Shame in Poverty is Related to Status Consumption

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Data and materials for all experiments are available online at https://osf.io/b95df/.

Abstract

Shame is associated with a threatened self-image and a decrease in status, and with actions aimed at restoring the self-image and gaining status. We examined whether people who feel ashamed about their financial situation are more interested in status and status products. In two correlational studies, financial shame was highly prevalent: 35.2% of participants reported feeling at least somewhat ashamed of their financial situation. Using a structural equation model that controls for the effect of income, we found that financial shame is related to more interest in status and status products. In conclusion, people who feel ashamed of their financial situation seem more interested in status, and report consuming more status products in comparison with people with similar incomes.

Keywords: poverty, *shame*, *status*, *status consumption*

Shame in Poverty is Related to Status Consumption

Living in poverty is often associated with experiences of shame (Walker et al., 2013). Feelings of shame are an important factor in the lives of the poor, because they are directly associated with a damaged self-image and lower social status, which relate to a host of negative psychological and behavioral effects (Tangney & Dearing, 2002). One way to deal with such feelings is the acquisition of status products, which can both improve one's self-image and social status. However, this behavior could be problematic because opportunity costs are high: money spent on status products could also be spent on other, perhaps more pressing needs. Although shame has been related to conspicuous consumption, empirical research on the role of shame in status consumption in relation to wealth is wanting. We present two studies in which we find many participants to be ashamed of their financial situation. In structural equation models controlling for income, shame predicts interest in status and status products.

Shame

All over the world, people living in poverty report feelings of shame (Walker et al., 2013). This type of shame, which we dub *financial shame,* is inherently relative. Whereas a smartphone might be considered a luxury in one society, not having one can be a source of shame in another. This means that financial shame plays a role in both more and less economically developed countries. Some authors have even argued that shame is becoming more important in the Western world (de Botton, 2004). People believe social mobility is high, which implies that the poor are to blame for their own predicament.

We know surprisingly little about the behavioral consequences of financial shame, despite its central role in several accounts of poverty and social status. Most existing research tends to be qualitative, suggesting several negative consequences of financial shame. In interviews with poor people in seven countries, Walker and colleagues (2013) found common

responses to shame to include attempts to appear "normal" as well as to keep up appearances, withdrawal, and derogation of others. More specific behaviors associated with experiencing shame in poverty include a lower likelihood of claiming benefits (Baumberg, 2016), and refusing to visit a food bank (Purdam, Garratt, & Esmail, 2016). These findings resonate with psychological research on shame.

People experience shame when they or others feel they are incompetent or a transgressed a moral boundary (De Hooge, Zeelenberg, & Breugelmans, 2010; Tangney & Dearing, 2002). This creates a threat to people's self-image. De Hooge et al. argue that people can respond to this threat in two ways (see also Gausel, Vignoles, & Leach, 2015). If possible, people try to restore their self-image through approach behaviors. For example, people who feel that others look down on them because the clothes they wear are out of fashion could address this by renewing their wardrobe. Only when people believe restoring the self is not possible or too risky, they switch to protecting their self-image from further damage. For example, people who lack money to buy new clothes could avoid social situations to prevent more shame. In terms of poverty, one way to restore a damaged self-image is by buying status products.

Status

People are motivated to gain and maintain status (e.g., Hyman, 1942), and one way to do this is by buying status products (Veblen, 1899). Even people with very little to spend consume status product. For example, poor people are willing to pay more for exactly the same product if the packaging has a well-known brand logo (Van Kempen, 2004), and extremely poor Indian farmers spend about 10% of their year on festivals (Banerjee & Duflo, 2007). The poor spend more money on social expenses when the local density of poor people is higher, indicating that they spend this money to gain status (Brown, Bulte, & Zhang, 2011).

People whose self-image is threatened or who feel powerless are more interested in status products (Rucker & Galinsky, 2008, 2009; Sivanathan & Pettit, 2010). Status might be especially important for people who feel ashamed of their financial situation for two reasons. First, status products allow them to keep up appearances by hiding their financial situation from others. For example, data on conspicuous consumption across different ethno-cultural groups in the U.S. showed that "Blacks" and "Hispanics" spent relatively more on visible goods than "Caucasians", especially when the income of their ethno-cultural reference group was low (Charles, Hurst, & Roussanov, 2009). This suggests that people buy status products to signal that they are better off than their reference group. Second, status products can repair a threatened self-image. Symbolic self-completion theory argues that people can use symbols to affirm a part of their identity that is threatened (Wicklund & Gollwitzer, 1982). For example, British adolescents with lower incomes had a less clear self-concept than those with higher incomes, leading to an increased interest in buying the "correct" brands (Isaksen & Roper, 2008). So, spending money on status goods may benefit those living in poverty in various ways. However, status consumption has also its downsides.

Spending money on status products can be detrimental for the poor. Each dollar spent on attaining status means not spending it on other, perhaps more pressing needs (Banerjee & Duflo, 2007). Status consumption can contribute to the emergence of poverty traps, in the sense that spending money on status produces hinders the acquisition of a threshold income that allows one to structurally escape poverty (Moav & Neeman, 2008). Conspicuous consumption is also associated with lower subjective wellbeing: In a study with rural households in India conspicuous consumption came at the cost of reducing consumption of basic needs (Linssen, Van Kempen, & Kraaykamp, 2010). Finally, status consumption is risky, because what constitutes as a status good in one group might be frowned upon by others (Han, Nunes, & Drèze, 2010).

Current research

We study whether experiencing financial shame is related to a stronger interest in status. We measure not only whether people spend money on status products (*status consumption*), but also whether they think status is important (*status orientation*), because the relationship between shame and status consumption could be suppressed by income. Additionally, we measured wealth both objectively (*effective income*) and subjectively (*subjective wealth*), because these variables might show different relationships with shame and interest in status. We predicted that financial shame would be related to both status orientation and status consumption, over and above effects of objective and subjective wealth[1].

Study 1

Method

Participants. A total of 299 participants (45.8% female, M_{age} = 36.6, SD_{age} = 11.4) were recruited via Amazon Mechanical Turk (MTurk). Sample size was based on the results of a previous study which found a positive correlation between status orientation and shame for financial situation, $r(204)$ = .22, p = .001, 95% CI [.09, .35] (Onderwater, 2016). In order to be able to detect an effect one SE smaller than this effect (r = .155) with α = .05 and 1 - β = .8, we needed a minimum of 253 participants.

There was substantial variation in household income of the participants, but median incomes were lower than in the U.S. population (Mdn_{sample} = \$45,000; Mdn_{US} = \$53,657; DeNavas-Walt & Proctor, 2015): 29.25% of participants were from the first income quintile of the U.S. population, and 25.85%, 18.71%, 21.09%, and 5.10% were from the second, third, fourth, and fifth quintiles, respectively. A total of 37 (12.59%) of the participants in the

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[1] This prediction was preregistered online: https://osf.io/g4dpy/register/565fb3678c5e4a66b5582f67

sample had an income below the U.S. Federal Poverty Guideline (Office of the Secretary, 2015).

      Procedure. After giving informed consent, participants answered questions on subjective wealth, shame for their financial situation, status orientation, status consumption, income, number of persons in their household, age and gender. Participants either first answered the questions on their financial situation and financial shame and then the questions on status orientation and status consumption, or vice versa. *Subjective wealth* was measured with three questions (1–7 rating scales with different anchors, e.g., "How would you describe your current financial situation?", reliability[2]: $\omega_t = .93$; Gasiorowska, 2014). All other scales used a 7-point Likert format (1 = Strongly disagree, 7 = Strongly agree). For *shame of financial situation,* we constructed seven items ($\omega_t = .93$, see Appendix A) asking people whether they were "ashamed of [their] financial situation", how they felt about others (e.g., "I feel that others look down on me because of my financial situation"), how they felt about themselves (e.g., "I feel bad about myself for not having a better financial situation") and their behavioral tendencies (e.g., "I want to avoid thinking about my financial situation"). *Status orientation* was also measured using a new scale (5 items, e.g., "I think status is an important indicator of how people are doing in life", $\omega_t = .89$). *Status consumption* was measured with a scale by Eastman, Goldsmith, and Flynn (1999), replacing the item "A product is more valuable to me if it has some snob appeal" with "If I think about it, I spend quite a lot of money on products that provide status" (5 items, $\omega_t = .92$). We asked *household income* in brackets of $10,000, with a highest category of $150,000 and above. Income was estimated by taking the midpoint of every income bracket, except for the lowest bracket (80% of the upper bound) and the highest income bracket (130% of the lower bound; Ravallion, 1992). All analyses corrected for household size by using effective income: household

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[2] ω_t is a more accurate estimate of reliability than Cronbach's α (McNeish, 2017).

income divided by the square root of the number of people in the household (Buhmann &

Rainwater, 1988).

Results

      Order effects and missing values. There were no order effects (*p*-values ranging

from .267 to .820, Cohen's *d* ranging from -0.07 to 0.13), so data from the two orderings

were combined. Five participants did not answer the question on household income, but these

participants did not differ on subjective wealth, $t(4.09) = -0.64$, $p = .555$, $d = -0.29$, 95% CI [-

2.66, 1.65], or shame, $t(4.26) = 0.24$, $p = .821$, $d = 0.11$, 95% CI [-1.25, 1.50], so they are not

likely to differ strongly in income from the rest of the sample. These participants were

excluded from the analyses that used the income variables.

      Correlations. Table **1** provides an overview of the correlations. Status orientation

was not significantly correlated with subjective wealth, $r(297) = -.04$, $p = .449$, 95% CI [-

0.16, 0.07], nor with effective income, $r(292) = -.03$, $p = .652$, 95% CI [-0.14, 0.09]. Status

consumption also did not correlate with subjective wealth, $r(297) = .07$, $p = .253$, 95% CI [-

0.05, 0.18], nor with effective income, $r(292) = .07$, $p = .244$, 95% CI [-0.05, 0.18]. These

results suggest that the poor and the rich are equally interested in status and status products.

      Financial shame was highly prevalent in the sample: 43.5% of participants scored

higher than the midpoint on the 7-point financial shame scale, and 33.8% at least somewhat

agreed with the first statement, "I'm ashamed of my financial situation". As predicted,

financial shame correlated positively with status orientation, $r(297) = .16$, $p = .005$, 95% CI

[0.05, 0.27]. However, there was no relationship with status consumption, $r(297) = .03$, $p =$

.550, 95% CI [-0.08, 0.15]. Finally, as could be expected, shame was strongly negatively

related to subjective wealth, $r(297) = -.75$, $p < .001$, 95% CI [-0.80, -0.70], and moderately

strongly negatively related to effective income, $r(292) = -.36$, $p < .001$, 95% CI [-0.46, -0.26].

In sum, participants who felt ashamed were more interested in status but not in status products.

Structural equation models. We examined the data with a Structural Equation Model (SEM), in which we tested both a direct effect of effective income on status consumption, and an indirect effect via financial shame and status orientation (see Figure **1** and Table **2**). The variable *effective income* was the same as in previous analyses, the variables *financial shame*, *status orientation*, and *status consumption* were modeled as latent variables with their respective scale items as indicators. Analyses were conducted with the *lavaan* package, version 0.5.23.1097, for *R*, version 3.3.2 (R Core Team, 2016; Rosseel, 2012). For all analyses we used the following target values for fit indices (Mueller & Hancock, 2008): SRMR ≤ 0.08, RMSEA ≤ .06, and CFI ≥ 0.95.

Assumptions. The variables showed only modest skewness (<1.4) and kurtosis (<2.5), but Mardia's test for multivariate kurtosis was significant, *kurtosis* = 563.27, z = 22.14, *p* < .001 (Mardia, 1970). Therefore, we decided to use robust maximum likelihood estimation with the Satorra-Bentler statistic (Satorra & Bentler, 2001). We did not delete any outliers[3]. Because the number of missing values was very low (five participants did not answer the income question), we used listwise deletion.

Measurement model. Following Mueller & Hancock's recommendations (2008) we used a two-phase analysis, first focusing on the measurement model (i.e., the definition of the latent variables), and only then adding a structural part (i.e., the relationships between the variables). For the measurement phase, we started with a Confirmatory Factor Analysis (CFA) with the factors *financial shame*, *status orientation*, and *status consumption*, indicated by their respective scale items. The model fit did not yet meet our target values, *S-B*

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[3] The pattern of results was exactly the same when we removed multivariate outliers (Filzmoser, Maronna, & Werner, 2008), resulting in 56 cases in Study 1 and 67 in Study 2.

correction = 1.230, χ^2(116) = 328.52, *p* < .001; SRMR = .044; RMSEA = .066, 90% CI

[.057, .075]; CFI = .952. Inspection of the standardized residuals and the modification indices

revealed that restrictions on the relationship between the second and seventh items of the

financial shame scale, and on the fourth and fifth items of the status orientation scale were

problematic (see the supplemental material for a detailed analysis). We decided to allow the

residual variance of each of the pairs of problematic items to covary. The new model showed

significantly improved fit, χ^2(2) = 57.40, *p* < .001; Fit indices: *S-B correction* = 1.218, (114)

= 217.94, *p* < .001; SRMR = .040; RMSEA = .044, 90% CI [0.032, 0.054]; CFI = .979,

average variance extracted > .62 (> .50 recommended by Fornell & Larcker, 1981), maximal

reliability > .91 (> .70 recommended by Hancock & Mueller, 2001).

  Structural model. For the structural model, we used the same specifications as for the

final measurement model, but added paths between the latent variables as in Figure 1. The

model fit the data well, *S-B correction* = 1.183, χ^2(130) = 232.27, *p* < .001; SRMR = .043;

RMSEA = .042, 90% CI [.030, .052]; CFI = .980, and all structural coefficients were

significant. Effective income had a small direct effect on status consumption, β = 0.092, *z* =

2.30, *p* = .021, but also affected status consumption via shame and status orientation:

Effective income was negatively related to financial shame, β = -0.373, *z* = -5.90, *p* < .001,

which was positively related to status orientation, β = 0.193, *z* = 2.87, *p* = .004, which was,

finally, positively related to status consumption β = 0.765, *z* = 21.18, *p* < .001. The total

effect of effective income on status consumption was not significant, β = 0.037, *z* = 0.84, *p* =

.400, which means that, on average, participants with higher incomes were not more

interested in status consumption. However, the indirect effect of income via shame and status

consumption was significantly negative, β = -0.055, *z* = -2.50, *p* = .012. This is in line with

the idea that income has two separate effects on status consumption: a positive direct effect,

and a negative indirect effect via financial shame and status orientation. Together, these two effects cancel each outer out, explaining the null effect of income on status consumption.

A reverse causal model, positing that people who are more status oriented might be more prone to feel shame, has a worse fit than the original model, S-B correction = 1.182, χ^2 (130) = 468.22, p < .001; SRMR = .192; RMSEA = .083, 90% CI [.075, .092]; CFI = .918; AIC = 17,093 and BIC = 17,303 in the original model, AIC = 17,329 and BIC = 17,539 in the adjusted model.

Discussion

Status orientation and status consumption were not related to income and subjective wealth. Shame for financial situation was highly prevalent, and weakly positively predicted the extent to which people care about status, but did not predict reported consumption of status products. A structural equation model supports the idea that, after controlling for income, shame leads to a stronger interest in status and, in turn, status consumption.

After running this study, we had some doubts about the status consumption scale (Eastman et al., 1999). Most of the items concern preferences, as opposed to behavior, so the scale gives little information about whether people are more likely to actually buy status goods. Furthermore, all of the items have the word "status" in them, which might give rise to demand effects or miss important related aspects such as wanting to impress others. To make sure the results were not due to the particular scale used, we ran a study with a newly constructed status consumption scale. In addition, this allowed us to try to replicate the structural equation model from Study 1.

Study 2

Method

Participants. We recruited 304 different participants via Amazon MTurk (47.0% female, M_{age} = 35.1, SD_{age} = 12.0). Sample size was based on the correlation between shame

and status orientation in Study 1, $r(297) = .16$, $p = .005$, 95% CI [0.05, 0.27]. A power

analysis with this effect size, $\alpha = .05$ and $1 - \beta = .8$, suggested a minimum of 301 participants.

Procedure. The design was identical to Study 1, except that the status consumption

scale was replaced with a newly constructed scale (see Appendix A). The new scale consisted

of two questions on motivation to impress others (e.g., "I buy products to impress others"),

two questions on the trade-off when buying brand name products (e.g., "I prefer to buy well-

known brands, even though they are sometimes more expensive"), and two questions on

buying behavior (e.g., "What percentage of your purchases are premium brands?"). The first

four questions used Likert scales (1 = Strongly disagree – 7 = Strongly agree) and the last two

questions used sliders to indicate a percentage. Answers were scaled before an average score

was calculated ($\omega_t = .88$). Furthermore, the order of the scales on shame, status orientation,

status consumption, and subjective wealth was fully randomized.

Results

Order effects and missing values. We tested for order effects by regressing each of

the scales on dummy variables for its position in the survey, using the first position as a

reference category. These analyses showed that for both status orientation and status

consumption, participants scored lower when they answered these questions last ($b = -0.64$,

$t(300) = -2.68$, $p = .008$, 95% CI [-1.10, -0.17], and $b = -0.32$, $t(296) = -2.37$, $p = .018$, 95%

CI [-0.59, -0.06], respectively). Therefore, we included the order dummies for status

orientation and status consumption in the regression analyses below.

Five participants did not answer the question on income, but these participants did not

differ in terms of subjective wealth, $t(4.06) = 1.16$, $p = .311$, 95% CI [-1.51, 3.69], $d = 0.52$,

or shame, $t(4.14) = -1.54$, $p = .196$, 95% CI [-2.93, 0.82], $d = -0.69$. Furthermore, four

participants did not answer the sixth question on status consumption, but these participants

also did not differ on subjective wealth, $t(3.10) = 1.91$, $p = .149$, 95% CI [-0.75, 3.13], $d =$

0.96, or financial shame, $t(3.16) = -2.55$, $p = .079$, 95% CI [-3.09, 0.29], $d = -1.29$. Again, all

analyses used listwise deletion of missing values.

Correlations. See Table **1** for an overview of the correlations. In contrast to Study 1,

in which we found no significant effect, status orientation now correlated positively with

subjective wealth, $r(302) = .17$, $p = .003$, 95% CI [0.06, 0.28][4]. As in Study 1, status

orientation did not correlate with effective income, $r(297) = .09$, $p = .109$, 95% CI [-0.02,

0.20]. Status consumption now correlated positively with subjective wealth, $r(298) = .31$, $p <$

.001, 95% CI [0.20, 0.41], and with effective income, $r(293) = .18$, $p = .002$, 95% CI [0.06,

0.28]. So, in contrast to Study 1, participants who felt better off showed more interest in

status products.

Again, prevalence of financial shame was high: 44.4% of participants scored higher

than 4 on the financial shame scale, and 36.5% at least somewhat agreed with the first

statement, "I'm ashamed of my financial situation". As predicted, shame correlated positively

with status orientation, $r(302) = .14$, $p = .016$, 95% CI [0.03, 0.25]. However, as in Study 1,

shame did not correlate with status consumption, $r(298) = .04$, $p = .474$, 95% CI [-0.07, 0.15].

Finally, shame correlated negatively with subjective wealth, $r(302) = -.62$, $p < .001$, 95% CI

[-0.69, -0.55], and effective income, $r(297) = -.39$, $p < .001$, 95% CI [-0.48, -0.29]. In sum,

these findings replicate those of Study 1: financial shame is positively related to status

orientation but not status consumption.

Structural Equation Models. We again analyzed the data using a two-phase

strategy, first focusing on the measurement model and then adding the structural model.

Assumptions. As in Study 1, the variables showed only modest skewness (<1.7) and

kurtosis (<4.1), but Mardia's test for multivariate kurtosis was significant, *kurtosis* = 625.71,

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[4] In a meta-analysis of the two correlations, the effect was not significant, $r = .06$, $z = .60$, $p = .549$, 95% CI [-0.15, 0.28].

$z = 25.82$, $p < .001$. Therefore, we again used the Satorra-Bentler correction. We also used

listwise deletion for missing data; a total of 9 participants were removed because they did not

answer the question on income or the last item of the status consumption scale.

   Measurement model. For the latent variables for financial shame and status

orientation we used the same specification as in Study 1: Every scale item was an indicator

for its latent variable, and we allowed the allowed the residual variance to covary for the

second and seventh items of the financial shame scale and for the fourth and fifth items of the

status orientation scale. As the latent variable for status consumption now used different

indicators, we did investigate whether the measurement model for this variable was adequate.

A first CFA showed poor model fit, *S-B correction* = 1.241, χ^2 (114) = 435.75, $p < .001$;

SRMR = .050; RMSEA = .083, 90% CI [.074, .092]; CFI = .919. After inspection of the

standardized residuals and modification indices we found that the restrictions on relations

between the first two items and the third and fourth item of the status consumption scale were

problematic. We decided to allow the residual variances of these two pairs of items to covary.

Model fit significantly improved, $\chi^2(2) = 859.61$, $p < .001$, and fit was now adequate, *S-B*

correction = 1.260, $\chi^2(112) = 256.20$, $p < .001$; SRMR = .042; RMSEA = .052, 90% CI

[.042, .062]; CFI = .968. The validity of the latent factors was high for financial shame (.64)

and status orientation (.60), but unfortunately not very high for status consumption (.41)[5], so

we should be cautious in interpreting this variable. Maximal reliability was high (>.87) for all

the latent variables.

   Structural model. We created the same structural equation model as in Study 1 (see

Figure **1**), with a direct effect of effective income on status consumption, and an indirect

effect via financial shame and status orientation. Model fit was acceptable, *S-B correction* =

1.219, $\chi^2(128) = 268.72$, $p < .001$; SRMR = .047; RMSEA = .049, 90% CI [.039, .059]; CFI

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[5] We believe that this is likely due to the different answering scales used.

= .969. The pattern of results for the coefficients was the same as in Study 1 (see Table **2**).

Effective income was positively related to status consumption, β = 0.117, z = 2.38, p = .017, and negatively related to financial shame, β = -0.411, z = -7.10, p < .001. In turn, shame was positively related to status orientation, β = 0.166, z = 2.50, p = .013, which was positively related to status consumption, β = 0.786, z = 22.71, p < .001. As in Study 1, the total effect of effective income on status consumption was not significant, β = 0.063, z = 1.15, p = .249, but the indirect effect via financial shame and status orientation was significantly negative, β = -0.054, z = -2.40, p = .016. This model supports the idea that although income has, on average, no effect on status consumption, this effect can be split up into a positive direct effect and a negative indirect effect via financial shame and status orientation.

We again compared this model to a model in which we switched the position of the latent variables for financial shame and status orientation. For the new model the fit was worse, *S-B correction* = 1.204, $\chi^2(128)$ = 467.73, p < .001; SRMR = .166; RMSEA = .083, 90% CI [.074, .091]; CFI = .913; AIC = 19,549 and BIC = 19,767 in the original model, AIC = 19,748 and BIC = 19,966 in the adjusted model.

Discussion

The pattern of results for this study was mostly the same as that in Study 1. Status orientation was, as predicted, not significantly related to income, but now did correlate with subjective wealth. In contrast to Study 1, status consumption correlated significantly with both subjective wealth and effective income, most likely because the new status consumption scale included more behavioral items. The pattern of results for shame was identical to Study 1: shame again correlated positively with status orientation but did not correlate with status consumption. Shame negatively correlated with both subjective wealth and effective income. Finally, the structural equation model showed mostly the same pattern of results as in Study 1. The data were consistent with a model in which effective income has a positive direct

effect on status consumption, and a negative indirect effect on status consumption via financial shame and status orientation. The only difference was that the total effect of income on status consumption was now negative, again most likely due to the different status consumption scale.

General Discussion

In two correlational studies, both income and subjective wealth did not consistently predict the extent to which participants were interested in status. Financial shame was highly prevalent, and predicted interest in status but not status consumption. The results of the structural equation models are in line with the idea that income has two mutually suppressing effects on status consumption. On the one hand, income has a positive direct effect on status consumption, as more income allows more opportunities to buy status products. On the other hand, income has a negative effect on status consumption, as people with lower incomes are more likely to feel ashamed of their financial situation, which is related to higher interest in status, which finally is related to more reported status consumption.

Poverty and shame

There are two open questions for future research. First, on the basis of our correlational data we cannot make firm conclusions about a causal effect of shame on status seeking. Experimental research should address this issue. Second, it is important to study other consequences of experiencing financial shame. A substantial number of participants reported feeling financial shame. It is likely that this type of shame not only leads to compensatory behavior, as people to try to restore their threatened self-image, but can also cause them to show withdrawal behavior to prevent further damage to their self-image (De Hooge et al., 2010). People should especially be motivated to protect instead of restore their self-image when they feel low in coping potential. In the case of financial shame, a possible

moderator is the duration of poverty: If people are poor for a longer time, they likely feel that

it is harder to change their situation, causing them to show withdrawal behavior.

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Table 1

Pearson correlations, *means*, *standard deviations*, *and* ω_t *Studies 1 and 2*

Study	Variable	M (SD)	Status orientation	Status consumption	Subjective wealth	Effective income
1	Financial shame (1–7, ω_t = .93)	3.863 (1.526)	.163**	.035	-.750***	-.362***
	Status orientation (1–7, ω_t = .89)	3.965 (1.362)		.684***	-.044	-.026
	Status consumption (1–7, ω_t = .92)	2.882 (1.357)			.066	.068
	Subjective wealth (1–7, ω_t = .93)	3.972 (1.419)				.457***
	Effective income	36,309 (24,224)				
2	Shame (1–7, ω_t = .92)	3.762 (1.540)	.139*	.041	-.620***	-.389***
	Status orientation (1–7, ω_t = .89)	3.638 (1.459)		.604***	.173**	.093
	Status consumption (standardized, ω_t = .88)	-0.007 (0.790)			.307***	.176**
	Subjective wealth (1–7, ω_t = .92)	4.005 (1.400)				.515***
	Effective income	35,105 (24,065)				

*Note: M* = mean, *SD* = standard deviation. *: $p < .05$, **: $p < .01$, ***: $p < .001$.

Table 2

Parameter estimates and model fit for the structural equation models in Study 1 and Study 2

Parameter	Study 1				Study 2			
	Unstandardized (SE)	Standardized	p	R^2	Unstandardized (SE)	Standardized	p	R^2
Income → status consumption	0.059 (0.026)	0.092	.021	.583	0.079 (0.034)	0.117	.017	.691
Income → shame	-0.166 (0.033)	-0.373	< .001	.139	-0.188 (0.032)	-0.411	< .001	.169
Shame → status orientation	0.182 (0.066)	0.193	.004	.037	0.154 (0.064)	0.166	.013	.028
Status orientation → status consumption	1.162 (0.135)	0.765	< .001	.583	1.257 (0.146)	0.786	< .001	.619
Income → status consumption (via shame and status orientation)	-0.035 (0.014)	-0.055	.012		-0.036 (0.015)	-0.054	.016	
Income → status consumption (total)	0.024 (0.028)	0.037	.400		0.043 (0.037)	0.063	.249	
Model fit	*S-B correction* = 1.183, χ^2 (130) = 232.27, $p < .001$; SRMR = .043; RMSEA = .042, 90% CI [.030, .052]; CFI = .980				*S-B correction* = 1.260, χ^2(112) = 256.20, $p < .001$; SRMR = .042; RMSEA = .052, 90% CI [.042, .062]; CFI = .968			

Note: For each latent variable, the mean was fixed to 0 and the variance to 1.
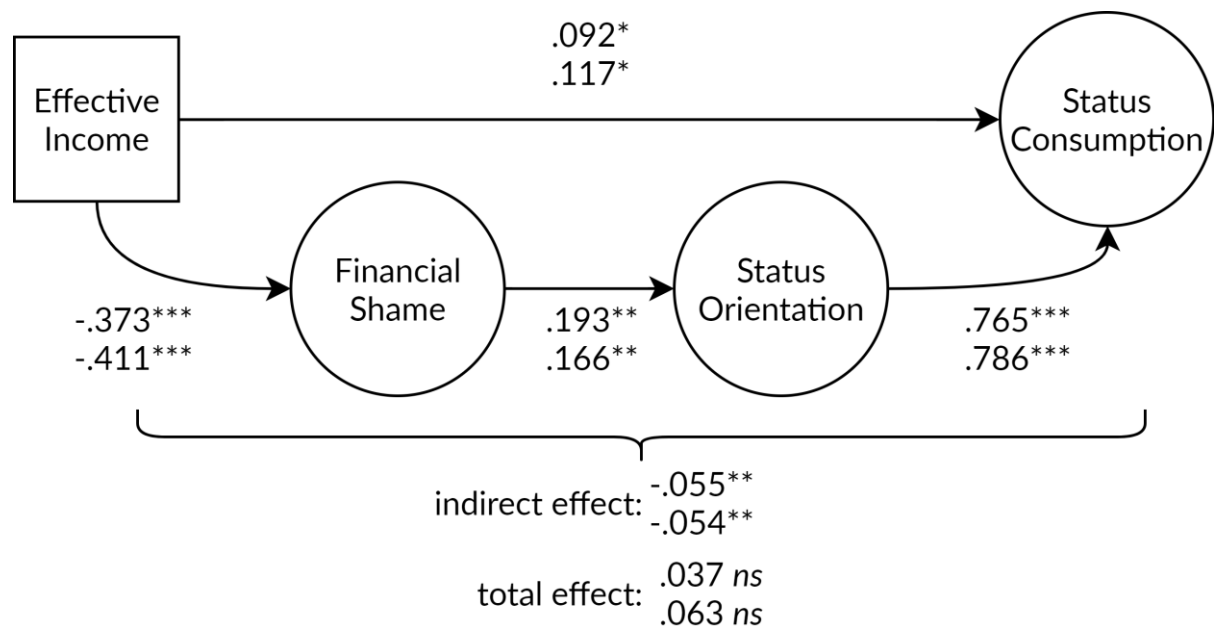
Figure 1: Standardized coefficients for the Structural Equation Models (top: Study 1, bottom: Study 2). The latent variables are indicated by their scale items. *Indirect effect* is the effect of effective income on status consumption via financial shame and status orientation, whereas *total effect* is the total effect of effective income on status consumption.

Appendix A

Items for the newly constructed scales

Financial shame

1. I prefer others not to know about my financial situation

2. I feel that others look down on me because of my financial situation

3. I feel bad about myself for not having a better financial situation

4. When I think about my financial situation, I feel as if I have failed

5. I want to avoid thinking about my financial situation

6. I try to hide my financial situation from the people around me

Status consumption

1. I buy products to impress others

2. When buying a product, it is important to consider what other people will think of it

3. I prefer to buy well-known brands, even though they are sometimes more expensive

4. I am willing to pay more for brand name products

5. In general, what is the maximum you'd be willing to pay extra for a brand name product compared to a similar non-brand product?

6. What percentage of your purchases are premium brands?