to care for and educate themselves and their children provides an occasion to consider the possibility that collective goods, rather than individual finances, correlate more closely well being. Imagine, for instance, if the United States followed the examples of other wealthy nations and provided its people with socialized health care and university educations rather than allowing the best medical care and schooling to go to those with the most money. Imagine how much richer a police officer, a farmer, a nurse, a school teacher, and even a professor would feel if she knew that certain basic goods essential to her well being and that of her children did not depend on how much money she made. Imagine how many more graduates would pursue a life of passion and public service if they were not saddled with student loans, credit card debt, and the fear of losing their “benefits.” Imagine if we measured our wealth not by the square footage of our homes, the size of our lots, and the bottled water in our refrigerator, but instead by the quality of our public schools, the beauty of our community parks, and the purity of our water table.

Approximately six million children under five years old die from malnourishment each year, and my reflections about the relationship between money and happiness might seem like expressions of the guilt of someone with the luxury to worry about the side-effects of his affluence.⁹ Billions of people die from lack of money to buy food and medicine, and this incontrovertible fact can obscure all further discussions about the relationship between free markets and happiness.

We can note a few additional uncontroversial facts: Despite spending a far higher portion of our gross do-

mestic product on health care than any other nation, Americans can expect to die several years before their peers in wealthy nations with more socialized health care systems.¹⁰ Yet even though Americans live on average several years less than Japanese, Canadians, French, Chileans, Cubans and members of thirty-two other nations, this should not obscure that brutal fact that the average life expectancy of the richest nations are nearly double that of the poorest nations. Angolans, for example, can expect to die before their forty-third birthday.

In the modern world personal wealth is all too often a life and death matter. Once we look past the obvious, however, the relation between poverty, wealth, and happiness becomes quite complicated. We might first wonder if food, medicine, and education—the building blocks of all happiness—should be distributed according to personal wealth rather than by need. Treating the symptoms of poverty by attempting to increase the personal wealth of the poor may leave the underlying moral disease undiagnosed by ignoring the fundamental moral question regarding whether a person's ability to pay should determine whether she lives or dies. We ignore these questions at the expense of not only global justice, but also the well-being of our communities, our families, and our selves.

References

1 What one means by “happiness” raises a rich set of interdisciplinary issues. For an overview of various philosophical approaches to these questions, see the bibliography and radio interview by Robert Solomon on *Philosophy Talk*, which is available here: <http://www.philosophytalk.org/pastShows/Happiness.htm>.

2 James B. Davies, Susanna Sandström, Anthony Shorrocks, and Edward N. Wolff, “The World Distribution of Household Wealth,” United Nations University Discussion Paper No. 2008/03, February 2008. For a summary of an earlier related report, see Ecuadaro Porter, “Study Finds Wealth Inequality is Widening Worldwide,” *The New York Times*, December 6, 2007.

3 You can your calculate your own position by at www.globalrichlist.com. Notice that the United Nations University Discussion Paper provides different criteria for determining one's statistical rankings.

4 See “The World Distribution of Household Wealth,” p. 7.

5 For a helpful overview of these and related statistics, see the pamphlet “Fast Facts: The Faces of Poverty,” provided by the United Nations Millennium Project and available via: <http://www.unmillenniumproject.org/documents/UNMP-FastFacts-E.pdf>.

6 For an overview of this research, see Tim Hartford, “Money Doesn't Make People Happy,” *Forbes Magazine*, February 14, 2006.

7 This estimate is for non-resident tuition and presumes parents financing full costs. To estimate future costs at various institutions, visit the college planning calculator at http://personal.fidelity.com/planning/college/calculator_frame.shtml.cvsr?refpr=colcp08.

8 If my wife and I hope to send my one year old son to Vassar College, our alma matter, we would need to invest almost \$13,000 per year.

9 “Fast Facts: The Faces of Poverty,” p. 1.

10 These statistics reading life expectancies are available in the United Nations' “World Population Prospects: The 2006 Revisions,” which is available via:

http://www.un.org/esa/population/publications/wpp2006/WPP2006_Highlights_rev.pdf.