Why is Money of Value? The Psychology of Wealth and Its Accumulation

William Bergquist, Ph.D.

Why is money of value? The obvious answer is that this question is nothing more than a tautology. Money is a representation of value; thus, money is inherently valuable. End of discussion. However, there are more in-depth answers that can be given to this question.

Economics, Religion and Culture

The classic answer is found in the writings of Max Weber, who proposed that our contemporary valuing of money (and more generally, accumulated wealth) resides in religion. Of particular importance is the religion of John Calvinism and most forms of European Protestantism. Weber (1958) writes about the Protestant Ethic and its impact on the prevalent motivation in European (and American) societies to make money and acquire wealth.

Money and Religion

More recently, several noted social observers (e.g. Norman Brown, Mary Douglas, and Ernest Becker) have supported the proposition that money is embedded in a religious framework by moving even deeper into the primitive instincts of human beings. Building on the psychoanalytic theories of Otto Rank, Ernest Becker (1975, p. 75) declares that "money is the new 'totemic possession.'" He points to the transaction that occurs in the Kwakiutl culture during their Potlatch and suggests that this same type of transaction occurs in the contemporary exchange of products and services for money.

Relying on insights offered by Mary Douglas, Becker suggests that money, like all rituals, mediates transactions. Money provides a means for establishing worth, for standardizing relationships among people with variable levels of social power, and provides a link between the present and future.

Culture and Economics

Much more recently, a somewhat different perspective has been offered. There is an intermediary between religion and wealth. This intermediary is culture. It has been introduced by Richard Rohr (2025), a noted Franciscan cleric. According to Rohr, "culture eats religion." Applying this same blunt analysis to Weber's perspective, we might state that "economics eats culture." Talcott Parsons (1970), as one of the contemporary disciples of Max Weber, writes about the latent patterns that are formed in any social system. These latent patterns play a major role in maintaining the structure and dynamics of the system.

If we are to accept the pronouncement made by Rohr, then we might believe that economics creates and maintains the latent patterns; neither culture nor religion lays down these patterns. This being the case, money is ultimately of value in our society because it helps to create the foundation (latent pattern) of this society. We believe, think, and act in a money-oriented manner. While money might not be the most important thing in our life, it provides a point of orientation (pattern) and stability (pattern maintenance). In this essay, I explore this perspective on monetary value in greater depth and rely on the insights about money offered by several theologians, psychologists, economists, and financial advisors over the past century.

Money as a Collective Reality

Money has no meaning for us individually. It has often been noted that if one person had all the money in the world, this money would be worthless. Interactions between people and the exchange of goods and services between people would take place with some other commodity, since there would be no money available to engage in these interactions and exchanges. Put simply, money only exists and only has value because it is embraced and used by many (and perhaps all) members of a specific society.

Furthermore, the value assigned to money is ultimately based on an arbitrary, collective decision made by members of a society. In the case of American (and most other contemporary societies), value is assigned to one mineral (gold), which, in turn, is considered the "tangible" backup for the currency being used. While the "gold standard" is actually no longer valid in American society (since every dollar is no longer backed up by a piece of gold assigned the same value), we live with the convenient fiction that the gold in Fort Knox is sufficient to secure the value of every dollar we hold in our wallet.

Given this collective reality, where do we find the valuing of the dollar bill in our society? Many good things can be said about the societal value of money. Most importantly, money provides the benefit of societal stability (latent pattern maintenance). We need only point to the profound instability of American society during the Great Depression of the 1930s, when the value of money was in great doubt.

God and Money

I wish to return to the analysis offered by Max Weber and several theologians who have followed him—including Richard Rohr. As Weber noted, the foundation of European society following the Protestant Reformation was based on an assumption that wealth is assigned by God to specific people. Some people were "graced" with God's beneficence and were predestined to an afterlife in heaven. An earthly sign of this predestined "grace" is the accumulation of large amounts of money in their pocket and estate. Tragically, other people were predestined to an eternity of hell, and were "told" by God that this afterlife awaits them by being given few chances to accumulate wealth.

As a result of this Godly assignment of wealth to some people and poverty to other people, the value of money took on a sacred dimension. Most importantly, this God-given approval of unequal distribution of wealth led to the continuing (and often increasing) abuse of wealth in many Western societies. Many people remained poor and starving.

At most, those with money provided charity to those who were "less fortunate." Those who held their hat out for a contribution (those being assigned the label, "handicapped"), were supposed to be grateful for the occasional and often arbitrary receipt of money from someone who walks by them on the street or receive financial support in a more formal manner through the beneficence of a charitable organization.

Immoral Society

It is at this point that I invite two theologians to join my accounting of Weber's troubling analysis. The first theologian is Reinhold Niebuhr (1932), who would point to the inherent propensity of the collective (society) to be immoral. For Niebuhr, it would be a foregone conclusion that the early Protestant leaders found it convenient to apply John Calvin's notion of predestination to the matter of money. They could make the unsupported pronouncement that God offers a sign of predestination to living people by supporting their current financial condition.

While the Christian (and Jewish) scriptures are filled with pronouncements regarding social justice and the condemnation of accumulated wealth, there was a collective agreement among all members of the European society (or at least all-powerful members of society) that this profound distortion of biblical "truths" was somehow valid and acceptable. Niebuhr's immorality of the collective was in clear evidence during the early years of European Protestantism.

Niebuhr wrote cogently about the challenge of taking moral action within a world that is all-too-often immoral. To begin with, Niebuhr (1932, p.1) would see the roots of present-day misinformation, conspiracy, polarization and violence deeply embedded in human history:

> Though human society has roots which lie deeper in history than the beginning of human life, men have made comparatively but little progress in solving the problem of their aggregate existence. Each century originates a new complexity and each new generation faces a new vexation in it. For all the centuries of experience, men have not yet learned how to live together without compounding their vices and covering each other "with mud and with blood."

And this was written when the Holocaust and World War II were yet to consume the world!

Niebuhr (1932, p. 1) proceeds by identifying the "culprit" as (in part) the imaginative power of humankind. Apparently, we are capable of imagining a set of personal wants that are not yet (and probably never can be) fulfilled.

> The society in which each man lives is at once the basis for, and the nemesis of, that fulness of life which each man seeks. However much human ingenuity may increase the treasures which nature provides for the satisfaction of human needs, they can never be sufficient to satisfy all human wants; for man, unlike. other creatures, is gifted and cursed with an imagination which extends his appetites beyond the requirements of subsistence. Human society will never escape the problem of the equitable distribution of the physical and cultural goods which provide for the preservation and fulfillment of human life.

It is in from this profoundly pessimistic frame of reference that Reinhold Niebuhr would suggest that there is very little that can be done collectively to engage moral judgments in addressing mid-21st Century challenges.

We find a more optimistic Niebuhr in his assessment of an individual human being's capacity to engage rational capacities – what Daniel Kahneman (2011) would identify as "slow thinking": "Their rational faculty prompts [human beings] to a sense of justice which educational discipline may refine and purge of egoistic elements until they are able to view a social situation, in which their own interests are involved, with a fair measure of objectivity." (Niebuhr, 1932, p. xi)

Niebuhr (1932, p. xi) suggests that:

> Individual men may be moral in the sense that they are able to consider interests other than their own in determining problems of conduct, and are capable, on occasion, of preferring the advantages. of others to their own. They are endowed by nature with a measure of sympathy and consideration for their kind, the breadth of which may be extended by an astute social pedagogy.

It is at this point that Niebuhr's optimism regarding the capacity for rational, sympathetic judgment by individual actors runs up against the improbability that this same level of rationality and sympathy will be found in the collective. As psychoanalysts would propose, there is a "regression" in human thought and feelings when people gather together. Niebuhr (1932, pp. xi-xii) puts it this way:

> . . . All these achievements are more difficult, if not impossible, for human societies and social groups. In every human group there is less reason to guide and to check impulse, less capacity for self-transcendence, less ability to comprehend the needs of others and therefore more unrestrained egoism than the individuals, who compose the group, reveal in their personal relationships.

As a social scientist, as well as theologian, Niebuhr (1932, p. xii) offers his own diagnosis:

> The inferiority of the morality of groups to that of individuals is due in part to the difficulty of establishing a rational social force which is powerful enough to cope with the natural impulses by which society achieves its cohesion; but in part it is merely the revelation of a collective egotism, compounded of the egotistic impulses of individuals, which achieve a more vivid expression and a more cumulative effect when they are united in a common impulse than when they express themselves separately and discreetly.

It is this inferiority of group morality that aligns with the collective construction of money as something of value. It is also, according to Niebuhr, in the capacity of individual human beings to engage in rational thought that we find some buffers against the use of money in the maintenance of patterns that justify societal inequity, injustice, and cruelty.

Immorality of the Collective

I reintroduce Richard Rohr to the conversation. As Rohr notes, the immorality of people in a collective setting was also clearly evident in the world of Ancient Judah and Israel, where Hebrew prophets dwelled. In presenting the wisdom offered by the prophets of ancient Israel, Richard Rohr points directly to the attention given by most of these prophets not to the evil inherent in the hearts and minds of individual people, but rather to the evil found in the collective. Rohr (2025, p. 21) focuses in particular on the perspective of Amos, one of the first Hebrew prophets:

> The prophet's judgments are clearly directed at the group, the culture, the collective, the society. Amos knew that most collectives are content to locate evil among individuals. But there is little value in placing our attention merely on a handful of bad actors. Culture and systems are

> what create the large-scale evils that threaten us—such as poverty, war, and ecological devastation.

Rohr (2025, pp. 22-23) shifts his critical attention to the present day:

> This concentration on the collectives changes our moral focus entirely. If we do not recognize that evil first and foundationally resides in the group, we will continue to search out, condemn, or perhaps forgive the "few bad apples," thinking that will take care of our problems. But too often, sins we condemn in the individual are admired, or at least given a cultural pass, at the corporate level.

Rohr has identified the patterns maintained in our society and the untested assumptions that comprise and reinforce these patterns. Rohr (2025, p. 23) specifically provides a list of many assumptions embedded in the exceptions we make in our contemporary society regarding the enactment of specific (destructive) actions:

> Consider some of the contradictions in our own culture, for example:
>
> Killing is wrong, but war is good.
>
> Greed is wrong, but luxury and capitalism are ideals to be sought after.
>
> Pride is bad, but nationalism and patriotism are admirable (never in the Bible, however).
>
> Lust is wrong, but flirting and seduction are attractive.
>
> Envy is a capital sin, but advertising is our way of life.
>
> Anger at our neighbor is wrong, but angry people get their way.
>
> Sloth is a sin, but wealthy people can take it easy.
>
> Murder is wrong, but easy access to guns is a right and duty.
>
> You can see how we got the sense, shared by many, that we are living under an utterly conflicted morality. Even "capital sins" such as greed and ambition are no longer even critiqued at the individual level, but seen as virtues.

At this point, Rohr (2025, pp. 23-24) moves directly into the domain of money—and its collective value and evil:

> I have learned from a lifetime as a preacher that even a slight critique of capitalism is totally unacceptable in American pulpits. It can be intuitively and freely understood, however, in the barrios of Guatemala, or the lower-middle-class Mexican American parish where I preached regularly until Covid, because their viewpoint is from the receiving end of capitalism's damages. Those who benefit from capitalism, or other dominant systems of power, will often assign virtue to rare, distant individuals called saints--and even then only after they die. We must learn to see virtue as involving some form of giving back to the community and society, not just privatized "purity."

If “economics eats religion”, then we must move past John Calvin and his quest for social order (latent pattern maintenance) to other collective factors. Talcott Parsons (1970) identifies three other social functions, other than just latent pattern maintenance, that are critical to the establishment and maintenance of a viable social order: adaptation, goal-attainment, and integration.

- Adaptation, or the capacity of society to interact with the environment. This includes, among other things, gathering resources and producing commodities to social redistribution.
- Goal attainment, or the capability to set goals for the future and make decisions accordingly. Political resolutions and societal objectives are part of this necessity.
- Integration, or the harmonization of the entire society, is a demand that the values and norms of society are solid and sufficiently convergent. This requires, for example, the religious system to be fairly consistent, and even on a more basic level, a common language.
- Latency, or latent pattern maintenance, challenges society to maintain the integrative elements of the integration requirement above. This means institutions like family and school, which mediate belief systems and values between an older generation and its successor. [AGIL paradigm - Wikipedia]

Perhaps we can find the "ultimate" source of money's value in one of these societal functions.

Money is Different

The unique value held by money resides partly in the fact that it is different from other entities in our life. Sailors in the musical, South Pacific, declare that "there is nothing like a dame!" I would similarly declare that "there is nothing like a buck!" There are many ways in which money operates in a domain that is quite different from most other entities. I identify several of these differences.

Big, Bad and Beautiful

Most things that we value (either positively or negatively) relate to one of the *Three Bs*. They are Big, Bad, or Beautiful. Money doesn't inherently qualify as big, bad or beautiful. Most forms of currency are not very big and can conveniently fit into our change purse or wallet. Money is also not inherently Bad. Most of the things in our world that are Bad (negative value) tend to be active, strong, and working against our welfare or best interests. Unlike big snakes, attacking linebackers on the opposing football team, or an approaching stormfront, money is just lying there and doing absolutely nothing.

This is where money manifests a unique value. While money isn't big, there is a primitive sense that a large amount of money is either wonderful (positive value) or menacing (negative value). Even the physical presence of a large stack of money can evoke a strong emotional reaction. Some of us are old enough to remember Walt Disney comic books that featured the wealthy Scrooge Mcduck, who would dive into large mounds of money. As a child, I was always enthralled by this unbridled display of wealth.

Money also is not inherently Bad. Yet, indirectly, it can provide the incentive and means for the enactment of active, strong, and menacing behavior on the part of someone who is rich; or money can serve as a powerful motivator for someone to engage in active, strong, and unethical behavior to acquire wealth.

Then there is the matter of beauty. It is probably possible for us to admire the intricate designs on the dollar bill (or other currency) and the craftsmanship exhibited by the careful engraving done in the production of currency; however, it is hard to think of money as beautiful. I would substitute the term "Awe".

Awe-Inspiring

While money doesn't qualify for any of the eight types of Awe identified by Dacher Keltner (2023), it might be considered equivalent to the Awe inspired by Nature. We stand on the edge of a Grand Canyon cliff and our mouth drops open in Awe of what appears in front of us. Apparently, some people have a similar reaction when stepping onto the trading floor of Wall Street. The exceptional activity that is appearing before them represents an "awesome" display of power and global influence.

Even greater Awe is inspired by a global perspective on money. This perspective is dramatically presented in *Network*, an award-winning movie with a script written by Paddy Chayefsky. A major global power player (enacted by Ned Beattie) offers disturbing insights (and threats) to a newscaster (Howard Beale) who has "meddled with the primal forces of nature":

> I won't have it!! Is that clear?! You think you've merely stopped a business deal. That is not the case. The Arabs have taken billions of dollars out of this country, and now they must put it back! It is ebb and flow, tidal gravity! It is ecological balance!
>
> You are an old man who thinks in terms of nations and peoples. There are no nations. There are no peoples. There are no Russians. There are no Arabs. There are no third worlds. There is no West. There is only one holistic system of systems, one vast and immense, interwoven, interacting, multivariate, multinational dominion of dollars. Petro-dollars, electro-dollars, multi-dollars, reichmarks, rins, rubles, pounds, and shekels.
>
> It is the international system of currency which determines the totality of life on this planet. That is the natural order of things today. That is the atomic and subatomic and galactic structure of things today! And YOU have meddled with the primal forces of nature, and YOU WILL ATONE!
>
> Am I getting through to you, Mr. Beale?

Our man of means digs even deeper in portraying an "awe-inspiring" world of finance that rivals the Grand Canyon in terms of scope and magnitude:

> You get up on your little twenty-one inch screen and howl about America and democracy. There is no America. There is no democracy. There is only IBM and ITT and AT&T and DuPont, Dow, Union Carbide, and Exxon. Those are the nations of the world today.
>
> What do you think the Russians talk about in their councils of state -- Karl Marx? They get out their linear programming charts, statistical decision theories, minimax solutions, and compute the price-cost probabilities of their transactions and investments, just like we do.
>
> We no longer live in a world of nations and ideologies, Mr. Beale. The world is a college of corporations, inexorably determined by the immutable bylaws of business. The world is a business, Mr. Beale. It has been since man crawled out of the slime. And our children will live, Mr. Beale, to see that perfect world in which there's no war or famine, oppression or brutality -- one vast and ecumenical holding company, for whom all men will work to serve a common

> profit, in which all men will hold a share of stock, all necessities provided, all anxieties tranquilized, all boredom amused.

Money from this global (distal) perspective is indeed worthy of Awe. Staying closer to home (a proximal perspective), we look at a large denomination bill and find ourselves in "awe" of what that piece of paper represents. In some manner, we might even be in awe, unconsciously, of a society that can create a collective representation of great wealth by printing a piece of paper containing a large number. Money as a source of value is one of the most "awe-filled" examples of how social construction works in contemporary societies: a piece of engraved paper is transformed from a worthless product of a printing press to a commodity that people will bargain away their family, reputation and life to acquire.

Invisible

The challenge is not just that money isn't beautiful; it is that money is not visible. It hides in our wallet, our savings account, or our stock portfolio. We know that someone is wealthy, given the clothes that they wear or the setting in which they hang out and the friends with whom they affiliate. However, wealth can be quite elusive, As Morgan Housel (2020, pp. 97-98) notes:

> We tend to judge wealth by what we see, because that's the information we have in front of us. We can't see people's bank accounts or brokerage statements. So we rely on outward appearances to gauge financial success. Cars, Houses, Instagram photos.

A colleague of mine in Singapore is in the business of serving as a middleman in the sale of very expensive watches (Rolex being at the bottom of the line). He is often involved in the sale of watches valued at more than $100,000. Why such expensive watches? My colleague, who is a psychologist, suggests that it is a matter of wealth being on display. When walking into a meeting or cocktail party, one can't wear their yacht on their wrist or wrap their stock portfolio around their figure. However, they can display their diamond-incrusted watch or that very expensive string of pearls. Money might be invisible, but wealth can find a way of showing itself.

Housel would disagree with me on this point. First, he (Housel, 2020, p. 98) observes that "modern capitalism makes helping people fake it until they make it a cherished industry." However, "faking it" usually doesn't work, for when wealth is being ostentatiously displayed, it is considered a sure sign of a financial imposture.

Perhaps a flashy watch or stunning set of pearls works in Singapore (as dramatically portrayed in the movie, *Crazy Rich Asians*); however, this does not seem to be the case in the United States and most other Western countries. With authentic wealth, the watch is mostly covered by the sleeve. The set of pearls is modestly and tastefully displayed on an elegant but plain dress.

Housel (2020, p. 98) goes much further in his description of hidden wealth: "the truth is that wealth is what you don't see." He offers some details:

> Wealth is the nice cars not purchased. The diamonds not bought. The watches not worn, the clothes forgone and the first-class upgrade declined. Wealth is financial assets that haven't yet been converted into the stuff you see.

So, with Housel, we are back to the unique nature of money (and wealth) as a source of invisible value. We can see the medical diploma on the wall of our doctor's office, but not a statement of total bank deposits and stock holdings on the wall of our therapist—or even our financial advisor. We would never pin a $100 bill on our shirt or hang it out of our coat pocket. We would never ask someone at a birthday celebration about how much money they earned last year, just as we wouldn't ask them about the last time they made love to their wife. Money is different because it is kept in the shadows—and often operates in a shadowy way—as I noted in one of the other essays in this series.

Anticipatory

There is another way in which money differs from most other entities. This difference resides in the impact of money on our neurochemical and hormonal system. We produce a squirt of dopamine when someone we love walks into the room or when we witness a beautiful sunset. For some of us, dopamine is produced when we hear a Beethoven string quartet; for others, it is hearing a big brass band or a spirited hip hop group. There is no direct effect when it comes to money.

Behavioral scientists have even found that we don't get the hit of dopamine in a gambling casino when we hit the jackpot. Rather, we get this hit when we enter the casino and *Anticipate* earning a jackpot. Gambling is addictive precisely because the biochemical reward comes before winning a prize – and comes even if we don't win the financial prize. Money is unique in that it is rewarding in anticipation rather than in achievement.

We envision diving into McDuck's mound of money and getting a kick. The actual mound of McDuck's coins would no doubt afford little comfort for someone diving in. If the coins were converted to paper currency, the mound would probably be a bit smelly (if composed of old, used bills) or overbearing (if made up of newly minted bills). The money would also not be very soft or supportive of the dive. It's all about anticipation rather than reward—even for Mr. McDuck.

Money as an Extension of Self

Walt Disney might have captured something important about the nature of money in contemporary life. It seems that Scrooge McDuck (like his namesake, Ebenezer Scrooge in Charles Dickens' *Christmas Carol*) has fully absorbed money as part of his sense of self. These two Scrooges were not alone in considering their wealth to be a defining aspect of their identity in the world. We find many people in contemporary American society who are initially enamored with money.

Their infatuation with the prospect of becoming rich soon becomes much more intimate. They begin to identify money as an important part of their sense of self. Their roles as spouse and parent, ethical businessman or businesswoman, dutiful citizen, and guardian of the environment become less important or are set aside on behalf of monetary prosperity.

This extension of self to incorporate money may be engaged so that our "self" lives on even after our death. Money becomes a key element in our legacy. Scrooge McDuck invites his nephews to join him in diving through the mountain of coins. Someday, they might inherit these coins. Scrooge believes that they will be beholding to him for this "generosity."

Alternatively, money can become an important part of our sense of self because we want to be "bigger in life." As narcissists, we wish to initiate a "grandiose" expansion of self. Accumulated wealth can expedite this expansion. We become rich and gain a new sense of our personal value. McDuck's pile of cash swells in size. He can take great delight in showing this accumulated cash not just to his nephews, but also to other characters in Walt Disney's world.

I now consider both of these monetary ways to extend self.

Legacy Beyond Death

I have suggested ways in which money is different from other valued entities in our life. For some people, money is different because it takes on an obsessive quality, much as in the case of alcohol, cigarettes, mind-altering drugs, and gambling (which is often a companion to obsession with money. I have suggested that this obsession might often relate to the way money becomes a part of our identity.

There are other ways in which money and the accumulation of wealth differ from most of the other entities we may value in life. This difference concerns a specific human motive that embraces a wide variety of human activities. This motive is the desire to somehow leave a legacy so that, in some sense, we remain “alive” after death.

We wish not only to remain in the memories and “hearts” of those we love, but also to remain “present” in specific physical objects (such as the books or paintings we have created). These objects might be money that we have “left behind” in a will, endowment, or simply a stash of cash under our mattress. This monetary legacy is quite compelling and can contribute to a particular pathology. I consider both the “normal” and abnormal desire for a monetary legacy.

In a book on deep caring and generativity, I coauthored with my colleague, Gary Quehl (Bergquist and Quehl, 2019), we proposed that people are generative and serve other people in part as a way to extend their legacy beyond the years they are alive. As noted by John Kotre (1984), generativity is "a desire to invest one’s substance on forms of life and work that will outlive the self." (Kotre, 1984, p. 10) It is quite understandable and appropriate that Kotre identifies this wish for some form of immortality as a key motivator for generative action, given the strong existential human wish for some legacy of self that lingers after death.

In search of a legacy, there are many ways in which to be generative. Jerome Wakefield (1998, p 171) offers a partial list and considers them all to be bundled together:

> Desire to nurture the young, to be remembered, to be productive, to compose a symphony, to discover scientific truths, to develop oneself for one's society, and to achieve just laws and institutions are not derived from the same motivational mechanisms. Generativity is to this extent a bundle of mechanisms with varying specific functions.

It would seem that we seek immortality in a bundle of generativity motives that encourage us to be productive, create something that endures, and raise children (in many cultures, it is the raising of male children that is most important, for they carry your name). Why not add the accumulation of money to this bundle? As Ernest Becker (1975, p. 74) proposed,

> If you gain immortality by leaving behind earthly sons, why not equally gain it by leaving behind vast accumulation of other physical mementos of your image? And so the pursuit of money was also opened up [not just to kings and priests but also] to the average man; gold became the new immortality symbol.

Included in this insightful proposal is not only the potential role played by accumulated wealth in establishing a legacy, but also the physical (and ritualistic) nature of this accumulation. As in the case of

Scrooge McDuck, we secretly would love to swim in our wealth and have duckets dripping from our shoulders. At a very primitive level, money is meant not to be invisible, but highly visible—at least to ourselves. Furthermore, generativity requires that this money be made available to other people. With wealth we “should” either give some of it away to “charity” or set it up in a trust fund for our children.

Narcissism

The extension of life by the accumulation of money seems quite “normal” and justifiable, given that human beings seek some sense of immortality and need “new rituals because they [give] order and form to society and magically [tie] the whole world of experience together.” (Becker, 1975, p. 75). However, for some people, the need to accumulate money becomes something more than just a search for societal stability (present) and existential legacy (future); there is a pathological desire to stretch one’s sense of self beyond the confines of one’s current self. As noted in the myth of Narcissus, there is a sense of self-admiration that locks certain people (the narcissists) into the ongoing and obsessive admiration of self (as a reflection in a pool of water). In contemporary times, the pool in which one’s image is reflected can be expanded and replicated in the pool to be found in an accumulation of money.

Morgan Housel (2020, p. 106) offers his own opinion regarding this obsession with the accumulation of money:

> Past a certain level of income, what you need is just what sits below your ego.
>
> Everyone needs the basics. Once they're covered there's another level of comfortable basics, and past that there's basics that are both comfortable, entertaining, and enlightening.
>
> But spending beyond a pretty low level of materialism is mostly a reflection of ego approaching income, a way to spend money to show people that you have (or had) money.
>
> Think of it like this, and one of the most powerful ways to increase your savings isn't to raise your income. It's to raise your humility.
>
> When you define savings as the gap between your ego and your income you realize why many people with decent incomes save so little. It's a daily struggle against instincts to extend your peacock feathers to their outermost limits and keep up with others doing the same.
>
> People with enduring personal finance success—not necessarily those with high incomes—tend to have a propensity to not give a damn what others think about them.

While I would agree with Housel’s assessment of the ego-driven nature of this obsession with the accumulation of money, I would disagree regarding the lack of concern for how other people think about them. Money is directly related to a sense of not just self-worth, but also the esteem granted by other people. As Donald Trump disclosed many years ago, wealth may be the only scoreboard in town and the financial score showing up on this board is meant for everyone to see. I can appreciate Housel’s statement about true wealth not being visible; however, at the extreme, when narcissism is running wild, real (and fictitious) wealth is on full display.

The question now becomes: "How do people become Narcissists?" An accompanying question is also waiting in the wings: "Why do many Narcissists turn to money as a way to expand their pool of admiration?" Members of a particular school of psychology have answers to both of these questions. There are the psychoanalysts who followed in the footsteps of Sigmund Freud.

Many of the early followers of Freud, such as Sandor Ferenczi, Ernest Jones, and Karl Abraham, built on Freud's assessment of the connection between money and anal erotic instincts in his study of the Rat Man (Fuqua, 1986, pp. 19-21). For these early analysts, emphasis was placed on infantile grandiosity. Excretion was one thing children could fully control (and their parents could not control). If the parent tries too hard to gain control, then feces become something of great value. Narcissistic attraction to money may relate directly to this desire for control. In presenting the perspectives offered by Ernest Jones and Karl Abraham, Paula Fuqua (1986, p. 21) offers the following summary:

> . . . an excessively strict or premature toilet training can result in a too sudden loss of this sense of perfection and power, resulting in massive feelings of inadequacy in later life. It can also lead to an inability to love fully, since one's libido becomes fixed at the level of the function of bowel control and is not transformed into an interest in the person for whom bowel control is achieved.

We thus see in the life of Narcissists a love of money (and resulting power and control) at the expense of any capacity to love another person (a primary narcissistic trait).

At this point, Dr. Fuqua turns to the insights offered by Otto Fenichel, another second-generation psychoanalyst. Specializing in Narcissism, Fenichel devoted considerable attention to the connection between money and what he called "narcissistic supply" (a type of admiration, interpersonal support, or sustenance drawn by an individual from their environment that becomes essential to their self-esteem). Fuqua (1986, p. 21) offers the following distillation of Fenichel's perspective (and points to a Marxist influence on this perspective):

> Otto Fenichel maintains that the instinctual source of interest in money is enhanced by its social significance. Money conveys real advantages of power and prestige and has survival value in purchasing food and shelter. The interplay of social and instinctual influences is an essential relation. His point of view has interesting Marxist influences. For example, discussing money publicly is considered indelicate not only because of its unconscious identification with feces, but also because promotion of ignorance of financial matters among the disadvantaged is a means by which the upper classes maintain their financial superiority. The authoritarian structure of society is more than a remnant of the infantile Oedipus complex. It serves the purpose of perpetuation of financial authority via a father transference to those holding economic power.

Thus, we see in Fenichel's assessment of money's appeal, a significant expansion beyond childhood toilet training. Many of the factors I have already identified contribute to this appeal, as does the strong appeal to be found in the power (authoritarian rule) and control (financial authority) that did originate in the battle over bowel control (complemented by the obligatory psychoanalytic focus on fatherly transference).

Fuqua (1986, p. 21-22) now turns more specifically to the matter of narcissism:

> On the instinctual side, Fenichel sees the drive to accumulate wealth as a derivative of infantile narcissism transformed into a more realistic need to achieve power and self-esteem. Money is a source of "narcissistic supply" that originates in an instinctual need for food and for omnipotence. This need becomes a part of the ego—the ego ideal of wishing to become rich. This "will to power" with roots in infantile narcissism is different from the "will to possess," which concerns the wish to control one's own body and its products. In possessing money one bastions oneself against a familiar hierarchy of fears: fear of losses related to weaning, fear of losing control of defecation, and fear of castration. Yet, for Fenichel as for others, anal issues stand out empirically as most important of the three in regard to money.
>
> Fenichel also reminds us that the equation money=feces in the unconscious is far from exhaustive. Money can symbolize anything one can take or give.

A later group of neo-analysts offered a self-psychology perspective on narcissism. Led by Heinz Kohot, these analysts focus on an understanding of patients from within their personal subjective experience. David Krueger (1986) provides a summary of Kohut's perspective regarding the psychological nature of money and the source of "grandiose" (narcissistic) obsessions regarding money. Krueger (1986, p. 24) first describes appropriate early childhood development:

> Children develop a cohesive, positive sense of self when consistent empathic parental responses reflect and validate the child's sensations, feelings, and perceptions. The child's developmental needs of empathic mirroring and affirmation exist from the first weeks and months of life. Kohut has described how the developmentally appropriate ''grandiose self" of the first two years of life is nurtured and undergoes transmutation into appropriate and mature self-esteem by parents who reflect the child's experiences from the child's frame of reference, thereby assuring the child of his/her worth. Throughout development, the phase-appropriate parental responses of accurate empathy, confirmation, admiration, and limit setting help the child transform and internalize grandiosity and exhibitionism into a more mature capacity for ambitions, goals, and internally regulated self-esteem.

Krueger (1986, pp. 24-25) now sets the stage for exploring how Kohut and other self-psychologists see things going wrong later in childhood:

> The sense of self (a metaphorical and abstract representation of one's identity and self-regard) is based on an initial formulation of a body self. The formation of an accurate and distinct body image emerges from parental mirroring of the developing child's point of reference: parental reflections of internal sensation, and perceptions from the child's experience (rather than the parents). This attunement to the separate center of the child's initiative, as distinct from the adults', begins in the autistic and symbiotic stages of development, extending in changing forms through separation-individuation phases. A failure to adequately address these development

> needs in preverbal time results in vague and indistinct body image boundaries; the resultant sense of self is incomplete and incoherent, as there is no solid foundation of body image on which to build.

The stage is now set for the emergence of a narcissistic self (Kruger, 1986, p. 25):

> An individual with pathological narcissism characteristically experiences a sense of emptiness, lack of initiative, diffuse sensitivity, and vulnerability to others. Self-reparative efforts may be channeled into intense ambitiousness and grandiose fantasies to overcome feelings of inferiority and overdependence on the admiration and acclaim of others. The narcissistic personality is motivated not primarily by guilt, but by embarrassment and shame. While guilt is a prominent affect in disturbances of object relations, shame is an affect central to disturbances in the sense of self.

I would suggest that the keyword here is "shame." We know that this "disturbance in the sense of self" feels literally like being stabbed with a knife. Engaging his Marxist perspective, Otto Fenichel would likely come in at this point and propose that shame is particularly prevalent when the Narcissist is living in an alienating setting: they are being repeatedly stabbed by many different people and circumstances. For the Narcissist, the stabbing must feel particularly deep and painful.

Furthermore, we are likely to find that shame is often associated with both financial loss and financial regret. Behavioral economists have shown us that regret is an even stronger motivator than fear of loss (and I have devoted a companion essay to these two motivators); this would suggest that we feel shame and regret when failing to take advantage of a financial opportunity or when not doing an effective job of managing the financial opportunities upon which we do act. Given an intensive fear of shame and regret among narcissists, any sense of morality or concern for the welfare of other people is likely to be set aside by these self-serving people when pursuing an opportunity.

This ruthless self-serving based on vulnerable self-esteem and fear of shame is identified by Kruger (1986, p. 25):

> The internal modulation of esteem is difficult for the narcissistic individual. Other people are seen as sources and regulators of esteem, worth, and happiness. Vulnerability is ever-present because the external validators of esteem are not under one's personal control and the internal validation mechanisms are dysfunctional.
>
> With a faulty self-esteem, one must look continually to others and to the environment for confirmation and valuation. When others or the environment fail to reflect the longed-for affirmation and empathy, self- esteem may decline precipitously into devaluation, self-criticism, and depression. One may then attempt to assert absolute control of others and the environment and become harshly and unrealistically demanding of oneself.

It is in this state of vulnerability that the Narcissist seeks structure and consistency. As Fenichel noted, this search for power and control lends itself to an authoritarian orientation in society. Building on Kohut's self-psychology perspective, Krueger (1986, p. 25) suggests that there is also a falling of the

Narcissist into states of depression. Emptiness is also identified (this condition relating once again to Fenichel's and Marx's alienation):

> The need for structure and constant response from others seems essential to maintenance of a positive self-image among individuals whose development has been so affected. Interruption of constant affirmation may precipitate depression or emptiness. For example, formal learning environments, such as secondary school and college, function to maintain feedback, regulation, and structure. The prospect of losing this self-confirming support system upon graduation may be threatening, with a concomitant extreme loss of self-esteem and direction. The common crisis of "needing to find oneself" typically occurs at such developmental junctures.

Krueger (1986, pp. 25-26) brings his presentation on self-psychology, narcissism, and money to a focus:

> Money has an overdetermined value for many individuals with pathological narcissism. Money can concretely symbolize confirmation of worth and value, envy and admiration (and thus mastery of one's chronic envy of others), validating power and acquisitive ability. One will desire more and more money as long as nothing challenges the belief that money can command emotional as well as material goods from others who maintain similar belief in its validating power. When one believes strongly that money is able to answer emotional questions, the desire for it is insatiable.

Taken together, these multiple sources of monetary appeal for the narcissist suggest that the "narcissistic supply" for this person is ample when it comes to the accumulation of money and finding security, status, power, and control when achieving an excessive monetary goal. The allure of monetary gains tempts us all. Each of us might place some value on security, status, power, and control.

However, the monetary temptation usually does not eventuate in the spreading of our self-valuing into the external world via the acquisition of large sums of money. This self-serving (and anti-social) temptation is usually monitored by an equally powerful set of personal societally oriented values (regarding equity and justice) and societal norms. Sigmund Freud would suggest that this monitoring and resultant buffering of the monetary temptation can be credited to a "healthy" superego. Narcissism might be prevalent in our "narcissistic culture" (Lasch, 1979), but it fortunately has not been in charge. At least not until recent times . . .

Paradigms, Models, and Practices

Several decades ago, I had the honor of collaborating with a remarkable polymath: David Halliburton. David was a member of multiple departments at Stanford University, having made significant contributions in such diverse fields as literary interpretation and philosophy. It is quite unfortunate that David passed away recently. He had much more to contribute to the many disciplines in which he operated.

The work that I did with David consisted mostly of consulting as a team with colleges and universities throughout the United States on curricular matters. They often found themselves at the end of a long day of consultation, sitting in a conference room with many sheets of flipchart paper hanging on the walls.

During one of these end-of-day reflections in which David and I always engaged, we both noticed that diagrams drawn with magic markers on the flipchart pages were quite similar to the diagrams we had drawn on many other flipcharts working with different disciplinary groups in other educational institutions. We began to realize that there were three fundamental ways in which issues were being addressed by the academics with whom we were working.

The first way was viewing their curriculum as a monad (a single theme or issue) from which the total curriculum emerged. The second way was based in dualism: identifying and building on a fundamental tension engaged in the field on which the curriculum was being built. The third way concerns a three-fold analysis (in the form of a triangle or lens) that led from clarity to diffusion and then back to clarity and then back to diffusion and so on.

Epistemological Pyramid

David and I came to recognize that these three ways in which to conceive and construct a curriculum were actually *Paradigms*! It seems that paradigms exist not only in scientific realms but also in areas of diagnosis and design. We went further in our analysis and identified a process for working with academic teams. We noted that specific *Models* seem to emanate from (or help to modify) the fundamental paradigm.

Furthermore, the models are often imported from other fields. When they are imported, these models bring with them some underlying assumptions, ideas, and perspectives from their original field. With the models in play and with one or more underlying paradigms informing and reinforcing these models, a community (such as an academic department) can produce specific *Practices* (what Kuhn called "normal science").

We began to refine this Epistemological Pyramid by identifying and describing three assumptive levels.

Paradigms in a particular field or discipline tend to be:

(1) Few in number,
(2) Quite simple in construction, and
(3) Very powerful.

For example, we can point to the analytic tradition found in many physical, biological, and behavioral sciences: we break things down into their fundamental parts to better understand them, and then we reassemble them. David always pointed to the "smashed frog" critique in biology: when we dissect a frog in biology class, we might find out how the frog's leg works and how the frog's brain is connected to other parts of its body via the spinal cord. However, we can never bring the frog back to life. The parts can never be reassembled to create a living organism. This failure to create life remains a mystery and relates to what some philosophers and scientists refer to as "emergence" (the unexpected creation of new, higher order phenomena by integrating several lower order phenomena: the whole can't be predicted from the parts).

Models are:

1. (1) Based on paradigms (though the underlying paradigm might not be acknowledged—being part of the tacit knowledge base proposed by Michael Polanyi),
2. (2) Moderately large and diverse in number,
3. (3) Moderately powerful and influential, and
4. (4) Often borrowed from contemporary popular technologies.

As an example, Sigmund Freud based his drive theory in part on the recent invention (in the late 19th Century) of the pneumatic pump. One pushes down on a piston in one part of the room and then a piston in another part of the room moves upward with great power. The power is being transferred via air (or liquid) from one domain to another domain (this is where our psychological concept of "energy flow" comes from – not the flow of electricity, rather the flow of air or a viscous liquid). Thus, we "push down" a disturbing thought or feeling, which travels to another location and reemerges with great power (as a physical symptom or self-destructive act).

In contemporary times, a similar borrowing of models and technical terms from computer technologies is often found. We use terms and models such as "interface" and "processing." The other very special technology of our era is space travel. From this domain, we have borrowed such words and related models as "module" and "launch". The "ghosts" (assumptions, values, fears, hopes, conflicts—even paradigms) that emanate from these technologies are brought along (unconsciously) when we borrow this new technology. The haunting of these ghosts shows up in the inappropriate assumptive worlds associated with specific models (and practices).

Practices: The third tier is associated with its own set of tenets. Practices are:

1. (1) Based on models that are usually conscious (explicit knowledge): though the espoused practices (articulation of the model) might not align with the enacted practices
2. (2) Many in number, and
3. (3) Much less powerful or influential than models or paradigms

We find multiple practices being engaged by ourselves and other people we encounter every day. We live in a world that contains many assumptions. These assumptions are sometimes held by us individually; however, they are usually held collectively in our society. As noted, the "actual" practices might not align with what we proclaim to be the nature and purpose of a specific practice (Argyris and Schön, 1974). We tell other people that we believe in "teamwork" and prefer to work collaboratively yet spend most of our time working at home and interact with other members of the "team" only during the Friday in-person "huddle."

We may even be ashamed to admit that we are being "lazy" in borrowing from another (often inappropriate) domain. We might wince a bit when speaking about the "interface" between two program units or recognize that our "team" is actually just a bunch of people who have been assigned to a specific project. There are no uniforms. No bands are playing when we start working together. And we don't actually "huddle" together with a tactical plan being announced by our "quarterback".

Money, paradigms, models, and practices

We can readily transfer this three-level pyramid to a three-level analysis of money and its meaning.

*Paradigm***:** The fundamental assignment of value to money, coming from the religious pronouncements of John Calvin regarding predestination and the assignment of salvation signs to those with and without money while alive. However, if Richard Ruhr is correct, then economics drove Calvin's assignment of value to money. While Ruhr might be accurate, there is an equally compelling case to be made for the cultural determinant of all entities we encounter in our daily life.

We can't help but be influenced (even guided) by the way entities in our lives are perceived, interpreted, and constructed in interaction with other members of our society. We live in a socially constructed reality (Berger and Luckmann, 1967) that is embedded in a culture of latently maintained values and practices that guide our attainment of specific goals, while adapting to a changing environment and finding integration of our institutions (Parsons, 1970).

Thus, whether founded in economics, culture, or religion, we see the world of money through a set of social-constructing lenses that are paradigmatic in depth and influence. The resulting social constructions, like all paradigms, are simple and small in number. They frame the basic way in which we interpret and predict what is occurring in our world. These are the firm convictions that are circling around us and preventing us from being surprised by what we see in the world.

Models: Whatever the source of money's values, it must be represented in some tangible manner in any society. As Halliburton and I have mentioned, tangible models often come from a different societal domain than the domain in which the model is now being used. Technological terms are used to "identify" educational units ("modules") in an educational system, while terms from sports are used to "explain" how groups best operate ("teamwork") in contemporary organizations.

Similarly, it was with the claiming (ceasing) of exotic gold-inlayed treasures from the African and the American continents that Gold would suddenly become of great value. Not only was Gold beautiful and substantial (heavy), it was also scarce and not readily found in a European's backyard. Given these conditions, it was quite understandable that Gold became the tangible "model" regarding what it meant to have something of "wealth."

Gold acquisition would easily join with the theology, economy, and culture of Europe. The conquest of non-European societies could easily be justified: the confiscation of God as a rightful exchange for bringing the "saving" Christian God to the "heathens." Gold could, in turn, stabilize the exchange process in Europe. It was hard in a premodern society to stabilize the prominent barter process. It was hard to determine the exact value of a sack of grain, a beautifully crafted table, or dutiful assistance in the birthing of a baby. On the other hand, the value of a single entity (gold) was much easier to collectively determine and use (directly and indirectly) as the primary vehicle for the newly emerging monetary form in which products and services could be exchanged.

With the establishment of a monetary system based on gold, we see the emergence in Europe and later in the United States, of several ways in which money was represented (with Gold being the foundational model). We have witnessed not only the emergence of "paper money" but also such tangible entities as stocks, certificates of deposit, and invoices (related to both purchases and sales). In recent years, the dollar bill has often been replaced by the credit card. We can now (humorously) say: "I must still have money because my credit card is not yet worn out!" With the emergence of bitcoins and other new monetary devices, we find other monetary models coming to prominence—complete with the struggle to justify the worth assigned to any one of these entities.

Practices: There is only one (or very few) fundamental paradigms determining the primary nature and function of some societal entity, such as money. There are several models that can be used to inform use of this entity. In the case of money, the model has evolved from the paper dollar to the credit card and Bitcoin. Given these shifts in models (but the stability of the underlying paradigm), the associated practices continue to change. In the case of money, the practices have evolved from a requirement that there is "cash in hand" to pay for any product or service, to a requirement only that one is willing to take on the risk of paying at some point in the future for a purchased product or service.

As is the case with many other practices, there are often inconsistencies in the monetary policies we espouse (individually and collectively) and the monetary practices in which we actually engage. We declare our personal commitment to conservative financial policies, but find it all too tempting to buy what we want at the expense of accumulating credit card charges. As a nation, we are full-blown hypocrites, proclaiming a commitment to balanced budgets but spending like unbridled children or those afflicted with financial insanity. Assumptions about thrift and constraint may go back to Puritan times in America; however, these assumptions are ignored when it comes to living in our long-standing consumption-oriented society (Riesman, 1950; Fromm, 1955; Galbraith, 1958).

Conclusions

Why, then, is money of value? I have offered the obvious tautological answer (because money inherently represents value). I have also offered several less obvious answers. They range from insights offered by sociologists and theologians to those offered by financial advisors and psychoanalysts.

Money is representative of value; however, the source of our values is deep and multi-dimensional. Our money might represent an ancient, ritualized distribution of commodities or a mid-21st-century exchange of newly created Bitcoins. The value of our money might be embedded in the unconscious, childhood admiration of feces (and excretion control), or in adulthood admiration of Wall Street (and its complex set of financial gears).

We accumulate money because we are afraid of losing security, losing control, or losing our sense of self. We are grandiose in our display of wealth or humble in our use of money to serve the needs of our neighbors. There is never enough money, or too much money in our wallet for our own good.

It seems that money is both many-splendored and multi-destructive. Above all, money is different and elusive. So, why is money valuable?

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