PSYCHOLOGICAL PERSPECTIVES ON POVERTY

The stress and scarcity of resources associated with living in poverty produce an extremely harmful psychological environment. Empirical psychological research allows better understanding of the causes and consequences of poverty, and provides insights into how to improve the effectiveness of economically focused interventions and policy-making.

Key points

• Perceptions of those in poverty are extremely negative; they are stereotyped as lacking warmth and competence. The response to this stereotype is often contempt, harmful behaviours towards this group and belief that poverty results from personal failings. This presents an impediment to policy-makers seeking to tackle poverty.

• Social contact with negatively regarded groups can help to combat these views and improve attitudes and relations.

• Negative perceptions affect how people see themselves. Those experiencing poverty show significantly lower levels of confidence in their own ability to succeed. This has negative physical and psychological health consequences, along with reduced educational and professional attainment.

• Poverty increases the risk of mental illnesses, including schizophrenia, depression, anxiety and substance addiction. Poverty can act as both a causal factor (e.g. stress resulting from poverty triggering depression) and a consequence of mental illness (e.g. schizophrenic symptoms leading to decreased socio-economic status and prospects).

• Poverty during early childhood is associated with genetic adaptation, producing a short-term strategy to cope with the stressful developmental environment. This comes at the expense of long-term health, with increased susceptibility to cardiac disease and certain cancers.

• Children raised in environments of low socio-economic status show consistent reductions in cognitive performance across many areas, particularly language function and cognitive control (attention, planning, decision-making).

• Resource scarcity induces a ‘scarcity mindset’, characterised by increased focus on immediate goals at the expense of peripheral tasks and long-term planning. This may contribute to perpetuating the cycle of poverty.
BACKGROUND

This study reviewed psychological research into the causes and consequences of poverty. It was structured around four main areas: social processes, mental health, genes and environment, and brain and cognition. The review emphasised the potential relevance of the research for policy-making and intervention design, and also considered poverty researchers’ scientific methodology and rationale.

Social processes

Research on group stereotypes suggests that perceptions of those in poverty are extremely negative; they are regarded as being low in warmth and competence. These stereotypes are associated with negative emotional responses, specifically feelings of contempt towards this group, as well as active and passive harm behaviours towards this target group. Another key component of the poverty stereotype relates to personal responsibility, with poverty seen as resulting from personal failings rather than misfortune or societal factors.

These negative stereotypes of people in poverty can potentially severely disrupt attempts to reduce poverty. A potential tool for reducing the negative impact of such stereotyping is intergroup contact. Social contact with negatively regarded groups can improve attitudes, promote positive emotions such as empathy, and disrupt negative stereotypes. It may be advantageous to include those in poverty as a key target group in attempts to promote social integration in the UK.

The prevalence of negative stereotypes of those in poverty may also adversely affect those suffering from economic hardship. Studies show ‘self-stereotyping’ effects, where stereotypic perceptions of a particular group can influence group members’ self-evaluation and actual psychological performance. In the context of poverty, these self-stereotyping effects may be particularly problematic for perceptions of personal responsibility and self-efficacy (belief in one’s competence and ability to succeed). Research has shown significantly reduced levels of self-efficacy in people of low socio-economic status (SES), and has been associated with poor physical and psychological health as well as reduced educational and professional prospects. Non-financial support for those in poverty could involve boosting appraisals of self-efficacy.

Mental health

Poverty is a significant risk factor in a wide range of psychological illnesses. This study reviewed evidence for the effects of SES on three categories: schizophrenia, mood and anxiety disorders, and alcohol and substance abuse. While not a comprehensive list of conditions associated with poverty, the issues raised in these three areas can be generalised, and have clear relevance for policy-makers.

The prevalence of schizophrenia is significantly higher among low-SES individuals. The complex array of causal factors and symptoms for schizophrenia (and most psychological disorders) means that this association may result from a number of possible causal factors. One theory with relatively consistent evidential support is the ‘social drift’ hypothesis, which notes that the decrease in SES associated with schizophrenia often occurs shortly after the onset of symptoms. This suggests that the disease may constitute a risk factor for falling into poverty rather than the other way around, as predicted by the ‘social causation’ hypothesis.

Anxiety and depression have also been associated with a social drift effect. However, the causal role of stressful life events associated with poverty appears to play a much more central role in triggering depressive symptoms. One common remedy for mood and anxiety disorders is social support. For someone in poverty, however, maintaining strong social networks may exert a negative influence, because members of those networks are also likely to be experiencing poverty. As the same stressors are likely
to affect those in the person’s social network, this might lead to ‘stress contagion’. Further research is needed on why this effect occurs, to find ways to improve the efficacy of social support interventions for low-SES individuals. One approach, which ties into the benefits of intergroup contact, might be to encourage social support networks which include people from a range of socio-economic backgrounds.

The association between substance and alcohol abuse and socio-economic status, though prevalent in poverty stereotypes, is somewhat inconsistent. Problem drug and alcohol use is higher among low-SES individuals, but overall addiction rates are still relatively low within this population. There are also significant variations in alcohol and substance use, depending on the length of poverty. For example, one study showed that alcohol consumption decreases following short-term unemployment, but increases with long-term unemployment. Although unemployment is not analogous to poverty, this finding is consistent with explanations of poverty-related behaviours from other areas of psychology, in particular behaviours relating to low self-efficacy and perceived helplessness in the face of stressful situations.

Genes and environment

Genetic techniques such as studies comparing twins have shown that the heritability of SES (the extent to which traits inherited from parents determines someone’s SES) is relatively high. Although causal explanations for this are difficult to support owing to the limits of twin-study methodology, one interesting finding emerged from an early genetic study which found that IQ heritability varies with SES. Specifically, IQ is less heritable for low-SES than for high-SES individuals. The explanation proposed was that the low-SES environment limits cognitive development, preventing children raised in poverty from achieving their full ‘genetic potential’. This interpretation closely matches research from developmental psychology showing widespread disruption of cognitive development for children with low socio-economic backgrounds.

More recent developments in genetic techniques have allowed measurement of changes in the expression of specific genes. A number of such ‘epigenetic’ changes (changes in gene activity that do not result from alterations to the genotype itself) suggest that those raised in poverty may develop a genetic adaptation to the stressful day-to-day experience of poverty. This adaptation provides a short-term coping strategy at the expense of long-term health, with several of these epigenetic effects linked to increased susceptibility to cardiac disease and certain cancers. These results highlight the crucial importance of early interventions to offset the stressful environment of poverty, as the long-term consequences of early deprivation are severe, irrevocable and potentially fatal.

Brain and cognition

Poverty during childhood development also has immediate effects on cognitive ability and neurological activity. Children from low-SES backgrounds show decreased levels of cognitive function and brain activity across numerous domains. The severest effects are found in language function and regulation of cognitive resources like attention and planning. These deficits may represent the first step on the ‘poverty ladder’, setting back educational attainment with potential knock-on consequences for employment prospects and psychological factors such as self-esteem and self-efficacy.

The psychology of poverty has recently moved away from conceptualising poverty as a specific condition affecting a select population. Instead, scarcity (of any resource) is characterised as a psychological state that everyone experiences from time to time. When resources (e.g. time, money, food) are scarce, this ‘scarcity hypothesis’ states that people’s attention focus narrows, concentrating on the immediate task at hand (replenishing the limited resource) at the expense of peripheral tasks or long-term planning. Appreciating the effects of this ‘scarcity mindset’ might help to guide poverty-reduction interventions by allowing policy-makers to alleviate the cognitive strain resulting from a chronic lack of resources (economic or otherwise). Proponents of the scarcity hypothesis suggest initiatives such as ‘smart defaults’ (reducing the number of decisions someone has to make, for example when claiming benefits) or financial reminders as techniques that could reduce this cognitive strain.
Conclusion

The study of poverty in psychology is distributed across various fields and sub-disciplines. The relatively small number of studies considering the phenomenon means that replication of results is rare. Hence any application of psychological theory when developing policy or interventions ought ideally to incorporate an empirical research component. This would contribute to the corpus of psychological research and allow fine-tuning of policy and interventions for the social context in which they are to be implemented.

Despite the above examples of how to adapt the findings of the research reviewed in order to inform policy change or intervention design, psychological theory can only provide a complementary approach to reducing poverty. Fundamentally, poverty is an economic issue, not a psychological one. Understanding the psychological processes associated with poverty can improve the efficacy of economically focused reform, but is not a panacea. The proposals suggested here would supplement a focused economic strategy aimed at reducing poverty.

About the project

This project comprised a literature review of poverty research across all areas of psychology. The material covered represents a sample of available research. The aim was to provide an overview of the various theoretical perspectives and methodological approaches to poverty within the psychological community, and to emphasise areas where the results of such research have relevance for those involved in policy-making or intervention design.