Poverty and Materialism: Are Impoverished Children More Materialistic Than Affluent Children?

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This research examines consumer values of impoverished versus affluent children, and reveals that younger children from impoverished families exhibit similar levels of materialism as more affluent peers, but once they reach adolescence and beyond, impoverished youngsters are more materialistic than their affluent counterparts. This difference is associated with self-esteem.

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Special Session Summaries

Consumer Behavior under Severe Restriction: A Look at Differences between Affluent and Impoverished People
Chair: Ronald Paul Hill, Villanova University, USA

**Paper #1: Poverty and Materialism: Are Impoverished Children More Materialistic Than Affluent Children?**
Lan Nguyen Chaplin, University of Chicago, USA
Debbie Roedder John, University of Minnesota, USA

**Paper #2: Profiles of Consumer Saving: Societal Conditions and Individual Aspirations**
Kelly D. Martin, Colorado State University, USA
Ronald Paul Hill, Villanova University, USA

**Paper #3: Consumer Negotiation and Acquisition at the Bottom-of-the-Pyramid: The Case of Women Market Traders**
José Antonio Rosa, University of Wyoming, USA
Madhu Viswanathan, University of Illinois, USA
Shikha Upadhyaya, University of Wyoming, USA
Srinivas Venugopal, University of Illinois, USA
Susan Dewey, University of Wyoming, USA

**Paper #4: Moral Identity and Competition in a Working Class Neighborhood**
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Julie L. Ozanne, Virginia Tech, USA

**SESSION OVERVIEW**

The field of consumer behavior has a lengthy history of examination of the processes and nuances associated with the acquisition, consumption, and dispossession of goods and services. From its very inception as an academic field, substantive domains and methodologies have been explicitly interdisciplinary and include economics, psychology, sociology, anthropology, as well as other fields. However, despite this broad reach, most investigations have concentrated their attention on a rather small percentage of the entire world population and geographic locations (Martin and Hill 2012), emphasizing relatively elite portions of the economically developed west. Yet we assume our research is generalizable to the entirety of humankind.

This situation raises several distinct possibilities that have implications for consumer theory development. First, the 85 percent of the human population that has received only limited attention by scholars has the same needs and wants as the predominantly western elite consumers because of widespread exposure to media and other sources of information associated with the larger consumer culture (Alden et al. 1999). If this proposition is true, differences are a matter of scale rather than perspective or process. Such worthy research has influenced the Bottom-of-the-Pyramid movement in business that a multi-billion persons market exists, which requires similar products in smaller, more affordable portions and sizes (Prahalad and Hart 2002).

A second possibility is that the majority of consumers on our planet is truly distinct and demands all new ways of conceptualizing how they navigate their material world (Hill and Gaines 2007). Under this paradigmatic approach, cultural distinctions and individual differences may be so influential that a failure to take them into account leads to inappropriate theory and practice (for a fuller discussion see Okazaki and Taylor 2010). A third approach that is adopted in this session proposal suggests that restriction associated with impoverishment supersedes most other factors and has a diverse impact upon consumer behavior. For instance, Hill, Martin, and Chaplin (2012) looked at consumption restriction, social comparison, and life satisfaction, finding that social comparisons are more powerful determinants of life satisfaction for people in poorer, developing societies than for people in affluent societies. Specifically, compared to their affluent counterparts, impoverished consumers experience greater decreases in life satisfaction when their access to goods and services is lower than others within their societies.

As a consequence of these and other results (Martin and Hill 2012), we propose a special session that presents four novel contexts where findings compare more affluent with more impoverished consumption environments and reveal the importance of poverty in our understanding of consumer behavior. The first examines how materialism manifests among poor children; the second looks at saving behavior in developing nations; the third studies consumer negotiation and acquisition processes in subsistence marketplaces, and the fourth presents working class consumer behavior in mobile-home parks. The central question asked in each of these new data sets is: Do impoverished consumers behave differently or the same when compared to more affluent counterparts?

**Poverty and Materialism: Are Impoverished Children More Materialistic Than Affluent Children?**

**EXTENDED ABSTRACT**

Our research is the first to examine consumer values for children and adolescents from impoverished backgrounds. In study 1, we found that older adolescents (ages 16-17) from impoverished families are more materialistic than adolescents from affluent backgrounds. In study 2, we found that differences in materialism among income groups emerge at the onset of early adolescence (ages 12-13). Prior to this stage, younger children (ages 8-11) from impoverished families exhibit a similar level of materialism as younger children from more affluent families. Across both studies, higher levels of materialism among impoverished adolescents is associated with low self-esteem, which has been identified as one of the negative impacts on youngsters living in families experiencing economic hardship. Below, we discuss the implications and contributions of these findings for consumer research on (1) poverty and materialism, and (2) young consumers and materialism.

The last decade has seen a resurgence of interest in issues related to consumers living in poverty as well as bottom-of-the-pyramid consumers in less developed countries (Martin and Hill 2012; Prahalad 2005; Viswanathan, Rosa, and Ruth 2010). However, even with this renewed interest, little is known about the role that material goods, consumption values, and desires for material wealth play in the lives of those living in poverty.

A naïve assumption would be that consumers living in poverty are focused on obtaining the bare necessities, leaving little room for strivings for material wealth and status. However, a recent study by Hill, Martin, and Chaplin (2012) questions this assumption. Using data across 38 countries, they show that social comparisons of mate-
rial wealth are more important for life satisfaction of consumers living in poorer developing nations versus consumers living in affluent Western nations. This work reveals that access to goods and services in the marketplace plays an even more important role in poverty-stricken societies. Our results show the same patterns for young consumers (adolescents) living in poverty within an affluent Western nation. Further research comparing these levels of analysis—poor versus affluent nations and poor versus affluent consumers within nations—may provide additional insights into the role of poverty in aspirations for material wealth.

The connection between poverty and materialism opens up several new areas for study. One topic of great importance is the effects of materialism on the well-being of consumers living in poverty. Higher levels of materialism are associated with a variety of negative consequences, such as lower life satisfaction, less successful interpersonal relationships, and less generosity toward others (Kasser 2002, 2005). Could higher levels of materialism exact an even greater toll on poor consumers? Believing that happiness and a more satisfying life depends on accumulating material wealth, which is beyond their grasp, individuals living in poverty may experience much greater negative consequences of materialism than the general population.

Preliminary data gathered during the course of our research lends credence to this view. In each of our two studies, we asked participants how happy they were on a scale from 1 to 5. Younger children from impoverished and more affluent families had similar levels of happiness (8-9 year-olds: 4.08 vs. 4.10; 10-11 year-olds: 4.07 vs. 4.22; all p > .50). Note that these children also had similar levels of materialism. However, adolescents from impoverished families were less happy than adolescents from more affluent families (12-13 year-olds: M = 3.21 vs. 3.64, t(1, 44) = 2.24, p = .01; 16-17 year-olds: M = 2.90 vs. 3.91, t(1, 48) = 4.57, p < .01). Recall that for both age groups, impoverished adolescents were also more materialistic than their affluent peers.

Another important consequence of materialism among impoverished adolescents may be a connection between materialism and juvenile delinquency. Our research shows that adolescents from impoverished families are more materialistic, yet they have fewer resources to fulfill their strivings for money and material goods. Crime provides one of few paths to material wealth. The link between materialism and crime among adolescents from poor neighborhoods is suggested by Ozanne, Hill, and Wright (1998) in their study of juvenile delinquents (ages 12-18) incarcerated for robbery, auto theft, and selling illegal drugs. These juveniles placed a high degree of importance on possessions and money as a way to obtain a sense of power and status among their peers. Possessions—such as cars, clothes, and guns—were seen as important to having the right image when “hanging out with friends” and competing for the attention of young women. Although crimes were sometimes committed for fun and excitement, many were committed to obtain money to spend on items to impress others and provide status among their peers.

Profiles of Consumer Saving:
Societal Conditions and Individual Aspirations

EXTENDED ABSTRACT

We were interested in capturing the nuances of consumer saving behavior worldwide, among individuals in nations across a range of poverty and restriction. To do so we conducted two research investigations examining different facets of the poverty-saving relationship. Given the nascent stage of research in these areas, we proposed two different research questions to look at societal and individual influences on consumer saving. In our first investigation, we used multilevel methods and analyses to understand how conditions of poverty and inequality at the societal level influenced individual saving likelihood. Using a broad worldwide sample and controlling for additional national and personal factors previously linked to saving, we found that societal poverty significantly influenced individual saving occurrence. Echoing research that highlights the resourcefulness and determination of the world’s poorest citizens (Collins et al. 2009), we found that in conditions of greater poverty, saving likelihood also was greater. We were unable to confirm the impact of inequality on saving (versus spending), as inequality had no significant effect on these behaviors among consumers in our sample.

In our second investigation, we extracted two more narrow and focused samples of consumers in nations with the highest poverty and in nations with the lowest poverty, according to United Nations classifications. In each, we applied latent class nominal binary regression analysis to distinguish consumer profiles and understand the manner in which aspirations influence saving. As described above, we found differences among the consumers within each sample, as well as across the two samples. Specifically, theoretical perspectives of goal contents theory and the role of aspirations fit the high poverty sample well, demonstrating how both intrinsic and extrinsic aspirations influence saving for different profiles of consumers. The findings for the low poverty/high affluence sample were in stark contrast, where a large number of consumers were not at all influenced by aspirations. When intrinsic or extrinsic aspirations were influential, they acted to promote spending rather than saving among these consumers.

Our findings challenge conventional wisdom about saving, and extend marketing and economics scholarship. Research involving materialism or conspicuous consumption accurately portrays the angst of consumers living in post-modern societies where identities are dependent on what we have and how it is displayed socially (Rindfleisch, Burroughs, and Wong 2007). Nonetheless, seven billion inhabitants live in diverse material environments characterized by varying levels of poverty, affluence, and equality. To suggest that these contexts may lead to similar beliefs, aspirations, and behaviors is fraught with difficulties, especially if investigations concentrate attention on the most impoverished people in the poorest developing nations (Hill, Felice, and Ainscough 2007). Our findings echo limited but emerging scholarship that examines large-scale samples of such populations and finds significant disparities in individual psychological interpretations as a result of societal poverty (Martin and Hill 2012).

The idea that consumers with less material access and goods might get caught up in the same needs and desires as their more affluent counterparts is a valid assumption as long as the context is a material world where the basic necessities of life are widely available (Martin and Hill 2012). When or if they are not, such as in subsistence marketplaces, heuristics employed in consumption versus saving may vary greatly, resulting in radically different behaviors for (potentially) radically different reasons. Consider our finding that greater poverty in the least developed parts of the world leads to increased saving. This outcome is not consistent with what happens in Western countries with more abundant marketplaces (Berger and Ward 2010), or in experimental settings with consumers who face restrictions for short time periods (Ordabayeva and Chandon 2011). Yet an alternative logic is revealed that suggests the poorest citizens may recognize their lives are in greatest jeopardy in times of low to no resources, and saving during more abundant times could be viewed as necessary for basic survival (Collins et al. 2009).
Advances in Consumer Research (Volume 41) / 13

Yet even these relationships are not so simple. As shown recently by Martin and Hill (2012), self-determination influences individual life satisfaction of BOP consumers. The present study moves significantly beyond their basic conceptualization of psychological need fulfillment to investigate nuances that enhance this theoretical paradigm; namely goal contents theory. Examination of consumer goals and aspirations is not new, as evidenced by the stream of work described in the paper’s conceptual development. Although the findings of past research on goals are significant, we do see substantial value for life goals and aspirations as a differentiator of saving behavior between citizens in poor versus affluent nations. In particular, our finding that different forms of aspirations lead to greater saving in impoverished societies—but may have the opposite effect in wealthy countries—is theoretically compelling. Collectively, results suggest unique ways of understanding what it means to seek personal fulfillment and social status via consumer behavior if poverty abounds or if affluence abounds. Likewise, our results highlight the extent of these disparities and their relative importance across nations.

Expectations derived from goal contents theory are that intrinsic (Kasser and Ryan 1996) and extrinsic (Deci and Ryan 1985) aspirations help explain saving behavior. Yet again, we find important differences between the developed and developing worlds. For example, in the most impoverished societies, the vast majority of consumers experience one or the other form of aspirations, leading to increased saving. For individuals whose aspirations or goals are intrinsic in nature, greater numbers of children imply that they may be responding to desires to support their families’ growing needs and promote their safety, security, and well-being. Such broader life goals also may be self-actualizing. For individuals whose aspirations are extrinsic in nature, low education and income levels may make them susceptible to negative social comparisons (Hill, Martin, and Chaplin 2012). Accordingly, financial, material, and success oriented goals may promote saving behaviors as a means to a desired end of status and other recognition. Future research could probe the characteristics and goal contents of high poverty consumers to understand how aspirations influence other important outcomes and aspects of their lives.

Consumer Negotiation and Acquisition at the Bottom-of-the-Pyramid: The Case of Women Market Traders

EXTENDED ABSTRACT

Fresh food markets, whether centrally organized by governments or ad hoc in nature, provide the world’s market traders, the vast majority of whom are women, with a critical source of income. Simultaneously, these markets serve a critical social function by making possible the efficient aggregation and redistribution of foods to needy populations, and providing economically and ecologically sustainable alternatives to imported foods that have higher economic and environmental costs. Women market traders play a critical role in consumer access to fresh and low cost agricultural products. In addition, in some countries their market entrance fees serve as a significant source of local government revenue. Throughout Sub-Saharan Africa, Latin America, Asia, and Australasia, however, women traders are frequently dismissed as marginal, unskilled, and unimportant. Women market traders make substantial contributions to local and national economies by connecting consumers with agricultural producers, adding to local government funding, and sustaining countless households and communities. Their importance and contributions must be understood and acknowledged.

Women market traders in subsistence economies work in fragile socioeconomic and political environments. In some countries (e.g., Fiji), repeated military coups have led to policy instability that places additional pressure on market systems and social networks to preserve order and process, even when the rule of law is absent or unpredictable. In other countries (e.g., Tanzania), it has been economic shocks due to political upheaval in neighboring states that have introduced uncertainty into the market, and it has once again fallen to market traders to adjust and endure. In addition, markets are complicated by religious and ethnic diversity that constrains interaction between social groups, and by persistent pressure from civic leader to foster a sense of national identity that neutralizes such barriers. In environments made unpredictable by conflicting agendas at multiple levels, we study how women market traders create sustainable, multiethnic distribution networks that make markets possible and feed urban and rural residents while financing town and city operations.

In many emerging economies, residents engage in semi-subsistence agriculture to meet household food needs, but those who live in towns or urban areas rely upon fresh produce markets. Due to their popularity, and patronage by most urban residents, municipal markets are some of the few places where social interaction between individuals from different ethnic groups is normal and expected, and among traders such interethnic alliances constitute a critical aspect of their work. Key topics in this research are how capitalist markets create, reinforce, and subvert ethnic differences in a politically fraught environment, and the role of feminized market trade labor in these processes.

The research also explores how social justice and sustainable business practices come together in subsistence markets through women traders. It explores at a micro-level, for example, women’s critical roles in creating and maintaining food security in the midst of climate change. Food security, broadly defined as people’s abilities to access affordable and nutritious products, is a concern throughout the world. In Fiji, for example, climate change is a clear and present danger to sustainable livelihoods. Soil salinization caused by rising ocean levels is having widespread impact on crop production, and its influence is palpable in market trading activity. In Tanzania, it is record high temperatures and extreme weather events that are affecting growing seasons and food availability, with similar effects in local produce markets.

At the level of women traders, our research shows that they negotiate difficult circumstances and emerging problems created by climate change to make trade possible in spite of increasingly volatile supply and quality. The research further documents some of the labor environment challenges faced by women market traders and their innovative solutions to such challenges. Women market traders work long hours in conditions commonly seen as inadequate, unsanitary, and hazardous. They battle second-class status, pricing and access inequities, and the persistent threat of assault in order to fulfill market duties, and through impressive and creative management of their meager resources and distribution networks they preserve sufficient dignity to function. Their innovativeness and persistence are impressive, and worthy of being understood and emulated.

Moral Identity and Competition in a Working Class Neighborhood

EXTENDED ABSTRACT

An enduring finding in consumption communities and sociological research is that consumers socially stratify themselves (Veblen 1994/1899). Bourdieu (1977, 1984) theorizes society as made up of overlapping social fields where people compete for social dis-
tinction by employing economic, cultural, and social resources. In particular, the cultural capital of the working classes is conceptualized as subordinate to the cultural capital of higher classes. The working classes lack resources so they create a culture of necessity where they develop a taste for the practical, passively accept popular culture, and are united in their conformity. Recent empirical work using survey data similarly portrays working class culture as deficit where poor consumers have little education, do not read books or attend cultural events, and have few preferences beyond consuming commercialized popular culture and visiting fast food restaurants (Bennett et al. 2009). Consumer researchers have extended this work on status consumption, challenging some of the initial assumptions and stressing the importance of consumption practices (Holt 1998; Ustuner and Holt 2007, 2010).

But the cultural capital prized within different social groups may be more nuanced and localized particularly when consumers have few resources. In a study of rural firefighters, they value their country competence, which is an embodied skill set that allows them to face life-and-death decisions; as members of the pickup-truck crowd, they see themselves as superior to the pretentious suburban Buick crowd (Desmond 2006). Consistent with other researchers who question the centrality of taste in status competition (Lamont 2000), we examine how moral dispositions guide the consumption practices of the working poor. Based on an ethnographic study and forty interviews in a mobile home park, we examine the home consumption practices of consumers in this marginalized and resource constrained environment.

Our research finds that different visions of morality lie at the heart of status negotiation for the working poor. Specifically, the trailer park residents’ moral habitus shapes their evaluations of themselves and their neighbors, as well as their preferences, perceived capacities, hopes, and dreams. Habitus is a set of unconscious and enduring dispositions that are acquired in childhood and provide an implicit sense of how the world works and one’s place in this world (Bourdieu 1984). Habitus is a forgotten history that is transferred to new contexts and helps explain why people reproduce existing social structures (Bourdieu and Wacquant 1992). This study extends this notion of habitus empirically to explore the moral habituses or dispositions that guide a working class neighborhood.

Five groups emerged in our study—Nesters, Reluctant Emigrants, Community Builders, Homesteaders, and Outcasts. Nesters enact a disciplined moral self that is based on hard work; they are critical of their neighbors who they see as lazy and instead align with middle class consumers. Reluctant Emigrants enact a caring moral self where family is privileged; yet they view the park as a hostile and chaotic place from which to escape. Community Builders affirm a communal self and work on projects to enhance the well-being of their neighborhood. Homesteaders are resigned to life in the park, which they see as a good place for poor people to live because they can leverage social support; their moral identity is fatalistic and they adopt a live-and-let-live approach. Finally, the Outsiders perform a spectacular self that is characterized by practices that are defiant and rule breaking.

The diversity of class habituses guided by different moral dispositions can explain the levels and intensity of class consciousness and agency within a social class. Why is class structure stable? Why do few working-class protests occur despite growing social inequalities? Part of this answer may lie in the co-existence of competing moral habituses within the same social class. For example, the Community Builders criticize the structural disadvantages facing the poor yet mobilize to take constructive actions. However, the Homesteaders are more passive and fatalistic. Within the trailer park, these two groups interact socially more than any other groups. Yet given their differing moral dispositions, they do not work together in solidarity. Given the even greater differences among the other groups, class solidarity is unlikely. Nesters gain status by distancing themselves from the other trailer park residents, and consume symbolically to enact a middle class lifestyle. The Reluctant Emigrants see trailer life as a negative symbol of poverty and thus invest little energy in their home practices and seek to escape the community. All of these groups differ from the Outcasts for whom the home has little meaning except as a safe place to enact subcultural capital.

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