Feeling Moral About Money: How Moral Emotions Influence Consumer Spending Decisions

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This research explores how moral feelings about money influence consumer spending decisions. Through five studies, we demonstrate that moral emotions such as guilt and anger have different effects on spending decisions depending on the direction of the moral transgression, the source of the emotions, and the target of the emotions.

space bar right after the problem appeared. The experimenter also informed participants that although no one would be able to tell whether they had pressed the space bar or not, they should try to solve the problems on their own (thus being honest). In actuality, this was a feature of the program and not a glitch, and the number of space-bar presses was recorded. We used the number of times participants did not press the space bar to prevent the answer from appearing as our measure of cheating. The results of this second study showed that participants cheated more frequently in the money-prime condition as compared to the time-prime condition.

Finally, we conducted a third study in which we examined the potential psychological mechanism explaining the result observed in our first two studies. The findings of this third study demonstrated that time primes, compared to money primes, discourage unethical behavior since they trigger a future rather than a present focus.

Taken together, our findings offer a potentially powerful tool to discourage dishonesty in organizations and society more broadly: inducing people to switch focus from the present to the future can encourage ethical behavior.

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EXTENDED ABSTRACT

Much of the money we spend is money we have earned or received in some legitimate fashion. However, in some instances, we may receive money that does not make us feel all that good. Even in the absence of any illegal activity, we may feel somewhat guilty about money (e.g., when we feel we did not deserve to be paid that much) or feel angry about money (e.g., when we feel we should have been paid more than what we received). This research examines how moral emotions such as guilt and anger may change how we spend the money associated with these emotions. As such, we extend prior research that has shown that the valence of emotions attached to money can influence consumer choice (Levav and McGraw 2009) by identifying the unique consequences of different types of negative moral emotions.

We examine two groups of moral emotions: a triad of "self-focused" emotions that includes guilt, shame and embarrassment, and a triad of "other-focused" emotions that includes contempt, anger, and disgust. We examine the effect of these emotions on various spending categories including spending on self vs. others, donations to charity, savings, hedonic vs. utilitarian products, vices vs. virtues, and necessities vs. luxuries. According to the prior research on moral emotions and appraisal tendency, self-focused emotions are experienced when the *self* is responsible, whereas other-focused emotions are experienced when the *other* is responsible in a controllable situation (Tangney, Stuewig, and Mashek 2007; Lerner and Keltner, 2000). While self-focused emotions lead to behaviors that try to repair the negative consequence caused by the self, other-focused emotions result in the blaming of others and punitive behaviors. Based on these findings, we hypothesize that when people earn tainted money by committing moral violations, they will be more likely to engage in moral repair processes such as spending more on others than on themselves, and donating more to charity than those who earn untainted money. On the other hand, when people receive an unfair sum of money due to another's moral infringement, they will engage in punitive processes such as spending less on others than on themselves and donating less to charity.

We also hypothesize that emotions have differential effects on spending decisions depending on whether they are moral or non-moral. Prior research suggests that guilt leads to utilitarian or virtuous choice over hedonic or vicious choice to help prevent anticipated guilt or launder experienced guilt (Kahn, Dhar, and Wertenbroch, 2005). However, these findings examine non-moral guilt arising from self-control failures. We expect that guilt, shame, and embarrassment resulting from moral transgressions would not be laundered through virtuous or utilitarian spending decisions that are related to the self alone, but would be laundered only through decisions relating to the others such as donations to charity. However, we expect that these moral emotions would lead to hedonic avoidance (similar to non-moral guilt) because hedonic products exacerbate these negative moral emotions.

Finally, we confirm that moral emotions influence spending decisions only when they are associated with the money being spent and not when they are associated only with the situation in which the money was received. In line with the Emotional Accounting literature, we expect that money is labeled by moral feelings, and the moral emotion label determines how the money is spent.

In a first scenario-based study, participants who obtained a partial refund by lying about damage to the product prior to purchase felt more guilt, shame and embarrassment about the refund, and spent it more on others, donated more to charity, spent less on themselves, and spent less on hedonic products than those who received a partial refund under legitimate terms. On the other hand, participants who received a partial refund though they were entitled to a full refund felt more anger, contempt and disgust about the refund, and spent the refund less on others, donated less to charities, and spent more on themselves than those who obtained a legitimate partial refund. In a second scenario study, we observe that shame, embarrassment and guilt has a greater impact on people's spending decisions (spending on self vs. other, charitable donations, hedonic purchases) when those feelings result from a moral violation than when they result from a failure to exert self-control. Furthermore, in a third scenario study, we demonstrate that these moral feelings affect spending decisions only when they are associated with the money being spent, not when people feel the same moral emotions for a different reason.

The results of the scenario studies were replicated in studies with actual money. In Study 4, one group of participants received money as a reward for their participation in the Implicit Attitude Test that tested their prejudice against disabled people, whereas another group of participants were promised to receive the money when they faced an unwanted truth, that is, when their test results showed that they had a strong prejudice against the disabled. Compared to those who received the money as a reward for their participation, those who received money because they held a strong prejudice against the disabled experienced a greater level of self-focused emotions, and engaged in the moral-repair spending decisions as in the scenario studies. However, this effect disappeared when the participants received a negative test result, but were given the money as a reward for their participation. In Study 5, participants who received an unfair sum of money in a Dictator Game felt a greater level of anger, contempt, and disgust, which led to less spending on others vs. themselves, and less charitable donations. Again, this effect disappeared when participants received the money as a reward for their participation although they were treated unfairly during the game.

These results support our hypotheses that emotions have different influences on consumer spending decisions depending on (1) whether their source is related to moral transgressions or not, (2) whether the moral violation was committed by the self or by another, and (3) whether moral emotions are felt about the money or about the situation.

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