

Aristotle on Wealth and Happiness

The Common Sense View

By

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To understand Aristotle's views on wealth, it is first necessary to review at least in outline that which he held to be the goal or end of a human life, that which he called happiness. Aristotle characterized happiness as an activity and held that it consisted in a whole life well lived a life filled with all those goods that meet the needs of man as a political and rational animal. He divided these goods into three categories—goods of the body, external goods, and goods of the soul. Goods of the body include health and bodily pleasures. External goods include food, drink, shelter and clothing, which are necessary for health and vitality. He also identified honors, the rightful recognition of our fellow men for some demonstrated excellence among external goods. Finally, the goods of the soul include knowledge, reasoning skills, the exercise of creative powers, pleasures of the mind, and since man is a political and social animal, friendship.

He differentiated between these goods in an important way. Some goods he characterized as limited: goods to be sought in moderation. Food is an example of a limited good in that it can be consumed in excess to the detriment of health. Unlimited goods are those that ought to be sought without limit. One can, for example, never have too much knowledge or wisdom.

With this understood, Aristotle adopted the common sense position that a man ought to seek that which is really good for him, each good to its proper degree. The good life, as he envisioned it, was one wherein material needs and bodily pleasures were comfortably satisfied but subject to rational limits. The remainder of one's self-efforts ought, he believed, to be focused on maximizing the acquisition of the distinctly human goods of the soul.

According to Aristotle, one's success in pursuing happiness depends upon three things. These are virtue, a modicum of external goods and good fortune. We will begin with a discussion of the virtues, move on to the question of what external goods are necessary and how virtue provides for their effective use and, finally, close with observations on the role of good fortune and how conditions outside the control of the individual can, to some extent, be addressed through societal means.

The virtues are critical means to the attainment of happiness. Virtue is that which "brings into good condition the thing of which it is the excellence and makes the work of that thing be done well".

The virtue of a man is that "which makes a man good and which makes him do his own work well."

The virtues are states of character, or dispositions to act in a certain manner with regard to pleasures and pain and they are created through the process of habituation. A man becomes courageous by acting courageously and just by performing just acts. Vicious states of character are likewise created through habituation. Reflecting on this for a moment, it must be understood that a single virtuous or vicious act is both good/bad per se and contributes to the formation of a disposition to act in a like manner in the future. To understand this is to understand why Aristotle says in *The Ethics* that it is better to be treated unjustly than to act unjustly.

Virtues aim at the mean between the twin vices of excess and deficiency and what defines these points is, of course, relative to the individual and dependent upon contingent circumstances. For example, what is excessive with regard to consumption of food will differ between a small or sedate individual and a professional athlete who is training vigorously. Likewise, distinguishing between courage and foolhardiness requires an understanding of the situational specifics.

It is important to understand that the truly virtuous man finds pleasure in virtuous acts. He no longer battles against opposing appetites. Right desire is the mark of a virtuous person—a soul no longer at war with itself but under the government of, to paraphrase *The Republic*, a wise monarch.

Turning now to Aristotle's views on wealth let's begin by pointing out what he found self-evident: that wealth is not sought as an end in and of itself, "for it is merely useful and for the sake of

something else.”

First and foremost among these uses is as a means of securing those external goods such as food, drink, clothing, and shelter, which are necessary but not sufficient for the attainment of happiness. These external goods are, once again, limited goods and the virtue of *temperance* speaks to their proper role and forms the ideological foundation of Aristotle’s views on wealth.

Temperance is a mean with regard to bodily pleasures and specifically with regard to the pleasures of taste and touch; pleasures derived from food, drink and other sensual pleasures. The temperate man does not enjoy those things that he ought not or those that he ought to excess. “He does not crave them when they are absent or does so only to a moderate degree; but the things that, being pleasant, make for health he will desire moderately and as he should, and also other pleasant things if they are not hindrances to these ends or contrary to what is noble or beyond his means.”

The vice of excess connected with temperance is that of *self-indulgence*; loving such things “that they ought not to delight in (since they are hateful), ...more than one ought and more than most men do.” The self-indulgent man “is pained more than he ought at not getting pleasant things... and is led by his appetite to choose these at the cost of everything else.” “They love pleasures more than they are worth.”

He further warns that if the appetite “is not going to be obedient and subject to the ruling principle [that which counsels moderation] it will go to great lengths; for in an irrational being the desire for pleasure is insatiable even if it tries every sort of gratification, and the exercise of appetite increases its innate force, and if appetites are strong and violent they even expel the power of calculation. Hence they should be moderate and few and in no way oppose the rational principle.”

It follows that, since wealth is primarily a means to the acquisition of external goods and, since temperance dictates that such goods and the pleasures that they provide ought to be sought only in moderation, wealth ought also to be sought only to the extent that it is required to satisfy these needs. To pursue wealth beyond this limit for the sake of superfluous external goods, sensual pleasures or the empty praise of those who honor wealth would be to waste precious time and energy that could be devoted to the pursuit of creative activities and wisdom. Such a person, Aristotle would classify as a fool and, alas, he found fools to be in the majority.

It is also, however, important to recognize that pursuit of goods of the soul requires a substantial amount of leisure time together, of course, with the discipline to employ it well. The person who toils day and night at menial and unfulfilling work in order to meet his basic needs can hardly be thought of as happy even though his need for external goods may be satisfied. We are therefore led to the conclusion that sufficient wealth is required to both satisfy the demands of a temperate existence and to provide that leisure time which is necessary for the pursuit of the higher goods.

Such a life has come to be known as “contemplative” —a life devoted to the development of the intellect and the pursuit of wisdom in which the highest good lies in the contemplation of truth. Contemplation requires, of course, that truth be pursued and grasped but the ideal lies not in the pursuit. This runs counter to popular wisdom but that comprehension of truth, which is less than perfect, can of course be made more perfect through the addition of that understanding which is lacking. Perfection therefore lies in the contemplation of that which has been hard won—a level of perfection that he attributed to the all-knowing gods.

Given this understanding of Aristotle’s views on happiness and the role of wealth, what remains is to understand and reconcile his views on riches wealth possessed beyond that which is necessary to provide for basic needs and leisure time. In the Ethics, he states “things that have a use may be used well or badly; and riches is a useful thing.” And in the Politics he goes so far as to contradict Socrates who counsels temperance, claiming that “a man should have so much property as will enable him to live not only temperately but liberally...”

Herein lies an apparent contradiction. The person who would pursue the contemplative life as Aristotle recommends, would guard their leisure jealously and the possession of riches would, upon reflection, offer nothing but unnecessary distractions. In the worst case, it could lead to self-indulgence and the sacrifice of an unlimited good for limited ones but even in the best case, the prudent management of riches would distract from what ought to be one’s primary pursuit. How are we to reconcile Aristotle’s views on the good life with his assertion that riches can be a useful thing?

The answer is that Aristotle, in the Ethics, discusses two alternative paths to living well —the contemplative and the active life. While he comes down squarely on the side of the former he treats the

latter with a respect that is hardly surprising given a Greek culture that has its wellsprings in the heroes of Homer.

Generally speaking the active life, as characterized by Aristotle, is one wherein the individual sacrifices that leisure which is so essential to the contemplative life in order to take an active role in the practical business of the community and who serves the community well and virtuously. For the Greeks, this called to mind the great statesman, the military commander or the philanthropist. In our times, it might also include the entrepreneur or the manager of some great commercial enterprise.

What characterizes the active life well lived is the performance of noble deeds. Aristotle does not define “the noble” in *The Ethics* but he speaks to it in *Rhetoric* where he says “those actions are noble for which the reward is simply honor... So are those in which a man aims at something desirable for another’s sake; actions good absolutely, such as those a man does for his country without thinking of himself; actions good in their own nature; actions that are not good simply for the individual, since individual interests are selfish. Noble are also those actions whose advantages may be enjoyed after death, as opposed to those whose advantage is enjoyed during one’s lifetime: for the latter are more likely to be done for one’s sake only.”

The active life places a premium on the practical or moral virtues. Noble deeds in the sphere of action require courage and prudence. Alternatively, injustice and self-indulgence are shameful and antithetical to the spirit of nobility. But, according to Aristotle, while good character is necessary to the proper pursuit of the active life, it is insufficient. He that would perform noble deeds and demonstrate his excellences requires opportunity and resources and only the most naïve would deny that riches, properly employed, provide both. In fact, noble deeds based upon right giving depend, by definition, on possession of wealth beyond that which is needed to live temperately.

“The liberal man will need money for the doing of his liberal deeds, and the just man too will need it for the returning of services... and the brave man will need power if he is to accomplish any of the acts that correspond to his virtue, and the temperate man will need opportunity; for how else is either he or any of the others to be recognized?”

Now, if riches are useful to the pursuit of the active life, “and everything is used best by the man who has the virtue concerned

with it; riches, therefore, will be used best by the man who has the virtue concerned with wealth.” And so, in addition to the cardinal virtues of temperance, courage, justice and prudence, Aristotle speaks of two virtues specifically concerned with the proper use of riches and these he named *liberality* and *magnificence*.

Liberality is the habitually formed disposition to acquire and use riches wisely, with emphasis on their proper use. Its vice of excess is known as *prodigality* and its vice of deficiency is called *meanness*.

With regard to riches, the liberal man is interested in their acquisition only as a means to giving. Beyond this, he cares little for money. Given such a disposition, the liberal man will not debase himself or act dishonorably in the pursuit of wealth but neither will he “neglect his own property, since he wishes by means of this to help others.”

The liberal man is characterized not only by a desire to spend and give but also by his desire to give and spend wisely. He “will give for the sake of the noble, and rightly; for he will give to the right people, the right amounts, and at the right time, with all the other qualifications that accompany right giving; and that too with pleasure or without pain; for that which is virtuous is pleasant or free from pain.”

Selfless intentions are not sufficient. A person may give selflessly to their child but give wrongly if he gives too much at the wrong time or to a child who is ill prepared to deal with the wealth provided. Facebook founder, Mark Zuckerberg recently gave \$100 million dollars to New Jersey’s failing public school system with the stated intention of turning the failing system around in 5 years. The gift was certainly public spirited but, according to many commentators, has resulted in little progress towards its intended end because insufficient thought was given to the means.

It is often the case that a virtue can be best understood by comparison to its attendant vices and liberality is no exception. For most of us, the word prodigality calls to mind the Bible story of the prodigal son who takes his inheritance, goes off to a distant country and squanders it in wild living. But, for Aristotle, this story tells of a man with two vices. He is prodigal in the sense that he wasted, or used poorly, his means but he is also intemperate and self-indulgent.

Many but not all prodigals are self-indulgent but the essence of

prodigality lies not in lack of temperance but in a habitual disposition to give and/or spend to excess and to give/spend for the wrong reasons to the wrong people at the wrong time and in the wrong amounts. Like the liberal man, he cares little for wealth but lacks the discipline to manage his wealth in a manner that preserves his substance and what he does give/spend yields little fruit.

The mean man, on the contrary, cares more than he ought for riches and for the wrong reasons. According to Aristotle, meanness is characterized by either a disposition to give little and/or by a disposition to avidly seek what he calls “sordid gains” by whatever means possible and without regard to honor. The former are the hoarders of wealth and “are called by such names as ‘miserly’, ‘close’ and ‘stingy’...” In the latter category he includes, pimps, usurers and con men.

Of the two vices opposed to liberality, Aristotle holds meanness to be the worse. The prodigal is, in a sense, properly disposed towards wealth but suffers from a foolishness that “is easily cured by both age and poverty.” Meanness, on the other hand, is both a greater evil, more common and more difficult to cure “for old age and every disability is thought to make men mean”.

There is another virtue that is concerned with the giving or spending of large sums. Aristotle calls this virtue *magnificence* and, while the magnificent person is liberal, the liberal person is not necessarily magnificent.

Magnificence differs from liberality in that it deals only with expenditures and then only with expenditures on a grand scale. Again, magnificence like all virtues is a state of character and a “state of character is determined by its activities and by its objects.” The magnificent person spends large sums but he does so in a manner appropriate “to the agent, the circumstances and the object.”

Development of this virtue obviously requires substantial means. A person of limited means cannot be magnificent and to attempt to be so would be unfitting and even foolish. The object of magnificence is the production of a result that is beautiful and worthy of honor and admiration, the value of which equals or exceeds the expenditure. In this regard, the “magnificent man is like an artist; for he can see what is fitting and spend large sums tastefully”, and he will spend “gladly and lavishly”.

The object of magnificence is also public spirited and aimed at the good of the community. In Aristotle's time, an appropriate object might be the equipping of a trireme, the sponsoring of a religious festival or some artistic performance.

Like liberality, magnificence can also be better understood by considering the vices at its opposite extremes. The vice of excess is vulgarity and the vulgar person will spend more than is right given the object and circumstances. "For on small objects of expenditure he spends much and displays a tasteless showiness; e.g. he gives a club dinner on the scale of a wedding banquet..." His end is not a result that is beautiful and honorable but rather the display of his wealth.

The vice of deficiency is called niggardliness and the "niggardly person, on the other hand will fall short in everything, and after spending the greatest sums will spoil the beauty of the result for a trifle, and whatever he is doing, he will hesitate and consider how he may spend least, and lament even that, and think that he is doing everything on a bigger scale than he ought."

Properly understood, liberality and magnificence cannot stand on their own. As American philosopher Mortimer Adler pointed out, the moral virtues are analytically separable but cannot exist in isolation from one another. It is impossible to conceive of a liberal person who is self-indulgent or unjust and the virtue of prudence is inextricably woven through our descriptions of both liberality and magnificence as that which guides giving/spending for the right object in the right amounts and at the right time given widely varying contingent circumstances. As for courage, I am reminded of the scene from Dickens' *A Christmas Carol*, when Belle identifies the root cause of Scrooge's descent into meanness. "You fear the world too much," she answered, gently. "All your other hopes have merged into the hope of being beyond the chance of its sordid reproach. I have seen your nobler aspirations fall off one by one, until the master-passion, Gain, engrosses you."

The standard thus established is a very demanding one and suggests that accurately designating someone as liberal or magnificent requires that we assert a degree of moral virtue, which is, alas, very rare. This ought to make one cautious in citing examples of historical persons who, though noteworthy for their philanthropy, may have not, for example, acquired their wealth through just means.

In Book X of *The Ethics*, Aristotle pays due respect to the active

life, “for the activities in accordance with this befit our human estate. Just and brave acts, and other virtuous acts, we do in relation to each other, observing our respective duties with regard to contracts and services and all manner of actions and with regard to the passions; and all these seem to be typically human.”

And yet, for a number of reasons he concludes that the contemplative life is superior and represents the ideal. First, he offers that the contemplative life, in focusing on the intellectual powers, seeks to perfect that which is best in man’s nature—that which in fact we he believed must share in the divine “such a life would be too high for man; for it is not in so far as he is man that he will live so, but in so far as something divine is present in him; and by so much as this [the intellect] is superior to our composite nature is its activity superior to that which is the exercise of the other kind of virtue.”

Second, contemplation of truth would seem to be sought for it’s own sake, “while from practical activities we gain more or less apart from the action. And happiness may be thought to depend on leisure; for we are busy that we may have leisure, and make war such that we may live in peace.” In fact, history is replete with examples of great men who feel compelled to pursue active lives while clearly recognizing the sacrifices. John Adams, for example, memorably declared, “I must study politics and war that my sons may have liberty to study mathematics and philosophy” and Plato fretted about the difficulty of finding wise men to lead his Republic because, as he saw it, no truly wise man would want the job.

Finally, while both the active and contemplative life require that life’s necessities be met, the contemplative life, as has been noted, is on a relative basis, much more self sufficient and does not require either the opportunities or resources required to perform noble deeds.

To summarize, Aristotle saw a limited amount of wealth as a necessary means to an end, that end being happiness or a life well lived. It aids the pursuit of the contemplative life by providing basic necessities and opportunity for that leisure activity which is essential to the development of intellectual capacities and the pursuit of wisdom. Riches, if employed well, provide the opportunity and resources to do noble deeds that are deserving of honors that greatest of external goods. However, they also present an unwelcome distraction to him that would pursue the life of the philosopher which Aristotle so eloquently endorses.

While the necessity of wealth may appear to be a matter of common sense, this position has not been universally shared. The Stoics, for example, argued that happiness depends wholly upon virtue and is, therefore completely within the control of the individual.

Aristotle, to the contrary, asserts the necessity not only of wealth but also of good fortune—that which is, by definition, beyond the control of the individual.

If we survey human history and consider the billions of human beings who have populated the earth, the vast majority, through no fault of their own, had little to no opportunity to live well. Most human beings, until fairly recently, (and today in many places), had no hope of accumulating that amount of wealth necessary to provide the leisure time, which is essential to the development their intellectual and creative capacities. The vast majority has been sentenced by circumstance to lives of sustenance work that required use of all of their time and effort to simply live. Many have been born into a life of slavery or denied educational opportunities due to their class, race or gender. Others have had their lives prematurely cut short or had their capacities severely impacted by debilitating disease.

Thus considered much of good fortune lies in being born in the right place at the right time in history. Advances in technology and in the organization of work have, in many nations, created enormous amounts of wealth and advances in medicine have enabled us to live longer and healthier lives. Political liberty and universal suffrage are more prevalent today than during any previous epoch and progress is being made against the injustices of race and gender based discrimination.

Such advances have not occurred as the result of natural, evolutionary processes. Their foundation is based upon what Aristotle referred to as the art of politics. Human beings have come together to form governments and institutions in order provide conditions amenable to their pursuit of happiness. The creation of such conditions for all citizens is, or should be, the primary aim of government through the creation of laws that are just, promote virtue and, which provide rich educational and economic opportunities for all. In this sense, man is able to collectively influence that which is beyond the ability and control of the individual.

And yet, while the ideal lies in the creation of opportunities that can be freely chosen and pursued by all, circumstances will always

exist wherein the individual, through no fault of his own, is impeded through ill fortune. It is Aristotle's recognition of the necessity of external goods, which provides the philosophical underpinnings for those systems of public and private support for the *less fortunate*, which are now such a common feature of the modern nation state.

No, contrary to the position taken by the Stoics, the attainment of happiness, is not wholly within the control of the individual and this simple, common sense observation provides moral legitimacy, or rather the moral imperative behind man's often faltering attempts to provide those conditions under which the opportunity to pursue happiness lies within the grasp of all human beings. For, "it is evident", says Aristotle, "that the form of government is best in which every man, whoever he is, can act best and live happily."

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