



The Association Between Short-Term Materialist Aspirations and Long-Term Financial Stability and its Relationship with Self-Control



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Introduction

- Research on how self-control spending may help lawmakers create relevant policies that could account for impulsivity in spending, such as term disclosure.
- Some research has found materialism has no relationship with financial holdings (Uzelac and Previšić, 2021). Other studies have found materialism a negative relationship (Nepomuceno & Laroche, 2015), whereas further papers have found materialism a positive relationship (Durvasula & Lysonski, 2010).
- This analysis aims to explore whether there is a correlation between materialism and spending habits, and if that relationship is affected by the level of self-control an individual exhibits.

Research Questions

- Does a correlation exist between short-term materialist aspirations and long-term stability?
- Do changes in self-control, age, education, and income similarly affect the possible relationship between materialism and stability?

Methods

Sample

- The codebook used was the Consumer Financial Protection Bureau (CFPB) survey. The nationally representative sample was collected from an online panel of 55,000 non-institutionalized, non-volunteer, American adults from all 50 states and D.C. for U.S. household using address-based sampling. Overall, **6,394 (n = 6,394)** surveys were answered

Measures

- **Materialism** was measured by the question "I like to own things that impress people." Responses ranged from 1 (strongly disagree) to 5 (strongly agree) and were condensed in this analysis binarily. (0 = not materialist, 1 = materialist)
- **Financial Stability** was measured by the question "I could handle a major unexpected expense" shows if an individual is liquid, and to what extent they are. Responses ranged from 1 (strongly disagree) to 5 (strongly agree), and in this analysis 1 & 2 were combined, leaving 4 categories.
- **Self-Control** was measured by the question "I often act without thinking through all the alternatives" binarily.

Results

Bivariate

- The effect of materialism on stability is small, with only a slight reduction (**4.01%**) in stability with low materialist respondents reporting a low increase
- Logistic regression analyses showed that there is a statistically significant relationship between materialism and stability at the 95% confidence interval. (**OR = 0.82, p = 0.01**)

Multivariate

- This relationship became insignificant when ran against self-control, age, and income, with income being the most significant confounder (**OR= 0.903, p=0.102**)
- **Income appears to be the most significant confounding variable**

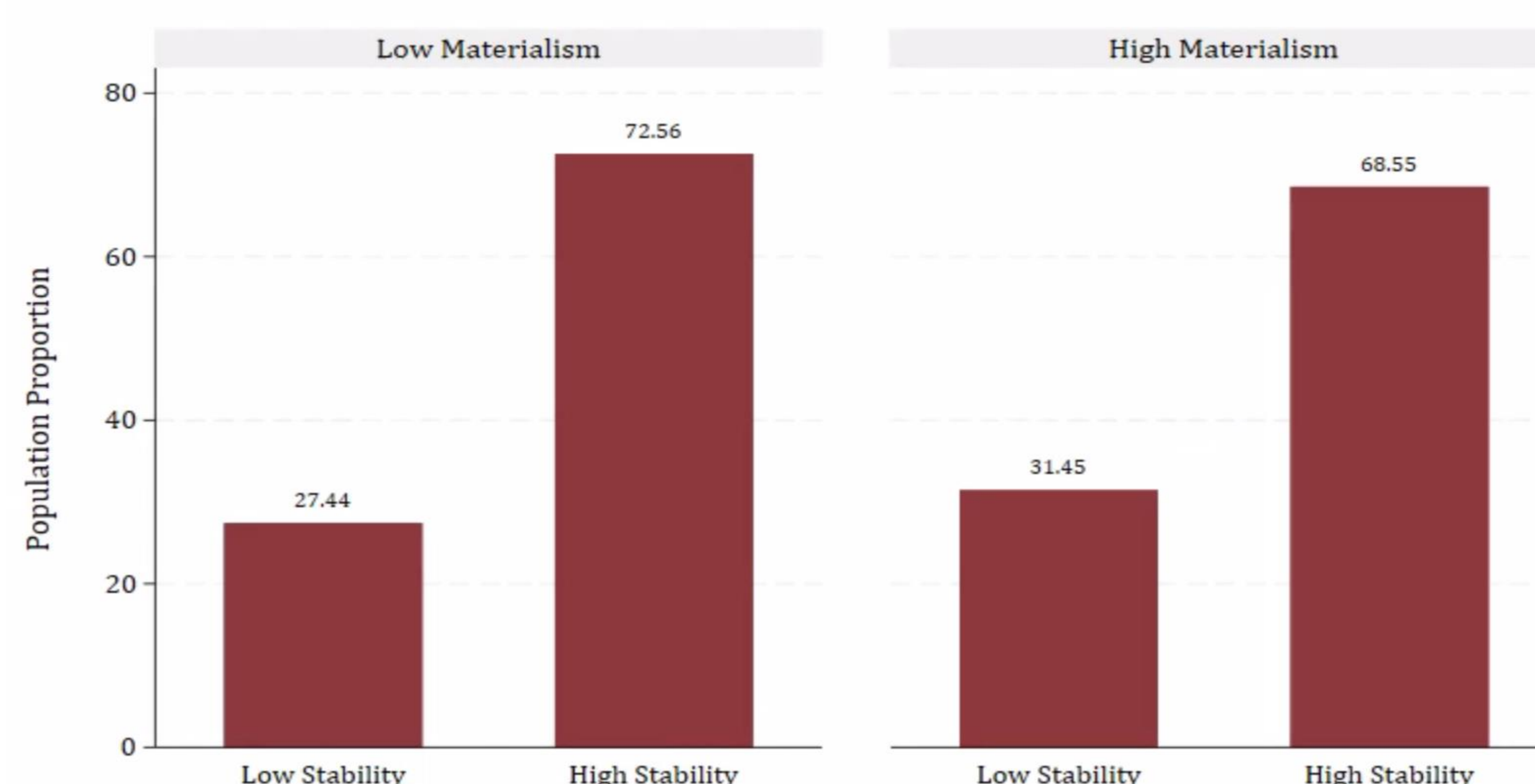


Figure 1: The Effect of Materialism on Stability

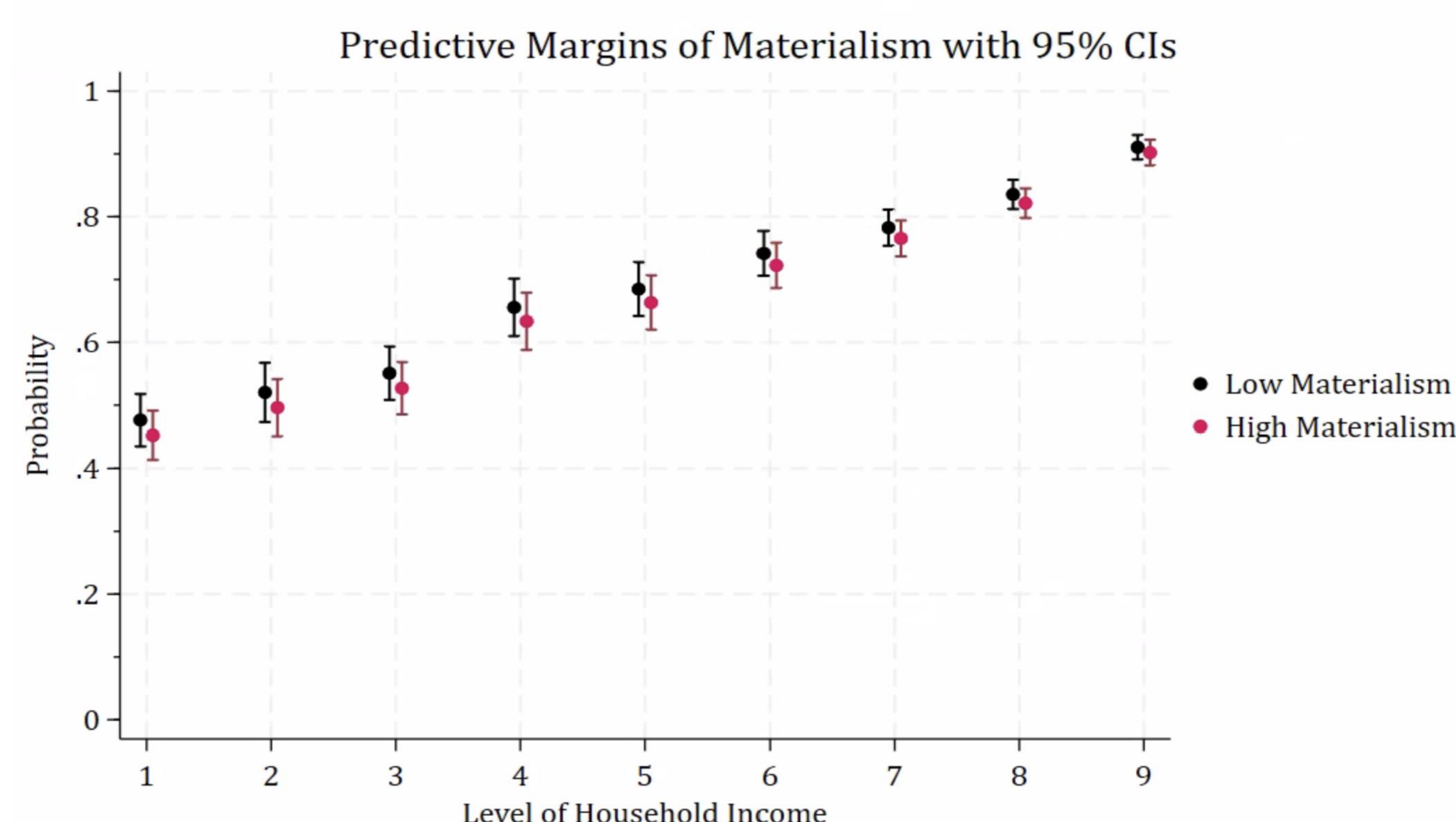


Figure 2: Predictive Margins of Materialism with Confidence Intervals

Discussion

- The relationship between materialism and originally appeared to be statistically significant.
- However, confounding variables appeared to turned the relationship insignificant, meaning this analysis fails to reject the null hypothesis
- Further research may need to be done with more specific questions targeted towards materialism to ensure that no relationship exists

References

- Durvasula, S., & Lysonski, S. (2010). Money, Money, Money – How Do Attitudes Toward Money Impact Vanity and Materialism? – the Case of Young Chinese Consumers. *Journal of Consumer Marketing*, 27(2), 169–179. <https://doi.org/10.1108/07363761011027268>
- Lučić, A., Uzelac, M., & Previšić, A. (2021). The Power of Materialism Among Young Adults: Exploring the Effects of Values on Impulsiveness and Responsible Financial Behavior. *Young Consumers*, 22(2), 254–271. <https://doi.org/10.1108/yc-09-2020-1213>
- Nepomuceno, M. V., & Laroche, M. (2015). The Impact of Materialism and Anti-Consumption Lifestyles on Personal Debt and Account Balances. *Journal of Business Research*, 68(3), 654–664. <https://doi.org/10.1016/j.jbusres.2014.08.006>