



EFFECTS OF WEALTH ON PSYCHOLOGY

Notes from *The New Human Right Movement* by Peter Joseph

Table of Contents

| | |
|--|---|
| <i>THE IMPORTANCE OF CONTEXT</i> | 2 |
| <i>SELECT ASPECTS OF CONTEXT CAREFULLY</i> | 2 |
| <i>CONTEXT HELPS US DEVELOP OUR CONCEPTS</i> | 2 |
| <i>HOW TO WRITE ABOUT CONTEXT IN YOUR ESSAYS</i> | 2 |
| <i>HOW WEALTH AFFECTS OUR PSYCHOLOGY</i> | 3 |
| <i>HOW OUR SELF-ESTEEM IS AFFECTED BY OTHERS</i> | 3 |
| <i>THE GOLEM EFFECT</i> | 3 |
| <i>HOW RANK AFFECTS DOPAMINE ACTIVITY</i> | 4 |
| <i>HOW WEALTH AND STATUS AFFECT OUR TRAITS</i> | 4 |
| <i>HOW WEALTH AFFECTS EMPATHY</i> | 5 |
| <i>WHO GIVES MORE: THE RICH OR THE POOR?</i> | 5 |
| <i>THE CORRELATION BETWEEN STATUS AND ETHICS</i> | 5 |
| <i>HOW WEALTH AFFECTS OUR VIEW OF REALITY</i> | 6 |
| <i>WHO HAS THE RIGHT TO RESOURCES?</i> | 6 |
| <i>BIBLIOGRAPHY</i> | 7 |





THE IMPORTANCE OF CONTEXT

Stories don't exist in a vacuum. They're a product of their environment, their culture, historical period, location etc

- In order for you to score a grade 9 in GCSE English literature, you must be able to talk convincingly about why the author wrote the text, at least as part of a powerful conclusion.
 - Therefore, understanding the context in which a piece of material was written, is vital to fully appreciate it.
-

SELECT ASPECTS OF CONTEXT CAREFULLY

The contexts of writing is potentially an extremely vast area to explore

- it encompasses the various "worlds" from which the text originated
 - as well as the "worlds" it generates in the readers' minds
 - For any literature text, it is advisable to start off by simply reading the text because the clues about context are always contained within the text itself
 - Then, you will need to research the author's life while trying to understand how and why the events in his or her life might have shaped their writing
 - The key here is to find connections between events in the author's life and the text itself
-

CONTEXT HELPS US DEVELOP OUR CONCEPTS

At first, it may be difficult to fully appreciate how people viewed life, politics, education, gender, religion, science etc in the 16th to 20th centuries,

- however, the more we understand about the context, the more informed we can be in our responses.
 - Finally, gaining a deep understanding of context means that we can direct our thoughts and analyses of the text in a logical way so as to avoid nonsensical as well as irresponsible interpretations of the text
 - This doesn't mean there is only one right answer, but your answer must make clear sense to the examiner
 - Context helps us root our analysis in fact and, therefore, makes it more convincing for the examiner
-

HOW TO WRITE ABOUT CONTEXT IN YOUR ESSAYS

The examiners don't want to see big paragraphs of context in your writing; it's not a history essay

- Instead, they want to see details of context embedded throughout your essay to support your interpretations
 - Use our mnemonic to help you structure grade 9 paragraphs: MCELSTAA
-





- Methods
- Context
- Effects of methods on the audience/reader
- Link to another part of the text
- Symbolism
- Theme
- Alternative views
- Author's purpose
 - Your points don't have to be in that exact order
 - You also don't have to include all of these details in every paragraph
 - Ensure you follow our 100% essay structure template and that you include all of these details in the entirety of your essay

HOW WEALTH AFFECTS OUR PSYCHOLOGY

As F. Scott Fitzgerald cogently wrote, "Let me tell you about the very rich. They are different from you and me . . . [t]hey think, deep in their hearts, that they are better than we are because we had to discover the compensations and refuges of life for ourselves. Even when they enter deep into our world or sink below us, they still think that they are better than we are. They are different."

HOW OUR SELF-ESTEEM IS AFFECTED BY OTHERS

Social status is not just about material access and social privilege.

- Our sense of rank has a deep impact on our self-identity.
 - It doesn't have to be money that creates the difference
 - but in the world today this is by far the most defining cultural modulator
 - And the unsettling truth is that there are, on average, pronounced psychological differences between upper and lower classes.
 - Confidence and self-esteem is an example
 - our social nature is a feedback system
 - and how we perceive ourselves is inexplicably linked to others

THE GOLEM EFFECT

In a 2004 study focusing on two different ranking social castes (birth classes) in India, it was found that if the whole combined group did not know they were a mix of two castes, their performance on problem-solving tests was different from the results when they did know

- When the caste was not announced, the two castes performed basically the same on the test
 - When the caste was announced, the lower caste did far worse.





- This study is one of many confidence studies showing that if people feel inferior and lower in value, they very well may act that way, losing confidence
 - This is called the golem effect and it has been widely researched.

HOW RANK AFFECTS DOPAMINE ACTIVITY

There are also measurable neurobiological effects of perceived social status

- In a 2002 study with macaque monkeys, it was found that those in lower ranks had less dopamine activity in the brain as compared with those in upper ranks
 - This effect would then change when the monkeys were strategically regrouped;
 - when lower-status monkeys assumed higher-status positions, they had more dopamine activity,
 - while the prior alphas had less
 - This shows a direct correlation between perceived social rank and biological expression—
 - a pretty damning link that reveals public-health ramifications to social status in a very clear way
 - Reduced dopamine activity can lead to serious psychological and emotional effects, including the following
 - Depression
 - loss of motivation
 - anxiety
 - attention problems
 - and other problems.

HOW WEALTH AND STATUS AFFECT OUR TRAITS

What such studies also highlight is how psychological traits can be consequential to a social condition, as opposed to determinant

- In other words, when people see the
 - Confidence
 - Will
 - Motivation
 - apparent
 - intelligence
 - and other virtuous traits celebrated as characteristic of the rich and “successful,”
 - superficial reasoning suggests that they gained their financial success owing to those traits
 - While that may be true at times, the biopsychosocial reality is that those traits also arise from the mere privilege of simply being in a
 - high-class
 - respected
 - and rewarded position to begin with
 - Hence, one’s sense of status can become a self-fulfilling prophecy.





HOW WEALTH AFFECTS EMPATHY

Perhaps more troubling are differences in empathy and compassion between upper and lower classes

- A 2010 study found that higher-class individuals actually had a more difficult time recognizing emotions in others.
 - It appears the lower class develops more perceptive social skills than the upper
 - including the ability to better recognize emotional details in others, making empathic connections
 - One of the study's researchers concluded,
 - "Upper-class people, in spite of all their advantages, suffer empathy deficits . . . and there are enormous consequences."
 - Likewise, numerous studies examining differences in compassion suggest that the more one's bank account increases, the less compassionate he or she becomes
 - In a paper titled "Having Less, Giving More: The Influence of Social Class on Prosocial Behavior," the relative poor were found to give over twice as much to charity as the relative rich in percentage terms.
 - The study also stated: "[L]ower class individuals proved to be more generous, charitable . . . trusting . . . and helpful . . . compared with their upper class counterparts."
 - Mediator and moderator data showed that lower class individuals acted in a more prosocial fashion because of a greater commitment to egalitarian values and feelings of compassion."

WHO GIVES MORE: THE RICH OR THE POOR?

A similar study by the Chronicle of Philanthropy showed that households earning between \$50,000 and \$75,000 a year give an average of 7.6 percent of their discretionary income to charity

- while those making more than \$100,000 gave only 4.2 percent
 - In some of the wealthiest neighborhoods with the largest share of people making in excess of \$200,000 a year, the average giving rate was only 2.8 percent.
 - In the words of Ken Stern, writing for The Atlantic: One of the most surprising, and perhaps confounding, facts of charity in America is that the people who can least afford to give are the ones who donate the greatest percentage of their income. In 2011, the wealthiest Americans—those with earnings in the top 20 percent—contributed on average 1.3 percent of their income to charity. By comparison, Americans at the base of the income pyramid—those in the bottom 20 percent—donated 3.2 percent of their income.

THE CORRELATION BETWEEN STATUS AND ETHICS

Sociological research also suggests that something happens to people's ethics as they move up the economic ladder.





- While there are always exceptions, a general loss of social concern appears common.
 - In a 2011 study from the University of California, Berkeley, it was found that:
 - [U]pper-class individuals behave more unethically than lower-class individuals . . . upper-class individuals were more likely to break the law while driving, relative to lower-class individuals. In follow-up laboratory studies, upper-class individuals were more likely to exhibit unethical decision-making tendencies, take valued goods from others, lie in a negotiation, cheat to increase their chances of winning a prize, and endorse unethical behavior at work than were lower-class individuals. Mediator and moderator data demonstrated that upper-class individuals' unethical tendencies are accounted for, in part, by their more favorable attitudes toward greed.

HOW WEALTH AFFECTS OUR VIEW OF REALITY

It has been something of a historical cliché that those who achieve great financial success in business tend to be ruthless or desensitized.

- It has even been said that the more caring and empathic you are, the less likely you are to succeed in capitalism.
 - It appears the Ebenezer Scrooge phenomenon is not far off the mark as per modern social science.
 - Given the self-interested focus required in economic competition,
 - increasingly rewarded as one climbs the socioeconomic ladder,
 - it makes sense that such disassociated values become dominant.
 - Detached from the plight of the lower class, the rich begin to think the padded world they experience is the world everyone else experiences.
 - In other words, people in the lower classes are more attuned to the common suffering and hence more compassionate.
 - Some call this the empathy gap, embracing both the lack of exposure the rich have to the plight of common folk and the psychological changes that reinforce social indifference.
 - Needless to say, it doesn't bode well for general society when those of great wealth and resulting power tend to have a propensity to be indifferent and apathetic.

WHO HAS THE RIGHT TO RESOURCES?

Another feature of this phenomenon is the relationship between the degree of apathy and selfishness and the prevailing socioeconomic climate.

- The United States is a unique case for observing this, given its status as a kind of “forbidden experiment” in class extremity and material culture.
 - During the “Great Recession,” it was found that those who made more than \$200,000 a year donated 5 percent less than in prior years, while those who made \$25,000 or less a year actually increased giving by 17 percent.
 - The Proceedings of the National Academy of Sciences found that as income inequality increases, the wealthy tend to give less.





- The research suggests that elite wealth concentration tends to lead to “the belief that one is more important and deserving than others” and “that resources rightly belong to them” in an increased sense of entitlement

Bibliography

Joseph, P., 2017. *The New Human Rights Movement*. 1st ed. Dallas: BenBella Books, Inc., p.107.

Joseph, P., 2017. *The New Human Rights Movement*. 1st ed. Dallas: BenBella Books, Inc., pp.110 - 111.

