

**INTRODUCTORY NOTE:** Juliet Schor is a professor of economics at Harvard. The following passage is adapted from her 1992 book The Overworked American: The Unexpected Decline of Leisure.

### SPENDING VERSUS TIME

Materialism is often taken for granted. It is widely believed that our unceasing quest for material goods is part of the basic makeup of human beings. According to this belief, we may not like our fixation with accumulating things, but there's little we can do about it. Despite its popularity, however, this view of human nature is wrong. While human beings may have innate desires to strive toward something, there is nothing preordained about that something being material goods. There are numerous examples of societies in which things have played a highly circumscribed role. Many examples of societies where consumption is relatively unimportant can be found in the anthropological and historical literature. In medieval Europe, for example, there was relatively little acquisitiveness. The common people, whose lives were surely precarious by contemporary standards, showed strong preferences for leisure rather than money.

In the United States, the watershed was the 1920's--the point at which the "psychology of scarcity" gave way to the "psychology of abundance." This was a crucial period for the development of modern materialist culture. Thrift and sobriety were out; waste and excess were in. The nation grew giddy with its exploding wealth. In the 1920's, consumerism blossomed--both as a social ideology and in terms of high rates of real spending.

This was the decade during which the American dream, or what was then called "the American standard of living," captured the nation's imagination. The aspirations felt by many Americans were fostered--and to a certain extent even created--by manufacturers. Business embarked on the path of the "hard sell." The explosion of consumer credit made the task easier, as automobiles, radios, electric refrigerators, washing machines--even jewelry and foreign travel--were bought on the installment plan. By the end of the 1920's, 60 percent of cars, radios, and furniture were being purchased on "time." The ability to buy without actually having money helped foster a climate of instant gratification, expanding expectations, and, ultimately, materialism.

This psychological approach responded to the economic dilemma business faced. Americans in the middle classes and above were no longer buying to satisfy basic needs, such as food, clothing and shelter. These had been met. Advertisers had to persuade consumers to acquire things they most certainly did not need. In the words of John Kenneth Galbraith, production would have to "create the wants it seeks to satisfy." This is exactly what manufacturers tried to do. The normally staid AT&T attempted to transform the utilitarian telephone into a luxury, urging families to buy "all the telephone facilities that they can conveniently use, rather than the smallest amount they can get along with." One ad campaign targeted fifteen phones as the style for an affluent home. The general director of General Motors' Research Labs, Charles Kettering, stated the matter baldly: business needs to create a "dissatisfied consumer"; its mission is "the organized creation of dissatisfaction." Kettering led the way by introducing annual model changes for GM cars--planned obsolescence

designed to make the consumer discontented with what he or she already had. Other companies followed GM's lead.

The campaign to create new and unlimited wants did not go unchallenged. Trade unionists and social reformers understood the long-term consequences of consumerism for most Americans: it would keep them imprisoned in capitalism's "squirrel cage" of more and more work. The consumption of luxuries would necessitate long hours. Materialism would provide no relief from the tedium, the alienation, and the health hazards of modern work; its rewards came outside the workplace. There was no mystery about these choices: business was explicit in its hostility to increases in free time, preferring consumption as the alternative to taking economic progress in the form of leisure. In effect, business offered up the cycle of work-and-spend. In response, many trade unionists rejected what they regarded as the Faustian bargain of time for money: "Workers have declared that their lives are not to be bartered at any price, that no wage, no matter how high, can induce them to sell their birthright. Today's worker is not the slave of fifty years ago....He reads...goes to the theater...[and] has established his own libraries, his own educational institutions...And he wants time, time, time, for all these things."

Progressive reformers raised ethical and religious objections to the cycle of work-and-spend. Monsignor John A. Ryan, a prominent Catholic spokesman, articulated a common view:

One of the most baneful assumptions of our materialistic industrial society is that all men should spend at least one third of the twenty-four-hour day in some productive occupation....If men still have leisure, new luxuries must be invented to keep the busy and new wants must be stimulated to keep the industry going. Of course, the true and rational doctrine is that when men have produced sufficient necessities and reasonable comforts and conveniences to supply all the population, they should spend what time is left in the cultivation of their intellects and wills, in the pursuit of the higher life.

The debates of the 1920s clearly laid out the options available to the nation. On the one hand was the path advocated by labor and social reformers: take productivity growth in the form of increases in free time, rather than the expansion of output; limit private consumption, discourage luxuries, and emphasize public goods such as education and culture. On the other hand was the plan of business: maintain current working hours and aim for maximal economic growth, with the encouragement of "discretionary" consumption, and a culture of unlimited desires.

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## ESSAY TOPIC

Why does Schor dislike materialism--"our unceasing quest for material goods"? What do you think of her views? To develop your essay, be sure to discuss specific examples drawn from your own experience, your observations of others, or any of your reading, including "Spending Versus Time" itself.

