

# Conscientious people earn more and save more for retirement

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(PhysOrg.com) -- Americans who are more conscientious have higher lifetime earnings and save more for retirement, according to researchers at the University of Michigan Retirement Research Center.

Individuals who are at the 85th percentile of conscientiousness earn about \$1,500 more per year than the average American, which amounts to about \$96,000 more in lifetime earnings and \$158,000 more in lifetime savings.

"Conscientious people are reliable, meet deadlines and pay their bills on time," said Angela Lee Duckworth, a University of Pennsylvania psychologist and co-author of a paper on the subject with University of Michigan economist David Weir. "They are very hard working and self-disciplined. These are the people who go running, stick to their diets, and tend not to procrastinate."

The working paper by Duckworth and Weir, titled, "Personality, Lifetime Earnings, and Retirement Wealth," is based on almost 10,000 adults aged 50 and older who participated in the U-M Health and Retirement Study (HRS) in 2006 and 2008.

"This is a good example of the kind of discovery that can only come from a truly interdisciplinary project," said Weir, principal investigator of the HRS. "No other study combines high-quality data on wealth, [personality characteristics](#) and cognitive ability with lifetime earnings records from Social Security."

Duckworth and Weir found that, collectively, personality traits have as much impact on earnings as cognitive ability. Respondents rated themselves using a scale of 1 to 4 on 26 adjectives from the Big Five taxonomy of [personality traits](#): conscientiousness, [emotional stability](#), agreeableness, extraversion and openness to experience.

Adults who are more emotionally stable earn more per year than the average American, but they don't necessarily save more. And, somewhat surprisingly, individuals who are agreeable or open to experience earn less and save less over their lifetimes. Extraverts earn about the same as introverts but save more money.

"One of the exciting things about working on personality, as opposed to other aspects of the individual like IQ, is that there is some hope that conscientiousness can be changed, can be deliberately cultivated, particularly in children, but arguably across the entire life course," said Duckworth.

What makes some people more conscientious than others?

According to Duckworth, "One possibility is that conscientious people are conscientious because they believe that they can actually have an effect on their life outcomes. Or maybe they just have habits that differentiate them from less conscientious individuals. We don't have answers yet, but we're starting to formulate the questions."

**More information:** The working paper:  
[www.mrrc.isr.umich.edu/?id=277](http://www.mrrc.isr.umich.edu/?id=277)

Provided by University of Michigan

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