

# Affluenza in Australia

By Clive Hamilton



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**It is widely accepted that people believe that they need more money no matter how wealthy they happen to be. Most people act as if more money means more happiness. But when people reach their financial goals they do not feel any happier. Instead of analysing their desire for more money, they raise their threshold of desire. This is an endless cycle.**

In fact, studies have shown that most people would prefer an income of \$50,000 where the average is \$40,000, than an income of \$70,000 where the average is \$100,000. Most people would rather be poorer as long as others are poorer still.

For the middle class, rising incomes over the last decades have been accompanied by a greater increase in the levels of expectation about what is needed to live a decent life. Since the level of expectation always stays in advance of actual incomes, many people who, by any historical or international standard are very wealthy, feel themselves to be doing it tough.

We have measured the extent of this effect—which in Australia might be called the ‘middle-class battler’ syndrome—through a Newspoll survey. Respondents were asked whether they agreed or disagreed with the following statement:

‘You cannot afford to buy everything you really need.’

Sixty two per cent of Australians—nearly two thirds—believe that they cannot afford to buy everything they really need. When we consider

that Australia is one of the world’s richest countries, and that Australians today have incomes three times higher than in 1950, it is remarkable that such a high proportion feel that their incomes are inadequate. It is even more remarkable that among the richest 20 per cent of households—the richest people in one of the world’s richest countries—almost half (46 per cent) say that they cannot afford to buy everything they really need.

Without any doubt, the primary target of excessive consumption spending in Australia is the home. They are bigger, with more bedrooms and bathrooms, and they are increasingly filled with luxurious fittings and appliances. In the mid-1950s the average size of new houses was around 115 square metres, half the size of today’s new house.

The expanding size of houses has been occurring at a time when the average number of people in each household is shrinking. In 1970 there was an average of 3.3 people to each household. By 2000 it had fallen to only 2.6, a 21 per cent decline over the three decades from 1970. Expressed another way, in 1970 an average new house had 40 square metres of floor space for each occupant; today each person has 85 square metres. No wonder house prices have risen so dramatically; we seem to want so much more space.

As a result, many families float around in dwellings with far more space than they can use. This spare space must still be filled with furnishings, appliances, carpets and curtains. It must be heated, cooled and cleaned, adding to the resources needed to maintain the home. In other words, buying a bigger house means embarking on an extended binge of shopping in order to fill it up. and, as *House & Garden*

magazine declared last year: 'What was once considered extravagance is now considered the norm'.

Increasingly, Australians are not satisfied with standard appliances but demand high-quality professional ones. Instead of a standard gas or electric stove, kitchens are adorned with ovens with six cooking functions, turbo grills, touch controls, triple-glazed doors and the ability to defrost food before cooking it.

Increasingly, the kitchen in the home is being duplicated by super barbecues promoted as the 'kitchen outdoors'. While a barbecue in the 1980s was typically assembled at home from 150 bricks, a hot plate and a wood storage area, in 1998 the top of the line model costs \$2,000. Today the 'Turbo Cosmopolitan' at Barbeques Galore, described as 'Australia's most prestigious gourmet outdoor entertainment system', sells for \$4,990. Made of vitreous enamel, it boasts electronic multi-spark ignition in each of six burners, deluxe cast iron plates and a dual glass window roasting hood. It can roast, smoke, bake and grill. However, even the Turbo Cosmopolitan has been superseded by the Grand Turbo, the main features of which are an infrared rotisserie rear burner and a price tag of \$6,990.

Few people buy the most sophisticated barbecues, but their existence serves to drive up the level of desire. After looking at the Turbo Cosmopolitan or the Grand Turbo, buyers are more likely to buy the Cordon Bleu for \$1,299, 'the latest look in barbecues and one of our top sellers', instead of paying \$200-\$300 for a standard gas model. An advertisement for the Rinnai 'Monaco Outdoor Kitchen' (retail price \$2,399) declares: 'I love the look on the neighbours' face when I roll out the Rinnai'. Australians, today, can spend more on a set of tongs for the barbecue than they spent on the barbecue itself in 1970.

There is something unsettling about a \$7000 barbecue. The barbie has traditionally served as the symbol of Australian egalitarianism. It represented the place where Australians could gather for the simple purpose of cultivating and enjoying their relationships with family members and friends. Unpretentious, convivial, reflective, in a quiet way the barbecue was where Australians celebrated their culture. All that is destroyed when the barbecue becomes an opportunity to outdo the neighbours and other family members, where the objective is not so much to share a meal cooked before the gaze of those we are close to but, instead, to engage

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in an ostentatious display of worldly success. Yet these super-barbecues are 'flying out the doors' of the retailers.

It's not just super-barbeques that express this baleful cultural shift. In selling four-wheel drives marketers play to car buyers' need for personal safety while, at the same time, extolling practical benefits such as luggage capacity, visibility for the driver, and the ability to take the family away on camping trips, despite the overwhelming evidence that large four-wheel drives are more dangerous for both their occupants and other road users. One current TV ad tells us seriously that if you get bitten by a deadly snake in the outback, only a Toyota Landcruiser will get you to hospital in time. The closest you'll get to a snake in Toorak is living next door to a corporate lawyer.

But beneath the macho images, it is unquestionably the inadequacies of those who buy these monsters that the advertisers are exploiting. US market research into people who buy large 4WDs shows that they tend to be unusually 'insecure and vain':

'They are frequently nervous about their marriages and uncomfortable about parenthood. They often lack confidence in their driving skills. Above all, they are apt to be self-centered and self-absorbed, with little interest in their neighbors and communities.'

Consumerism reaches ever-higher levels of absurdity, yet most of us are blind to it. Today, we spend more on our pets than on foreign aid. There is a booming market for dried pig's ears—a treat for your dog priced at \$100 a kilo. Other pet products include canine nail polish, flotation jackets for dogs so you can take them white-water rafting, fish food that sinks more slowly than usual to cater for fish that prefer to eat at different depths, energy treats for turtles, breath-freshener for cats and anti-flatulence tablets for dogs.

If we stand back and look, it is surreal. Recently, glossy ads for the Hitachi plasma screen TV have appeared. It comes with a 'remote Power Swivel Stand [that] allows you to adjust the screen 30° either direction of centre from the comfort of your chair'. Explain that to me. Is this what civilisation in Australia has come to?

