

## The Psychology of Poverty, Wealth, and Economic Inequality

Economic inequality is a defining issue of our time, with a handful of individuals in the United States today owning more wealth than half the population in the country. What are the psychological consequences of living in a profoundly unequal society? This comprehensive textbook is among the first to examine poverty, wealth, and economic inequality from a psychological perspective. Written by two leading scholars in the field, it provides an intersectional analysis of the impact of economic inequality on cognitive, emotional, interpersonal, intergroup, physiological, and health outcomes. Students are introduced to the diverse methods used to study poverty, wealth, and economic inequality and the strengths and weaknesses of various approaches, while the text focuses on solutions at the individual, community, and national levels to restore optimism and encourage action. Chapter features include exercises and reflection questions that help students think critically about the implications of research findings for their own lives.

**Deborah Belle** is Professor Emerita of Psychological & Brain Sciences at Boston University. Her books include *Lives in Stress: Women and depression*; *Children's Social Networks and Social Supports*; and *The After-School Lives of Children: Alone and with others while parents work*. She has been a William T. Grant Foundation Faculty Scholar in the Mental Health of Children; Evelyn Green Davis Fellow in Psychology at the Bunting Institute, Radcliffe College; and Fellow of the Radcliffe Public Policy Institute. She is a Fellow of the American Psychological Association and of the Society for the Psychological Study of Social Issues.

**Heather E. Bullock** is Professor of Psychology and Director of the Blum Center on Poverty, Social Enterprise, and Participatory Governance at the University of California, Santa Cruz. Her most recent book is *Poorly Understood: What America gets wrong about poverty* (with Mark Robert Rank and Lawrence M. Eppard). She received a 2019 American Psychological Association Presidential Citation for her contributions to the field of psychology related to social psychological dimensions of poverty and economic (in)justice. Before joining UCSC's faculty, she served as an APA/AAAS Congressional Fellow with the U.S. Senate Committee on Health, Education, Labor, and Pensions – Democratic Office.

“Belle and Bullock skillfully present the academic research demonstrating the profound consequences of economic and social inequality in the United States in a way that is highly accessible to undergraduates. Their section on solutions to inequality makes clear that change can happen and will leave students hungry for economic justice and primed for political action.”

Professor James Avery, Stockton University

“Belle and Bullock have added the voice of psychology to the interrogation of poverty and research into it. Their book is a compendium of all that you will need to teach or study poverty effectively. I love having so much of the material that I need in one place – they have made my life easier! If you want to understand the heart, soul, and research around poverty and psychology, get this book.”

Dr Rosie Phillips Davis, University of Memphis

“This authoritative text has everything – complete and clear coverage of the thorny dilemmas of American inequality, readable prose, and appealing format – with all the right resources: glossary, further readings, exercises, debates, and lots of visuals. And our guides are two wise and prolific psychological scientists at the center of the field.”

Professor Susan Fiske, Princeton University

“Economic inequality is both the root cause and consequence of problems confronting the globe today, from climate change and pandemics to political polarization and threats to democracy. Two leading scholars explain, using the lens of psychology, why pernicious beliefs about class, poverty, and race persist, as well as how economic inequality ultimately damages the health of us all.”

Professor Ichiro Kawachi, Harvard University

“As a social justice educator, I have long awaited a comprehensive textbook on poverty, wealth, and economic inequality. This text is not only truly comprehensive, it is also contemporary, inclusive, and intersectional. Beyond its utility as a resource for courses on social class, it also contains useful examples, measures, discussion questions, activities, and further resources for the classroom and beyond.”

Dr Ryan M. Pickering, Allegheny College

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**DB: For my children, grandchildren, and students. With admiration for all you do to increase justice, equality, and love in this troubled world.**

**HB: For my mentor, Bernice Lott, whose course on poverty and social class changed my life, and to the amazing students I work with and learn from at the University of California, Santa Cruz. Thank you for being the change we need.**

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## Preface

This comprehensive textbook is among the first to explore poverty, wealth, and economic inequality from a psychological perspective. Within the psychological sciences there has been concern for some time that issues of poverty, wealth, economic inequality, and socio-economic status have been largely ignored, with a resulting gap in our understanding. This absence is evident at many universities where there are psychology courses exploring many types of diversity, prejudice, and discrimination, but virtually none that focus on issues related to social class and economic inequality. At a time in which economic inequality has reached new heights nationally and globally and has been revealed in striking psychological studies to have profound implications for human thought, development, behavior, and well-being, it is crucial that new generations of psychology students receive comprehensive education in this area.

As faculty members who have taught psychology courses related to poverty, economic inequality, and social class for many years, we see as self-evident the need for a textbook in this area. Currently, psychologists teaching about poverty, wealth, and economic inequality have few choices other than to create their own readers or select textbooks from other disciplines. Neither of these options is ideal. Readers can be time consuming and difficult to construct. They also can be challenging and disjointed because collections of readings lack the consistent voice and conceptual overview necessary to engage students in the material fully. Textbooks from fields outside psychology do not fully incorporate or center the insights our discipline has to offer. Our textbook addresses these concerns and fills a gap in this emerging area. We believe that the availability of a dedicated textbook will encourage more faculty to teach courses on the psychology of poverty, wealth, and economic inequality.

Economic inequality is a defining issue of our time. A handful of individuals in the United States today own more wealth than half the population of the country, while the top one-tenth of one percent of our population owns almost as much wealth as 90 percent of their fellow citizens. Many Americans live in ostentatious splendor. One in five U.S. children is poor. Globally, a few individuals now own more wealth than half the human beings on the planet. Poverty, famine, and preventable child deaths are widespread. The COVID-19 pandemic has revealed the deadly consequences of these inequalities while also exacerbating them.

What are the psychological consequences of living in a profoundly unequal nation and a terrifyingly unequal world? How can we even comprehend or make sense of such immense inequalities? What are the costs of the staggering economic inequalities we experience to our emotional well-being, our physical health, our families, and our communities? How are we affected if we are poor? If we are wealthy? If we are somewhere in between?

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Economists, political scientists, sociologists, historians, and other social scientists have made major contributions to our understanding of poverty, wealth, and social class, especially the processes through which societies become economically unequal and the consequences of economic inequality for political conflict and reduced economic mobility. Many insights from these disciplines are reflected in our text. However, our text is unique in its focus on the *psychological* dimensions of poverty, wealth, and economic inequality.

We envision this text as the foundation for a course in which students learn to connect the contextual realities of poverty, wealth, and economic inequality to cognitive, emotional, interpersonal, intergroup, physiological, and health outcomes. Students will leave the course attuned to the implications of economic inequality for human welfare. Although we expect that the book's primary market will be within the field of psychology, instructors across the social sciences who want to provide students with a psychological lens on economic inequality will find this book valuable. This book will also be useful for coursework in other fields that are concerned with the interface between poverty and well-being, such as social work and education. It will provide students with:

- (1) an understanding of the antecedents, correlates, and consequences of poverty;
- (2) an understanding of the consequences of societal economic inequality for individuals at all levels of socioeconomic status;
- (3) an understanding of the ways in which social class, race, and gender intersect to shape life chances, influence the likelihood of experiencing poverty throughout the life cycle, and inform experiences of poverty and inequality;
- (4) knowledge of how social class influences attitudes, beliefs, and behaviors;
- (5) the ability to analyze how classist, racist, and sexist stereotypes shape individual behavior and social policy;
- (6) an analysis of how mental health services can be adapted and improved in the context of classism and poverty;
- (7) concrete strategies for improving life circumstances and opportunities for low-income families and promoting economic justice.

This book was written for undergraduate students, both psychology majors and those majoring in other disciplines, who have taken an introductory course in psychology. Students could appropriately take this course in any year of college study. Students who have completed coursework in social psychology will be able to approach some of the material (e.g., attribution) at a higher level. At the same time, students unfamiliar with concepts such as attribution will be introduced to them at an accessible level and will learn to apply them to economic inequality issues. This book also can be used as a foundational text in a graduate course with supplemental primary readings assigned.

Our textbook is notable in several ways:

- We do not limit our attention to the well-researched consequences of poverty but attend as well to emerging research on the consequences of wealth and to the implications of living in a highly unequal society, no matter where individuals personally fall on the socioeconomic spectrum.

- We focus on *solutions* to the problems we describe, highlighting contemporary efforts to address the problems of poverty and economic inequality at the individual, community, and national level.
- We pay close attention to the diverse methods that are used to study poverty, wealth, and economic inequality and to the strengths and weaknesses of various approaches.
- Race, gender, gender identity, parental status, immigration status, urban/rural residence, disability, and other facets of identity and life situation are addressed throughout the text in relation to poverty, wealth, and economic inequality.
- Although focused primarily on U.S. poverty, wealth, and inequality, we make frequent cross-national comparisons.

## Organization and Coverage

### Part I: Introduction

#### Chapter 1: Contemporary Economic Inequalities

Our opening chapter charts the spectacular rise and disastrous extent of economic inequality in the United States, highlighting ethnic/racial and gender differences in the extent, depth, persistence, and geographic concentration of poverty. The chapter discusses aspects of the current U.S. economy that contribute to poverty and to economic precariousness for many. We also examine some facets of U.S. history that helped to set the stage for contemporary inequalities.

### Part II: Psychological Dynamics

#### Chapter 2: Beliefs about Social Class, Poverty, and Wealth

How do people make sense of the immense economic inequality in the United States and around the world today? Are wealth and poverty the result of personal character and behavior, or do they result from larger, systemic forces? In this chapter, we examine beliefs about poverty, wealth, and social class, and common stereotypes about wealthy and low-income people. We review research documenting the striking tendency in the U.S. to justify both wealth and poverty, legitimizing economic inequality and shoring up existing economic privilege.

#### Chapter 3: Classist Stigma, Exclusion, and Disrespect

If everyone were poor, would anyone be poor? Poverty must be understood as more than material deprivation, and also as a stigmatized social identity that contributes to devaluation and social exclusion. This chapter focuses on the psychological concept of stigma, considers lived experiences of poverty, discusses its impact on people's relationships with each other, especially across the lines of social class, and examines the physical and mental health costs of experiencing class-based stigma and discrimination.

### **Part III: Economic Inequality Affects Us All**

#### **Chapter 4: Poverty and Its Costs**

Poverty begins to exert a negative effect *in utero* and continues to damage physical and mental health across the life span. This chapter first reviews multiple ways of conceptualizing and measuring poverty. We then examine specific experiences that are common among those who are poor in a wealthy nation. Finally, we turn to the many ways that poverty, and the specific material conditions associated with poverty, affect emotional, physiological, and cognitive well-being.

#### **Chapter 5: Working Class: The Essential Workers**

Working-class jobs are both essential and undervalued. Many have erratic and unpredictable schedules, and some are very dangerous. In this chapter we consider some of the ways that social scientists have defined and described the working class and consider how Americans describe their own class status. We then turn to characteristics of working-class jobs and working-class lives and the ways these have changed in recent years. Finally, we examine some of the most important psychological consequences of living today, in our highly unequal society, as a member of the working class.

#### **Chapter 6: Wealth and Its Costs**

Psychologists and other social scientists have a long tradition of studying poverty and people experiencing poverty but there is not a comparable history of studying people who have high incomes and great wealth. In recent years, however, researchers have increasingly focused on those at the top of the economic ladder, and much of this attention has been critical. In this chapter we first look at statistics that tell us about those who occupy the upper reaches of the economic distribution and consider research that explores how people who are rich are viewed by others. We then examine how higher socioeconomic status groups themselves think and behave. This research demonstrates that being rich, or even being encouraged to think of oneself as rich, has powerful effects on individual psychology and on interpersonal behavior. Survey data and data on political contributions are also utilized to learn about the political views and political actions of the very rich.

#### **Chapter 7: Societal Economic Inequality**

Many aspects of individual and societal well-being are more favorable when nations and states are more economically equal, and economic inequality appears to be corrosive to our physical, emotional, and social well-being. Offering alternative ways to conceptualize and measure inequality, this chapter discusses the processes through which economic inequality exerts its ill effects, and the evidence for the harmful impact of economic inequalities on individuals and societies.

## **Part IV: Intersections**

### **Chapter 8: Race and Racism**

In the United States, it is impossible to understand the psychological dimensions of poverty, wealth, and economic inequality without critically interrogating how racism and racial disparities are related to socioeconomic phenomena. This chapter examines these intersections. We begin by conceptualizing racism and then discuss current racial disparities in income, wealth, and economic mobility. Attention is given to racial disparities in health and policing, focusing on the many ways that racism undermines well-being and opportunity. We also consider psychology's complex and often problematic relationship to racism. We close by envisioning a more racially and economically just society.

### **Chapter 9: Gender and Poverty**

Poverty's impact on physical, psychological, and material well-being is a hazard that women face disproportionately. In this chapter, we examine the gendered dynamics of poverty, particularly the "feminization of poverty." We begin by comparing poverty rates among women and men, carefully attending to how gender intersects with race and other characteristics. We then examine why women experience higher rates of poverty than men, focusing on the impact of occupational segregation, the wage gap, motherhood, weak safety net programs, and sexism in its many forms. Throughout our discussion we consider how gender disparities reflect and reinforce power differences, and the deleterious consequences for women's health and well-being.

## **Part V: Contexts**

### **Chapter 10: Housing Precarity and Homelessness**

Across the United States, skyrocketing housing costs are increasing vulnerability to housing precarity and homelessness. This chapter begins with a discussion of how social scientists conceptualize and measure different forms of homelessness, and some of the challenges to doing this work. We then examine some of the main causes of housing precarity and homelessness as well as some of the groups of people who experience disproportionately high rates of both. Psychological research documenting the damaging impact of these phenomena on health and well-being is reviewed. We close with a discussion of programs and policies that can reduce housing precarity and homelessness.

### **Chapter 11: Parenting while Poor**

Responsibility for children adds a critical dimension to the experience of poverty. This chapter analyzes the untenable situation faced by parents rearing children in poverty, and the threat to emotional well-being when parents have inadequate economic resources. This chapter examines the implications of poverty for the mental health of parents, for the quality



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of the parent–child relationship, and for the well-being of children. Most of the research on “parenting while poor” has been conducted with poor and low-income *mothers*, and this is reflected in the research we discuss, but we also examine the smaller body of research that has been conducted with poor and low-income *fathers*. We utilize an evolutionary perspective to help understand the prevalence of depression among low-income parents, along with ethnographic and interview data that capture the perspectives of low-income parents themselves.

### **Chapter 12: Social Networks and Social Supports**

Family members and friends can provide critical support to individuals and families in difficult situations, yet such ties often come with costs. Poverty often increases these costs and complicates relationships that provide support. We analyze the functions and dimensions of social support that enhance well-being and the reasons poverty often stresses social relationships. In addition to naturally occurring social networks, we discuss the value of community-based programs that intentionally provide supportive relationships to children and adults.

## **Part VI: Solutions**

### **Chapter 13: Poverty, Psychology, and Mental Health Services**

Often, when people in the United States report that they are experiencing emotional distress, they are referred to a psychotherapist for treatment. But what should such treatment look like for people living in poverty? How can psychological practices be adapted to address the tangle of psychological, social, and material challenges they face? How can therapists use the insights of research to address mental health challenges that arise, at least in part, from inequality? Answering these questions requires us to consider what “help” *is* when people’s suffering derives from social exclusion.

### **Chapter 14: Working toward Equality and Economic Justice**

Can we imagine a world beyond poverty and economic inequality? What can we do to ameliorate harm to individuals and communities experiencing poverty? What can we do to change our society so that no one experiences poverty, and so that the extreme economic inequalities of our society are reduced? This chapter considers actions we can take at the individual level, changes needed in our political system, and organizations and social movements working for social change.

## **Special Features**

To increase engagement with the material being presented, each chapter begins with a photograph and vignette that raise a central issue of the chapter in a vivid way. Every

chapter also includes features asking readers to reflect on specific issues and to use websites, statistical tables, and other tools to grapple with the problems in a concrete way. Regardless of a student's own social class, self-reflection questions will encourage students to push themselves to think critically about their own class assumptions and experiences. Each chapter also includes key words in bold-face type that are defined in the Glossary at the end of the book, and a summary of key points, questions designed to stimulate class discussion, and a discussion of resources for further learning, including articles, books, websites, and films. A comprehensive reference list of all cited works is included at the end of the textbook.

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