

# Wealthy neighborhoods fuel materialistic desires, study says

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Where you live could affect whether or not you spend compulsively, according to new research from San Francisco State University published today in the *Journal of Consumer Culture*.

Individuals who live in wealthy neighborhoods are more likely to have materialistic values and poor spending habits, the study says, particularly if they are young, living in [urban areas](#) and relatively poor compared with their surroundings. The study is the first to show a connection between neighborhood [socioeconomic status](#) and materialism.

The reason for the link, said co-author and SF State Associate Professor of Psychology Ryan Howell, may have to do with "relative deprivation," or the feeling someone gets when they believe they are less well-off than those around them. If someone is bombarded with images or reminders of wealth, such as an abundance of investment banks nearby or neighbors driving luxury cars, they are likelier to feel a need to spend money they may not have to project an image of wealth they don't actually possess.

"People who live in more affluent areas are vulnerable to this implicit social comparison, where you start to see other people spending a lot of money," Howell said. "Because you feel the need to live up to that standard, you end up impulsively buying material items, even though they don't actually make you happier."

To conduct the study, researchers determined a neighborhood's

socioeconomic status by looking at its per-capita income and poverty rate as well as the number of financial institutions present. That information was compared with survey data measuring participants' materialistic values, views about money and spending, and savings habits. After controlling for age, gender and individual socioeconomic status, researchers found residents of wealthier [neighborhoods](#) were likelier to be materialistic, spend compulsively and manage their money poorly than those living in less well-off areas.

The effect was seen especially in younger people, who Howell said tend to be more materialistic in general, those who live in urban areas, where residents are exposed to a larger socioeconomic spectrum, and those whose individual socioeconomic status is lower than their neighborhood's. Conversely, someone with a high individual socioeconomic status was less susceptible to such behavior.

"We did find that individual socioeconomic status is negatively correlated with materialism, so the more money you have for yourself, the less materialistic you are," said Jia Wei Zhang, lead author of the study and current University of California, Berkeley graduate student who conducted the research with Howell while an undergraduate at SF State. "But it doesn't fully negate the effect of a wealthy neighborhood. Regardless of how much someone is worth in general, the richer their neighborhood, the more likely they are to be materialistic, independent of their own socioeconomic status."

The next step in the research, Howell said, is to explore whether there are ways to counter a neighborhood's effect on an individual's materialistic values. This could be done simply by making more people aware of the correlation, or through interventions developed to make people feel more grateful for their status. As a first step they are inviting people to take the Materialistic Values Scale test at their website, [BeyondThePurchase.Org](#).

"There are policy implications to all of this," he said. "Putting up billboards that flash materialism and wealth all over the place has an impact on people's value system. So we need to better understand the phenomenon, learn how far it extends, and how we can prevent it from happening."

**More information:** "Living in Wealthy Neighborhoods Increases Material Desires and Maladaptive Consumption" by Jia Wei Zhang, Ryan Howell, and Colleen Howell was published online on Feb. 14 in the *Journal on Consumer Culture*.

Provided by San Francisco State University

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