

# Money Attitudes, Materialism, and Achievement Vanity: An Investigation of Young Chinese Consumers' Perceptions

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## Abstract

Extant research linked money attitudes with a variety of factors including political ideology, environmental attitudes, work performance, and compulsive buying. Our research extends existing body of knowledge by examining the relationships among money attitudes, achievement vanity, and materialism. Data provided by young Chinese consumers was used to test the various relationships. Results indicate significant relationships between some of the money attitude dimensions as measured by the money attitude scale (MAS), achievement vanity, and materialism. The implications of these results to marketers and consumer protection advocates are discussed in the paper.

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## Introduction

The psychology of money is perhaps the least studied topics in the field of psychology (Furnham and Argyle, 1998). From the consumers' point of view, however, the topic of money is very important to people of all ages. For example, studies have shown that even five year old children are interested in the topic of money (Lau 1998). Seventy five percent of teenagers are emphatic that a "very important" reason for going to college is to make more money. This is up from 39% who responded in a similar fashion in 1971 (Roberts and Jones, 2001). As adults, fourteen percent of consumers ranked money as above all else (Rubenstein, 1981).

Understanding money attitudes is thus essential because these attitudes shape human behavior. Extant research shows that money attitudes have an impact on consumers' spending habits, political ideology, attitudes toward the environment, and work performance, (Roberts, Sepulveda, and Cesar, 1999; Tang, 1992). Employers use money as an instrument to motivate employees because money significantly affects employee performance (Tang, Furnham, and Davis, 2000).

The limited amount of research in the marketing discipline has established a strong relationship between money attitudes and compulsive buying (Roberts and Jones, 2001). On the basis of money attitudes, this stream of research classified consumers into three groups – 1). those who view money as a tool to gain power, 2). those who show suspicion and distrust when dealing with money, and 3). those who consider money as a source of anxiety and as a protector from anxiety. Consumers who view money as a *tool of power* unhesitatingly use money to either impress or dominate people (Goldberg and Lewis, 1978). One way those consumers exhibit their social power is by buying material goods. Status consumption and accumulation of materialistic goods allow them to feel socially powerful.

Consumers who view money as a source of *anxiety* engage in compulsive buying to quickly alleviate their anxiety (Valence, d'Astous, and Fortier, 1988). Escape from anxiety is the primary motivator for consumers who exhibit addictive buying behavior. Consumers who view money as a source of anxiety repeatedly shop and spend money to reduce anxiety (DeSablo and Edwards, 1996). In sum, money attitudes are strongly related to compulsive buying.

Other research on money attitudes hinted at the link between money attitudes and consumers' excessive preoccupation with professional achievement (i.e., achievement vanity). However, no research has performed an empirical test of the relationships among money attitudes, materialism, and achievement vanity. Our study attempts to do just that.

One group of consumers that is most vulnerable to compulsive buying is today's young adults. They are brought up in a culture of indebtedness (Lea, Webly, and Walker, 1993). Recent research by Roberts (1998) has found increasing levels of compulsive buying among young

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adults in the United States. Such compulsive buying, in turn, has been linked to depression, anxiety, and low self-esteem (Roberts and Jones, 2001).

Given that compulsive buying is predicted by money attitudes and given that research points to links between money attitudes, materialism, and achievement vanity, our research examines young consumers' money attitudes, materialism, and achievement vanity. Since no study has explicitly established a link among these three concepts, our study adds to the existing body of knowledge on this under-researched topic. Previous studies that hinted at a relationship between money attitudes and materialism were conducted within the United States. Our study extends all previous research because it is based on the perceptions of young Chinese consumers.

### **Background on Money and Money Attitudes**

Earlier research on money attitudes established that money has many meanings (Snelders et al. 1992; Tang, Furnham, and Davis, 1992). These meanings include good (i.e., "money is important", "money can buy luxuries"), evil ("money is shameful"), respect ("money can bring in many friends"), budget ("I use my money carefully"), and freedom ("money means power"). Yamuchi and Templer (1982) captured the essence of these various meanings in their money attitude scale (MAS). MAS has been proposed and validated as a multi-dimensional scale with four important dimensions. They labeled these dimensions as "power-prestige", "retention time", "distrust", and "anxiety". In this study we measure money attitudes using MAS and focus on the power-prestige, anxiety, and distrust dimensions of the MAS scale only, as these are the only dimensions that would be of relevance to the young consumer segment..

### **Method and Results**

Data for this study were gathered from young Chinese consumers. The standard procedure for survey translation, including translation and back translation using bilingual experts, was followed prior to survey administration. A total of 124 consumers provided the data.

The survey included MAS, where all scale items were measured using 7-point rating scales (1 = Never and 7 = Always). The survey also included the 6-item materialism measure that was proposed by Richins in 1987 (Richins and Dawson, 1992). Achievement vanity was measured using Netemeyer, Burton, and Lichtenstein's (1995) vanity scale. This scale consisted of 5 items that measured self-assessment of professional achievements (i.e., achievement view). All items of achievement vanity were measured using 7-point likert scales (1= strongly disagree and 7 = strongly agree).

Data were first analyzed using confirmatory factor analysis to examine psychometric properties of various measures. These analyses provide moderate support to the dimensionality and reliability of money attitudes, materialism, and achievement vanity scales.

Results indicate significant correlations between relevant dimensions of the money attitudes scale, materialism, and vanity and provide crucial insights about young consumers to both marketers and consumer protection advocates.

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