



WHY MONEY MANAGES US

BY KATHLEEN D. VOHS

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We spend a great deal of time thinking about money. We talk about it, worry over it, wonder if we have enough to meet our immediate needs. If we're lucky and have a lot of money, we think about using it to buy a new car, a new house, or a dream vacation. Since the days of our earliest ancestors, money has been one of our most important tools. But different from most other tools, money — even just thinking about it — influences our behavior in negative ways. We become more likely to prioritize our feelings, desires, and goals over getting along with and helping others. Money creates a tension between individualistic and interpersonal motives.



To understand why money has such a hold on us, it's helpful to look back at its predecessor: trade. Early humans and Neanderthals overlapped for roughly 5,000 years, and, biologically speaking, Neanderthals should have had the advantage. They were on earth first and they had larger bodies and brains. So how did our human ancestors come out ahead? They traded more than Neanderthals and across longer distances, giving them access to more and varied resources, and improving their chances of survival. Anthropologists sometimes call these early humans "homo economicus" to signify the attribute that set them apart.

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The creation of money made trade much easier. Consider, for example, what would happen if you had oranges and wanted a cow, but no one who had a cow wanted oranges. Finding someone who has exactly what you want and who wants exactly what you have can be challenging. Now consider the role of time: Is what you have to trade perishable, as with milk? Is it time-bound in some way, as with cows, which age past their prime? Now add in

exchange rates. If you need a cow, and you have oranges, that's not a very equitable trade — but the cow can't be divvied up to create a better deal. Money solved these problems by being a store of value, allowing people to save for and thus plan for the long term. With money, we became the humans we are today — for better and for worse, as I have learned.



group of people to perform a task that involved money and another group didn't. For instance, some people mentally tallied up the value of a stack of cash, whereas others tallied up numbers printed on pieces of paper. This and similar experiments have found two broad buckets of effects when people are reminded of money. The first is generally positive: They prefer tasks that allow them to go it alone; resist being helped on tough problems; and perform better, longer, and harder. From an organizational and societal perspective, these are good things. Our second finding reveals a darker side: They share, help, and empathize less than people who have not thought about money. When it comes to the moral fabric of society, these are not ideal behaviors.

We've also found these behaviors in children. In an experiment with three-to-six-year-olds, we gave them either coins and bank notes or buttons and paper, and then asked them to do helpful things, such as bringing crayons to an adult, or cognitive tasks, such as completing a maze or puzzle. The children who had played with money were less helpful, though they worked smartly and diligently, for instance persisting on challenging puzzles and finding the correct way through a maze.

Since money has some helpful effects, my more recent work looks at whether we can mitigate its harmful ones. Colleagues and I studied groups of people who care deeply for each other. One experiment looked at romantic partners; the other, people in a collectivistic society (India). In both cases we found similar, familiar effects: After being reminded of money, people were less kind, less helpful, and less generous with each other. When it comes to how money influences us, these results are not the most encouraging.

Which brings us back to the overarching question of why people care so much about money. The answer, in part, is that money is deeply rooted in how we've evolved. It has a direct line to the success of our species, which helps to explain why it takes up so much space in our minds. Money also continues to produce powerful effects on our behavior that go beyond the symbolic governmental backing of a coin or bill's value. As the ways we use and think about money change over time — think credit cards, Venmo, and Bitcoin — we need to keep studying the ways it affects our relationships with others. Money, while integral to who we've become, may also play a role in driving us apart. | **THE BIG IDEA**

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