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Report

Protecting the self through consumption: Status goods as affirmational commodities

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ABSTRACT

Individuals conspicuously consume to signal their wealth. As a variant to this economic explanation, four studies explored individual's psychological need for self-integrity as a potential motivating force for these consumption decisions. Relying on both field and experimental studies, and employing multiple instantiations of high-status goods and self-threat, we demonstrate that individuals consume status-infused products for their reparative effects on the ego. Individuals under self-threat sought ownership of high-status goods to nurse their psychological wounds (Study 1), and when afforded an alternate route to repair their self-integrity, sought these products less (Study 2). Furthermore, among a representative sample of US consumers, low-income individuals' lowered self-esteem drove their willingness to spend on high-status goods (Study 3). Finally, these high-status goods serve the purpose of shielding an individual's ego from future self-threats (Study 4). The compensatory role of high-status goods has important implications for consumer decision-making and public policies aimed at reducing consumer debt.

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Introduction

In 2005, Alberto Ramirez, a strawberry picker earning \$400 dollars a week, purchased a home for \$720,000 (Wagner, 2008); an exemplar of the extravagance and excess consumption that contributed to the crippling of the US economy in 2008. As the US population's insatiable appetite for consumerism teeters on a staggering \$14 trillion in consumer debt (Golub, 2008), what is most puzzling to economists and decision theorists is that it is often those earning the *least* that spend the *greatest* fraction of their income on *conspicuous consumption* (i.e., the act of acquiring goods not for their inherent objective or subjective value, but to signal social status [Veblen, 1889/1994]) (Banerjee & Duflo, 2007). In contrast to the economics of wealth signaling that is commonly invoked to explain this pattern (Bagwell & Bernheim, 1996; Charles, Hurst, & Roussanov, 2009), we contend that an individual's psychological motive to protect self-integrity may also play a vital role in driving these paradoxical consumption decisions.

Economics of consumption

It is well established that individuals care a great deal about their status and strive to attain higher status (e.g., Barkow, 1989; Frank, 1985; Homans, 1951; Loch, Huberman, & Stout, 2000; Veblen, 1899). Individuals can gain status in various ways, including

through the accumulation of wealth, education, and social ties with high-status individual(s) (e.g., Corneo & Jeanne, 1997; Lin, 1999; Lin, Ensel, & Vaughn, 1981). Although attaining these status markers may be difficult and uncertain for many (e.g., Ferschtman, Murphy, & Weiss, 1996; Lin & Dumin, 1996), individuals can socially manipulate their status through alternate forms (Smith, 1759/1969). In line with *costly signaling theory* (Zahavi, 1975), which suggests that individuals engage in costly behaviors (i.e., expend economic, social, and material resources) to signal unobservable-information about themselves (Miller, 2001), an individual can acquire status through status consistent behaviors (e.g., Frank, 2000; Veblen, 1899). In line with this premise, economists have argued conspicuous consumption as a *costly signal* of wealth, a common metric for one's status (e.g., Corneo & Jeanne, 1997; Futagami & Shibata, 1998; Smith, 1759/1969). Thus, since income is not easily observed by others, the poor may engage in conspicuous consumption, to speciously signal wealth (Banerjee & Duflo, 2007). That is, by successfully manipulating status in this manner, these individuals may gain access to the benefits and rewards usually reserved for the elite. Contrary to this economic explanation, which is focused on a deliberative signaling to the outside world, we suggest the internal psychology of the *self* (Baumeister, 1998; James, 1890), also plays a crucial motivating role in directing low-income consumers towards irrational consumption decisions (Frank, 2000).

Consumption and self-integrity

As social beings, humans often perceive and judge objects as social entities (e.g., Berger, Zelditch, Anderson, & Cohen, 1972).

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Possessions contribute to defining the self and become an extension of one's identity (Belk, 1988; Fromm, 1976; James, 1890). Similarly, symbolic self-completion theory contends that individuals seek identity-relevant possessions to signal their identity to others (Wicklund & Gollwitzer, 1981). When an important identity is under attack, individuals and groups indirectly compensate for this threat by consuming (Braun & Wicklund, 1989; Wicklund & Gollwitzer, 1981) and inflating the value of objects (Ledgerwood, Liviatan, & Carnevale, 2007) that symbolize this identity. Together, these findings imply that the decision to consume has implications not only for shaping one's identity, but also for *maintenance* of global self-integrity.

Protecting self-integrity

Steele (1988) proposed that the objective of the self-system is to maintain the overall integrity of the self. When confronted with self-threats, individuals may either *directly* challenge or distort the threat (e.g., Dunning & Cohen, 1992; Kunda, 1990; Miller & Ross, 1975; Taylor & Brown, 1988), or *indirectly* affirm on an alternate source of self-integrity (e.g., Sherman & Cohen, 2006; Sivanathan, Molden, Galinsky, & Ku, 2008; Steele & Aronson, 1995). Since the source of self-integrity is fungible, individuals can compensate for failures in one arena by pronouncing their success in another (e.g., Steele & Liu, 1983). Given the intimate connection between the self and possessions (Beggan, 1992), consumption might also serve as an indirect source of self-affirmation. Specifically, we propose that self-threat may motivate individuals to restore their global self-integrity through compensatory consumption.

Status consumption as affirmation

One benefit of having high socioeconomic status is that it offers individuals control and the luxury of manipulating the negative elements of their social system (Lachman & Weaver, 1998; Lea & Webley, 2006). Conversely, those with low socioeconomic status suffer lower self-esteem (e.g., Rosenberg & Pearlin, 1978; Twenge & Campbell, 2002) and may therefore also lack the self-protective reasoning (Wills, 1981) and psychological resources needed to assuage self-threats (Steele, 1988). Under chronic self-threat, these individuals may seek indirect opportunities to compensate and restore their global self-worth. Thus, the proportionally greater consumption of status-infused goods by the income-constrained (Banerjee & Duflo, 2007), we suggest, is one indirect-route through which individuals attempt to restore self-worth.

The possession of status confers various psychological rewards (e.g., Adler, Epel, Castellazzo, & Ickovics, 2000; Berger, Rosenholtz, & Zelditch, 1980), including self-esteem (e.g., Berger et al., 1972) and sense of power (Rucker & Galinsky, 2008), making status a valued commodity. These ego-enhancing benefits, coupled with the intimate connection between the self and one's possessions (Beggan, 1992; Belk, 1988; Fromm, 1976), makes the consumption of status-infused goods an attractive affirmational option. Thus, wounded egos, we suggest, consume high-status goods for their affirmational properties. The present research directly tests these ideas.

Overview

We conducted four studies to test three main hypotheses: (1) individuals exposed to psychological threat (Studies 1 and 2) and consumers with bruised self-esteem (Study 3), will seek ownership of high-status goods as a means to address this self-threat, and (2) when given an alternate path to nurse their psychological wounds, individuals will feel less need to engage in status consumption

(Study 2). Finally, although economically irrational, (3) status consumption serves an important psychological function by shielding the self against potential threats (Study 4).

Study 1

In Study 1, we examine if individuals facing self-threat display a greater desire for high-status goods. Self-threat was manipulated through performance feedback that was either threatening or non-threatening to one's self-worth (Heatherton & Polivy, 1991; McQueen & Klein, 2006). Status good was manipulated by describing the good – a photograph – as rare, unique, and infused with high-status, or as common, mass-produced, and having no-status (Rucker & Galinsky, 2008). We predicted that because high-status goods have self-affirmational value, individuals faced with self-threatening feedback will pay significantly more to acquire these goods than individuals who receive non-self-threatening feedback (or no feedback). In addition, no-status goods should not have self-affirmational value, and thus self-threatening feedback should not influence participants' willingness to pay for these goods.

Moreover, we deliberately chose to manipulate the status of a photograph, a private good that is less visible to others (c.f., Frank, 2000; Heffetz, 2009), as a critical first test of our theory. Since a photograph is not a particularly visible good, an increased desire to acquire it following self-threat is better accounted for by the desire to restore self-worth, than a desire to signal one's wealth to others.

Method

Participants and design

For class credit, 150 university students (71 females, mean age = 20.3 years) were randomly assigned to a 3 feedback (positive, negative, none) \times 2 object status (high-status, no-status) between-subjects factorial design.

Self-threat. Participants were informed that they would participate in two unrelated studies. In the first study, participants completed a vowel-cancellation task (Allport, 1924), purported to measure information processing and concentration ability. After completing this task, participants received feedback that their score was in the bottom 10% (self-threat), or top 10% (no self-threat) of their university population. Control condition participants received no feedback.

Status good. After receiving feedback, participants moved onto the second study. Participants were presented with a photograph, ostensibly taken by a professional photographer. In the high-status condition, the photograph was described as rare, unique, and available for a limited time, whereas in the no-status condition it was described as common, mass-produced, and widely available. Participants then reported the maximum dollar value they would spend to acquire the photograph.

Results and discussion

A two-way ANOVA revealed main effects for both feedback and object status ($F_s > 4$, $p_s < .02$), qualified by a significant feedback \times object status interaction, $F(2, 149) = 3.22$, $p = .04$ (see Fig. 1). As predicted, participants evaluating a high-status photograph were willing to pay significantly more following negative feedback ($M = 391.09$, $SD = 785.49$) than following either positive feedback ($M = 101.31$, $SD = 160.40$), $t(144) = 3.20$, $p < .01$, or no feedback ($M = 76.50$, $SD = 85.28$), $t(144) = 3.38$, $p < .01$. Furthermore, as predicted, receiving self-threatening, non-self-threatening,

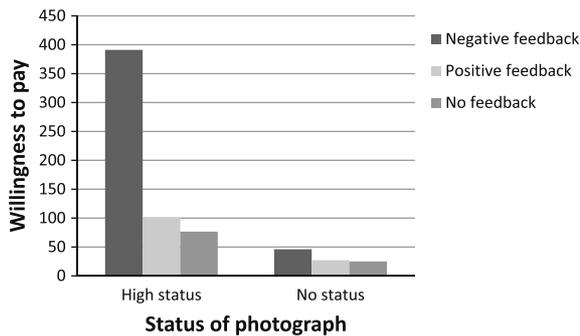


Fig. 1. Effects of feedback on willingness to pay, as a function of the status associated with the photograph.

or no feedback did not affect participants' willingness to pay for the no-status photograph, $t_s < .25$, $p_s > .80$.¹

Study 1 confirms our expectation that valuation of high-status goods increases when self-worth is threatened. Specifically, individuals whose self-worth was harmed sought affirmation in high-status goods. In contrast, since no-status goods provide no affirmational value, individuals showed no preference for these goods under threat. The results of Study 1 offer initial support that consumption of high-status goods may be partially driven by self-threat.

Study 2

As a next step, we wanted to further elucidate the underlying psychological mechanism causing threatened individuals to consume status goods. We have asserted that when the self is threatened, individuals consume high-status goods for their affirming and reparative effects on the ego. If the desire to repair self-worth is one of the impetuses for status consumption, then providing individuals alternate means to restore their self-worth should alleviate this need.

In Study 2, after receiving self-threatening feedback, but before evaluating a high-status or no-status good, half the participants were provided the opportunity for self-affirmation. We predicted that participants who were allowed to self-affirm would value status goods significantly less than those denied this opportunity (c.f., Gao, Wheeler, & Shiv, 2009).

Moreover, since no-status goods have no affirmational value, self-affirmation should not affect participants' valuation of these goods. Following the recommendation of Spencer, Zanna, and Fong (2005), we believe this moderation-of-process approach provides a critical first test of threatened self-worth as the mechanism driving the consumption of status-goods.

Participants and design

For \$7, 65 university students (39 females, mean age = 21.24 - years) were randomly assigned to a 2 self-affirmation (yes, no) \times 2 object status (high-status, no-status) between-subjects factorial design.

Self-threat

Similar to Study 1, participants were informed that they would be participating in two unrelated studies. In the first study, participants estimated the number of dots that appeared on screen (i.e.,

¹ Because of high within cell variance, we also conducted analyses using a square root transformation of the dependent variable, resulting in the same pattern of results.

dot estimation task [Gerrard & Hoyt, 1974]), ostensibly to measure spatial reasoning and logic ability. After completing this task, we induced self-threat by giving all participants negative feedback (i.e., score was in the bottom 10% of their university population).

Affirmation manipulation

Participants in the *affirmation condition* selected from a list of values (e.g., family relationships, health and well-being), the value that was *most* important to them and wrote about its importance. Reflecting on a personally important value should allow the opportunity to repair general feelings of self-worth (e.g., Steele, 1988). Participants in the *no-affirmation condition* chose the value that was *least* important to them, and wrote about its potential importance to others. Reflecting on an unimportant value does not provide the opportunity to repair self-worth (see McQueen & Klein, 2006; Steele & Liu, 1983).

Status good

Participants were then asked to think about a watch that was exclusive and worn only by a very select group of people (high-status) or one that was common and worn by many (no-status). Participants then reported the maximum percentage of the retail price they would be willing to pay to obtain this watch, from 1 (10%) to 12 (120%).

Results and discussion

A two-way ANOVA revealed a significant overall model $F(3, 61) = 2.81$, $p < .05$, with no main effects. However a significant affirmation \times object status interaction emerged, $F(1, 64) = 5.68$, $p = .02$. As predicted, simple effects tests revealed that when evaluating a high-status watch, participants who did not self-affirm were willing to pay significantly more ($M = 74.67\%$, $SD = 31.59$) than those who self-affirmed ($M = 43.71\%$, $SD = 25.26$), $t(61) = 2.72$, $p = .01$. Moreover, the opportunity to self-affirm did not influence participants' willingness to pay for the no-status watch, $t(61) = .06$, $p = .97$ (see Fig. 2).²

Study 2 further supports our hypothesis by demonstrating that when threatened individuals are afforded an alternate route to repair self-worth, their need to acquire status goods, as a source of self-affirmation, is diminished. A similar pattern did not emerge among participants evaluating no-status goods, again suggesting that the affirmational value of consumption is limited to status goods. By experimentally elucidating the mediating psychological process, these results support our claim that the *motive* to repair self-worth is a driving mechanism behind the consumption of status goods.

Study 3

We have shown that threatened individuals consume status goods (Study 1) and this desire to consume is borne out of a need to restore generalized self-worth (Study 2). However, we have yet to squarely address our assertion that the paradoxical consumption choices of low-income individuals, viewed by economists as wealth-signaling, are motivated by their battered self-integrity.

² To rule out that costly-signaling was driving the consumption of high-status watches; 66 additional participants were randomly given a similar threat vs. no-threat manipulation. However, these participants could purchase an undetectable counterfeit of a high-status watch. A signaling account would predict that threat increases expenditure on a high-status counterfeit, as it enables one to signal high-status. However, a self-integrity account would predict no difference as the self-knowledge that the watch is counterfeit would minimize its affirmational value. Consistent with our self-integrity claim, threat had no impact on willingness to pay for the high-status counterfeit watch ($M = 27.9\%$; $SD = 28.4$) compared to no-threat ($M = 27.7\%$; $SD = 25.8$), $F(1, 46) < 0.1$, $p = .97$.

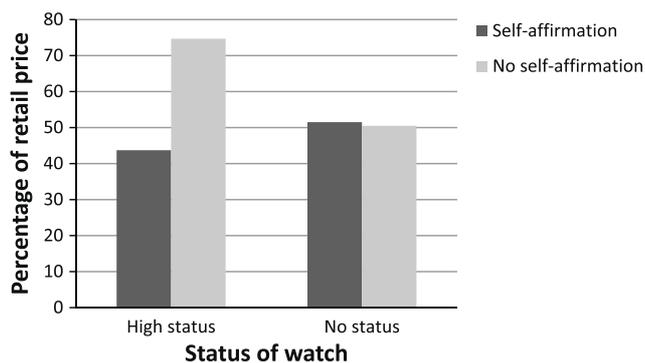


Fig. 2. Effects of opportunity for self-affirmation on willingness to pay (percentage of retail price), as a function of the status associated with the watch.

We address this directly in Study 3 by measuring annual income and self-esteem among a representative sample of US consumers, and examining the relationship with status consumption. Study 3 also serves to address several alternate explanations (i.e., symbolic consumption, affect) and better situate our work among the growing body of literature on compensatory consumption (e.g., Rucker & Galinsky, 2008; Rucker & Galinsky, 2009).

First, individuals consume goods not only for their functionality, but also for their symbolic qualities (Belk, 1988). Symbolic self-completion theory (Wicklund & Gollwitzer, 1981) and related work on specific self-views (e.g., Gao et al., 2009) asserts that when a specific aspect of an individual's identity is threatened, goods that embody and convey the same specific self-characteristic to oneself and others, are sought and consumed. Although our work departs from a focus on specific self-views and identity-relevant consumption, by examining generalized self-views and generalized status-goods, it still impacts the "self" more broadly. For instance, participants from the previous two studies (i.e., students at an Ivy-league institution) may have viewed themselves as high-status, and when threatened, sought high-status goods to affirm their identity (Wicklund & Gollwitzer, 1981). Second, it is also plausible that the threatening feedback in Studies 1 and 2 triggered a state of negative affect, which subjects sought to combat through consumption (Lerner, Small & Lowenstein, 2004). Thus, to more directly rule out negative affect and the alternate explanation of symbolic self-completion, in Study 3 we both directly measure negative affect and utilize a generalized sample of US consumers, not affiliated with a high-status academic institution.

Finally, a growing body of literature has demonstrated that specific aversive states such as powerlessness (c.f. Rucker & Galinsky, 2008; Rucker & Galinsky, 2009), and threatened self-confidence (Gao et al., 2009) trigger status consumption. We contend that a focus on consumers' global self-integrity may more broadly explain how general everyday threats, commonly faced by all consumers, may spur compensatory status consumption, beyond the influence of any specific self-threat. Furthermore, a focus on consumers' global self-view is more reflective of the chronic and lingering aversive state of lower income individuals (Rosenberg & Pearlin, 1978; see Twenge and Campbell (2002) for a review) which we theorize to drive their compensatory consumption. However, given the intimate connection between power and status (Rucker & Galinsky, 2008; Rucker & Galinsky, 2009), we measured personal power in Study 3 to ensure that, at least in our generalized context, power was not the primary driver of our results.

Participants and procedure

Participants were 95 individuals (66 females) drawn from a representative-panel of the general US consumer-population, pro-

vided by a marketing research-firm (mean age = 39.5 years [$SD = 10.5$]; mean annual household income = \$51,736 [$SD = \$30,820$]), whose residences represented 29 US states. Participants were paid for their participation through the survey firm.

Participants completed a 15 min web-based questionnaire, described as a survey of consumer preferences. Participants first completed measures of self-esteem and personal power. *Self-esteem* was measured with four-items ($\alpha = .81$) from Rosenberg's (1965) self-esteem scale (e.g., "I feel that I have a number of good qualities," "I take a positive attitude toward myself") from 1 (*strongly disagree*) to 7 (*strongly agree*). *Personal power* was measured using four-items ($\alpha = .81$) from Anderson, John, and Keltner (2005) (e.g., "In my interactions with others... I can get people to listen to what I say"; "... I can get others to do what I want"; "... I think I have a great deal of power") from 1 (*strongly disagree*) to 7 (*strongly agree*).

Participants were then asked to read about a new car that was scheduled to be introduced to the consumer-market. The car was described as a "luxury sports sedan" with an "elegant feel, luxurious ride, and high-end performance" that experts believed would "provide strong competition in the high-status, luxury car market" in the upcoming year. We then asked, "What is the maximum dollar amount you would be willing to pay to purchase this car?" To ensure that participants viewed the car as relatively high-status, we asked, "How much status/prestige does this car have compared to other cars?" from 1 (*much lower status*) to 9 (*much higher status*). In addition, since those with greater income are more commonly exposed to luxury goods, it was important to ensure that any observed differences were not due to differences in participant's knowledge of the luxury car market. Thus, participants were asked, "How knowledgeable are you about the luxury car market?" from 1 (*very much so*) to 9 (*not at all*).

Finally, since labeling one's affective state can reduce its impact on behavior (Keltner, Locke, & Audrain, 1993), including consumption behavior (c.f., Cryder, Lerner, Gross, & Dahl, 2008), we measured negative affect using three-items ($\alpha = .85$) from the Positive Affect Negative Affect Schedule (PANAS) (Watson, Clark, & Tellegen, 1988), after participants completed all other items (e.g., Cryder et al., 2008). Participants were asked "When you were deciding how much to pay for the car, how much did you feel each of the following: upset; ashamed; irritable" from 1 (*not at all*) to 7 (*a lot*).³ Finally, demographic variables were collected, including participants' annual household income.

Results

Since income is a quintessential means of categorizing individuals into groups of different status (Gerth & Mills, 1946) and consistent with prior studies examining income levels and consumption (Chao & Shor, 1998; Heffetz, 2009), we used the median US household income in 2007 (\$50,233, US Census Bureau, 2008), as a meaningful threshold to split the data into two groups: participants with an annual household income less than (coded 0, $n = 48$) and greater than (coded 1, $n = 47$) \$50,000.⁴

Manipulation check

Participants evaluated the new car as having relatively higher status than other cars ($M = 7.29, SD = .98$). This differed significantly from a score of 5 (*average status*), $t(94) = 22.89, p < .001$, confirming a successful status manipulation. Moreover, participants' rating of the car's status and knowledge of the luxury car

³ Due to space and time restrictions of employing an online marketing-panel survey, we used shorter, but equally reliable scales ($\alpha s = .81-.85$) for negative affect, personal power, and self-esteem.

⁴ The same pattern of results, including mediation, emerged when household income was entered as a continuous variable.

market did not differ between participants with annual household income greater and less than \$50,000, $F_s < .21$, $p_s > .65$.

Simple correlations

First, since the size of one's disposable income available for goods, such as high-status cars, increases with overall income, an income-referenced status-expenditure variable was computed. This *status-expenditure index* was calculated by dividing participants' maximum willingness to pay for the luxury-car by their reported annual household income (c.f., Charles et al., 2009). We then examined the correlations between annual household income and self-esteem, personal power, negative affect, and the status-expenditure index. Annual household income was significantly related to self-esteem, $r = .25$, $p = .02$, and the status-expenditure index, $r = -.39$, $p < .001$; however, it was not significantly related to personal power ($r = .13$, $p = .21$) or negative affect ($r = -.16$, $p = .13$).

We next examined if any of the potential mediators (i.e., self-esteem, personal power, negative affect) were associated with the status-expenditure index. Both self-esteem ($r = -.46$, $p < .001$) and negative affect ($r = .41$, $p < .001$) were significantly associated with the status-expenditure index, whereas personal power was not ($r = -.12$, $p = .23$).⁵

Mediation analyses

We conducted mediation analyses using Preacher and Hayes (2004, 2008) bootstrapping technique for multiple mediator models. There are several advantages in using this method. Specifically, it does not rely on the assumption of normality (e.g., MacKinnon, Lockwood, & Williams, 2004; Preacher & Hayes, 2004; Shrout & Bolger, 2002), and the number of inferential tests is reduced, thereby decreasing the probability of Type 1 error. Additionally, unlike other mediation models (e.g., Baron & Kenny, 1986; Sobel, 1982) this technique allows for the estimation of the total indirect effect with all three potential mediators, as well as the specific indirect effect for each unique mediator. The benefit of such analyses is that it allows us to determine if one or more potential mediators are responsible for the relationship between annual household income and the status-expenditure index.

We conducted these analyses in an SPSS macro developed by Preacher and Hayes (2008), using 5000 bootstrap re-samples of the data with replacement. This technique calculates point estimates and bias-corrected and accelerated confidence intervals for the total mediation effect through all potential mediators as well as for each of the specific indirect effects (Efron, 1987). Statistical significance with alpha at .05 is indicated by the 95% confidence interval not crossing zero.

Annual household income was entered as the independent variable, self-esteem, personal power, and negative affect as the mediator variables, and the status-expenditure index as the dependent variable. The bootstrap results indicated, with 95% confidence, that the total indirect effect of annual household income on status-expenditure index was mediated through the overall effect of self-esteem, personal power, and negative affect (point estimate = $-.32$; 95% biased-corrected confidence interval of $-.81$ to $-.04$). However, examination of the specific indirect effects revealed that while self-esteem was a significant mediator (point estimate = $-.23$; 95% biased-corrected confidence interval of $-.58$

to $-.06$), personal power (point estimate = $.03$; 95% biased-corrected confidence interval of $-.02$ to $.18$) and negative affect (point estimate = $-.11$; 95% biased-corrected confidence interval of $-.47$ to $.01$) were not.^{6,7}

Discussion

Study 3 further supports our hypothesis by demonstrating that bruised self-esteem among low-income individuals plays a role in their desire to acquire status goods. Moreover, these results also add confidence to our previous set of studies in three important ways. First, finding evidence for self-esteem as a mediator linking income to status-expenditure both elucidates the psychological underpinnings of the consumption intentions of representative American consumers, and increases the reliability and generalizability of our previous set of findings. Second, Study 3 helps to rule out symbolic self-completion and negative affect as alternate explanations. Finally, Study 3 helps situate this work among the burgeoning literature on compensatory consumption (Gao et al., 2009; Rucker & Galinsky, 2008; Rucker & Galinsky, 2009) by highlighting how our general drive for *global* self-integrity encourages status consumption among those who can least afford it.

Study 4

The previous three studies demonstrated that self-threat increases individuals' desire for status possessions (Study 1), and offering alternate avenues to alleviate this self-threat reduces the desire for status consumption (Study 2). Moreover, among a representative sample of US consumers, lowered self-esteem mediated low-income individual's willingness to spend a larger fraction of their income on high-status goods (Study 3). Using both experimental (Study 2; Spencer et al., 2005) and statistical (Study 3; Preacher & Hayes, 2008) mediation techniques, our overall results provide strong evidence that status consumption is borne out of a psychological motive to restore self-worth.

In Study 4 we examine whether this seemingly irrational consumption decision provides the consumer a psychological buffer against self-threats. In Study 4, participants again completed the dot estimation task, but prior to receiving self-threatening feedback, were asked to ruminate and write about owning a new car – pretested to have either high-status or no-status. Rumination allowed participants to mentally consume the concept of status associated with the car (see Ariely & Norton, 2009). Participants then reported on feelings of threat. We predicted that participants who reflected and wrote about owning a high-status car would feel less threatened by the negative feedback than those participants reflecting on a car with no-status (or control).

Participants and design

For \$7, 54 university students (33 females, mean age = 20.13 years) were randomly assigned to a high-status ($n = 18$), no-status ($n = 17$), or control condition ($n = 19$).

Status manipulation

Similar to Study 1, participants were informed that they would

⁶ We also ran Sobel (1982) tests with each of the proposed mediators entered separately. Consistent with results of the bootstrap analysis, self-esteem mediated the relationship between income and the status-expenditure index ($Z = -2.16$, $p = .03$), whereas personal power ($Z = -.870$, $p = .38$) and negative affect ($Z = -1.44$, $p = .15$) did not.

⁷ Given that our status-expenditure index was partially based on annual-income, additional analyses were conducted which confirmed that the mediating effect of self-esteem was not the result of this calculation.

⁵ Rucker and Galinsky (2009) demonstrate that both low- and high-power individuals respond to status-goods, with low [high]-power individuals responding when the product is framed as high-status [performance]. The results of Study 3, which at first glance may seem inconsistent, are in fact well-aligned, since our status manipulation had both status and performance elements, thus appealing to consumers across the entire power-continuum.

participate in two unrelated studies. In the first study, participants completed the dot estimation task (Gerrard & Hoyt, 1974). After completing the task, but before receiving feedback, participants were shown a picture of a high-status (i.e., BMW) or no-status car (i.e., Kia). Participants were then asked to ruminate and write 5–7 sentences about the experience of owning this car. In the control condition, participants completed a Sudoku puzzle filler task.

Self-threat

After completing this task, participants received feedback informing them that they scored in the bottom 10% of their university population. Following this threatening feedback, participants were asked to rate, from 1 (*not at all*) to 7 (*a lot*), their feelings on the items: tense, frightful, insecure ($\alpha = .71$).

Results and discussion

An ANOVA revealed a significant overall model, $F(1, 52) = 3.56$, $p = .04$. As predicted, planned comparison tests revealed that participants who ruminated and wrote about owning a high-status car were threatened significantly less by the negative feedback ($M = 2.33$, $SD = .98$) than those who wrote about owning a no-status car ($M = 3.23$, $SD = 1.18$), $t(51) = 2.57$, $p = .01$, and those in the control condition ($M = 2.98$, $SD = .95$), $t(51) = 1.90$, $p = .06$. Furthermore, there was no difference between participants in the control and the no-status conditions, $t(51) = .73$, $p > .46$.

These results are consistent with our theorizing that the psychological benefits of status goods serve as a pool of affirmational resources that individuals can draw upon to indirectly defend against self-threats (Steele, 1988). In contrast, individuals who do not possess status goods, lack the benefit of this affirmational resource, and are more likely to feel the psychological sting of negative information.

General discussion

Our goal in this research was to elucidate the psychological underpinnings driving a perennial and vexing problem previously examined by economists: Why do those with the least income, spend the greatest proportion of it on status goods? As an alternative to the economic explanation of costly-signaling (Banerjee & Duflo, 2007; Charles et al., 2009), four studies, both laboratory and field, using different instantiations of self-threats and status-infused goods, demonstrated status consumption as a compensatory behavior aimed at restoring self-integrity. Specifically, threatened individuals seek out status goods to soothe their psychological pain (Study 1), when alternate affirmational resources are not available (Study 2). More directly, this need to acquire status goods among low-income individuals like Alberto Ramirez is, at least partially, motivated by their bruised self-esteem (Study 3). Additionally, the experience of owning status goods provides important psychological armor to protect the self against the arrows of negativity (Study 4).

These findings demonstrate how our need to defend the self can steer decisions in important domains of life (i.e., consumption decisions), that have significant collective consequences (Golub, 2008). In addition, individuals' fundamental motive for self-integrity explains why aversive states (e.g., exclusion, helplessness, poverty, powerlessness) may motivate individuals to seek respite through compensatory consumption. Finally, the tendency for affirmational needs to hijack rational consumption decisions, not only highlights the challenges inherent in curbing excess consumption, but may also explain why economic incentives, directed at motivating debt-ridden households to increase their savings, have had little success (Engen, Gale, & Scholz, 1996).

Our self-integrity, similar to a tire, requires inflation after the punctures of self-threats in our daily lives. Inflating our egos through consumption, while helpful in the short-term, is an untenable long-term solution that only exacerbates the cycle of consumption and consumer debt.

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