

**Positive Materialism:
How Does Money
Shape Family Happiness?**

by

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A thesis
presented to the Independent Studies Program
of the University of Waterloo
in fulfillment of the
thesis requirement for the degree
Bachelor of Independent Studies (BIS)

Waterloo, Ontario, Canada, 2009

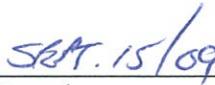
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Author's Declaration

I hereby declare that I am the sole author of this research paper.

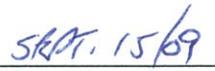
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Abstract

Why do some families let money shape their happiness in a negative way while others control their money and shape their happiness in a positive way? Maslow (1943) described his first two levels in his Hierarchy of Needs as both materialistic and positive, that is support of life and safety, and yet materialism has a negative connotation in Western society.

I conducted eight in-depth qualitative interviews with couples in the Waterloo Region, Ontario, Canada. Demographically they were very similar by age, number of children, duration of marriage, education, family income, and proximity to grandparents.

Existing literature and statistics suggest that many families fall prey to excessive negative materialism, yet the results of this study suggest that these families use materialism positively to help shape their happiness. Therefore, I submit my Positive Materialism Theory - A person or group who uses materials or materialism to facilitate spiritual, intellectual, or cultural values and as a result increases their happiness quotient.

If families understand that money can be positive, (that money buying happiness is not negative), maybe this awareness will help families realize that “money *can* buy happiness” and take steps to accomplish this.

Acknowledgements

“We must put ourselves in the position of the subject who tries to find his way in this world, and we must remember, first of all, that the environment by which he is influenced and to which he adapts himself is his world, not the objective world of science.”

- W.I. Thomas & F. Znaniecki

I would first and foremost like to thank the participants in this study who graciously shared their personal information with me. This could not have been possible without you. I wish every one of you all the best in the future.

Secondly, I wish to thank my academic advisor, Dr. Anne Innis Dagg (University of Waterloo), along with thesis supervisors Dr. Janice Aurini (University of Waterloo) and Dr. Mark Havitz (University of Waterloo) whose mentorship, guidance, and support made this academic journey an enjoyable one. In this world, it is a privilege for a person to encounter even a single role model who is encouraging, nurturing, and supportive.

I was lucky enough to have three.

I would like to also thank my unofficial “research assistant” Betty Schelter. Your support and help in getting interview participants was invaluable. Your enthusiasm helped me “think outside of the box”

~Thank you for everything~

Dedication

I would like to dedicate this thesis to my family. Your unwavering support during my return to academics was unfathomable. I am deeply grateful for all of their support and faith in me. It will never be forgotten.

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Chapter I. Introduction

People are emotional beings. Emotion is part of the decision-making process (Thagard and Barnes, 1996). Is there a link between money and emotion and resulting happiness? Is happiness that emotion that people are trying to buy? Do people understand how buying can provide a good ‘rate of return’ on their happiness? A number of studies investigate the impact of financial decisions on individuals or couples happiness; however, my study will examine how money shapes *family* happiness.

The family unit in this study is delimited to those including three generations: child, parent, and grandparent. It looks at how (good and bad) financial choices affect the family unit today.

I plan to add to Maslow’s (1943) Needs Theory as it relates to money and happiness. Materialism usually has a negative connotation in Western society but previous research demonstrates that materialism can also be positive. My study will examine positive versus negative materialism.

Negative materialistic, extrinsic goals can require us to make sacrifices in self-growth, leisure time, and intimate relationships interfering with happiness rather than enhancing it. I plan to observe how families use money as a tool to shape their happiness; whether or not money can be used for growth and intrinsic values to ‘buy’ happiness. Do parents and grandparents educate the next generations? “Thus the educational challenge is to convince people that other pursuits may sometimes lead to greater fulfillment than does the pursuit of more¹ money.” (Diener and Oishi, 2000, pg.215)

¹ Underline is author’s emphasis

A. Positive Materialism Theory

As earlier research shows, materialism can be positive. Therefore, I submit that the term materialism should be further defined as either positive or negative and should be referred to in those terms, i.e. positive materialism versus negative materialism versus non materialism.

Positive Materialism Theory: - A person who uses materials or materialism to facilitate spiritual, intellectual, or cultural values and as a result their happiness quotient increases.

There are many examples of positive materialism in today's society, e.g. roads for transportation, schools for education or medicine for sick people. Therefore negative and/or positive should be stipulated when discussing materialism. My Positive Materialism Theory postulates that it is not that money does not buy happiness, it is that you have to save or spend it on positive materialistic things, and control how much of it you spend, and then yes, it does "buy" happiness. I will draw on the appropriate data and concepts to highlight my insight into this distinction. When I discuss previous references to materialism I will distinguish between positive or negative. It is important that people understand the distinction between positive and negative if they are expected to answer the question "How does money shape family happiness?"

B. Previous Research

This research looks at the family's relationship between money and happiness. Is it confined to buying negative materialistic things or does it also include not buying (saving) and buying safety, security and more control over their lifestyle? My review of the literature suggests that there are many factors that contribute to "money buying happiness". I will draw on the literature to examine the relationship between money and happiness in the context of family life. Previous reading has demonstrated two things: one, that negative materialistic and extrinsic goals can require us to make sacrifices in self-growth, leisure time, and intimate relationships thus

interfering with happiness rather than enhancing it, and two, that money can be used for growth and intrinsic values to “buy” happiness.

I plan to observe whether families use money as a tool to shape their happiness, and to what degree they use it towards positive or negative materialistic needs.

Combined with a critical sociological approach to the existing literature on money and happiness, this study expands on previous research by increasing the sample from individuals to a three generation family. The parents are the focus, but the family interaction among all three generations is of interest.

C. Limitations in Previous Research

Material well-being has been shown to have a positive correlation to non-material well-being. In fact it has been argued that material well-being is a prerequisite to non-material well-being. This is better known as Maslow’s Hierarchy of Needs (Figure 1, pg. 13) (Maslow, 1943). It postulates that we cannot progress to the next level until most of the needs of the previous level have been met. Yet previous research is limited in its demonstration that there is a *positive* materialistic relationship with money. We will attempt to identify whether or not this relationship is present at the family level.

D. Research Questions

Based on a series of structured interviews with husbands and wives, my thesis will examine how families understand the relationship between money and happiness (Diener and Oishi, 2000). Do these families prioritize on negative materialism or do they exercise positive materialism, i.e. saving, and/or buying safety, security and therefore having more control over their lifestyle?

One universally accepted component of happiness is to not *pursue* money; however, it is recognized that money *is* important in North American life. We use it as part of our daily lives

as a medium of exchange. Participants will be from the Waterloo Region, Ontario, Canada. As such, we recognize that Canada is a wealthy nation and therefore national wealth will not be a significant factor to any unhappiness reported by participants.

The first questions about happiness will be open-ended and revealing. Participants will be asked their definitions of happiness and other questions will be asked that refer back to previous research, e.g. control over lifestyle (Johnson and Krueger, 2006).

The next questions will focus around the children and grandparents. Important family interactions will be explored and specifically the contributions that each make. Again these questions will be open-ended and will not refer to any specific financial aspects but references to money and happiness will be noted. Both materialism and happiness in children are related to the parent's values (Flouri, 2004; Kasser, Ryan, Zax & Sameroff, 1995; Rindfleisch, Burroughs, & Denton, 1997).

In previous research social pressure was cited as a larger component to motivate people into negative materialistic spending (Hagerty and Veenhoven, 2003). I will ask specific questions about social pressure and they will be grouped into two categories: friends and neighbours, and family.

The financial questions will be mostly closed. I will gather financial data in an effort to co-relate finances to earlier reported levels of happiness (Diener, Sandvik, Seidlitz, and Diener, 1993). They will encompass a full range including income and major purchases such as houses and vehicles. Savings and attitudes towards debt will also be important factors.

I will also ask if families had experienced any unforeseen obstacles or "speed bumps" that may have affected their money and happiness, e.g. job loss. Sometimes people live so close to the

edge that one negative situation can have a big impact on their future lives (Warren and Warren Tyagi 2003).

Finally, families will be asked if they think money shapes family happiness. I want to see what components of happiness people identify and how they relate them to happiness. Do they give positive and/or negative materialistic examples and do they relate those components to a certain level of needs?

Participants for this study will be recruited via the snowball technique, asking friends to refer couples I do not know.

E. Closing

If families better understood the distinction between positive and negative materialism would they better understand the relationship between money and happiness?

Looking at three generations could suggest a paradigm for one's own life. Each individual moving from youth to adult to elderly could see the effects that could be put in motion, i.e. negative materialistic parents often have negative materialistic children who could develop a negative materialistic orientation to negative materialistic future companions (Flouri, 2004; Kasser, Ryan, Zax & Sameroff, 1995; Rindfleisch, Burroughs, & Denton, 1997).

Society has many examples of positive social change where education, awareness and mass media have helped, e.g. smoking and the environment. It is my passion that my research will add to the collective work and will lead to widespread awareness for positive vs. negative materialism. This awareness in turn will help promote family happiness and help affect positive social change.

Chapter II.

Review of the Literature

A. Introduction

There are many known obstacles to happiness. Most of the studies represented mention materialism most frequently as one of those obstacles. Materialism comes from the word material. “the substance or substances of which a thing is made or composed” or “pertaining to the physical rather than the spiritual or intellectual aspect of things”. This definition is neither positive nor negative, but as soon as we add the action suffix “-ism”, materialism takes on a negative connotation in today’s society “preoccupation with or emphasis on material objects, comforts, and considerations, with a disinterest in or rejection of spiritual, intellectual, or cultural values.” (<http://dictionary.reference.com/browse/material-ism>) and if their spiritual, intellectual, or cultural values suffer as result, then their happiness quotient would drop. It is my theory that materialism is also positive. A positive materialistic person is a person who uses materials or materialism to facilitate spiritual, intellectual, or cultural values their happiness quotient would increase as a result. There are many positive examples of materialism in today’s society, i.e. roads for transportation, schools for education and medicine for sick people. Therefore negative and/or positive should be stipulated when discussing materialism. I will draw on the appropriate data and concepts to highlight my insight into this distinction. When I reference previous references to materialism I will distinguish whether it is positive or negative. It is important that people understand the distinction between positive and negative if they are expected to answer the question “How does money shape family happiness?” As we shall see later, I have connected my research questions to negative and positive materialism.

This research looks at the family’s relationship between money and happiness. Is it confined to buying negative materialistic things or does it also include not buying (saving) and buying safety, security and more control over their lifestyle? My review of the literature suggests that

there are many factors to “money buying happiness”. I am drawing on the literature to examine the relationship between money and happiness in the context of family life. The thesis question is “How does money shape family happiness?”

Although my study does not examine how the family unit interacted in the past as compared to today, it is important to note that the family unit has changed. It is how these current dynamics have affected the family that I will examine.

Previous studies demonstrate that if people (and therefore families?) can move from short-term to long term thinking it will help to increase their happiness quotient. Another main component of my study is to examine whether or not the family is truly grateful for what they have or just merely satisfied with what they have. It has been suggested that these factors will determine how people perceive control over their lifestyle, which is another main component to happiness (Johnson and Krueger, 2006).

There have been different theories presented relating to happiness, but none that examine happiness within the three generation family from the parent’s perspective. This along with the interdisciplinary nature of this thesis required a wide variety of reading. My topic touches on many areas including sociology, recreation and leisure studies, psychology, marriages and families, social anthropology, philosophy, and economics. It examines the balance between short and long-term thinking, and how those choices affect the families’ control over its lifestyle.

B. What is money?

One of the definitions in dictionary.com (<http://dictionary.reference.com/browse/money>) is “any article or substance used as a medium of exchange, measure of wealth, or means of payment, as checks on demand deposit or cowrie.”

Many previous studies have identified that “pursuing” more money does not lead to happiness (Lee, 2005), but it is recognized that money *is* important in North American life. We use it as part of our daily lives as a medium of exchange, it is a limited resource and sage advice would be to spend what you have wisely.

If you search the Internet on money and happiness you will discover that quite a bit has been written on the subject. I have researched this and discovered that most of it argues that money “can” buy happiness (Dunleavy 2007). Most of these writings cite specific examples, and are written from the I/me viewpoint, at a single point in time, and with perhaps a postscript that if you are smart about your money it will help you in retirement. Much of my pre-thesis work has suggested that there is a relationship between money and happiness (Hagerty and Veenhoven, 2003).

C. What is happiness?

One of the definitions in dictionary.com (<http://dictionary.reference.com/browse/happiness>) for happy is “characterized by or indicative of pleasure, contentment, or joy: a happy mood; a happy frame of mind”. It is exactly this frame of mind that causes people to argue that money does not buy happiness. Two diverging paths to happiness are extrinsic & intrinsic values (Kasser, 2000). Extrinsic personal goals are rewards such as praise, beauty, fame, and money. Intrinsic goals are personal growth, intimacy, and being part of the community. Individuals oriented towards intrinsic goals, are more likely to experience a higher quality of life than individuals oriented towards extrinsic goals (Kasser, 2000).

However, as we will see, many different factors make up happiness. For example:

- basic/higher needs (Maslow, 1943)
- short/long-term thinking (Kozma, Stone, Stones, Hannah and McNeil, 1990)
- intrinsic/extrinsic values (Kasser, 2000)
- individual/family orientation (Dean, Lukas, Carroll, and Yang, 2007)
- social pressure (Hagerty and Veenhoven, 2003)

- local/national situation (Diener and Diener, 1995)
- grateful/satisfied attitudes (Lee, 2005)
- control/non-control of lifestyle (Johnson and Krueger, 2006)
- materialistic/non-materialistic paths (Ferriss, 2002)
- positive materialistic/negative materialistic choices
- predisposition to a certain level of happiness (Johnson and Krueger, 2006)
- perception of happiness (Diener 1984)

One of the first questions will be to ask people if they feel they are happy.

D. Different theories about happiness

One theory examines how the ability to meet (or not meet) aspirations shape personal happiness.

“Aspiration Theory”, argues that an individual’s personal goals serves as a yardstick by which he/she measures personal success or failure; Aspiration Theory can be negative if the family’s goals are more extrinsic, creating a revolving door of higher negative materialistic needs, or positive if the families achievements lead toward a path of more long term intrinsic values (Kasser, 2000). Aspirations are flexible, and individual’s can adjust their aspirations based on perceived alternatives.

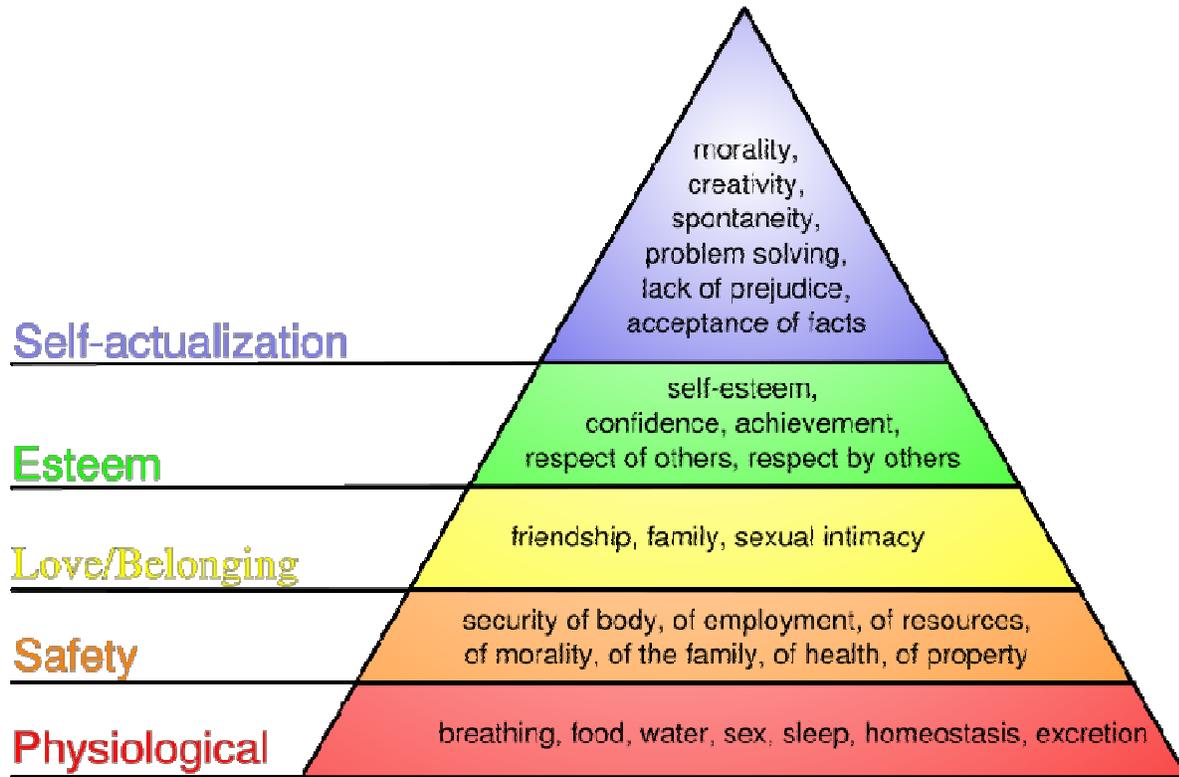
Similarly, Utility Theory argues we rationally make adjustments to our expectations based on our previous experiences or life circumstances to maintain a positive self-image and ultimately our happiness. Utility is sometimes defined as being a way to summarize choice, and sometimes as the benefit we gain from experience. In other words, we make comparisons with previous experiences and the result may be to lower expectations after a personal failure, i.e. job loss. If we lower our expectations and live within our means, our relative happiness can remain positive (Kahneman, Diener, and Schwarz, 1999). Rather than focusing on expectations, Absolute Theory focuses on financial viability. The Absolute Theory states that income provides people with a means to an end. Income can satisfy their needs and therefore result in happiness. This theory is also labelled Needs or Liveability Theory (Schyns, 2000, Hagerty and Veenhoven,

2003). Therefore the more we make, the more opportunity for us to increase our happiness if we spend it on the right things, i.e. investing for the future - balancing long term vs. short-term goals.

The starting point for this thesis is “Needs Theory”, better known as Maslow’s Hierarchy of Needs. This hierarchy of needs is summarized and explained in figure 1. It postulates that there are multiple levels of needs and that we cannot start progressing to the next level until most of the previous needs have been met (Maslow, 1943). The first two levels being positive materialistic and the next three non-materialistic. The Needs Theory has been observed at lower incomes for both short and long-term happiness. As a person’s income increases and their needs at the lower levels are met some adaptation effects reduce the long-term effect. It is only if people continue to strive for increased personal growth and self-actualization that the Needs Theory works completely. However many people either stop or slow down once a certain level of comfort has been achieved.

The Needs Theory will be the central theme in my thesis. As suggested, I have noted that the term materialistic should be distinguished into materialistic, non-materialistic, positive materialistic and negative materialistic. As we shall see, individuals and families use money to satisfy both negative and positive materialistic needs.

Figure 1 Maslow's Hierarchy of Needs.



1. The Physiological Needs - The need for food, water, shelter and clothing
2. Safety Need - The basic need for social security in a family and a society that protects against hunger and violence.
3. Love Affection and Belonging Needs - The need for belonging, to receive and give love, appreciation, and friendship.
4. Esteem Need - The need to be a unique individual with self-respect and to enjoy general esteem from others.
5. The Need for Self-Actualization - Experience purpose, meaning and realizing all inner potentials.

Maslow (Maslow, 1943) presented in his Hierarchy of Needs, five levels of human development, starting with basic needs and ideally concluding with self-actualization. Maslow argued that one must meet most of the needs at a particular level before they can progress to the next level.

The first level of positive material well-being includes the physical things needed to support life. Of course money in one form or another is needed for this support of life. It is this attainment of money that makes the acquisition of physical attributes possible, i.e. food and shelter. If you do

not have enough money to satisfy these basic needs then you know that money will buy you happiness if it is used for the attainment of these basic needs (Maslow, 1943).

Maslow's next level of happiness is still defined as positive material. It is environmental circumstances, the ones making direct contributions to happiness, i.e. education, economic power, good physical health. Therefore income generates opportunities for individuals to select courses of action that will improve their situation. This would lead us to the presumption that there is a link between wealth and higher levels of happiness (Johnson and Krueger, 2006).

A higher level of well-being would be classified as non-material. These would be things that contribute to the psychological dimension of living. They can be both positive: satisfaction, happiness, enjoyment, mental health, and negative: stress. However, do we need money to satisfy those psychological dimensions of living? Does positive material well-being affect non-material well-being?

E. Money and happiness

In his study Ferriss (2002) observed that negative material well-being is shown to be linked to non-material, self-reported stress and health conditions. Since there is a link between physical and mental well-being the question remains, what is the relationship between our physical world and our psychological state, and how does money shape that relationship?

Many studies have found a positive correlation between an individual's income and their happiness (Diener, Sandvik, Seidlitz, and Diener, 1993). An individual's income can be defined as increases that are slow and steady, or sudden such as in the case of lottery wins. How does an individual's income/happiness transpose to family income/happiness? This study will address some of the factors related to this question and in fact the last question in our interviews will ask respondents if they think money shapes family happiness.

Does national economic prosperity enhance the quality of human life and therefore satisfy our needs? Universal human values are needs such as happiness, social order, and social justice. National wealth had a positive correlation, indicating a higher quality of life in wealthier nations. What this means is that a poorer person in a wealthy nation could have more happiness than a wealthier person in a poor nation (Diener and Diener, 1995).

Some of the indices to national wealth and happiness are: health care, political stability, less crime, better roads, education etc. Universal human values appear to be achieved to a greater degree in wealthier than in poorer nations. As nations gain wealth, they first seem to meet the basic physical needs of their people. Only when these demands are met for most people, does advanced science and technology emerge. This fits the pattern predicted by Maslow in that self-actualizing needs are pursued only after physiological needs have been met (Diener and Diener, 1995). This is consistent with Hagerty and Veenhoven's findings - "increasing national income does go with increasing national happiness" (Hagerty and Veenhoven, 2003, pg.1).

So there is a basic acceptance among researchers that money can have a positive relationship with happiness.

F. Obstacles to happiness

Control over one's lifestyle (or lack of) is a large component of happiness. We will be asking participants if they feel they have control over their lifestyle. In their study Johnston and Krueger demonstrated that a person's "perceived" financial situation/control over their life mattered more than the "actual" financial situation. This control appeared to act as a mechanism translating life circumstances into life satisfaction (Johnson and Krueger, 2006, pg.680). Therefore if people's needs are less then their perceived financial situation is better.

One simple illustration of this was in a study done on lottery winners. Those individuals went on to exhibit significantly better psychological health (Gardner and Oswald, 2006). It is important to note that many of these winners were mid-sized winners. They often did not win enough to quit their jobs, but they had options now that they did not think existed before. The reason their happiness increased is that they were able to exercise more control over their lives or life options. The participants of this study changed their lifestyle because they perceived that they now had the power to meet some of those needs. One winner was able to switch to a job that they would rather have, another could afford to go from full to part time employment, another winner claimed to have reduced stress by paying off debt and/or putting the money away for future security. This control over their lifestyle had a direct effect on their quality of life.

In his study “Does Material Well-Being Affect Non-Material Well-Being?” Abbott Ferriss’s purpose was to find ways to improve quality of life. Specifically, he examined how positive material things can help fulfil our needs. Abbott lists positive material needs as the physical support to life, the attainment of money that makes acquisition of physical attributes possible, such as education, economic power, and good health. Non-material needs refers to the psychological dimension of living, satisfactions, happiness, enjoyment etc. Studies have shown these two dimensions of living to be highly associated (Ferriss, 2002).

In Abbott’s summary he states, “To improve the quality of life, attention to the positive material conditions of living should be the first step” (Ferriss, 2002, pg.279). This is also consistent with Maslow’s Hierarchy of Needs (Figure 1, pg. 13) where Maslow states that the bottom/basic needs must mostly be met first before one can achieve higher goals (Maslow, 1943). Both are clearly “positive” material goals.

While you can use money for personal growth, this only works if you do not pursue it because: the pursuit of money can become addictive. This would reduce the time available for family and friends, community service, intellectual pursuits, exercise, and other activities that are more likely to produce genuine happiness (Lee, 2005).

Our capitalistic way of life can best be described as a double-edged sword. It can help improve our nation and our family happiness at a national level. It promotes the pursuit of competition and economic growth, but it also has an unfortunate by-product of self-interest and high levels of consumption. This could be a by-product of the Aspiration or Absolute Theory when taken to extremes. As such it is more than just money and goods - it is a system of beliefs, social relationships, and institutions that encourage, regulate, and direct human motivations and values (just as religion and political systems do) (Kasser, Cohn, Kanner and Ryan, 2007).

Unfortunately that self-interest in our society can often be directed towards negative materialistic goals. Many items can be best described as excess (i.e. it may be a given that we need an automobile as a viable means of transportation in North America, but if someone can buy a perfectly functional new car for \$20,000, why would anyone go out and spend \$40,000, \$60,000 or more for an automobile that performs the same function?). In today's technological world we are able to see and compare ourselves with others. Multi-media allows us to see all of the wonderful things that we can purchase and advertisers are only too happy to make sure we see their products and services, many of which are negative materialistic and luxury oriented. Advertisers through their own research know how to make us want to buy their products, to create a need or to switch a want to a need. Perhaps the Utility Theory can be partially applied here because we can so easily see "other" people's experiences. In addition, with the speed at which new products are being invented and improved, there is always a different model,

something bigger, better and newer that catches our attention. This of course is the trap that is called the Hedonic Treadmill (Brickman and Campbell, 1971). Brickman and Campbell coined the term “Hedonic Treadmill” (1971). This term compares the pursuit of happiness to a person on a treadmill, who has to keep working just to stay in the same place. It refers specifically to negative materialistic pleasure. The Absolute Theory suggests that money is a means to an end, and whenever we buy a new toy (to satisfy a “need”) we think it will result in happiness, but we adapt. This happiness is only short-term because we immediately adapt to it and then it becomes neutral. This process is why we always want the next, newest, flashiest, biggest, best “thing”. We adapt to negative materialistic things and they therefore provide a declining rate on our happiness return.

Earlier reading demonstrates that there can be a positive relationship between money and happiness. Money and negative materialism are not synonymous (i.e. using money for positive material or non-material, intrinsic needs). People and families that are negative materialistic are often concerned with their social images, less satisfied with specific aspects of their lives and more likely to do compulsive buying. According to Aspiration Theory people set goals, but if they are negative materialistic, negative materialism can lead them to engage in some or all of these self-detrimental behaviours. Negative materialism starts at a young age and can be present in all three generations of the family unit. We will be asking participants if they feel any kind of social pressure to “keep up with the Jones” both from neighbours and friends as well as family members.

G. Materialism and Family Life Across Generations

We are all aware of negative materialism but what we may not know is at what age a person can start to become influenced by negative materialism. There is good evidence that children are

knowledgeable about the symbolic and status meanings associated with consumer goods at a young age. Preferences for advertised brand names could be present in children as young as 2 years old (Hite & Hite, 1995). By 8 years of age, children are aware of the social status conveyed by expensive houses and cars (Driscoll, Mayer, & Belk, 1985), and by 12 years they perceive brands as important cues, conveying status, prestige, or trendiness (Banerjee and Dittmar, 2008). Children are becoming more negative materialistic than ever. Acquisition and accumulation of possessions are preoccupying behaviours and changing wants into false needs (Goldberg, Gorn, Peracchio, & Bamossy, 2003).

Social pressures are also related to children and negative materialism, “peer rejection is related to higher perceived peer culture pressure, which in turn is associated with greater negative materialism” (Banerjee and Dittmar, 2008, pg.17). According to Utility Theory people react to actions based on experiences. If they are getting positive re-enforcements (experiences) from the purchase of negative materialistic goods, then they are likely to repeat this process.

Parents can also have a negative effect on their children if they are negative materialistic themselves. More negative materialistic youth tended to be a result of more negative materialistic parents (Banerjee and Dittmar, 2008). In a U.S. Poll 41% of parents took the view that children feel they need many negative materialistic products in order to fit in (Banerjee and Dittmar, 2008). Other studies went further when they reported that not only did more negative materialistic youth tend to have more negative materialistic parents, but young adults with strong negative materialistic values may also be more likely to have experienced broken, unsupportive, or conflictual family homes (Flouri, 2004; Kasser, Ryan, Zax & Sameroff, 1995; Rindfleisch, Burroughs, & Denton, 1997).

Children scoring high on negative materialism were found to have more negative side effects. Some of these include “interest in new products, shop more frequently, save less, watch television more and be more influenced by advertising, particularly when presented by celebrity endorsers, like school less, and report somewhat poorer grades” (Banerjee and Dittmar, 2008, pg.18).

As children age into teenagers evidence shows that negative materialistic influences and negative side effects are still present. Other research has also confirmed inverse links between negative materialism and psychological well-being among 11 to 18-year-olds, with evidence that negative materialism predicted greater anxiety, lower happiness, and poorer self-esteem (Kasser, 2005). Children can develop negative materialistic needs through the family’s social orientation, and then go out and select friends and companions with similar negative materialistic traits.

Negative materialistic values transfer into adulthood easily. A highly negative materialistic person believes that the attainment of negative material goods is a central life goal (needs). They also believe that it is a key to self-definition and happiness, and a prime indicator of status and success (Banerjee and Dittmar, 2008). Research has demonstrated negative psychological effects of negative materialism needs in adulthood, such as low self-esteem, low subjective well-being, and life dissatisfaction (Banerjee and Dittmar, 2008).

Negative materialism can also be viewed through another lens, referred to as the Individualistic Paradigm. The Individualistic Paradigm postulates that individuals have more of an internal focus. Individuals base their actions on self-interest rather than a familial or communal orientation (Dean, Lukas, Carroll, and Yang, 2007). This is interesting when studying the family unit. Negative materialism is one example of an individualistic paradigm that permeates Western culture. Bellah’s (1996) concept is that an individual’s negative materialism need is in

contrast to a more family orientation to life. He explained that the typical negative materialistic individual bases their actions on self-interest. In contrast individuals with a more family orientation will put the betterment of the group ahead of their own interests (Dean, Lukas, Carroll, and Yang, 2007). People that feel a special responsibility toward the family as a whole, prioritize financial decisions toward the family as a group. Family members that do not feel that special responsibility toward the family as a group will make financial decisions for the family, but with the expectation that they will receive specific repayments in return.

H. Negative materialism, perceived financial problems, and marital happiness

Negative materialistic people think about money more than non-materialistic people. Therefore they may perceive that the financial problems are greater than they are because they think of money more. Studies have confirmed that “higher levels of spousal negative materialism are associated with increased perceptions of financial problems, which in turn are negatively associated with levels of marital satisfaction” (Dean, Lukas, Carroll, and Yang, 2007, pg. 260). These problems seem to occur regardless if one or both spouses have a negative materialistic orientation. If the level of negative materialism is higher, the higher the relative frequency with which couples experience financial problems (Dean, Lukas, Carroll, and Yang, 2007).

Prior to 1980 financial problems was the number one reason for marital dissatisfaction and dissolution (Albrecht, 1979; Goode, 1965; Levinger, 1979). One probable reason was that previously there were more one-income families. Now that many families have both spouses working, financial dependence has lessened but studies after 1980 still show financial problems as a major reason for divorce. It is the third biggest reason behind infidelity and drinking or drug use. “Spending money foolishly increased the odds of divorce by 45%” (Dean, Lukas, Carroll and Yang, 2007, pg.263).

As can be imagined, even if divorce is not the end result, negative materialism and financial conflict has a direct negative impact on spouses' happiness with their relationships (Dean, Lukas, Carroll, and Yang, 2007).

In general, relationships are a key component to family happiness among all members. "Richins & Dawson (1992) identified the following traits in negative materialistic individuals: (a) a need for a higher level of income, (b) a greater emphasis on financial security and less on interpersonal relationships, (c) a preference to spend more on themselves and less on others, and (d) a lower level of satisfaction with their life in general" (Dean, Lukas, Carroll, and Yang, 2007, pg. 265).

In summary, negative materialism is responsible for many negative factors that can threaten family happiness. People who have more negative materialistic needs are more extrinsic, more concerned with their social image, more likely to do compulsive buying, and value impressing others. Negative materialism is part of our everyday life in North America and there is nothing wrong with treating ourselves to some of life's smaller pleasures. Perhaps if people can distinguish between what is truly a want vs. what is truly a need they would be less likely to satisfy their negative materialism. If we can spend our money wisely so that purchases to satisfy today's short-term needs do not impact tomorrow's long-term financial needs, then we have balance.

I. Short vs. long-term thinking

Our actions can have implications far beyond what is immediately before us. As mentioned, financial problems are still a major reason for divorce. Young married couples can build up a debt load that can result in a loss of lifestyle control.

Many times short-term and long-term goals can conflict (i.e. I want to eat this ice cream cone vs. I want to lose weight, or I want to buy this new electronic toy vs. I want to save for a new car). Satisfying the long-term goals usually involve delay of gratification or exercising willpower. Janet Metcalfe and Walter Mischel did an interesting study titled “A Hot/Cool-System Analysis of Delay Gratification: Dynamics of Willpower”. In it they define the cool system as cognitive, emotionally neutral, contemplative, flexible, integrated, coherent, spatiotemporal, slow, episodic, and strategic. The cool system is the basis for self-regulation and self-control. The hot system is the basis of emotionality, fears as well as passions, impulsive and reflexive. In other words, the hot system is the emotional “go” system. They claim that the balance between the hot and cool systems is determined by stress² (Metcalfe & Mischel, 1999). If individuals trigger their hot system too often, the resulting short-term goals may win over long-term goals, which may reduce available money and ultimately impede their happiness.

Of course we need to balance short and long-term needs. The combined states produce current happiness because subjective well-being is both short and long term (Kozma, Stone, Stones, Hannah and McNeil, 1990). As predicted, children are more reactive and think more in the short term, middle age less short-term, and adults the least.

Intrinsic people realize that achieving happiness is an ongoing project, not something that can be achieved once and for all by earning more money (Lee, 2005). Some people assume that money does not buy happiness, but we all have short and long-term happiness goals and money is part of both. If you spend all of your disposable income satisfying short-term goals you may jeopardize your long-term goals. The reverse can be true if, for example, you buy such a large

² Stress itself and negative thinking are related to self-regulatory breakdown. As Baumeister and Heatherton (1996) reported in their review of self regulation failures, when people are experiencing heightened levels of stress they not only become more emotional and irritable but they are also more likely to increase bad habits such as smoking, breaking their diets, impulsive buying, abusing alcohol and other drugs, and engaging in other hot-system behaviours (Metcalfe & Mischel, 1999). They state that chronic stress also results in the inhibition of the cool system.

house that you are so strapped for cash that you can not even afford life's small pleasures once in a while (Warren and Warren Tyagi, 2003). This then creates an absence of money that has affected your short-term goals.

One area in which we get out of balance is finances. If we get into debt we not only have to repay the money we borrowed, but also pay a penalty in the form of interest. If we cannot afford something, instant gratification and resulting debt to satisfy a short-term "need" can ultimately affect our long-term happiness. Average income families with disposable incomes and access to credit have changed life in our Western culture (Warren, and Warren Tyagi 2003). One example is buying a house that costs more than we can afford. Why would anyone do this? There are many possible reasons: social pressure, lack of education, short term stress relief, lack of communication between spouses, and so on. Young married couples have more energy, might not have any dependents and usually both work. This works for them at the time, but when other events are introduced into the family unit it can have a huge negative impact on their lifestyle. These events can include, but are not limited to; children, loss of job, sudden inflation, illness, and unplanned dependents such as grandparents. They feel trapped, feel they do not have options, have to both keep working to meet their monthly debt load, need more time to take care of children, and as a result have lost control over their lifestyle. One negative situation can have a big impact on their future lives (Warren and Warren Tyagi 2003). We will ask respondents if they have experienced any "speed bumps" in their lives that may qualify like the above events.

Negative events lower long-term happiness, i.e. speed bumps are a fact of life. People lose jobs, get disabled, get divorced etc. If people are smart with their money they can protect themselves against some of life's mishaps. Many of us have heard the common advice to have three months

income available as a safety net. Indeed those safety nets did appear to protect people from environmental shocks, increasing happiness in the process (Johnson and Krueger, 2006).

Negative life events can have a strong influence on long-term levels of happiness, i.e. job loss. Individuals may not completely return to their former levels of happiness, even after they became re-employed. One thing I plan to observe is how negative events affect each of the three generations, i.e. how much did a negative event suffered by one generation affect the family unit as a whole.

J. Social - pressure, debt, expectations vs. gratitude and identity

The theory of Relative Utility holds that people compare their income to others and that their happiness is relative to others (Hagerty and Veenhoven, 2003). Unfortunately it is easy to fall prey to social pressures, whether from family, friends, co-workers, or neighbours. We usually compare ourselves to others and base our worth relative to others. Unfortunately what we may not know is whether or not those families borrowed money to purchase those things. Canadians are becoming more comfortable with debt, and part of the reason is because we feel we need to keep up with the Jones'. Our total personal debt has ballooned from \$515 billion in 1999 to \$760 billion in 2005, an increase of 47%. Moreover, this is not just traditional debt. Lines of credit have gone from \$29 billion to \$68 billion for an increase of 133% (<http://www40.statcan.ca/101/cst01/famil109.htm> - Assets and debts held by family units, total amounts).

Another dimension of this study is to examine whether individuals are happy or grateful for what they have, and how such feelings relate to their happiness. Our worth is relative to our expectations for happiness in the financial domain. Therefore, if we extend the relative standards model to propose that if we are thankful with our financial situation, our happiness can be greater

(Johnson and Krueger, 2006). We would then be more likely to move on to fulfilling “higher” needs.

Our expectations can be positive or negative. We may not expect to be very wealthy based on a number of factors that make up our personal situation. Regardless of what we have, if we are grateful or thankful for what we have, our happiness quotient goes up. If we take a little time daily to appreciate how much we have achieved already and how blessed we are we will be happier people (Lee, 2005). That is, one person’s annual salary may have very different effects on his or her happiness than might another’s salary of the same amount (Johnson and Krueger, 2006).

On the other hand if our social circle is composed of wealthier people (or people that appear wealthier) we may fall into the social trap where because we are part of that social circle, we adjust our needs so that we think we deserve (expect) the same things that they have, even if it means going into debt.

Are we predisposed to a certain level of happiness? Do some people have less control over social pressures than others? Are we born with a certain happiness set-point? Genetic variances in happiness were studied by surveying identical twins and there was a positive correlation between genetics and happiness set points. However, it is important to note that we can have a higher happiness than someone who has a higher genetic set-point simply by choosing our life circumstances and living within our means (Johnson and Krueger, 2006). One thing that will be observed is where or not different families have to exercise different controls in order to balance the effect of money on family happiness.

K. Moving forward - control

Higher perceived control over finances leads to greater happiness because when someone exercises that control, their financial situation has actually improved, and because they are aware of the role their actions have played in the improved financial situation. The correlations between income and perceived ability to pay bills suggest that there are large differences among people in the relation between what they earn and what they spend (Johnson and Krueger, 2006). One question is why are there differences in people's ability and/or willingness to exert control over that relationship? What this means is that perception is an important factor between actual financial resources and happiness.

As family's negative material needs increase, attaining them will require spending more money. The pressure to spend all available earnings and/or savings will be greater, and therefore the perceived financial situation will be poorer at any given level. This makes the discrepancy between desires and the ability to attain them of primary importance in perception of financial situation (Diener 1984). Financial needs are long term in nature as well as short-term, and it is through exertion of control that the family can alter its financial situation in order to control their negative material "needs" and thus bring about greater happiness (Johnson and Krueger, 2006).

How much influence do grandparents have over the family unit? There may be many factors that play into this influence such as health, wealth, education level, geographical location, life experiences, and disposition to negative materialism.

L. Ending

Previous reading has demonstrated two things: one, that negative materialistic and extrinsic goals can require us to make sacrifices in self growth, leisure time, and intimate relationships. They may interfere with happiness rather than enhance it, and two, that money can be used for growth and intrinsic values to “buy” happiness.

I plan to observe if families use money as a tool to shape their happiness, and to what degree they use it towards positive or negative materialistic needs.

Chapter III. Methodology

A. Determining the data to be used

The purpose of this study was to examine how people perceive relationships between money and happiness (Diener and Oishi 2000). I hope to obtain an understanding of money and happiness across a three generation family. Do these families prioritize on negative materialism or do they exercise positive materialism, i.e. saving, and/or buying safety, security and therefore having more control over their lifestyle? There were three other areas of interest: how the family addresses short vs. long-term goals, how the family views its control over their lifestyle, and is the family truly grateful for, or merely satisfied, with what they have. My study will use and add to the collective data regarding the Needs Theory (Maslow, 1943).

It was decided to conduct structured interviews, with some open-ended questions, and perform the interviews at the participants' homes. This allowed me to observe relationships, make notes about their homes and decor, and observe the relationship between positive and negative materialism. This allowed me to discern if answers to questions matched actual surroundings.

These interviews were conducted with couples living in Southwestern Ontario, Canada. Considering the small sample size, the participants turned out to have very similar demographics. This may be helpful for drawing some conclusions, at least among this specific demographic.

B. Recruitment

The research proposal was approved by the Office of Research Ethics at the University of Waterloo (ORE) on March 27th, 2008. Participants for this study were recruited via the snowball technique, asking friends to refer couples I did not know. Although there is no way to determine how many people were made aware of the study via personal referral, eight interviews emerged from this method. Some participants provided other potential respondents, but they

were not contacted as the number of participants needed had already been met. There were only two weeks from ORE acceptance until the first interview took place.

(i). Introductory Letter

Potential participants received an Introductory Letter (Appendix A). The Introductory Letter was on University of Waterloo letterhead and provided additional methods of responding to the request, as well as serving to legitimize the study by using the university name as a host address. In the letter they were told that this study was about family happiness and possible changes to family life that might affect family happiness. Participants were not told that the main focus was how money related to their happiness; only that “financial options” was one of the factors.

(ii). Participants

Sixteen people (eight couples) in total participated in this study; 8 males and 8 females. Most of them were younger parents with younger children in their first “starter” home. The family’s lifestyles were appropriate with having younger children. All 8 males worked full time. Of the females 3 worked full time, 1 as a full time homemaker and the remaining 4 on maternity leave. Of the 4 on maternity leave, 1 worked part time and 3 did home daycare.

Name	Age	Education	# of Children	Occupation
Bob & Anne	30, 30	College, Masters	1	Accountant, School Teacher
Charlie & Barb	33, 31	Bachelors, College	1*	Engineer, Home Daycare
Doug & Debbie	45, 45	Bachelors, Bachelors	4	Police, School Teacher
Ernie & Celia	39, 33	College, Bachelors	1*	General Machinist, Banking
Jim & Caela	26, 27	College, Bachelors	2	Security Driver, Nurse
Larry & Fran	31, 31	Bachelors, Bachelors	1*	City Planning, Massage Therapist
Marty & Nancy	40, 39	Bachelors, Bachelors	3	I.T., Homemaker
Tony & Wendy	40, 30	Bachelors, High School	2	Sales, Retail

* Expecting 2nd child

(iii). Phone Interview - Suitability for study

When potential respondents were contacted, they were screened via the Phone Interview (Appendix B) to ensure they met the criteria of the study. The study mandated that:

- This is the first marriage for both parents
- They have a mortgage
- They have at least one child and all children are from only their marriage
- They have at least one parent still alive
- Their primary source of income is as an employee, not owning a business themselves.

Those that qualified were invited to participate in confidential interviews.

C. The Interview

I conducted interviews over the course of two months, commencing on April 13th, 2008, and concluding on June 7th, 2008. Remuneration (financial or otherwise) was not offered for research participation.

There was no option for interviews to be on-line or over the phone, nor did any of the participants request this. All interviews were conducted in-person. All face-to-face interviews were conducted at the participants' homes as mutually agreed upon by the researcher and the

participant. I conducted interviews when children were not around, usually after they had gone to bed.

Following an informal introduction, the participants were asked if they had any questions about the project, and their participation. They were reminded that they could decline to answer any question or questions if they chose.

I stated that I had a copy of the Introductory Letter that I originally sent and asked if they would like to have another copy and/or re-read it before beginning. I stated that all of the information that they would give me would be kept confidential, and no one else would know their names.

I was prepared to explain the security system for the data collected but none of the participants inquired, nor did any of the participants seem concerned about this.

I asked if they would consent to the meeting being recorded so that I had a record of the information they gave me. Finally I asked if they would mind signing the consent form for the project (see Appendix C). All interviews were recorded in their entirety. The audio recorder was not stopped or paused at any time during the interviews. If there were no further questions from the participants, the interview commenced. Interviews ranged from 54 minutes to 1 hour 50 minutes.

The first question was intended to be open-ended to gather information that could be referred to later on in the interview. The question was “before we get into the formal part of the questionnaire, perhaps you could tell me about a typical day.” This question also helped to put the participants at ease. General background and demographic information was then gathered. After this, structured interview questions were performed. A copy of the interview questions is attached as Appendix D.

All interviews ran smoothly, with participants providing a clear perspective on events and experiences. Participants spoke thoughtfully and objectively. During the interview I: reviewed the individual's non-verbal communication, made unobtrusive observations of the participants and their surroundings, and recorded these findings via field notes for future consideration.

I found that the participants were engaged, comfortable with the process, and not distracted. Perhaps this comfort reflects that the participants found the questions to be not too personal and/or confidential. Perhaps the most personal question was that of family income (not individual). The family income was divided into ranges and all participants answered the question with only one couple having a quick conference before answering.

When the interview concluded, many participants engaged in informal conversation, reaffirming the relationship connection between interviewer and participant.

As I was driving home I gave further reflection to the interview and if appropriate I made post-interview field notes on the audio recorder.

D. Follow-up

All participants received a Letter of Appreciation (Appendix E). All participants accepted an offer to receive a summary of the results. No possible conclusions will be drawn until after the study is complete, and no recommendations will be sent to participants.

E. Data Collection/Analysis

Audio tape recordings were taken with the permission of the participant to ensure that transcripts were accurately recorded. I followed all the procedures mandated by the ORE. Only after all interviews were completed were transcriptions of the interviews and field notes performed. This was used for later data analysis. Interviews lasted in range from approximately 1 to 2 hours. The data analysis and interpretation process consisted of four stages. This included data

preparation, exploration, specification/reduction, and interpretation (Hesse-Biber & Leavy, 2006). The first phase entailed the transcription of interviews and field notes. The exploration and reduction phase involved reading, thinking about the data, and making memos (Hesse-Biber & Leavy, 2006). This also included the coding process, which aimed to organize the data into themes or categories. First Open Coding was performed to gather a long list of themes that were observed. Next Axial Coding verified if themes repeated themselves across different interviews. Then Selective Coding listed themes repeating themselves within specific interviews. Last specific quotes were added. Every effort was made to minimize researcher bias. This was done by remaining impartial and reserving judgment until data were reviewed and then seeing if there was sufficient evidence to draw a conclusion. In addition, every attempt was made for the final report to reflect and reproduce the ideas and circumstances of the participants as objectively, and accurately, as possible. As noted some results emerged that were not expected.

F. Procedures for Ensuring Confidentiality

Protection of privacy and issues of informed consent from the ORE were made explicit upon commencement of the interview. All information collected from participants in this study will be aggregated. Pseudonyms were used, thus the participant's names will not appear with the data in any way. Any identifiable information was removed to respect the confidentiality of participants. Likewise confidentiality will be maintained in any report, publication, or presentation resulting from this study. The data will be kept for an indefinite period. This will allow the researcher the option of possible future follow-up. All information will be kept in storage at the researcher's home office, wherein nobody except the researcher will have access to the materials.

Chapter IV.

Analysis / Findings

I will be describing various interactions between the grandparents, parents, and children.³ Based on earlier reading, I originally anticipated that I would uncover more financial trouble and related stress in the couples that I interviewed. For the most part, participants appeared in control of their lives, happiness and finances, regardless of family income. Contentment is perhaps the best single word that would describe the couples that I interviewed. Both spouses were “on the same page” regarding their situation. This suggests that they communicate well and often.

Demographic Profile of the Participants

The Introduction letter had specific criteria for the interviews. The phone interview resulted in only three couples being screened out. The couples (and their families) that I interviewed had very similar demographics. It is my hope that my findings will shed some light as to why this particular demographic did not match earlier readings.

Sixteen people (eight couples) in total participated in this study; eight males and eight females. The age of participants ranged from 26 to 45, with eight of them being between the ages 30 to 35. Most of them were younger parents with younger children in their first “starter” home.

There were 18 children in total (including three pregnancies), with an average of just over two children per family. Nine (50%) of the children were aged two or younger. The families’ lifestyles were appropriate with having younger children, e.g. daily routines and grandparents baby-sitting for parents.

Of the 16 participants, 15 had College diploma’s or higher with 11 of them with University degrees.

³ Therefore each generation will only be referred to in these terms, e.g. The grandparents immediate offspring would not be the grandparents’ children they would just be the parents.

All eight males worked full time with only one involved in a job sharing program.⁴ Of the females, three worked full-time with one set to go on maternity leave soon, one as a full time homemaker and the remaining four on maternity leave. Of the four on maternity leave, one worked part time and three did home daycare. Only one couple had another source of income; they rented out their basement.

Of the 16 sets of grandparents there was only one set where both were deceased and two sets where one grandparent was deceased. Ten of the couples lived within a 30km radius. The remaining five were within a three hour drive. Twenty-five of 28 grandparents were 65 years of age or younger with the remaining three being between the ages 66 to 68 with 68 being the oldest of all grandparents.

All participants lived in Ontario, Canada. Participants were not asked to identify their nationality or ethnic background.

The data supports that I had a good demographic to support my study on the Needs Theory (Maslow, 1943) as it relates to money within a three generation family.

The similarity of respondents was striking. Not only did the introduction letter and screening process group families with similar characteristics, i.e. age, number of children, but also the demographics of the grandparents turned out to be extremely similar, i.e. age, geographical location. This will help in drawing conclusions within this demographic.

Happiness Quotient

In order to study how money related to family happiness I wanted my first questions to be about the participants' current happiness, not about what they felt they could do to improve it. This

⁴ This is where a company decides to not lay people off but instead, all employees work fewer days per week (usually one or two). The government then pays the employees Unemployment Insurance for the days they are off. This results in no one losing their job, but it results in a reduced rate of pay for all.

current state of happiness would serve as a reference for later questions. I was interested in factors such as individual vs. family and needs vs. wants.

(i). Interaction/highlight/lowlight

All participants were asked to refer back to the typical day that they described before the formal part of the interview began and report on how the family interacted, stress levels, highlights and lowlights of that typical day. Again this gave me a good baseline from which to work. All couples reported that the family interacted well with all but one family experiencing little or no stress. The one couple that were experiencing more stress attributed it to the husband working longer hours. They felt that they did not see enough of each other, that she did most of the child rearing and that as a result she felt a little isolated and lonely. All couples stated that they valued their family time together. There were four themes that emerged out of their typical days:

- Highlights
 - When the spouses came home from work they looked forward to spending family time together.
 - When the children were asleep for the night, couples looked forward to spending alone time together.
- Lowlights
 - When the children were not happy. Because most of the children were young their problems were identified as basic, e.g. tired or hungry and easily rectified.
 - The morning routine. Getting everyone ready, e.g. clothed, fed, and set for their day. There was some stress felt during this time.

Although couples did mention some alone time, most of their comments were based around “family” vs. individual concerns. A family (or group) orientation vs. an individual approach is helpful for one’s happiness (Dean, Lukas, Carroll, and Yang, 2007). I observed that the magnitude of the lowlights was minor, intermittent, and short-lived and that most of their stated daily needs were still being met.

(ii). Happy?

One of the aims of the study was to explore how participants define happiness. Much has been written about happiness and from many different angles. Participants were asked “Do you feel that you are happy?” A definition or specific kind of happiness was not specified, nor any kind of framework to work within. i.e. basic/higher needs (Maslow, 1943), short/long-term thinking (Kozma, Stone, Stones, Hannah and McNeil, 1990), intrinsic/extrinsic values (Kasser, 2000), individual/family orientation (Dean, Lukas, Carroll, and Yang, 2007), social pressure (Hagerty and Veenhoven, 2003), local/national situation (Diener and Diener, 1995), grateful/satisfied attitudes (Lee, 2005), control/non-control of lifestyle (Johnson and Krueger, 2006), materialistic/non-materialistic paths (Ferriss, 2002), positive materialistic/negative materialistic choices, predisposition to a certain level of happiness (Johnson and Krueger, 2006), perception of happiness (Diener 1984), only do they feel that they are “happy”. Given this casual definition, all participants reported that they were happy. There were only a couple of short-term qualifiers that showed that they did not feel happy when they were “busy” or “tired”. These events were reported as infrequent and short term. There was a theme to the answers given by all participants of enjoying being together as a family, and contentment – being happy where they are in life. In general the response/theme to this question can be summarized by these two participant’s quotes:

“Yes. I think we get along really well. We really enjoy each other’s company, just happy.” - Anne

“Yup. We set our expectations. So we do not expect a whole lot out of life really, happy going with the flow.” – Bob

These feelings of contentment, being happy where they are, are consistent with Johnson and Krueger’s findings on whether individuals are happy or grateful for what they have, and how such feelings relate to their happiness

There was one reference to money:

“In general yes, the first year of our marriage was extremely hard, financially... when we both had jobs the tension started going away.” – Barb

Our worth is relative to our expectations for happiness in the financial domain. Therefore, if we extend the relative standards model to propose that if we are thankful with our financial situation, our happiness can be greater (Johnson and Krueger, 2006)

The question was, “Do you feel that you are happy?” All participants responded that we feel happy. Perhaps this was because I was asking the question within the context of a couple, but they still gave their answers from a family viewpoint, not an individual one. Thinking from a group (family) perspective promotes more happiness than an individual perspective (Dean, Lukas, Carroll, and Yang, 2007).

(iii). Define Happiness

Once I had data to support that all participants reported that they were generally happy, I asked them to define happiness. Their definitions were consistent with their descriptions of why they felt happy. Two couples listed that financial security was related to their happiness (Hagerty, and Veenhoven 2003). Security fits into Maslow’s second level of needs.

“I think, financial security is important to both of us” - Debbie

Five of the couples listed contentment and realistic expectations (Lee, 2005). This fits into Maslow’s third level of needs – Love/Belonging.

“standard of contentment... time together, being together” - Charlie

“Being content, just being happy with the way things are, you would not change anything” - Doug

A third factor was mentioned by two of the participants – that of control over their lifestyle (Johnson and Krueger, 2006). This might qualify as Maslow’s fourth level, confidence and achievement.

“I am happiest when we have the freedom to do what we want and not tied down by constraints” – Ernie

The reasons participants were happy related to existing models on needs. They all fit within Maslow's Hierarchy of Needs (Figure 1, pg. 13) (Maslow, 1943). It was interesting that none of the participants listed either Maslow's lowest level of needs (physiological) or the highest (self-actualization) in their definitions of happiness.

(iv). Control over lifestyle

It is no surprise that two of the participants listed control over their lifestyle as part of their definition to happiness. When prompted in the next question, all eight couples stated that they felt they had control over their lifestyle. Based on earlier reading, I felt that control over one's lifestyle (Johnson and Krueger, 2006) was a large factor in one's happiness and I wanted to specifically address this. Within that control most participants expressed a further theme of planning.

“We have come up with a plan⁵ of what we want or life to look like, and we are working towards that” – Jim

The one couple that mentioned financial stress in the past also listed finances as part of their definition of control and that having a stable income made it easier to meet their needs.

“we are getting to the point where we both have pretty good jobs, and I think finances play such a big role in the stress of a marriage, and right now we are both in pretty good spots and have jobs with a lot of stability, and once you have that everything else seems a lot easier” – Celia

Perhaps they mentioned it because they experienced financial stress in the past and because of that appreciate a good stable income more.

An emerging pattern was forming that all participants' daily lives were happy and that they felt in control of their lifestyle. Given those responses, I wanted to ask an open-ended question to see what factors they would list for this general well-being.

⁵ Underline within quotes is author's emphasis

(v). List everything that is good in your life

My study examines happiness within a three generation family so I wanted to understand what was important to the parents (middle generation), and how it related to the other two generations. This question was phrased positively, i.e. what is “good” in your life (vs. bad, stressful, challenging etc.) because it is part of the Happiness section of the interview. Here is a list from the question “List everything that is good in your life”, listed from most frequently mentioned to least:

- 7 - Spouse & Children (Immediate family)
- 7 - Extended family
- 5 - Friends
- 3 - Jobs
- 3 - House
- 1 - Finances/Security

The participant that listed finances listed all of the other items first (except job) but it was interesting that they expounded on finances and not on any other item.

“kids, each other, families, friends, house, finances - I would say our finances are good and that has allowed the other things, we have it so we do not really have to worry about finances so we can focus on the other things. The finances are not controlling anything because we have the finances in control” - Larry

Given the responses to earlier questions, these answers were expected. They listed intrinsic needs first and then extrinsic – an important factor to happiness (Kasser, 2000). They also listed the other two generations most frequently in what was important to them. The Introductory Letter stated that my study was about “family” happiness and this could have swayed responses in this direction but I do not think so. For the most part I observed very tight family units.

The participants gave answers to the questions in the happiness section in a positive light, but still cited realistic roadblocks to their happiness, i.e. being too busy or tired. I think the largest overall theme for their positive outlook was one of realistic expectations. As mentioned, they are “content” where they are, that they did not have large needs.

Children

The youngest of the three generations in this study were the couple's children. There was fewer data gathered for the children because most of the children were under the age of 6. Questions such as "Do they have a job - either inside or outside of the house?" and "Does the child contribute to the family in any way?" did not gather enough qualitative results to comment on.

All participants had RESP (Government assisted programs designed to motivate parents or guardians to contribute towards future post secondary educational costs) savings for their children.

These questions did reveal a couple of themes. When asked "Do you educate your children about money", the parents mentioned "we plan to" – Debbie, because most of the children were too young, but they went on to verbalize that education might be in the form of their own philosophy on money. The first theme was that couples did not prioritize on negative materialistic things (Ferriss, 2002).

"We are not big on spending a lot of money, possessions are not a big priority for us, like a new couch" – Caela

The second theme was that if one had negative habits or irresponsibility regarding money (usually male) they seemed to switch to the other spouse's way of thinking. Marriage and especially kids seemed to initiate/re-enforce that behaviour.

"it would have been great if someone had reinforced taking a percentage of your earnings and putting it aside for savings - with debt, I had too much comfort" – Marty

Even though the children did not contribute to the family unit financially, i.e. part time job, that is not to say that the children were not a factor when it came to the family's money and happiness. They contributed significantly to both - as the parents mentioned all four high and lowlights revolved around the children. As we will see there is also significant interaction between the children and the grandparents.

Grandparents

How does money shape happiness across a three generation family? To determine this for the grandparents I first asked open-ended questions about the role the grandparent(s) played in the family. These questions may or may not have been financially related, i.e. “typical interaction”, and “how do they help”. Later on in the financial section I ask specific questions relating to the grandparents’ role financially to see if it could be related to positive or negative materialism. As we will see, a couple of basic themes emerged.

Grandparents’ interactions were reported as frequent, had a financial component to them, and helped the parents needs in at least a couple of different areas. This may be due to factors such as that all parents had a positive relationship with the grandparents and that all of the grandparents lived close (and most of them very close). The children might also have been a large factor by the fact that their average age is 2, i.e. typical interaction was babysitting.

(i). Frequency

Of the 15 possible sets of grandparents, frequency in the form of physical visits with the grandparents was reported as:

- 8 - weekly or more – this was divided across seven of the families
- 1 - would liked to have visited weekly except they were geographically limited
- 1 - only one less than monthly
- 1 - only one mentioned phone calls in-between visits but this was not a specific question

As pointed out, the demographics of all participants were very similar and it was observed that there could be two specific reasons for this frequency; one that the grandparents were younger and self-sufficient and two, that the parents had young children and the grandparents frequently visited because the children were younger.

(ii). Typical Interaction

Baby-sitting was by far the activity most frequently carried out, but interestingly enough, financial help or advice was the second most frequent. It was observed that the relationship between parents and grandparents was very good. One may surmise that this would be needed with regard to financial advice. One theme was that the grandparents were very aligned with parents' standards, especially with regard to philosophies over child rearing.

Typical Interactions are listed from most frequent to least.

- 8 - Baby sitting - including reading to them, talking to them, date night/weekend
- 6 - Financial - bringing small things for children, i.e. clothes, usually every visit
 - financial advice
- 3 - Dinner - at either house, helping make dinner if at parents' house
- 3 - Visiting - talking, just enjoying each other's company, non-financial opinions
- 2 - handyman help

Two quotes that capsule most of the interactions are:

“my parents are way more involved in our lives because we ask for their opinion a lot, we rely a lot on them for doing stuff around the house, my dad is very handy, and their opinions on finances and stuff, they have done really well for themselves so we really value their opinion” – Fran

“my parents give a ton of support, whatever we need they are there, listen, offer solutions, be more efficient, tries to help us as much as she can because she knows how busy we are, they babysit, his parents will even drive down to babysit, if we needed help financially they would, we do not need it but, they would, they would be there” – Nancy

The smaller items, i.e. children's clothes were identified as having a financial component to them and they recognized and appreciated this is as a positive materialistic contribution, i.e. “they never come empty-handed” – Debbie.

In addition, financial advice seemed to come if the parents respected the grandparents, i.e. “they turned out ok”, “they did it right”, and therefore financial advice seemed to be accepted more willingly.

(iii). Parents and Grandparents helping each other out

Consistent positive themes emerged, and again possibly due to consistent factors. In this case those factors were probably similar demographics and a positive relationship between parents and grandparents.

When asked if grandparents could do more, four of the couples said no and the other four said yes, but in a positive way, i.e. *wanted* to see them more.

Parents did not need to help out the grandparents much. The grandparents were young and mostly self-sufficient. Most of the parents had young families and were very busy with their own lives. I could identify an emerging pattern where parents were “starting” to help grandparents more. As they were getting older the parents would help out a little more, usually with handy-man type things.

(iv). Grandparents (financial)

As mentioned, the open-ended questions revealed some smaller financial help that resulted in some happiness. Later in the interview the parents were asked specifically if the grandparents helped out financially. It was found that grandparents help the parents out significantly. Within four of the couples, one or both sets of grandparents helped out with the initial house purchase in the form of financial gifts and/or loans that went toward a down payment. This financial contribution was needed in order to secure a mortgage. Three of the couples received help with on-going house renovations and/or appliances. In two cases, (1 mortgage down payment and one appliance) money was initially loaned and then changed to a gift.

“When we needed a water softener – she loaned us money, and conveniently forgot to cash the checks” – Fran

These contributions were positive materialistic. It was observed that these couples did not expect these loans and/or gifts; they were very grateful and did not seem to be of the mindset that

they were expected or that they would be repeated. Even if they knew that the grandparents were going to help out financially toward something, they did not “expect” it and therefore felt grateful for it (Johnson and Krueger, 2006). They definitely felt happy for these contributions. There was only one couple where both sets of grandparents were not in a position to help financially. It should be noted that there was a theme when it came to help from grandparents. If one set could not afford to help financially, then they were generous with their time, i.e. handyman items. This was separate and additional to any other support previously mentioned, i.e. baby sitting.

Financial interaction can be broken down into four categories;

- advice
- small frequent contributions, i.e. clothes for the children
- larger help, i.e. toward house down payment or renovations
- belief that the grandparents would be a safety net if needed

Overall it was observed that there was a close relationship between parents and grandparents, visits were frequent, and that money was part of the equation. The relationship was a happy one. That is not to say it did not come with some challenges, i.e. as grandparents got older they required more help, but this help fell into the parents expectations and therefore did not seem extra-ordinary to them.

Social Pressure

This is the first question that lead to my discovery that materialism should usually be prefixed with either “positive” or “negative”. Maslow in his Hierarchy of Needs (Figure 1, pg. 13) identified the first two levels, Physiological and Safety/Security, as materialistic (Maslow, 1943), but did not stipulate that they were positive. While anything positive in excess can probably become a negative, Maslow was talking about people’s basic “positive” needs, i.e. basic food and shelter, not basics in excess, i.e. extravagance and luxury.

Banerjee and Dittmar (2008) studied social pressure and discovered that negative materialism can be a result of social pressure and the result may decrease their happiness. Neither Maslow nor Banerjee and Dittmar distinguished between positive or negative materialism.

My study specifically studies the relationship between money and happiness. There are many studies that demonstrate examples of either money increasing or decreasing people's happiness. From these studies we can see that previous research has been limited in that it should usually establish materialism as either positive or negative.

We will see when participants are asked "Does money shape family happiness?", that all participants respond that they felt it did, and went on to give many positive materialistic examples.

(i). Neighbours/Friends

When participants were asked "Do you feel pressure to keep up with your neighbours or friends?" they automatically assumed the question referred to negative and materialistic things.

Four of the participants replied that they felt no social pressure to keep up with neighbours and friends. They stated that they did not need negative materialistic things that others had, and even equated negative materialistic things to debt.

"there is no reason to keep up - I listen to them gossip about the latest type of thing that they have but what you do not hear is the debt that they have, we monitor our debt and it is very important" – Tony

The other four participants replied that they did feel the need to buy things because they felt some social pressure (Banerjee and Dittmar, 2008), but that they dealt with it. It was a conscious choice they made, part of their plan and long-term thinking.

"we have never bought things because other people have them, but I definitely feel some pressure – there was a lot of pressure when we first got married, about moving into your first big home, there is a lot of people at work with bigger houses" – Wendy

It was noted that there was a theme between all participants that this was just a fact of life, that some people have more than others. They did not allow themselves to get caught up emotionally and change wants into needs.

Hagerty and Veenhoven (2003) also reported that people feel (or actually buy) because of social pressure, this keeping up with the Jones' attitude. It was interesting that four of the participants felt this social pressure, but claimed that they did not buckle to that pressure and that it did not result in extra purchases.

(ii) Family

As noted, people do spend money on negative materialistic things because they are trying to keep up with the Jones' (Hagerty and Veenhoven, 2003). I wanted to ask the same question, but this time did they feel social pressure to keep up within their own family. The results of this question may have a bearing on family happiness. It was interesting that participants gave the same two answers, but with more reasons.

Two of the participants replied that they did feel some social pressure, but that they dealt with it. They made conscious choices, they prioritized their needs, made it part of their plans, thinking long term etc.

“It is just hard when other people (family members) already have the stuff. We have made choices and we know they are good choices so sometimes we wish we had other stuff but we are happy with what we have” – Tony

The other six participants stated that they did not feel that social pressure with family members but gave a variety of answers. Four of the six replied that they did not feel that pressure and that they were happy for their relatives' successes.

“We celebrate our natural successes and we are happy for them but we certainly do not feel pressure to keep up with them” – Anne

One of the participants noted that they observed that another family member worked very hard for their successes and that was the reason they did not begrudge the fact that that person had

more negative materialistic things. One participant replied they did not feel that social pressure but noted that they were the oldest of the siblings and expected that because they were oldest should be doing the best financially (which he reported was the case). These were two interesting qualifiers.

Another interesting distinction is whether the social pressure was “pulled” or “pushed”. When social pressure was observed (and if there was a resulting desire), was the participant internalizing, internalizing or “pulling” the desire themselves or was the other party “pushing” their desire on the participant? For example, all the participants who did admit some social pressure referred to the former, but one participant also mentioned how one set of grandparents were “pushing” them to buy a snow blower.

Generally comments were directed at siblings so this question did not apply within a three generation family. Only one parent made a comment about how well his dad did financially, was able to buy all the latest toys (negative materialistic), and that he felt “some envy” – Charlie, but that pressure did not result in any additional purchases.

Financial

The two largest sections of the interview were, of course, money and happiness. Most of the questions regarding Happiness were open-ended - I tried to find out in their own words what made them happy. In the financial section, most of the questions were closed. Two things that I specifically wanted to identify were family income and family debt as a percentage of family income. Answers to financial questions were revealing, but as you will see there was a general positive consistency among participants’ answers regarding these two factors. Perhaps this is partially because there was also a consistency between participants regarding demographics and happiness.

(i). Income vs. goals (needs)

Participants were asked “do you feel your income is enough to meet your goals?” All participants answered thoughtfully and thoroughly. This question is important because as Diener (1984) discovered, happiness as it relates to job income is not so much about how much you make, but your perception about how much you make.

Four of the participants answered yes and kept with earlier themes. Even though Bob answered honestly “but always nice to have more money”, I got the true sense that they: were content to live within their expectations, were content being where they are, and had control over their lifestyle. That is, their position in life “is what it is”. They had aligned their short and long-term goals to fit their situation.

“our expectations are aligned with what we have, food on the table, roof over our heads, life is good, we would like to travel and do real vacations, but that is not an option” – Anne

That is not to say that they just “settled” for less. There was a planning component as well. They adjusted their needs to fit their income.

“we decided to only have two kids... we probably could not afford to put three kids in day care, we both want to be working and love our jobs, money comes into it for sure” – Charlie

Three of the participants reported that their income was enough to meet their short-term goals, but not their long-term goals. This may seem typical within this demographic. Most participants were young with young families, in their first “starter” house. They were motivated to save toward a larger house. Another factor was that these young families were still in the process of adjusting their priorities to fit new goals. Now that they had more children, they had to change their plan, i.e. larger house.

“(before children) we kinda spent more a lot more freely, because we did not have to live on such a budget” – Barb

One interesting response was that their income was not enough to meet their short-term goals, but it was enough for their long-term goals. The reason for this was that he had changed jobs to

more closely align with their family values and happiness, i.e. old job had too much travel, longer hours, more stress. This resulted in a large cut in pay. They still had two children in expensive childcare. So even though their income to satisfy short-term goals went down, childcare expenses would end in another year and they both had very good pensions. They felt that their lifestyle would be good in retirement.

(ii). Short and Long Term Goals

Participants were asked to list their short and long-term goals. The list of items was fairly consistent among all participants:

- Short - buy a computer or TV
- pay off car
- save for vacations
- house renovations
- Long - children's education
- bigger house
- retirement

This question not only revealed if their materialistic goals⁶ were positive or negative but also if they had any short and/or long-term goals. All participants listed their goals fairly quickly, giving thought to their answers and yet it did not appear that they were thinking up answers as they spoke.

Setting long-term goals represents long-term thinking, which is another index for happiness (Kozma, Stone, Stones, Hannah and McNeil, 1990). Since all participants listed retirement as a long-term goal, I further queried if they were saving to help meet this goal. All eight couples had plans for retirement. Most of them did not have their retirement clearly defined, but all had made RRSP contributions in the past and/or had a good company pension. Some had put RRSP

⁶ The question about short and long term goals was specifically identified to the families as part of the Financial section/questions. Therefore it was not expected that participants would list non-materialistic goals.

savings on hold or decreased contributions to save for RESP's (Children's educational savings) or they were allocating savings towards their next house.

In response to the retirement savings question one participant responded:

“we even got rid of cable to save some more money” - Ernie

Given the ages of participants the responses to short and long term goals seemed normal.

(iii) Disposable income

Participants were asked “Can you tell me what the term ‘Disposable Income’ means?” I was interested in this because of a variety of earlier teaching and experiences. All of the participants seemed to have a good understanding of disposable income. Some even specifically mentioned that savings was part of their fixed expenses.

“that is our net income minus all of our mandatory, like the mortgage. What is left over after we do our savings and our costs” - Doug

“we have set up the RRSP's like expenses, so that our disposable income is lower so it does not seem like we have all that money because it is already accounted for somewhere else, not like we have to pay it, but set up so it appears that we have to pay it” – Debbie

All participants seemed to have a good understanding that disposable income is a limited resource and to be smart with their money. It is not known if there is a correlation between disposable income knowledge and how it is managed, i.e. used for positive or negative materialistic purchases.

(iv). Percentage of family income for Mortgage

One of the realities of family life today is the increased availability of credit. It is not just mortgages and loans that they acquire. Debit cards, lines of credit and a wide range of credit cards are a fact of life. As part of my research I spoke with Bob (K-W Mortgage, Bob, personal conversation, March 12, 2008). He has been a mortgage broker for 32 years. Bob confirmed that the Bank of Canada has not changed its percentage of family income allowable towards a

mortgage in that time. A family can qualify for a mortgage for up to 32% of its gross family income. He also claimed that they can qualify for more under special circumstances.

I wanted to determine this to show that families have the potential to get into more debt as represented by a percentage of their family income. When asked, seven of the participants knew what percentage of their gross family income went toward their mortgage. Of the 7, the average mortgage, as a percentage of their gross family income was only 17.64%.

When participants were asked “Do you remember the maximum you qualified for from the bank?” six of the participants either remembered the percentage or the amount. Of this 6, four of them went on to say that what they did qualify for was too much.

“we did not want to spend that much money, we went to a few web sites, some of them talked about being careful what you can actually afford. We were also planning to have kids too so we knew that our income then would not be our income in a year or two” - Celia

“Yes, and we said heck no!” - Jim

“the amount you are pre-approved for is ridiculously high compared to what you can afford - so the banks can make money from it” – Larry

This theme of practicality and not turning a positive materialistic purchase into a negative one was unexpected. By not over-extending their family budget, it gave them more control over their lifestyles and as Johnson and Krueger (2006), found out, it usually brought greater happiness.

(v). House

Houses are usually the largest purchase for most families. That means that this one purchase is critical and has the ability to impact so many other things (Warren and Warren Tyagi, 2003).

The estimated average value of participant’s houses in 2008 was \$269,857. The average house price in 2008 in the same geographical area was \$281,133, (<http://kwrealestate.com/2008/11/18/mls-residential-home-sales-decline-in-october/>). This suggests that participants were practical with their house purchases. Six participants knew how much was remaining on the principle and

of those 6, the average was \$123,167. This represented less than 50% of the house value was mortgaged for those six families. Participants have lived in their houses an average of 3.5 years. Seven of the families would not increase their mortgages – “we are of the mind of do not spend it unless you have it” - Fran. Of the 7, four of the families would pay down extra on mortgages when their terms came due, three would keep them the same, and only one would maximize their mortgage, but only for using that equity to buy income property.

As we will see later, participant’s average household income was higher than the average for this geographical area. This combined with the fact that their houses cost less than those in this geographical area suggests that these couples were very practical when it came to house purchases. I also noted that their house furnishings were not excessive and fit the theme of practicality.

(vi). Vehicles

Vehicle purchases over the average individual’s lifetime in North America can represent a significant cost. It might be accepted that a basic vehicle in North America would be a positive materialistic purchase for most people, but if someone can buy a perfectly functional new car for \$20,000, why would anyone go out and spend \$40,000, \$60,000 or more for an automobile that performs the same function? This would turn a positive materialistic purchase into a negative one.

The eight families had 14 vehicles. Two families had one vehicle, the rest had 2. Eight of them were paid off. The oldest was a 1997 and the newest a 2006. The average year of all the vehicles was 2002, or six years old. There were not enough data collected about the cost of the vehicles but it was observed that their vehicles did not fit into the category of big, expensive, or luxury, but rather, small, economical, practical vehicles.

Of the two families that had one vehicle, one noted that the grandparent's vehicle was available to borrow when needed. The other, not only had just one vehicle, but when children came along instead of spending more on a larger vehicle, they purchased an enclosed roof rack to fit the extra things!

“we did not have enough room with the baby, so instead of buying a bigger more expensive car, we got a roof rack” – Marty

Participants were asked if their vehicles fit their personality. Some participants stated that their (practical) vehicle(s) did, and others were ambivalent. Four of the males mentioned that their current vehicle did not, that they used to have more expensive vehicles but as one male put it - “now my personality has changed, so I guess my cars have changed” - Tony. One male compromised in that he had a vehicle that he thought fit his personality, but it was a 2000 year and therefore did not cost as much as the same car in a newer model.

There was a theme of practicality towards choice in vehicle purchases; they met their basic needs which meant that they could be considered to be positive materialistic purchases.

(vii). Debt

Debt can mask a financial situation. If used for small, infrequent, or positive materialistic purchases it can be a useful tool, but if used for large, frequent and negative materialistic purchases it can be a trap related to a Hedonic Treadmill (Brickman and Campbell, 1971).

Of the eight couples, seven were not comfortable with financing purchases, one couple was split where he was and she was not, and this was a source of stress. Of the seven there was an overall theme of “do not like it (credit), but fact of life”. Couples would use credit, and resulting debt, as a practical tool to resolve a short-term emergency, i.e. refrigerator broke down and needed to be replaced vs. a means to buy negative materialistic things.

“we try to avoid debt at all costs, not on credit unless it is a super deal” – Nancy

“We do not like it, we would rather pay cash. We have a \$40,000 LOC (Line of Credit) and we could go half way maybe. We would have to think how we would pay it off” – Tony

“we have a policy that we do not buy anything unless we have the money” – Wendy

“we get baffled by the bank’s suggestion for the amount recommended for household debt to carry, the average Canadian Household – we are baffled” – Barb

“It is a fact of life, unfortunately... it is just there – it is a reality” - Jim

Participants answers about their attitude toward debt seemed to parallel earlier answers. The participants seemed cautious, calculated, and not willing to take unnecessary risks.

(viii). Money Management

The answers to financial conflicts were expected and consistent with other areas for these couples. Of the eight couples, four of the males looked after the family finances, two of the females and both of them looked after the family finances for two families. It was noticed that there was a theme of true “management” vs. just paying off the bills. One unsolicited comment was:

“Budgeting and saving is really a part of who we are, we talk about our finances regularly, you make it a normal part of your life” – Bob

Five of the couples reported that they never fought about money and three of the couples reported “not really” or “rarely”.

“We do not fight about money... none of us makes a big purchase without the other person, it would not occur to us” – Anne

It was interesting to note that one of the couples mentioned “if there have been any arguments it is usually over money” - Tony. I would like to have queried all participants about money arguments vs. other arguments but unfortunately this was mentioned in the last interview so it was too late to include it as part of my study.

(ix). Family Income

While I was not allowed to ask specific family income as mandated by the Office of Research Ethics, six participants offered this information and for the other two I was able to extrapolate a

close proximity from other questions. The average family income for the target area adjusted for inflation (http://www.inflationdata.com/inflation/inflation_rate/historicalinflation.aspx) in 2008 is \$80,276 (<http://www40.statcan.gc.ca/l01/cst01/famil107a-eng.htm>). The lowest family income for this study is approximately \$75,000 and the average family income for all eight families is approximately \$96,250.

(x). Children (financial)

The same question was asked about the children's ability to help out with family finances if they worked outside of the home. Because most of the children did not work outside of the home there was not enough data to formulate any findings.

Although many of the financial questions were closed/factual to correlate to reported happiness I did gather information about how much money they "perceived" they had, whether long term planning was part of their lives, attitudes towards purchases and debt in general and if money was a source of stress in their families. All of this financial information is invaluable to relate it to these families happiness.

G. Speed Bumps

Some of the participants experienced some setbacks or "speed bumps" which affected their money and/or happiness. The goal was to determine the magnitude of these speed bumps and resulting happiness. Were families living so close to the edge that they could not absorb a financial setback (Warren and Warren Tyagi 2003)?

Two couples experienced job related issues, i.e. reduction in job hours and/or pay.

"In my job we are in a work-share program where you agree to work only 3-4 days a week and the UIC kicks in for the other days, up to certain percentage. That has put a dent in our monthly income, certainly a big stress. Savings go down too, work RRSP's." - Doug

"when I chose to change jobs where things were more stable, and we felt that because it was a 20% cut in pay... made some changes... you just ca not do some of the same stuff that is all. It was a conscious decision." – Ernie

One couple experienced both of them changing careers at the same time, which resulted in a period of uncertainty.

“when she left her job and I found my job, it was not a surprise but we were in a place where we were not happy, a period of uncertainty, but we were still moving forward so” – Jim

Two couples experienced additional, unexpected children.

“I remember distinctly having three kids, lost my weight, and then getting pregnant again and saying it is all good, but I remember when I looked at my newborn and thinking I need to make more money, to help provide for my family, I am going to go back to university and be a better earner.” - Debbie

“just having the second twin, had not planned for two, we had planned on finishing some things right up until I was nine months pregnant and I ended up having to go off work at seven months, so we had to adjust our plans a bit... took approach of whatever happens, happens, no expectations when we found out. All it really did was postpone the original plan of getting the house. We were going to actually start saving and now we have not really been able to do that. We also had to start looking at another vehicle... now we have that debt on the car. We used to contribute to a car fund but now we are just paying instead of contributing.” – Caela

Two couples experienced either the passing of a grandparent or a major illness, which affected their time, which created more stress (required to help widowed/sick grandparent more).

While there was not a consistent single theme across all families, seven of the eight families did experience some kind of a setback. Earlier I discovered that one of the reasons families were reporting that they were happy was because their expectations were not too high. Couple’s attitudes to these setbacks were similar in that they dealt with the setback and moved on. Yes they were stressful and affected their happiness at the time but at no time did I get the feeling that these events “should not” have happened, or they did not expect that they would never happen to them. I think this attitude helped them get through these setbacks.

These events certainly affected those family lives significantly but it would be interesting to come back and interview these couples in the future and see if any larger financial setbacks occurred, i.e. complete job loss, and if so, what the effect on their happiness was.

(i). Is it possible for one not to work

Both couples worked full time for seven or the eight couples. I wanted to find out how much they relied on two incomes to support their lifestyle.

I was also looking for how “close to the edge” they were living, i.e. not just if they could live on one salary, but the degree to which they thought they could, i.e. “definitely” vs. “maybe”.

When asked if it was possible for one spouse to remain home and not work four of the participants replied that it was not possible, three replied that they could, but with significant sacrifices and there would be no savings, they would “not be moving forward”.

“we could not live here without two incomes – so it was a choice, if it (house) was smaller we would be tripping over ourselves. We want the good neighbourhood, the quality of life, and everyone to have their space.” - Debbie

Since I only interviewed one couple where one of the spouses did not work (or planned to return to work after their government assisted maternity leave benefits ran out), there were not enough data to compare one income vs. two income families in this study. However it did establish that most of the families thought that they needed two incomes.

Having established that seven of the families thought they could not survive on one salary, I asked “What would happen if one of you lost your job and you had to rely on only one income?” typical responses were:

“if things got really bad we could sell the house, or live in my parent’s house while they were away or something, my parents would definitely take care of us” - Celia

“my mother would be able to provide a financial bridge during a situation” - Fran

“our savings would have to go toward actual bills rather than savings” - Larry

Four themes emerged from this question. Either they confirmed that;

- they would not be able to get by on one income
- significant sacrifices would have to be made, i.e. moving to smaller house
- could and would rely on the grandparents
- if they could get by they definitely had the feeling that they would not be able to move “forward” on only one income.

Generally I have been able to report positive results for these couples as it relates to money shaping their family happiness, but this section does show that most of these couples rely on two incomes to support that lifestyle and that they feel that they could not achieve that lifestyle on one income.

H. Conclusion

When participants were asked if they would have done anything different, four of the couples said no and the other four gave examples of experiences around lack of education/knowledge related to longer term financial choices.

“We would have done a lot of things differently financially. I just do not think I knew any better, I did not have my first job until college and my wife started working when she was like 16, start saving money I was a little delusional, I figured I would get out of school, get a high paying job, but I was not prepared to move my way up in a sense, I wanted everything right off the bat. That did not happen, looking back I would have started working earlier, worked harder” - Marty

“spend less on wedding, spend less on cars, more on house” - Tony

“if I knew then what I know now, you can not see past choices you can not understand.” - Larry

As noted, all couples seem to be doing well, but perhaps these experiences were needed in order for them to learn what the best long term financial choices were. Couples that did have these experiences seemed to have moved past them and they seem to be content with what they do have.

“I have also tried to appreciate what I do have and not be always pining for something else” - Bob

Earlier in each interview I asked if they felt any pressure to keep up with friends, neighbours, or family, i.e. keep up with the Jones’. All couples interpreted this as a negative materialistic question and all responded that they either did not feel the pressure or if they did, that they did not succumb to it. They did not cite any positive materialistic examples.

For the last question of the interview I have quoted the participant’s responses mostly in their entirety. The final question in the interviews was “Do you think that money buys happiness”

(Dunleavy 2007). They stated that it did not, but yet contradicted themselves, and actually gave positive materialistic and non-materialistic examples.

“No, it just makes your life easier, if you are fairly comfortable it takes off some of the stress, money issues can definitely lead to divorce. You can not buy happiness but it can give the opportunity to be happier, but it can not buy happiness. The happiness comes from in, none of the (negative) materialistic things are what makes our marriage, and makes our family, the things that we do for each other, we did not have cable and we spent so much more time together, we really got to enjoy each other, we can drive to Ottawa for five hours and never stop talking the whole way, meant for each other. We had a lot of extra stress to overcome, by not having money at first.

You need a certain amount to live, but you can still find happiness without a great deal of it (money). Moved in, 0 income, lived on \$7,000 for an entire year, we have learned that we can live on a budget and without a lot of things, never bought anything, learned we can live like that, but still happy. She was devastated that we could not go on our honeymoon right away and then when we went two years later we enjoyed it so much more. We appreciate more things because we have had to work for it.” - Bob

“He figured that we could just get the money from my parents when we needed it, but they did not raise us that way, when I was in school I ran out of money by Christmas but had a job and made it work, did not ask them for money. What your parents teach you definitely stays with you – especially financially.” - Anne

“In our case it does not, I think we make our choices that make the finances support our family happiness but it is not defining, but sometimes it has to be a conscious choice – sometimes our family is more important. Everyone thinks I make a good salary but I do not, if I wanted to make 80,000 a year I could, but then I would be working 60 hour weeks, and my balance in life, that is not an option. I am very fortunate to work for a company that has the same philosophy too, that is why I chose to work there. We have never been there – if we really did lose everything, it is hard to think about what would do, or how it would feel, panic or stress... as much as it would cause some stress I think our relationship is strong enough that we can deal with it together. Having seen those people who have nothing, and still be happy people but it is harder. I think there would be some resentment if we lost everything – job house whatever.” - Charlie

When the final question in the interviews was changed to “Does money shape family happiness?” it was very interesting to hear that five of the couples responded that the money did shape family happiness and gave positive materialistic and non-materialistic examples.

“Yes it does, I feel good that I can help to provide for my family, I know there are women out there who wish they did not have to work, I worked really hard to get to be able to do what I do, so I feel really gratified by that. This is a lovely home, and it is generous size family home, when I come through the door I am happy to see my children but hey what a great house. If anyone wants to get away and have some space there are lots of nooks and crannies in this house where you can get the space that you need. We did not have that in our other house, and that creates peace and harmony. In this house I have a huge corner of studio space where I can create without bothering anybody. Affording space creates harmony” - Debbie

In this quote we can see that Debbie feels that money has helped to enhance her non-materialistic needs in two areas. First she felt that she needed to make more money to provide for her family. Debbie went back to school so she could get a better paying job. She accomplished this and now feels very gratified. This fits into Maslow’s Esteem Needs – self-esteem, confidence,

achievement, respect of others. In the second Debbie is grateful that she has a larger more expensive house and feels that this creates peace and harmony. This fits into Maslow's Love/Belonging Needs.

“significantly, we would have so many fights if we did not have enough money coming in, the reason we get along so well is because we are fairly comfortable, we do not have to worry about it, the lack of worry is significant. It would elevate my stress by 100 times if I did not have enough to buy groceries” – Celia

“the absence of money can really affect happiness, we have not really had to deal with that, but it would be really stressful if we could not, you would just start wishing for things to be different. If all my needs are met and I can go out for dinner, I would consider myself happy, obviously having money makes life easier, which makes you happier. We have the positive approach. And there is the mentality out there of spend, spend, spend and we have *not* jumped on that bandwagon. Some people really love their job, I do not really *love* my job so i can not see working more just so that I could give it away, but maybe if I really enjoyed it, working to give it away would be fun.” - Jim “My grandpa and uncle ran business and started a foundation in his name when he passed away, and I am a board member, it is really nice to see the money being used and that it is going somewhere, and contributing, so I am not directly giving money but I am helping. When someone comes to the door we always give. You have to pick what you want, because you can not give to everything. We eventually plan on having some income that goes toward charity. I have also heard that giving makes you happier.” - Caela

“yes, it allows us to plan, create choices, spend on experiences, not (negative) material things...

In whatever way you allow it, we very deliberately put ourselves in a place, where even though there can be stress, it is not something that dominates us, we do not buy the maximum amount of house we could have, because we were not interested in it ruling us in that way, we choose to not go into debt around Christmas, because we do not want to be dealing with that for the rest of the year, we make choices around what we spend and when we spend, and as long as we understand what that means then we are comfortable with it. We do try hard to plan, we do not spend freely, in that we consciously try to plan out what we do, and the things we do are what raises happiness, whether that is spending time with our families but we would never go into debt to buy gifts, we are not (negative) materialistic people, we do not have an MP3, have a simple car, two years without a dishwasher, the money we spend we try to create experiences, that will have meaning, e.g. like to go camping and canoeing so the amount of money we have will shape that, having the money to create not things, but experiences. We both come from families where we did not really want for anything, he did a bit more travelling, my family was all about camping, but when it came to essentials, parents paid for each of our school, new clothes for school, but to come back to that mind set of “starting-up”, you had to talk to your parents again about the fact that they were not always in that place, they had to start from somewhere too, and they remember that time of only having enough money to pay the bills or having to wait to save up for something. Our generation coming through does not always ‘get’ it.” - Fran

“it buys happiness in many cases or at least buys the things that give you happiness, particularly with an active family, if we had less money, and we could not do the things we are doing we would be really challenged to keep these guys busy, in fact we would not – OK you have got a bicycle and that is what you get to do all summer so suck it up, but usually in camps. So that helps our happiness and theirs. It is family happiness. Big expenses like travel - we have never taken a family vacation. Kids have never been on a plane, one of the few kids in their class who have not done that, there are kids that spend many weeks a year in Hawaii. That is the neighbourhood we live in, there are people who own properties in Hawaii. We are not there. It is a tough neighbourhood to live in for that, the kids have asked me why can not we go on vacation, so explain, I am at home, would maybe have to sell, the car, can not take you to practices, OK forget it, so they understand. We have had that discussion with the older two, they do see the bigger picture, unfortunately there are a lot of families in the area that can do both.” – Nancy

While the previous five couples went on to mention higher levels of money-related non-materialistic happiness, the last couple only mentioned Maslow's positive materialistic happiness, which as they stated, needs money to satisfy in Canada.

“money is a cruel necessary evil. As long as you can put food on the table then money does not bring more happiness. I do not think it brings any more happiness, from my standpoint I do not think money brings it, you make your own happiness, and if you have got more money I do not think you are any happier, it is your state of mind. On other hand I have never been in the position where I do not have enough to buy a bag of rice or something so I do not know what that is like either, there is not anyone in Canada in the middle class that should not be extremely happy where they are, but still strive for more, but I do not think more money makes for more happiness. You do not really realize how happy you are until you kind of talk about it.” – Marty

When doing informal research, if I ask a person “does money buy happiness”, I will usually get an emphatic NO. It is too stereotypical and laden with negative connotations in this society. People usually interpret “happiness” as either higher level non-materialistic or negative materialistic and as multiple researchers agree, in this framework money can not buy happiness. Even after a lengthy conversation on family happiness, the question “does money buy happiness” drew a knee jerk “No” reaction. But interesting enough, the respondents, those same people that answered “no” to “Does money buy happiness” went on to cite positive materialistic examples of money buying happiness and even that the lack of it would bring unhappiness. When the final question was re-phrased to “Does money shape family happiness?” It was very interesting to hear that the remaining six couples responded that money did shape family happiness and gave positive materialistic examples. Five of the six couples also added lower level non-materialistic examples, that there is a direct co-relation between money and lower level non-materialistic happiness. All participants gave examples of how money helped meet their needs.

Chapter V. Conclusion

A. Discussion

Earlier research suggests that when young adults go out on their own, many get into debt quickly and stay there. They do not learn or appreciate the value of compound interest, or realize the evil of interest payments. They seem to be spending just a little more than they make, and always trying to make more money. They are chasing the buck instead of managing their money and are taking control of their lifestyle, which in turn would hinder their happiness quotient considerably. These bad habits transfer easily into marriage. Financial stress is one of the largest contributors to divorce today (Dean, Lukas, Carroll and Yang, 2007) and the children are the ones hardest hit in the fall-out. Too many times, divorced, unhappy parents wake up years later wondering ‘what happened’. People do move on, they meet other people, but too often the damage has been done. It is my hope that my research will somehow lead to initiatives that will help prevent these problems from happening in the first place.

My study examined “How does money shape family happiness”. It expanded on Maslow’s (1943) Needs Theory and discovered an important distinction about materialism. When talking about materialism, researchers and society in general refer to people as either materialistic or non-materialistic. I have discovered that materialism should be divided into positive or negative and should be referred to in those terms, i.e. positive materialism vs. negative materialism vs. non-materialism. In his study “Does Material Well-Being Affect Non-Material Well-Being?” Abbott Ferriss’s (2002) purpose was to find ways to improve quality of life and more specifically, how positive material things can contribute to this. Ferriss lists positive material things as the physical support to life; the attainment of money that makes acquisition of physical attributes possible, such as education, economic power and good health. Non-material well-being refers to the psychological dimension of living, satisfaction, happiness, and enjoyment.

Studies have shown these two dimensions of living to be highly associated (Ferriss, 2002). In Ferriss' summary he states that "To improve the quality of life, attention to the material conditions of living should be the first step" (Ferriss, 2002, pg.279). This is also consistent with Maslow's Hierarchy of Needs (Figure 1, pg. 13) where Maslow states that the basic needs must be met before one can achieve higher goals (Maslow, 1943).

I originally anticipated that I would uncover more financial trouble and related stress in the interviews, however this was not the case. For the most part, families in this demographic appeared in control of their finances and happiness, regardless of family income. Participant feedback yielded very encouraging results to support my theory that materialism should be divided out into positive and negative.

B. Summary of Findings

The interview data were rich in content. Even though they were limited to sixteen participants, the participants were very similar by age, number of children, duration of marriage, education, family income, and even the grandparents were of a similar age and proximity to the parents. One contribution that this study made was to further define the term materialism into positive and negative. After coding the data I observed this distinction. I then reviewed the existing literature and noted that previous research usually referred to materialism in either a positive or negative manner, but did not make this distinction. My research offers ways of understanding these different aspects and how they relate to happiness. It was found that no single theoretical approach is sufficient for explaining money and happiness in its entirety. I initially focused on the Needs Theory (Maslow, 1943) from a family orientation and advanced my understanding of materialism by dividing it into positive and negative.

Needs Theory is beneficial for emphasising that materialism can be positive. Maslow divided needs into five levels, the first two being positive materialistic. The first level of positive material well-being includes the physical things needed to support life. Of course money in one form or another is needed to support life. It is this attainment of money that makes the acquisition of physical attributes possible, e.g. food and shelter. If you do not have enough money to satisfy these basic needs, then money will buy happiness if it is used for the attainment of these basic needs (Maslow, 1943). Maslow's next level of happiness is still defined as positive material which includes environmental circumstances, the ones making direct contributions to happiness, i.e. education, economic power, good physical health. Therefore income generates opportunities for individuals to select courses of action that will improve their situation. This would lead us to the presumption that there is a link between wealth and higher levels of happiness (Johnson and Krueger, 2006).

Results of this study indicate support for a better understanding of positive materialism and how money should be spent. Participants gave many examples of money buying higher level happiness. For example, one participant went back to school so she could get a better paying job to help better provide for her family. She accomplished this and now feels very gratified by this. This fits into Maslow's Esteem Needs – self-esteem, confidence, achievement, respect of others. My study specifically looked at the three generation family. People that feel a special responsibility toward the family as a whole, prioritize financial decisions toward the family as a group (Dean, Lukas, Carroll, and Yang, 2007). This is interesting when studying the family unit. Negative materialism is one example of an individualistic paradigm that permeates Western culture. Bellah's (1996) concept is that an individual's negative materialistic need is in contrast to a more family orientation to life. He explained that the typical negative materialistic

individual bases their actions on self-interest. In contrast individuals with a more family orientation will put the betterment of the group ahead of their own interests (Dean, Lukas, Carroll, and Yang, 2007).

Results of my study support the relevance of these theories, specifically in relation to money satisfying needs and specifically as it relates to a family's positive materialistic needs.

There were many consistencies among families. In general parents were well-educated, they did not buckle to social pressure, or at least reported that they kept it under control. Their mortgages were well below the maximum available which helped control their finances, their vehicles were practical which helped reduce their expenses, they had little debt, and they reported that the family unit was a happy one. These results parallel earlier reading as factors that contribute to happiness.

C. Limitations of this Study

Participants were consistent in their belief that positive materialism contributed to their happiness. As a result little insight was gained into why people spend on negative materialistic things to such a degree that it would affect their long-term happiness.

We can not say specifically that positive materialism increased the children's happiness quotient because most of the children were very young and were not queried on this.

The positive materialistic help that the grandparents provided, coupled with the gratitude of the parents, resulted in an increased happiness quotient for the parents. I did not interview the grandparents and do not know if either the smaller or larger positive materialistic gifts were given freely out of a want, or begrudgingly out of sense of duty, or somewhere in-between.

Despite this, I suspect that it increased the happiness quotient for all three generations and therefore the three generation family as a whole. Further research could be done to verify this hypothesis.

D. Recommendations for Future Studies

There was much to be learned from this study and many recommendations to be made. In conclusion, some of the theoretical concepts and terms in the previous literature are useful, but not widely adapted. While my sample size was too small to make recommendations to a wide demographic such as a country, consideration for future studies should be given to:

- Should people be better educated regarding:
 - controlling social pressure and delay gratification?
 - household finances, budgeting, and debt control?
 - short vs. long-term goal setting?
 - intrinsic vs. extrinsic values?
 - positive materialistic vs. negative materialistic vs. non-materialistic?
- Should mortgages represent a smaller percentage of family income?
- Should there be more incentives to promote less expensive vehicles?
- Should individual and family debt be better controlled?
- Should people be made more aware of factors that relate to money and happiness?

Previous sociological data does not differentiate between positive and negative materialism, therefore I recommend that future studies use my Positive Materialism Theory. My study explores the connection between money and *emotion* or “can money buy happiness”. There are many studies on happiness or subjective well-being. Perhaps more studies on the relationship between happiness, and how people spend money will contribute to my stated goals.

In this study the couples interviewed were young (average age of 34) with young children (average age of 5). It was observed that they managed their money well and that this contributed to their happiness. It would be interesting to go back at a later date and see if this changed and why.

If it is true that if people are smart with their money their lives will be better, can it also be true that if people are smarter with their money they will be happier? I think that further research will help us further define this age-old question.

Although many researchers have made significant contributions to the literature, the ever-changing nature of money and credit in Western society constitute the need for scholars to remain vigilant in the attempts to theorize and rationalize these relationships. The relationship between money and happiness will undoubtedly remain a part of our culture as long as we continue to use money as a medium of exchange. No matter the area of inquiry, future sociological studies that offer a strong, theoretical and methodological approach will greatly benefit the field of money and happiness, and thus society as a whole.

E. Conclusion

The relationship between money and happiness is complex and unique. I do not know what or if there are any expectations on money and happiness when couples enter into marriage. Financial stress is still one of the top reasons couples divorce and even if they do not divorce, financial stress can affect a families' happiness dramatically.

Families have many needs that are both short term and long term in nature in Western society. If money is needed to satisfy many of these needs, then these needs can be considered positive materialistic in nature. If families better understood the distinction between positive and negative materialism they may better understand the relationship between money and happiness. Would education help? If people were more aware, would that awareness result in less debt, less stress, and more happiness?

As time goes on, couples will likely undergo changes to their marriage as well as on an interpersonal level. If families control their money and happiness there is evidence that these

changes will be positive. Society has many examples of positive social change. It is my hope that my research will lead to widespread awareness for positive vs. negative materialism and that that awareness will help promote the families' happiness. How does money shape family happiness? This study demonstrates that money does indeed shape family happiness in many positive ways.

Appendix A: Introductory Letter



**Independent Studies
Program**

University of Waterloo
200 University Avenue West
Waterloo, Ontario, Canada
N2L 3G1

519-888-4567, ext 32345
Fax: 519-746-7326
www.is.uwaterloo.ca

Date: March 31, 2008

To Whom it may concern:

This letter is an invitation to consider participating in a study I am conducting as part of my Bachelor's degree in the Department of Independent Studies at the University of Waterloo under the supervision of Professors Mark Havitz and Janice Aurini. I would like to provide you with more information about this project and what your involvement would entail if you decide to take part.

Over the years family dynamics have changed. Where we live, how many children we have, how we work, and the role of the grandparent have all changed. Even different financial options affect the decisions we make, i.e. different mortgage options, credit cards, debit cards, lines of credit etc. Some of these factors may even lead to increased stress as we try to figure out how to cope in an ever-changing world. The purpose of this study, therefore, is to study how these changes relate to family happiness. I would like to provide you with more information about this project and what your involvement would entail if you decide to take part.

It would be ideal if the participants in this study had all of the following characteristics:

- Couples who have children (do not have to still be at home)
- You are experiencing 'some' kind of financial stress, i.e. concerned about the amount of debt we all carry (credit cards, lines of credit etc.). Concerned about savings, i.e. retirement or education savings etc.
- Either you or your spouse still have one or more parents still alive (do not have to be living close)

Participation in this study is voluntary. It will involve an interview of approximately one hour in length to take place in a mutually agreed upon location. I will be asking questions about changing family dynamics and how it relates to various aspects of the family unit, i.e. happiness and various stressors like parenting, jobs, finances, social pressures and unforeseen problems. You may decline to answer any of the interview questions if you so wish. Further, you may decide to withdraw from this study at any time without any negative consequences by advising the researcher. With your permission, the interview will be audio recorded to facilitate collection of information, and later transcribed for analysis. All information you provide is considered

completely confidential. Your name will not appear in any thesis or report resulting from this study, however, with your permission anonymous quotations may be used. Written data collected during this study will be retained indefinitely in a locked office. Only researchers associated with this project will have access. Electronic data will be indexed and keyed. No names will be kept electronically so electronic data cannot be traced back to any individual. These data will be kept indefinitely in a secure location. There are no known or anticipated risks to you as a participant in this study.

If you have any questions regarding this study, or would like additional information to assist you in reaching a decision about participation, please contact me at 519-888-6001 or by email at tjleslie@uwaterloo.ca. You can also contact my supervisors, Professor Mark Havitz and at 519-888-4567 ext. 33013 or email mhavitz@healthy.uwaterloo.ca, or Assistant Professor Janice Aurini at 519-888-4567 ext. 38343 or email jaurini@uwaterloo.ca.

I would like to assure you that this study has been reviewed and received ethics clearance through the Office of Research Ethics at the University of Waterloo. However, the final decision about participation is yours. If you have any comments or concerns resulting from your participation in this study, please contact Dr. Susan Sykes of this office at 519-888-4567 Ext. 36005.

The results will benefit my research and I hope the broader research community will benefit as well.

If you agree to be part of this study could you please either let the person that gave you this letter know or feel free to contact myself directly. My contact information is below.

I very much look forward to speaking with you and thank you in advance for your assistance in this project.

Yours Sincerely,

A handwritten signature in black ink that reads "Trevor Leslie". The signature is written in a cursive, flowing style.

Trevor Leslie

Department of Independent Studies,
University of Waterloo,
Modern Languages Building, Room 104
Waterloo, ON N2L 3G1
E: tjleslie@uwaterloo.ca
P: 519 888-6001

Appendix B:

Phone Interview - Suitability for Study

PHONE SCRIPT

Hello Ms/Mr. _____;

My name is Trevor Leslie and I am a student in Independent Studies at the University of Waterloo.

You were referred to me by _____.

I am hoping that you would be willing to participate in an interview for my research study concerning changing family dynamics.

I understand that s/he spoke with you about the study, that you expressed interest in participating, and that you gave him/her permission to provide me with your phone number.

Did you receive the information letter concerning this study?

- **If no**, continue to **B:** (next page)

- **If yes**, did you inform _____ (name above) that it was ok for me to contact you?

- **If no**, I am sorry for the miscommunication. May I ask at this time if you would like to be part of our study?

- **If no**, again I apologize, thank you for your time.

- **If yes**, would you like me to give you the background on our project again?

- **If yes** read section **B:**

- does your family meet the criteria outlined in the letter?

- **If no**, thank you very much for your time.

- **If yes**, great, would you be willing to participate in the study? Your participation would entail an interview. The interview takes approximately 1 hour. We can do the interview at a location and time of your convenience.

- **If no**, thank you very much for your time.

- **If yes**, what day and time is convenient for you? (record below)

where would you like to do the interview?

- **If home** - Do you mind if we meet in a public location?

- **If public space** - do you know of a quiet location?

Some of the coffee shops can be quite noisy. However, wherever you feel most comfortable with is fine with me.

Get address/directions as needed to location.

C:

So I will see you on _____(day), the ____ (date) of _____(month) at ____:____(time)
at

_____ (location). I will be driving a red Ford Windstar van. I am about 6'
tall, and am 50 years old. I have a University of Waterloo Student card with picture id that I will
show you as identification.

What will you be driving?

Thank you...

B: - explain project:

I am currently conducting research under the supervision of professors Mark Havitz and Janice
Aurini on Family Happiness. As part of my thesis research, I am conducting interviews with
parents in the area to discover their perspectives on how family dynamics have changed. Where
we live, how many children we have, how we work, and the role of the grandparent have all
changed. Even different financial options affect the decisions we make, i.e. different mortgage
options, credit cards, debit cards, lines of credit etc. Some of these factors may even lead to
increased stress as we try to figure out how to cope in an ever changing world. The purpose of
this study, therefore, is to study how these changes relate to family happiness. We are looking
for parents in the area who fit the following criteria:

- This is the first marriage for both parents
- You have a mortgage
- You have at least one child and all children are from only your marriage
- You are experiencing some kind of financial stress

If your family has these four characteristics, I would like to send you the information letter again.
It has all of these details along with contact names and numbers on it to help assist you in
making a decision about your participation in this study.

Can I send you an information letter?

- **if no**, thank you very much for your time.
- **if yes**, thank you.

Would you prefer email, fax or mail?

(get contact information from potential participant)

Thank you very much for your time. I will call you in 2 or 3 days to see if you are interested in
being interviewed. Once again, if you have any questions or concerns please do not hesitate to
contact me. My phone number is 888-6001.

Thank you...

Appendix C: Consent Form

Study: Family Happiness:

I have read the information presented in the information letter about a study being conducted by Trevor Leslie of the Department of Independent Studies at the University of Waterloo under the supervision of Professors Mark Havitz and Janice Aurini. I have had the opportunity to ask any questions related to this study, to receive satisfactory answers to my questions, and any additional details I wanted.

I am aware that I have the option of allowing my interview to be audio recorded to ensure an accurate recording of my responses.

I am also aware that excerpts from the interview may be included in the thesis and/or publications to come from this research, with the understanding that the quotations will be anonymous.

I was informed that I may withdraw my consent at any time without penalty by advising the researcher.

This project has been reviewed by, and received ethics clearance through, the Office of Research Ethics at the University of Waterloo. I was informed that if I have any comments or concerns resulting from my participation in this study, I may contact the Director, Office of Research Ethics at 519-888-4567 ext. 36005.

With full knowledge of all foregoing, I agree, of my own free will, to participate in this study.

YES NO

I agree to have my interview audio recorded.

YES NO

I agree to the use of anonymous quotations in any thesis or publication that comes of this research.

YES NO

Participant Name: _____ (Please print)

Participant Signature: _____

Witness Name: _____ (Please print)

Witness Signature: _____

Date: _____

Appendix D: Interview Questions

FAMILY HAPPINESS STUDY Meetings with Families (Husbands and Wives)

Date:

Place:

Time:

Thank you for agreeing to meet today, and for your interest in our study. We hope that you will enjoy being part of this project.

The purpose of today's meeting is for us to get to know each other, for me to learn something about your family, and for you to ask any questions that you might have.

Do you have any questions for me about the project, and your participation?

Also, you can decline to answer any question or questions if you like.

I have a copy of the Information letter that I originally sent. Would you like to have another copy and/or re-read it before we begin? Would you mind signing the consent form for this project? All of the information that you have given me will be kept confidential, and no-one else will know your names.

(Explain the security system for data if this seems to be appropriate)

Do you mind if we record this meeting so that I have a record of the information you give me?

Before we get into the formal part of the questionnaire, perhaps you could tell me about a typical day.

1. Family demographics

a) First, can you tell me about your family?

Probes: - How old are you?

- How many children? Ages?

- Where do your parents live? Ages

- What is the education level for each of the family members?

b) Do you work outside the home?

Probes: - **If yes**, how many hours per week?

- What are the hours, i.e. shift work?

- **If no**, do you consider yourself a full-time homemaker?

- Were you working outside the home before you had children?

Do you have any other sources of income?

- part time jobs, businesses, investment incomes etc.

2. Happiness

a) That typical day that you mentioned earlier...

- Probes: - How did the family members interact?
- What was stressful?
- What was the highlight of the day?
- Why?
- What was the lowlight of the day?
- Why?

b) Do you feel that you are happy?

- Probes: - **If yes**, why? How do you define happiness?
- **If no**, why not? Can you list the major factors that contribute to your unhappiness?

c) Do you feel that you have control over your lifestyle?

- Probes: - **If yes**, in what way?
- **If no**, what would need to change to improve this?

d) Please list everything that is good in your life? (just a quick list)

- Probes: - What word best describes your feelings for these things
- (satisfied or grateful), (content or appreciative), (pleased or thankful)

3. Children

a) What are your responsibilities to your children?

- Probes: - Do they have a job - either inside or outside of the house?
- Does the child contribute to the family in any way?
- Do you educate your children about money? (finances ,savings, budgeting)
- Do you have education savings for your children?

4. Grand Parents

a) At what frequency do your parents play a role in your family?

- Probes: - Tell me about a typical interaction
- How do they help you and/or your children?
- Could they do more? How?
- How do you help your parents?
- Could you do more? How?

5. Social Pressure

a) Do you feel pressure to 'keep up' with your neighbours or friends?

- Probes: - **If yes**, have you ever bought something because your neighbours had it?
- (technology, car, vacations, things for kids, i.e. clothes)
- why do you suppose that you put this pressure on yourself?
- **If no**, why not?

b) Do you feel pressure to 'keep up' with your relatives?

- Probes: - **If yes**, have you ever bought something because your relatives had it?
- (technology, car, vacations, things for kids, i.e. clothes)
- why do you suppose that you put this pressure on yourself?
- which relative or relatives?
- **If no**, why not?

6. Financial

a) Do you feel your family income is enough to meet your goals?

General- Do you have any short or long term financial goals? - What are they?

- Can you tell me what the term "Disposable Income" means?
- Do you have a plan for retirement? Tell me the basics.

Both Work?: - If husband and wife both work:

- Financially, is it possible for one of you to stay at home?
- What do you use that second income for? (house, vacations, savings etc.)

House: - How long have you lived here?

- Do you know what % of your gross family income goes toward your Mortgage?
- Do you remember, was this the maximum you qualified for from the bank?
- What did your house cost when you bought it?
- Do you know what it is worth now? - (or roughly?)
- Do you know how much is remaining on the principle? - how much?
- Do you plan on paying it off?
 - **If yes**, When?
 - **If no**, why not? - give details
- What are your thoughts about home refinancing?
 - when your term comes due would you shorten, lengthen or leave the

term the same?

- would you put down extra on the principle, or consolidate debt to your mortgage?

Car: - Other people have stated that they drive a certain make/model of car for appearances.

Do you think this applies to you or your personality? (speed, luxury, practical)

- Do you mind if I ask how many vehicles do you own? Please list details (make, model, year, year purchased, lease/own, cost? Paid off?)

Savings: - Other than your house and vehicles - any other assets? (Savings, RRSP's, RESP's, Other?)

Debt: - What is your total family debt as a percentage of your family income? (excluding your

house) (this is both 'good' and 'bad' debt)

- vehicles, investment loans, LOC, credit cards, vacation property/things
- What do you think about financing purchases more generally?
- What is your attitude toward debt?

Mgmt: - Who looks after the family finances? - Husband / Wife / Both

- **If you**, why just you?
- **If other**, why the other?

Conflict:- Do you ever fight over money?

- If yes**, - when was the last time?
- what was the outcome?

General:- What is your family income:

- below \$35,000, \$35,000-\$75,000, \$75,000-\$150,000, above \$150,000

Parents:- Are your parents a factor financially? - do they help you, or you help them?

- Can you give examples

Children: - **If making money outside of the home**,

- Do your children contribute financially to the household?

7. Speed Bumps

a) Have you experienced any major unforeseen obstacles in your life?

Probes: - Please list them. (i.e. loss of job, major sickness, unexpected children, parents suddenly become partial or full dependents, etc.)

- How did you deal with that experience?

- What would happen if one of you lost your job and you had to rely on only one income?

- how would you cover your expenses? (safety net?, savings?, plan B?)

8. Conclusion

a) Would you have done anything different?

Probes: - Please list

- Do you think that money buys happiness?

- Do you think that money shapes family happiness?

- **If yes**, how?

- **If no**, why not?

THANK YOU . . .

Can you refer anyone else?

Appendix E: Letter of Appreciation



**Independent Studies
Program**

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200 University Avenue West
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Fax: 519-746-7326
www.is.uwaterloo.ca

Date

Dear _____;

I would like to thank you for your participation in my study. As a reminder, the purpose of this study is to examine how changing family dynamics relate to family happiness.

The data collected during interviews will contribute to a better understanding of how the family addresses short vs. long term goals, how the family views their control over their lifestyle, and the relationship between financial choices and a families gratitude and/or satisfaction.

Please remember that any data pertaining to you as an individual participant will be kept confidential. Once all the data are collected and analyzed for this project, I plan on sharing this information with the research community through a thesis, seminars, conferences, presentations, and journal articles. If you are interested in receiving more information regarding the results of this study, or if you have any questions or concerns, please contact me at either the phone number or email address listed at the bottom of the page. If you would like a summary of the results, please let me know by providing me with your email address. When the study is complete, I will send it to you. The study is expected to be completed by January 2009.

As with all University of Waterloo projects involving human participants, this project was reviewed by, and received ethics clearance through, the Office of Research Ethics at the University of Waterloo. Should you have any comments or concerns resulting from your participation in this study, please contact Dr. Susan Sykes in the Office of Research Ethics at 519-888-4567, Ext., 36005.

Sincerely,

A handwritten signature in cursive script that reads "Trevor Leslie".

Trevor Leslie

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