



Does Being Wealthy Distort Perceptions of Wealth Inequality?

This lab activity uses the open data from Study 1a of Dawtry, Sutton, and Sibley (2015) to teach correlation analyses and correlation matrices. Results of the activity provided below should *exactly* reproduce the results described in the paper.

CITATION

Dawtry, R. J., Sutton, R. M., & Sibley, C. G. (2015). Why wealthier people think people are wealthier, and why it matters: From social sampling to attitudes to redistribution. *Psychological Science*, 26, 1389-1400.

LEARNING OBJECTIVES

- Recode and compute new variables
- Calculate means and standard deviations
- Conduct bivariate correlations
- Generate a correlation matrix of the results.

STUDY DESCRIPTION

In this research, Dawtry, Sutton, and Sibley (2015) wanted to examine why people differ in their assessments of the increasing wealth inequality within developed nations. Previous research reveals that most people desire a society in which the overall level of wealth is high and that wealth is spread somewhat equally across society. However, support for this approach to income distribution changes across the social strata. In particular, wealthy people tend to view society as already wealthy and thus are satisfied with the status quo, and less likely to support redistribution. In their paper Dawtry et al., (2015) sought to examine why this is the case. The authors propose that one reason wealthy people tend to view the current system is fair is because their social-circle is comprised of other wealthy people, which biases their perceptions of wealth, which leads them to overestimate the mean level of wealth across society.

To test this hypothesis, the authors conducted a study with 305 participants, recruited from an online participant pool. Participants reported their own annual household income, the income level of those within their own social circle, and the income for the entire population. Participants also rated their perception of the level of equality/inequality across their social circle and across society, their level of satisfaction with and perceived fairness of the current system, their attitudes toward redistribution of wealth (measured using a four-item scale), and their political preference.

ANALYSES

1. Start by loading any necessary packages, the "tidyverse" and "psych" packages are recommended.
2. Read in the data file "Dawtry Sutton and Sibley 2015 Study 1a.csv". Explore the data file using View(). Note, you will not analyze all of these variables. Try to find the variables that are relevant to the study description above.
3. In order to conduct the analyses properly, you will first need to compute two new variables (use the mutate() function):
 - a. You should first create a score that captures participants' perceptions that the current system is fair and satisfactory. To do this generate the mean for the items fairness and satisfaction, naming this new variable FAIRNESS_AND_SATISFACTION.
 - b. Next, you should create a score that captures participants' support for redistribution. The researchers asked participants four questions in total, two asked about their support for redistribution, and two asked about their opposition to redistribution. To create a single score that reflect participants overall view toward redistribution, we first need to recode the two items that assess opposition to redistribution. Reverse score redist2 and redist4, so that 6 = 1, 5 = 2, 4 = 3, 3 = 4, 2 = 5, 1 = 6 (remember that a likert item can be reverse scored by subtracting the item score from one more than the maximum possible value on that scale). Name the recoded variables redist2_recode and redist4_recode. Now, generate the mean for the items redist1, redist2_recode, redist3, redist4_recode, naming this new variable SUPPORT_FOR_REDISTRIBUTION.
4. You should next calculate the means and standard deviations for the key variables in the study: Household Income, Social-Circle Income, Population Mean Income, Social-Circle Inequality, Population Inequality, Fairness and Satisfaction, Support for Redistribution, and Political Preference. The describe() function in the psych package will be useful.
5. Run correlation analyses for all of the key variables in the study (see list #3 above). It might be easiest to subset your dataset down to just these variables using select().
6. Prepare a correlation matrix that includes all of the relevant study variables. Make sure to follow APA-style guidelines. The corr.test() function in the psych package will give you a correlation matrix with n's and p values.