

# Positive self-esteem in youth can pay big salary dividends later in life

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Believing in yourself may be good for the soul, but it can also be good for the bank account, according to a new University of Florida study that finds self-confidence can translate into earning hundreds of thousands of dollars more over a lifetime.

People with high opinions of themselves as teenagers and young adults drew bigger salaries in middle age than their less confident counterparts, and the gap was widest for those from privileged backgrounds, said Timothy Judge, a UF management professor who did the study with graduate student Charlice Hurst.

“There are certainly significant advantages for children growing up with parents who are well-educated and work in professional occupations, but these advantages are especially profound when children are self-confident,” said Judge, whose study will be published later this year in the *Journal of Applied Psychology*. “Positive self-concept seems to act like an accelerant – the fuel to the fire – that leads the advantaged in our society to do better.”

The findings seem to bear this out. For people who lacked self-confidence, whether they grew up poor made little difference in how much they earned as adults, roughly \$7,000 per year. However, for the confident, growing up in more affluent circumstances made a huge difference – roughly \$28,000.

Similarly, parents’ occupation made no difference in the earnings for

those low in self-confidence. But for the self-assured, it made a much bigger difference, with those whose parents were professionals earning much more than self-confident people whose parents were laborers, and for that matter, more than those who lacked self-confidence.

“If your parents are doctors or lawyers, a positive self-concept matters a whole lot more than if your parents are roofers or employees in a fast-food restaurant,” Judge said.

For people who had a father who was an economist and mother who was a chemist, for example, those who were self-assured made \$96,220 a year as opposed to \$50,968 a year for those lacking in self-assurance, Judge said. For those whose father was a roofer and mother was a waitress, high levels of self-confidence meant earning \$58,117 a year compared with \$51,359 for those with low self-confidence, he said.

The study used data from the National Longitudinal Survey of Youth, a nationally representative sample of 12,686 men and women who were between 14 and 22 years old when first interviewed in 1979. They were 37 to 45 in 2002, when the income findings were collected. Participants were interviewed annually until 1994 and then every two years after that, he said.

The study, which controlled for race and gender, evaluated mid-life income by examining parents’ education and occupational prestige, as well as participants’ educational levels, grade point averages, SAT scores and child poverty levels. For every category, the study found that having high self-esteem made a difference.

Self-confidence was measured by answers to such questions as “What happens to me is of my own doing,” “I feel I have a number of good qualities” and “When I make plans, I am almost certain to make them work.”

Judge believes the effects of self-esteem and socio-economic background on income are particularly timely with today's growing income disparity between the "haves" and "have nots."

"As our economy becomes more high tech and places a higher premium on knowledge work, it gives tremendous opportunity to people who have advantages based on their upbringing," he said. "But people who don't have advantages are much more limited in what they can make of themselves, probably because they have so little to capitalize on."

Although there are "rags to riches" stories, these are overshadowed by the large number of people who end up having to struggle to make a living, he said.

At the same time, the study shows that early advantages by themselves are not enough to ensure the best shot at material well-being later in life, Judge said. "In light of popular beliefs that kids from middle- and upper-class families have it made, it is surprising to see what little positive impact socioeconomic status has in the absence of self-esteem," he said.

Motivation may be one reason for self-esteem's importance, Judge said. "Research has shown that positive people who believe in themselves have more ambitious goals, so that even when they encounter adversity, they're not as likely to internalize it," he said.

Source: University of Florida

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