

money and consumption

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outline

ps comments

money and consumption obsession

one thing to read about it; another to experience it

the bottomline: consumerism— > wage slavery/labor
commodification (the more you consume, the more (wage)
slave you are)

Lexus=happiness?

i wish i hadnt worked so hard

some literature

first flip the class and work on papers, discuss my comments;
QandA

make it look like a published paper

- again to get an A, it's gotta be a publishable paper
- make it look like one!
- everything, amount of lit, etc, structure, feel, etc
- see the journals like johs, sir, ariq
- yes i may be obsessed with data and stata, but paper does need theory and lit
- we're at the stage it needs to start looking nice, publication quality
- also dont forget abstract and keywords

describe data in detail

- at very minimum like a para
- what kind of sampling (eg random)
 - representative of what? ctry, muni, etc?
- what data collection (eg face-to-face)
 - do make sure whether you need sampling weights!; eg fine with gss, wvs; but need for brfss
- what non-response rate

control vars must be motivated by lit!

- dont just run a bunch of regressions with random stuff!
- do read about what predicts your DV, cite it!!! and control for it!

do have meaningful des sta

- again never ever do inferential stats like regressions without des sta
- not only mindless summarize: mean, std, min, max
- always have a bunch of hist of all key vars
- do tabs and crosstabs! eg counts of drug use; and counts of 2 drug uses (crosstabs)

practical or substantive sig

- not only look at stat sig but also at practical or substantive significance and interpret it
- eg Ebshoy's 1pt on 1-10 swb scale is like 3 steps on health (.3) say from very poor to fair; also across countries one of the largest effects
- can also use beta (fully standardized) coefs

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we have so much stuff—and we dont realize it!!!

- again everyone except bottom decile (min wage or ~20k hh inc) has better qol than everyone except top decile 100 years ago (Bok, 2010)
- in 1890 most would live on 1\$ adj for inflation (J Peterson youtube)
- perhaps the most incomprehensible thing today: materialism/conspicuous consumption
- arguably in couple decades or couple centuries humans would wonder what are we doing now with suburbs, mc mansions, SUVs, etc: all human energy geared towards stuff and never enough, never satiated

so much stuff and yet so unhappy

- true as per Pinker (eg “Enlightenment Now”) and Peterson (youtube): we never had so much
-
- at the same time: opioid epidemic, loneliness, anxiety, and mental health, eg [\(Wilkinson and Pickett, 2010\)](#)

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ditch consumption!—many did it

- maybe most famously Henry David Thoreau; excellent and relevant “Walden” ([Thoreau, 1995 \[1854\]](#))
- a more modern example is [Tesson \(2013\)](#)
- I kind of did it too: lived in Cali Colombia in a regular/local housing—rent was less than \$100/mo; i mostly lived on <20/day
- and was one of the happiest, if not the happiest, time in my life
 - social relationships
 - nature
 -
- you don't really need much of the stuff you think you need: pov standard changes, too; eg hot water wasn't

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the capitalist gets you twice; first:

- you're wage slave, nothing nearly as bad as actual slave, but still a slave, you're not free (Chomsky, 1997, Stefan, 2010)
- you have to sell yourself on the market, you're commodity (labor commodification)
- you have to find work, and go there, and do as told mon-fri 8-5
- or else: you're homeless
-
- elaboration: "the market becomes to the worker a prison within which it is imperative to behave as a commodity in order to survive" (p. 36)"
(Esping-Andersen, 1990); also: Easterlin (2009), Lane (2000), Scruggs and Allan (2006)

but then, second, and overlooked:

- (again, you're wage slave to get the dollars from the capitalist) but then instead of investing it and becoming a capitalist yourself (or at least spending as little as possible so you're off the hook as much as possible)
- you give it back to the capitalist (buy stuff you don't need)
- so that you must continue to be a wage slave
- and the cycle continues, you never become free
- the more you consume, the more (wage) slave you are
-
- elaboration: see readings in sec "some literature"; and on syllabus under today; eg my <https://theaok.github.io/junk/gssLonnieRubia-lg-nov11.pdf>

to be fair

- of course capitalism has multiple benefits!
 - (and people run to it, eg Venezuela to Colombia)
- notably the very best system we know to produce stuff
- and we arguably needed it to rebuild after the WW2
- but now we don't really need much more stuff ([Klein, 2014](#), [Leonard, 2010](#))
- indeed, we may actually need less, ie degrow! ([Kallis, 2011](#), [Kallis et al., 2012](#))
 -
- if you're interested in Marxist perspective read David Harvey, arguably leader of the field today, eg ([Harvey, 2016](#), [2014](#), [2012](#), [2011](#), [1999](#), [1985](#))

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the obsession

- Okulicz-Kozaryn and Tursi (2015)
- perhaps East Europeans are miserable because they are obsessed about luxuries
- cars are a perfect example
- in Poland and Ukraine a black shiny BMW is the best thing in the world, greatest happiness, but is it?

car has changed our lives

- much truth in popular wisdom:
"car has changed our lives"
- especially in America, cannot imagine our life without a car
- car is typically the second biggest purchase we make (after the house)
- in poor neighbourhoods too—houses may be falling apart, no money for proper nutrition, but there's plenty shiny Cadilacs and SUVs

fancy car, fake people, fake happiness



Lexus=happiness?

20/38

marketing babble to make you feel special



**STYLE VS. STYLISH.
PASSION WINS.**

conspicuous/wasteful consumption

- arguably, much of car consumption is conspicuous or wasteful
 - (Veblen, 2005a,b)
- yes, some are useful eg:
 - Toyota Corolla, Prius, Honda Civic
- yet many are wasteful, eg:
 - Lexus, BMW, Chrysler, Land Rover
 - you buy them to show you are better than other people
 - as the above ads indicate

public v private transportation

- let's take a public policy perspective
- cars are substitutes for public transportation
 - the more cars, the less (worse) public transportation
 - eg given limited public money can either build hwy or rail
- the US infrastructure is made for cars
 - and the US has terrible public transportation

theory/hypotheses

- car may increase happiness (livability theory)
 - unlikely that Lexus increases livability more than Corolla
 - or in Europe, compare cheap VW with pricey BMW
- car may have no effect or decrease happiness
 - given limited resources, if we buy a car, we do not buy something else
 - and given that much of car consumption is a waste, we end up less happy

theory/hypotheses

- per hedonic treadmill theory, we get used to pecuniary goods
- at macro scale, according to MDT, we do not become any happier; also see ([Frank, 2012, 2005](#))
- hence, one frugal car per household helps; more is a waste resulting in no happiness

data

- psid, but just one year

OLS of happiness

	b1	b2	b3	b4
own car				
1 car	-0.03	-0.05	-0.09*	-0.13***
2 cars	0.26***	0.20***	0.10*	-0.05
3 cars	0.30***	0.22***	0.10*	-0.02
4 or more cars	0.22***	0.12*	-0.01	-0.15*
total family income		0.00***	0.00***	0.00***
rent a dwelling			-0.18***	-0.07**
other than own/rent			-0.29***	-0.19***
num of child in hh				0.04***
health				0.20***
male				-0.06*
married				0.28***
age				-0.03***
age2				0.00***
state dummies	no	no	no	yes
constant	7.70***	7.68***	7.85***	7.50***

OLS of happiness

	c1	c2	c3	c4
car \$ 0-5k	-0.03	-0.03	-0.06	-0.05
car \$ 5-15k	0.11*	0.09+	0.02	-0.05
car \$ 15-23k	0.23***	0.19***	0.09+	-0.00
car \$ 23-35k	0.33***	0.27***	0.15**	0.03
car \$ > 35k	0.36***	0.24**	0.11	-0.05
total family income		0.00***	0.00***	0.00**
rent a dwelling			-0.19***	-0.04
other than own/rent a dwelling			-0.27***	-0.13+
number of children in household				0.04**
health				0.20***
male				-0.07
married				0.29***
age				-0.03***
age2				0.00***
year in which acquired first car				
state dummies	no	no	no	yes

but may be reverse causality

- rev causality being upset first go shopping second

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Kondo 16 The Life-Changing Magic of Tidying Up

- a recent popular practical guide
- it advises how to decluter and get rid of most stuff

Veenhoven 21 Happiness and Consumption: A Research Synthesis Using an Online Finding Archive

- strikingly we don't know much swb and consumption
- this gives some overview of the studies
- an attempt to cover much of it
- but can't cover all the studies these days, just too much out there

Leonard 10, 'The story of stuff: How our obsession with stuff is trashing the planet, our communities, and our health-and a vision for change

- one of my fav!
- an ex-greenpeace activist in lively language demonstrates how bad is consumerism
- and see her website, and there's good info for kids
- and bunch of youtube vids

Joye 20, A diminishment of desire: Exposure to nature relative to urban environments dampens materialism

- a useful fascinating recent psy study
- exposure to nature decreases materialism

Schwartz 04 The Paradox of Choice: Why More Is Less

- a fascinating little book arguing counter-intuitive point
- usually, as opposed to what we think, the more choice does not help

Scitovsky 76 The joyless economy: An inquiry into human satisfaction and consumer dissatisfaction

- an old but timely classic
- rare to find economist (Bob Frank is another one) that acknowledges that consumption does not lead to happiness

Csikszentmihalyi 00 The costs and benefits of consuming

- Csikszentmihalyi is definitely one of the top 10 happiness scholars
- maybe the most incisive one
- read all he wrote

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