Toward a Theory on the Content and Structure of Money Attitudes

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EXTENDED ABSTRACT

Rising consumer debt, compulsive buying, credit card abuse, and bankruptcy have focused attention on money attitudes, which are beliefs people hold about money and exchange situations. In this paper, we address the important need for systematic work toward a comprehensive theory on the content and structure of money attitudes. Building on work by Yamauchi and Templar (1982), we propose a theory on the contents and structure of money attitudes, develop a new measurement scale, and rigorously test its psychometric properties.

We define money attitudes as interpersonal, attitudinal [affective, behavioral, cognitive] beliefs that express [individual, collective, mixed] values concerned with money [independence...quality] and are evaluated in importance [very important to very unimportant] in order to guide behavior within the context of money and money situations. Our definition relies on the assumption that money is by its nature a medium that is intended to facilitate interpersonal exchange. Money situations, like all interpersonal situations, involve complex fields in which past and present interpersonal influences are embedded in an equally influential sociocultural matrix (Wiggins and Trobst 1997). We posit that money attitudes are attitudinal beliefs that are operant in money contexts and express individual, collective, and mixed values.

Yamauchi and Templar (1982) proposed five money attitudes: power-prestige, retention-time, distrust, anxiety, and quality. In our work, we note the value-expressive role of attitudes and their less central position in the human belief system, in which hierarchically-held values and attitudes are managed for consistency. We draw on Schwartz (1992) widely-accepted values theory to propose the motivational contents of money attitudes, noting our expectation that money attitudes will serve the same the same universal requirements of existence identified by Schwartz: needs of individuals as biological organisms, requisites of coordinated social conduct, and requirements for the smooth functioning and survival of groups. Our conceptual approach allows us to distinguish nine money attitudes that are derived by refining and extending Yamauchi and Templar’s (1982) money attitudes.

We postulate that money attitudes will have a circumplex structure. The circumplex is the product of a motivational continuum at a more basic level, even though we discriminate among individual money attitudes in our theory. Consequently, following the logic employed by Schwartz (1994), we partition the circumplex into individual money attitudes that represent conceptually-insightful choices about boundaries between fuzzy sets. An examination of the content of our money attitudes suggests two underlying and possibly orthogonal bipolar dimensions underlie their structure. One bipolar dimension pits self-assurance (independence) against insecurity (anxiety, distrust, power). The other bipolar dimension opposes conservation (conservatism, ubuntu) and consumption (time-simplicity, stimulation, quality).

We construct a 49-item scale, the Money Portraits Survey (MPS), to assess the structure and contents of the theory, following the textual portraits approach of Schwartz’ Portraits Value Questionnaire (Schwartz et al. 2001). The approach asks respondents to compare textual portraits of people, who implicitly place priority on a particular money attitude. The direction of comparison is important, because it increases the likelihood that the respondent’s similarity judgment will focus on the implied values.

In study 1, which was a pretest, the MPS and PVQ were administered to 117 MBA students. Coefficient alpha internal reliabilities of the subscales were in the range .63–.87, with only two scales below .70. Following the procedure of Schwartz (Schwartz et al. 2001), we assess whether items intended to measure money attitudes are located in contiguous regions in the space (i.e., content) and whether the regions are located relative to one another as expected (i.e., structure). Thus, we adopt a confirmatory, configurational verification approach using similarity structure analysis (SSA), a nonmetric multidimensional scaling technique that is especially appropriate when testing hypotheses that array the constructs of interest on a continuum in space (Davison 1983; Dillon and Goldstein 1984). The money attitudes emerged in the hypothesized order. Forty-one items were located in the hypothesized regions while only seven items were located in regions adjacent to the hypothesized region. Just one item emerged in an unexpected region not adjacent to its hypothesized region. Money attitudes had expected relations with the PVQ values. After careful inspection, we selected 33 items for inclusion in two field assessments of the new scale.

In Study 2, we administered the MPS to 200 people using mall intercepts outside cinemas in major metropolitan areas. The money attitudes emerged in the hypothesized order, except that one emerged on the periphery of another (which is consistent with the theory). Thirty-one items emerged in hypothesized regions and only two items were located in adjacent regions. The fit of the SSA model was good (i.e., the model fit index, stress=.16, c.f. Johnson and Wichern 2002). When data parcels were created by averaging the scores of items intended to measure each money attitude and the model was assessed, the fit was excellent (stress=.04).

In Study 3, a professional marketing research company administered the MPS to 415 bookstore customers. SSA results was similar to Study 2 and fit to the hypothesized structure was acceptable (stress=.18). The hypothesized structure emerged, although two money attitudes reversed order, which is consistent with the theory. All items are located in hypothesized regions except two items located in regions adjacent to their hypothesized location. An SSA of the data parcels suggests an excellent fit (stress=.05).

The larger sample size in Study 3 allowed us to assess the fit of these data to a more rigorous circumplex structure using Browne’s covariance structure modeling approach (Browne 1992). The approach is analogous to the confirmatory factorial analysis and provides information about model fit to a circumplex structure using some of the same indices. The indices present an excellent fit (?2(17)=79.06, RMSEA=.097, RMSEA 95% confidence interval (.074-.115) (c.f. Browne and Cudeck 1992). The hypothesized structure is confirmed by the 95% confidence intervals of the polar angles.

The new MPS emerges as a reliable and valid tool to measure money attitudes that is easy to administer and analyze. Future work should focus on the antecedents and consequences of money attitudes.

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Practically and analytically, a credit theory of money is possibly preferable to a monetary theory of credit. — Joseph A. Schumpeter.

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