

money and consumption

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outline

ps comments

money and consumption obsession

one thing to read about it; another to experience it

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

Lexus=happiness?

i wish i hadn't worked so hard

some literature

bonus: bad capitalism

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
- i obsess with data and stata, so don't forget theory and lit
- we're at the stage it needs to look nice, publication quality
- also don't forget abstract and keywords

describe data in detail

- min 2 paragraphs
- ideally have sum stats of socio-demo next to official/census
- non-response rate, missing obs
- sampling (eg random)
 - representative of what? ctry, muni, etc
- data collection (eg face-to-face)
- see whether need sampling weights!
 - eg fine with gss and wvs; but need for brfss

control vars must be motivated by lit!

- don't just run a bunch of regressions with random stuff!
- do read about what predicts your DV, and cite it!

do have meaningful des sta

- again never do inferential stats like regressions without des sta
- not only mindless summarize: # of obs, mean, min, max
- also hist of key vars; pwcorr matrix
- use barcharts a lot, eg mean of key var by some cat
 - eg mean swb by working hrs cat
- tabs and corsstabs!

practical or substantive sig

- not just stat sig but also practical or substantive sig
- and interpret it, eg effect of \downarrow 500k city v \downarrow 10k is like one step down on health say from 'pretty healthy' to 'not healthy'
- can also use beta (fully standardized) coefs

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

- everyone except bottom decile (min wage or \sim 20k salary) has better qol than everyone except top decile 100 yrs ago
(Bok, 2010)
- in 1890 median hourly wage about \$5; in 2025 \$25
- perhaps the most incomprehensible thing today:
 - materialism/conspicuous consumption
- arguably in couple decades (or centuries?) humans would wonder about suburbs, mc mansions, SUVs, etc
- all human energy geared towards stuff
 - yet never enough, never satiated

so much stuff and yet so unhappy

- true as per Pinker's "Enlightenment Now" and J Peterson (see youtube): we never had so much
- at the same time: opioid epidemic, loneliness, anxiety, and mental health issues, (Wilkinson and Pickett, 2010)
- also excellent Scitovsky (1976) and Lane (2000)

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ditch consumption!—many did it

- famously Henry David Thoreau in excellent “Walden”
([Thoreau, 1995 \[1854\]](#)); a modern example is [Tesson \(2013\)](#)
- I did it too: in 2019 lived couple months in Cali Colombia
 - regular/local housing rent <\$100/mo; lived on <\$20/day
- one of the happiest, maybe the happiest, time in my life:
 - social relationships; nature; way/pace of life, energy
- don't really need much of the stuff we think we need
 - standards changes; eg hot water wasn't necessity 100yrs ago
 - (i got used to cold water in Colombia in few weeks)

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the capitalist gets you twice; first:

- you're wage slave, not 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
- “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
- see readings in sec "some literature"; and on syllabus under today; eg my <https://theaok.github.io/docs/gssLonnieRubia-lg-nov11.pdf>

woke capitalism (Ramaswamy, 2021)

- capitalism adapts, it became woke
- eg Amazon publicly endorsed BLM
- capitalists get more palpable to the masses
- look less pernicious, even friendly
- showing social responsibility, whatever ideology popular at the time
- still always the same old principle—the only responsibility of a company is profit (Friedman, 1970)

to be fair

- of course capitalism has multiple benefits!
 - (and people run to it, eg Venezuelans 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 need more stuff ([Klein, 2014](#), [Leonard, 2010](#))
- indeed, 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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car has changed our lives

- 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 of shiny Cadilacs and SUVs

fancy car, fake people, fake happiness



marketing bs to make you feel special



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

conspicuous/wasteful consumption

- much of car consumption is conspicuous or wasteful
 - (Veblen, 2005a,b)
- some are useful eg:
 - Toyota Corolla, Prius, Honda Civic
- many are wasteful, eg:
 - Lexus, BMW, Chrysler, Land Rover
 - you buy them to show you are better than others

my paper

-
- Okulicz-Kozaryn and Tursi (2015)
- 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 2016: The Life-Changing Magic of Tidying Up

- a recent popular practical guide
- it advises how to declutter and get rid of most stuff
- Kondo and Scott (2016)

Leonard 2010: '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! lively!
- an ex-greenpeace activist shows how bad is consumerism
- and see her website, and there's good info for kids
- and bunch of youtube vids
- [Leonard \(2010\)](#)

Joye 2020: A diminishment of desire: Exposure to nature relative to urban environments dampens materialism

- a useful fascinating recent psy study
- exposure to nature decreases materialism
- Joye et al. (2020)

Schwartz 2004: The Paradox of Choice: Why More Is Less

- a fascinating little book arguing counter-intuitive point
- often, as opposed to what we think, the more choice does not help
- [Schwartz \(2004\)](#)

Scitovsky 1976: The joyless economy: An inquiry into human satisfaction and consumer dissatisfaction

- an old but timely classic, one of my favorite
- rare to find economist (Bob Frank is another one) who acknowledges that consumption does not lead to happiness
- Scitovsky (1976)

Csikszentmihalyi 20000: The costs and benefits of consuming

- Csikszentmihalyi is definitely one of the top 10 happiness scholars
- read all he wrote
- Csikszentmihalyi (2000)

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bad capitalism (more on capital later)

- “Greed, envy, sloth, pride and gluttony: these are not vices anymore. No, these are marketing tools. Lust is our way of life. Envy is just a nudge towards another sale. Even in our relationships we consume each other, each of us looking for what we can get out of the other. Our appetites are often satisfied at the expense of those around us. In a dog-eat-dog world we lose part of our humanity.” Jon Foreman
- “If you’re not a leftist or socialist before you’re 25, you have no heart; if you are one after 25 you have no head”
(Apocryphal)

welfare/redistribution

- No society can surely be flourishing and happy, of which the far greater part of the members are poor and miserable. It is but equity, besides, that they who feed, clothe, and lodge the whole body of the people, should have such a share of the produce of their own labor as to be themselves tolerably well fed, clothed, and lodged.

Adam Smith, The Wealth of Nations, Bk. 1, Ch. 8.

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