

## **THE HOME ECONOMIST: The Home Economist: Why cynics earn less**

**Brett Graff**

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**Brett Graff is a reporter & former U.S. government who writes about the economic forces affecting real people.**

Cynical people distrust others, and that can be particularly true when it comes to money matters. It's an understandable attitude as companies (last week it was TotalBank) continue layoffs despite what seems to be a healthy local economy. But be careful, because cynicism is an attitude known to trigger depression, lead to heart disease, incite obesity and now — according to new research — stunt our economic advancements.

Yes, operating with a suspicious outlook about the people with whom we work will be the direct cause of our earning less money, says Daniel Ehlebracht, a researcher at the Institute of Sociology and Social Psychology, University of Cologne.

"Cynics drastically and systematically underestimate how moral, trustworthy, and honest most other people are," Ehlebracht tells me in an email. "And therefore [they] forego opportunities to cooperate and thus fail to reap the benefits of joint efforts."

Here's the deal: When we walk into work believing our bosses, colleagues and clients will lie to get ahead or that they have hidden reasons for making even the kindest of gestures, then we're certainly not going to jump at the chance of collaborating with them, says Ehlebracht. You know, in fear of the backstabbing. When we're cynical, we're also more neurotic, less agreeable and less extroverted, says Ehlebracht, making us less likely to develop positive relationships with the people who can help advance our careers. We're less likely to ask for feedback, build relationships or compromise in the face of conflict.

"Cynics may incur additional costs to protect themselves from others' alleged scheming and bad intentions by excessively controlling each step of their employees or insisting on a 90-page notarized contract for any ever so petty agreement with a business partner," says Ehlebracht.

These are costs that can be counted in dollars, according to Ehlebracht's research. He surveyed 1,146 Americans and asked them if they agreed with statements such as, "Most people will use somewhat unfair means to gain profit." He also asked their incomes. After controlling for health and education, the researchers found the most cynical among them had lower incomes at both the time of questioning and then also nine years later.

Then Ehlebracht's team spoke to Germans — 16,000 of them — and presented a similar line of questioning. After nine years, the cynics earned \$300 a month less than the respondents who had a more positive opinion of other people.

A third study proved that very effect holds true in 28 countries. In countries where corruption is rampant, that attitude may be wise. But in most societies, Ehlebracht says cynicism is unfounded.

"It's wrong not only in a moral sense but also a factual sense," he says. "Even though there are certainly some people who would abuse or exploit trust put in them, those are generally only a small minority."

Problem is, cynicism may seem real because it's a self-fulfilling prophecy, says Amy Edmondson, a leadership professor at Harvard Business School. If we believe people are constantly trying to cheat us, and behave in ways that reflect those beliefs, we're the ones who will appear to be — or will be — untrustworthy.

"It's ironic because you're arming yourself against being taken advantage of," says Edmondson. "But you're creating the very thing you're trying to avoid, which is being let down."

Even trusting souls can catch some degree of cynicism, thanks to organizational changes such as layoffs or reorganizations, says Terri A. Scandura, a management professor at the University of Miami's School of Business Administration. That's why it's critical during those times for managers to communicate with employees, explaining the reasons for any changes, what is going to happen and who will be affected.

"People have a psychological contract with an organization," says Scandura, "and when they see layoffs coming it's a breach, and [it] results in that kind of cynicism. The culture can become negative and people don't trust bosses or coworkers."

Critical thinking can help combat cynicism, says Michael Yapko, a clinical psychologist in San Diego, California and author of *Depression is Contagious*. Rather than being globally pessimistic, think specifically about what worries you. Within that framework, distinguish the things that affect you personally from the things that really are personal. For example, if you're one of 100 layoffs, it's going to be a problem but it's not a situation unique to you.

Also, he advises, you'll be better off if you curtail complaining. It won't make you money, as people chosen to lead projects are typically those who are positive and inspiring. Sharpen your social intelligence by being selective about your grievances.

"You may not change a cynic to becoming open and happy," says Yapko, "but you can establish healthy boundaries."

***Brett Graff*** is a former U.S. government economist, the editor of *TheHomeEconomist.com* and the author of *Not Buying It: How to Stop Overspending and Start Raising Happier, Healthier, More Successful Kids*. Follow her at [@BrettGraff](#).

**SIDEBAR: ARE YOU A CYNIC?** If you generally agree with any of the following statements, you might make more money by changing your perspective. « Most people inwardly dislike putting themselves out to help other people.« Most people will use somewhat unfair means to gain profit or an advantage rather than lose it.« I think most people would lie in order to get ahead.« I commonly wonder what hidden reasons another person may have for doing something nice for me.