

# The Impact of Subjective Wealth on Social Connectedness

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## Abstract

Research suggest that money and social support are interchangeable for accomplishing goals or obtaining help, so that having money focuses people on themselves over others, undermining social relationships. But what happens when people *feel* that they lack money, even when they have a high income? In this study, we aim to understand how *subjective wealth*, i.e. the feeling of being rich or poor, rather than *objective wealth* (i.e., income) affects people's social connectedness. In contrast to the idea that money and social support are substitutes, we demonstrate that merely feeling poorer reduces people's inclination to socialise. This finding is supported by national-level correlational evidence using Inglehart's World Value Survey (Study 1) and longitudinal causal evidence at the individual level using a rich panel of over 20,000 Australian consumers across 20 years (Study 2). We discuss the theoretical and practical implications of our findings in light of the current global cost-of-living crisis and suggest public policy makers interventions to foster subjective wealth, and consequently, higher social connectedness among consumers.

**Keywords:** *subjective wealth; social connectedness; consumer well-being.*

**Track:** Consumer Behavior