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DEFEND YOUR RESEARCH

The Mere Thought of Money Makes You Feel Less Pain

by Kathleen D. Vohs

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The Mere Thought of Money Makes You Feel Less Pain

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The finding: Cash gives people an inner strength and can reduce their physical and emotional pain. In fact, simply the idea of cash has this effect.

The study: Kathleen Vohs asked some subjects to count cash and others to count slips of paper. Afterward, she asked the subjects to dip their hands in extremely hot water or play a computer game in which, unbeknownst to them, they'd be excluded by other players. The hand dippers were asked to rate their pain and the game players to rate their feeling of exclusion. Those who had counted money felt less pain and less excluded.

The challenge: Does cold, hard cash really make us stronger and increase our physical and psychological resilience? **Professor Vohs, defend your research.**

Vohs: The effect of handling money was quite pronounced—in the four scenarios we tested, the people who handled money reported significantly less pain or social exclusion. The effect was so strong that we knew it would also work in reverse. So in another experiment we asked some subjects to jot down their expenses from the past month and others to record the weather. When we put the subjects in the same painful settings, those who'd itemized their bills felt more physical and emotional pain than those who'd described the weather. It's a consistent effect. Having money makes us feel strong. Lacking it makes us feel weak.

HBR: And this strength comes from simply being around the idea of money?

Yes. We've experimented with other valuable goods—lottery tickets, credit cards, jewelry—and they didn't have the same effect.

Hasn't your research also shown that money makes us more selfish?

That's how the media portrayed my earlier research. Suddenly, I was the person who proved that money was the root of all evil. That was maddening, because it's not nearly the whole story. The findings were far more nuanced.

Yes, we found that money makes us want to work alone and not ask for help. We become less helpful, too. We choose to sit farther away from people when we're thinking about money. [See "The Detachment Effect."] Cash even makes us more likely to want to enjoy leisure activities alone rather than with, say, friends.

If people feel socially excluded to begin with, money becomes more important to them. In

one study, when subjects felt excluded, they said they'd give up more of what made them happy to become millionaires. They also donated less to orphanages.

But we also found that people became more *self-sufficient* because of money. Simply being in the presence of Monopoly money or a screen saver showing pictures of cash made subjects work harder to achieve their goals, even if their tasks were impossible. They were less distracted, more focused, and more productive. When you combine this with the findings of the new study, you see that money can be a positive thing. It can serve as a source of strength. We call on it.

Whom do you mean by "we"? What's to say this isn't just showing how money-obsessed Westerners are?

I've actually been asked about that. Once, after I presented my findings at a small conference, [behavioral economist and Nobel laureate] Daniel Kahneman came up to me and said, "I really love your work, but you realize you've drawn a picture of an American." On one level, I understood the sentiment. But I also knew that this is a money effect, not a U.S. effect. In fact, our most recent research was done in China.

Your earlier research clearly applied to money's effect on employee productivity and incentives, but this hot water experiment just seems goofy. How do its findings apply to business?

The marketing implications are huge. If you run an airline and have an eight-hour flight delay,

Key Number

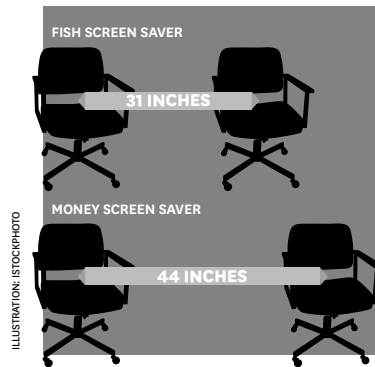


2 Pain Levels Lower

People who counted money just before dipping their hands in extremely hot water rated their pain two levels lower (on a scale of 1 to 9) than those who counted slips of paper.

The Detachment Effect

Money can also make you aloof. Vohs found that people who worked at computers with screen savers showing cash sat more than a foot farther away from colleagues than people who had fish screen savers.



you want to ease customers' pain. Give them cash, not vouchers. Cash, cash, cash. A voucher doesn't provide the same effect. On the other side of the counter, when customer service agents are feeling the pain of the customers' problems, you should throw some money their way, too. This is not what is normally recommended for service force management.

Do you give bonuses to employees? Don't do direct deposit. It doesn't have the same psychological heft as a cash bonus.

More research needs to be done, but I think about potential applications like customer switching costs, where there's customer pain involved. If you can ease the pain with cash, you ought to be in a better spot. Cash may help team morale. Look at the myriad problems Boeing had with the Dreamliner. Cash might have made the engineers who needed to solve those problems more productive. These guys are usually thought of as not responding to money very sensitively, but my work would suggest that there are times in which money can give them a boost.

What first sparked this obviously deep interest in money and its effects?

I was once a very poor NIH postdoc. Then I got a job in a B school and quintupled my salary. And I changed. I realized I was willing to use money to get things done. When you're poor, you ask your friends to help you move, and it

sucks, but you buy pizza and beer and get through it. Now I pay someone to move me. I pay a personal shopper to help me pick out clothes, instead of shopping with my sister. I've become more efficient, but I bond less with others. That change interested me.

So what's next with your research? Jingling change while walking on hot coals?

Very funny. Actually, I love the idea of seeing money's effect on stress. I know my friends in management spend an inordinate amount of time doing 360-degree reviews. Can cash improve that process? There's lots of research about helping people feel less defensive about criticism. Money may work like praise in that setting, or better than praise.

I just read some wonderful work about offering money as an incentive to people trying to lose weight. Money has its issues, but it can be an amazingly powerful source of strength. If it's better understood, we can change ourselves and our whole culture.

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