DISCRIMINATION AGAINST THE RICH

by

Bo Youn Chae

B.A., Seoul National University, 2004
M.Sc., Seoul National University, 2008

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Abstract

Do people punish rich individuals more harshly than middle class individuals? In this dissertation, I investigate whether and how people discriminate against the rich in terms of the punishment of everyday offenses. I propose that people punish a small-time offender more severely when the offender is perceived to be wealthy rather than non-wealthy. Given that people hold a higher behavioral standard for the wealthy, a wealthy (vs. non-wealthy) individual violates a rule, people perceive a greater degree of a fall from the behavioral standard and administer a more severe punishment to the offender.

A set of six empirical studies substantiates the proposed discrimination-against-the-rich effect and validates the underlying mechanism. Furthermore, the findings show that people do not discriminate against the rich when no rule violation is observed. The findings also indicate a secondary effect whereby observing the delivery of punishment to a wealthy (vs. non-wealthy) offender increases the observer’s fairness perception. Finally, the generalizability of the discrimination-against-the-rich effect is tested, and the results show that the effect is moderated by the observer’s income level.
Preface

I am the primary author of this dissertation. I initiated this research project by formulating the research questions. I was also responsible for conducting the literature review, developing the hypotheses, designing the experiments, conducting/supervising the data collection process and analyzing the data. Rui (Juliet) Zhu, Katherine White, Darren W. Dahl and Karl Aquino assisted in designing the experiments and made intellectual contributions during the study design and revision processes. I prepared the manuscript for this research project.

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Dedication

I dedicate this dissertation to my J.
Chapter 1: Introduction

“The rich are the most discriminated-against minority in the world. Openly or covertly, everybody hates the rich…” (Robbins, 1984, p. 373).

Human societies have made great strides in lessening various types of discrimination. Despite these continued efforts, individuals continue to face discriminatory treatment based on their gender (Lee, Kim, and Vohs 2011), appearance (Hebl and Xu 2001) and ethnicity (Feagin and Sikes 1994). Most importantly, consumers are treated differently by others based on their perceived wealth. As most previous research on wealth-based discrimination has focused on consumers with less wealth (Argo and Main 2008, Cavalluzzo and Wolken 2005, McNeil et al. 1979), our current understanding of the other side of wealth-based discrimination, namely discrimination against the wealthy, is very limited (Lott 1987).

In this dissertation I examine how wealthy people are discriminated against in everyday life. Narrowing the scope of the research to rule violations in everyday life such as traffic regulation violation and cheating, it examines the effect of the perceived wealth of an offender on a third party’s punishment judgment and behavior. According to the optimal penalty principle of criminal law (Becker 1968), individuals found guilty of identical crimes should face the same level of punishment. However, studies on severe crimes have documented that people make
different punishment judgments based on the offender’s social status (Bray et al. 1978; Mazzella and Feingold 1994; Skolnick and Shaw 1994). Can these criminal law findings be generalized to cases of less severe offenses that people may confront every day? Focusing on the perceived wealth level of an offender in less severe offenses, I show that ordinary people’s response to an offense may differ depending on the offender’s perceived wealth. Specifically, I investigate whether and how people punish an offender more severely when the person is perceived as rich rather than non-rich.

To examine the tendency of average individuals to favor discriminatory punishment in everyday life, this dissertation focuses on minor civil offenses rather than severe criminal crimes. Therefore, the paradigmatic cases analyzed comprise relatively minor illegal behavior (e.g., traffic regulation violation) and immoral behavior (e.g., cheating). These types of behaviors violate social rules, but are not considered severe crimes in general.

Furthermore, this dissertation focuses on the tendency to discriminate against the rich in harm allocation. Behavioral psychologists view that there are two different kinds of punishment: positive punishment and negative punishment (Skinner 1953). Positive punishment involves harm allocation (i.e., presenting an aversive stimulus) whereas negative punishment involves benefit allocation (i.e., taking away a desirable stimulus; Skinner 1953). Yet, researchers in the other disciplines such as law, philosophy, and sociology use the term “punishment” focusing on only the aspect of harm allocation (Di Tella and Dubra 2008; Harrison and Pepitone 1972;

In these disciplines, punishment is defined as “a negative sanction intentionally applied to someone perceived to have violated a law, rule, norm, or expectation” (Vidmar and Miller 1980). Common dictionary definitions also indicate that punishment is the infliction of harm as a response to an offense (Oxford Dictionary). Using psychological definition of punishment which includes benefit allocation causes conceptual confusion (Harrison and Pepitone 1972; Lindersmith 1968; Singer 1970), thus, this dissertation focuses on the tendency to discriminate against the rich in harm allocation.

In this dissertation, I also test whether people discriminate against the rich even when no rule has been violated to examine the underlying psychological mechanism of the discrimination-against-the-rich effect in terms of punishment. I argue that people hold a higher behavioral standard for the wealthy (vs. non-wealthy). Thus, when a wealthy (vs. non-wealthy) individual commits an offense, people perceive a greater degree of a fall from the behavioral standard and administer a more severe punishment to the offender. To find supporting evidence that the combination of an offender’s wealth and a rule violation incident causes the discrimination-against-the-rich effect, I test the cases where no rule has been violated.

Finally, this dissertation applies various research tools such as field surveys, scenarios and behavioral lab experiments to provide comprehensive evidence of the effect.
1.1 Research Questions

The following real-life event illustrates the main focus questions of this dissertation. In July 2011, the city of Vilnius in Lithuania launched a video campaign in which the mayor crushed a Mercedes-Benz parked in a cycle lane with a tank. The mayor then said, “If you have a car and more money, it doesn’t mean that you can park it everywhere… it shows a lack of respect for others.” The video received worldwide media coverage and was well received by the public. However, what if the illegally parked car in the video had not been a luxury vehicle? Would the public still have strongly endorsed the mayor’s actions? Furthermore, why would people respond to the same offense differently based on the perceived offender’s wealth? Do people discriminate against the rich by punishing them more harshly than the non-rich? Would such discriminatory punishment be observed even if no rule had been violated?

In this dissertation, I investigate whether and how people punish the rich (vs. average citizens) more severely. I attempt to show that people discriminate against the rich (vs. average citizens) not only through judgment of penalties, but also through behavioral punishment. I also attempt to highlight the underlying mechanism of the discrimination-against-the-rich effect in punishment, based on the proposition that the rich are held to a higher behavioral standard than the average citizen. Thus, when the rich (vs. non-rich) violate social rules (e.g., violating a traffic regulation), people tend to perceive them as falling farther from the standard and consequently punish the rich offenders more severely. Finally, I document an important marketing implication.
of discrimination-against-the-rich effect by examining its secondary effect on consumer fairness perceptions.

This dissertation focuses on an important yet overlooked area of the field of consumer research and other relevant social science fields. A significant issue in the field is how a consumer’s level of material possessions influences his or her interactions with other people in everyday life (Gino and Pierce 2009, 2011; Glick and Fiske 2001; Pieters 2013; Piff et al. 2012). For instance, Piff et al. (2012) argue that having relatively more wealth leads people to be self-focused and, consequently, increases unethical behaviors. They showed that drivers with a luxury vehicle are more likely to cut off pedestrians at a crosswalk and other vehicles at a busy four-way interaction (Piff et al. 2012). However, most of the literature on consumer wealth has focused on consumers with less wealth (Argo and Main 2008; Cavalluzzo and Wolken 2005; McNeil et al. 1979). Thus, the research on discrimination against wealthy consumers has been relatively sparse (Lott 1987). The documentation of empirical evidence supporting discrimination against the rich in the form of punishment and its underlying mechanism clarifies the fundamental question of consumer behavior.
1.2 Overview of the Dissertation

This dissertation is structured as follows. In the remainder of Chapter 1, I review previous work on wealth-based discrimination which mainly has focused on unfavorable treatment toward the poor. I also introduce a review of the envy literature which documents that people discriminate against the rich in terms of the allocation of benefits. Given the possibility to observe the discrimination-against-the-rich effect in harm allocation (i.e., punishment), I propose a new conceptual ground for developing hypotheses. Specifically, I hypothesize that when people observe a rule violation, they punish the rich more severely than the average citizen. Yet, I expect that the underlying mechanism of the discrimination-against-the-rich effect in terms of punishment is different from that of benefit allocation (i.e., envy) due to the differences between harm and benefit. Instead, based on the proposal that the rich are held to a higher behavioral standard than the average citizen, I hypothesize that the perceived degree of fall from the behavioral standard mediates the effect of the offender’s perceived wealth on the observer’s punishment judgment. In other words, when the wealthy (vs. non-wealthy) violate social rules (e.g., violating a traffic regulation), people tend to perceive them as falling farther from the standard and consequently punish the rich offenders more severely. I test these main hypotheses with a field study and five empirical experiments.

In Chapter 2, I present the results of four studies to investigate whether, when and why ordinary people punish the rich (vs. average citizens) more harshly. In the first study, I
investigate whether people who observe an actual rule violation incident (i.e., illegal parking) judge the offender more harshly when that offender is perceived to be rich rather than non-rich. In the second study, I test whether people punish rich offenders more severely or being more lenient to non-rich offenders. In studies 3 and 4, I examine that the combination of an offender’s wealth and a rule violation incident causes the discrimination-against-the-rich effect. In other words, I investigate whether the discrimination-against-the-rich effect is observed when no rule is violated. I also try to document behavioral evidence of the discrimination-against-the-rich effect in the form of punishment (study 3). To conclude the chapter, I directly investigate the underlying mechanism for the discrimination-against-the-rich effect in punishment: people are more likely to perceive an offender falling short of the behavioral standard when the offender is perceived as rich (vs. non-rich) and the perceived degree of fall from the behavioral standard mediates the effect of the offender’s perceived wealth on the observer’s punishment judgment (study 4).

In Chapter 3, two empirical studies extend the previous studies and consider the secondary effect of discrimination against the rich on consumer fairness judgment. Specifically, I investigate whether observing the wealthy (vs. non-wealthy) being punished influences consumers’ fairness judgment differently. I also test the generalizability of the secondary effect of discrimination against the rich: specifically, whether and how different income ranges moderate the secondary effect of discrimination against the rich on fairness judgment.
Finally, in Chapter 4, I summarize the findings from the empirical studies and discuss their implications, the limitations of my research and topics for future research.

This dissertation offers important contributions to the consumer discrimination literature. First, it empirically documents the discrimination-against-the-rich effect in terms of punishment. Most extant studies of wealth-based discrimination have focused on the discrimination against the poor (Argo and Main 2008, Cavalluzzo and Wolken 2005, McNeil et al. 1979). Through a field study and five empirical experiments, it newly identifies the tendency of average individuals to discriminate against the rich in terms of punishment.

Further, it provides empirical evidence of the underlying mechanism of the discrimination-against-the-rich effect. I propose that the wealthy are held to a higher standard of behavior. Thus, when a rich (vs. non-rich) individual commits an offense, people perceive a greater fall from the behavioral standard and consequently punish the offender more severely. The proposed underlying mechanism was validated in three ways. First, a pre-test showed that people hold the high wealth social groups to a higher standard of behavior than the middle or low wealth social group. Second, studies found that the discrimination-against-the-rich effect occurs only when a rich individual violates a social rule. The result validates that the combination of an offender’s wealth and a rule violation incident causes the discrimination-against-the-rich effect. Third, it offers empirical evidence that the perception of a fall from the behavioral standard
mediates the effects of an offender’s wealth on the observer’s punishment judgment when a social rule is violated.

Lastly, this dissertation documents an important spill-over effect of the discrimination against the rich: witnessing the punishment of a rich (vs. non-rich) offender positively affects the observer’s fairness judgment. In particular, when a consumer observes a rich (vs. non-rich) offender being punished by a store, the consumer’s perception of the fairness of the store’s marketing practices is enhanced.

In sum, this dissertation documents an important but overlooked social phenomenon and clarifies the fundamental question of consumer behavior, which is how an individual’s level of material possessions influences his or her interactions with other people in everyday life.

1.3 Literature Review

Wealth inequality has persisted for a long time in capitalistic societies, and the income gap has grown rapidly over recent decades (Beck 2007; Grusky and Kanbur 2006). Although wealth inequality is a big issue in many academic fields such as philosophy, economics,
sociology, law and psychology, surprisingly little empirical work has focused on an individual’s attitudes and behaviors toward rich individuals.

In fact, most previous studies of wealth-based discrimination have focused on unfavorable treatment toward less-wealthy consumers. For example, in the field of finance, relatively poor people find business loans harder to obtain due to their lack of security (Cavalluzzo and Wolken 2005). Using survey data from the Federal Reserve, Cavalluzzo and Wolken (2005) examined the impact of loan applicants’ personal wealth on small business loan denial rates. The authors found that greater personal wealth was associated with a lower probability of loan denial. Specifically, the estimated probability of loan denial was nearly 30 percent lower when the loan applicant had home ownership than not. In addition, poor consumers pay more for used cars and receive poorer service after making purchases than non-poor consumers (i.e., there is less redress for defects) (McNeil et al. 1979). In retail contexts, Argo and Main (2008) found that consumers stigmatize other consumers who are perceived as less wealthy due to their use of coupons.

In the field of criminal law and psychology, previous work on serious crimes also focused on the discrimination against the poor. A series of studies on mock juror judgment showed juries are more punitive toward offenders with low socioeconomic status (SES) (vs. middle SES) (Bray et al. 1978; Gleason and Harris 1975, 1976; Mazzella and Feingold 1994). For instance, Gleason and Harris (1975, 1976) conducted experiments in which mock jurors
were asked to judge a defendant on trial for an armed robbery. To manipulate the wealth level of the defendant, participants were provided with different information about the defender’s social economic status (SES). In the low SES condition, the defender was described as a high school dropout working as a janitor with a yearly income of $5,000. In contrast, the middle SES condition, the defendant was described as a college graduate working as an assistant manager of a brokerage firm with a yearly income of $15,000. The results showed that the juries assigned more years in prison when the person was described with lower SES than with higher SES (Gleason and Harris 1975, 1976). In sum, the previous findings in the field of criminal law and psychology have implied that it is unlikely that people punish the rich (vs. non-rich) more severely for a same offense.

Yet, research examining envy showed that people discriminate against the rich. Studies in this domain found that people treated the rich unfavorably when given the chance to allocate benefits to others by allocating less benefits (i.e., rewards) to the rich (vs. non-rich) due to envy. For instance, Gino and Pierce (2009) created experiments in which the participants’ wealth levels were manipulated by lottery money. In the study, two participants were paired, and one received $20 whereas the other received $0. The participant who received $20 was the lottery winner and deemed “rich,” and the participant who received $0 was considered “poor.” The participants were randomly assigned to one of two roles: solver or grader. The solver was given an anagram task, and the other participant, the grader, had to grade his or her partner’s performance. Solvers could receive financial incentives based on their given grade (i.e., a $2 reward for solving each anagram). Thus, more financial rewards could be obtained by the solver if the grader was
generous with his or her grading. The results of the study revealed that poor graders underestimated the performance of their partners when their partners received $20 prior to the study compared with when their partners received nothing. In support of this finding, one recent study demonstrated that even when no personal interest was in conflict, people were generally less likely to benefit the rich. Gino and Pierce (2011) tested whether consumers’ perceived wealth affected the passing rate of vehicle emission inspections. In their research, emission inspectors were less strict with vehicles over passing inspection when the consumer was in a non-luxury car versus a luxury car. In both studies, the authors explain that people’s tendency to refrain from benefiting the rich is driven by envy. Both studies also empirically documented that envy mediates the effect.

The above findings in the envy literature in benefit allocation imply that people should also discriminate against the rich in harm allocation (i.e., punishment). If then, do people punish the rich (vs. average citizens) more severely due to their envious feelings toward the rich? Given the differences between benefit and harm, I expect that the discrimination-against-the-rich effect in punishment domain will be driven by a motive different from envy. Heider (1958) argued that people perceive harm (i.e., punishment) and benefit (i.e., rewards) differently and that these two constructs evoke different cognitive structures. Specifically, he argues that people perceive a greater power distance between giver and recipient when allocating harm (vs. benefit) as the recipient of the action (i.e., victim in harm allocation) is perceived more vulnerable. Furthermore, the underlying psychological mechanism of benefit allocation and harm allocation are different. For instance, people concern equity more in benefit allocation (Bolton and Ockenfels 2000; Fehr
and Schmidt 1999) whereas they do morality more in harm allocation (Waksłak et al. 2007). In
sum, due to differences between benefit and harm, I expect that the discrimination-against-the-
rich effect in terms of punishment has a psychological motive different from envy. In
consideration of the limitations of previous findings, I next elaborate on a new conceptual
framework based on which I will hypothesize how an offender’s wealth influences ordinary
people’s punitive judgments of mundane offenses.

1.4 Hypotheses Development

1.4.1 Higher Behavioral Standard for the Wealthy

Anecdotally, many people seem to believe that individuals with privileged social
positions have social obligations that exceed those with lower social positions. In fact, the notion
that members of the upper social class have obligations is deeply rooted in Western society. For
instance, the Bible states, “…From everyone who has been given much, much will be
demanded…” (New International Version, Luke 12:48). In addition, the idea of “noblesse
oblige” indicates that people in privileged social positions must meet a higher standard of
behavior than the rest of society. “Noblesse oblige” refers to the behavioral norm that is required
for members of the noble status to behave honorably (Oxford English Dictionary 1989). The
origin of “noblesse oblige”, in fact, is based on the historic fact about heroic citizens in
privileged social positions. In the Hundred Years’ War (1337-1453), after a long siege to their city, people in Calais, France parleyed for surrender. England’s Edward III told that citizens of Calais would only be spared on the condition that any six of the chief burghers of the city surrendered themselves to him, presumably to be executed. Soon after, the richest person in the city, Sir Eustache de Saint Pierre, volunteered himself first. Another five joined him, including other rich persons Jean d’Aire and Sir Jacques de Wissant (Froissart 2001). In modern society, the concept of “noblesse oblige” applies to people with privileges in general. People with more power, fame and wealth are expected to act in a manner that conforms with their social positions and ultimately must behave as good role models within the society.

Given that having relatively more income and wealth is perceived as a privilege in a capitalistic society (Rosser 2007), I propose that the wealthy are expected to show a higher standard of behavior than the non-wealthy. Being wealthy is a common aspiration for people in a capitalistic society. In fact, the amount of material possessions is an important factor determining one’s social status (Skolnick and Shaw 1994). Abundant resources and higher power status have contributed to people’s high expectations of the wealthy to show their leadership in society. For instance, people want wealthy individuals to share their concerns for community and show their leadership by leading in charitable donations (Rosser 2007). In addition, people expect the rich to respect the value of morality by operating their businesses in a moral and legitimate manner. In sum, as a part of “noblesse oblige,” people expect the wealthy to provide good examples of behavior and demonstrate their leadership in the community.
Although empirical research has not investigated the above proposition, I make the novel prediction that the wealthy are expected of a higher behavioral standard than the non-wealthy. As this assumption provides a fundamental basis of the conceptual framework in this dissertation, it was tested in a pre-test (see study 4). In the pre-test, I documented empirical evidence that people indeed hold the rich to a higher behavioral standard than the non-rich. Briefly described, the result of the pre-test showed that the people set different levels of behavioral standards for the different social groups based on each group’s wealth. Specifically, people held the high-wealth social groups to a higher standard of behavior than the middle-wealth social group. In summary, I argue that the wealthy (vs. non-wealthy) are held at a higher standard of behavior and this proposition is validated by an empirical evidence of this dissertation.

1.4.2 When the Wealthy Violate Social Rules

Thus far I have proposed that wealthy people are held to higher behavioral standards. Then, what happens if a wealthy person violates social rules? I argue that the high expectations of wealthy people could work against them when they violate social rules and norms. In particular, I propose that when an offense is committed by a wealthy (vs. non-wealthy) individual, people administer a more severe punishment to the offender as rich individuals are held at a high standard of behavior.
The punishment literature provides support for the idea that when a person who is held at a higher standard of behavior commits an offense, people are more likely to punish the person severely. Liability theory (Rosoff 1989; Skolnick and Shaw 1994; Wiggins, Dill, and Schwartz 1965) argues that when the offenses are related to one’s responsibility associated with his or her social position, the offender should receive a severe punishment. Skolnick and Shaw (1994) experimentally showed that people punish an offender more severely when the crime is related to the offenders’ profession. In making punitive judgments in a mock scenario study, a licensed psychotherapist was sanctioned more severely than graduate student for a rape that happened in the context of therapy. However, when the rape happened out of the context of therapy, the opposite was found. Thus, the authors concluded that when a crime is associated with offender’s professional responsibility, the offender receives a more severe punishment compared to when it is not. The findings in criminal cases indicate that people punish an offender more severely when the particular position a person is held to a greater social responsibility.

Stemming from this proposition, I argue that when a rich person commits an offense, people are more likely to perceive that the person is falling from the behavioral standard to a great degree, given that rich individuals are held at a high standard of behavior that is reflective of their concern for the community. As discussed previously, the wealthy are seen as role models in society. Social rules and norms are commonly considered the minimal standards for civil behavior, and indicate one’s consideration for social values (Durkheim 1893/1964). In other words, compliance with these rules and norms in society can be considered as not only the civil obligations of the members of the society, but also an expression of respect for the society’s
shared values. Thus, mundane offenses (e.g., traffic violations, cheating on exams, illegal gambling, and prostitution, etc.) may indicate that the offender disregards society’s values, considers his or her own beliefs to be superior to the group’s consensus or puts his or her own interests ahead of the group’s interests. Further, one’s failure to comply with these rules may indicate that the offender disregards the social values shared by the members of the group, and thus a punishment for the offense is understood to re-establish the values of the society (Garfinkel 1956; Thomas and Znaniecki 1996). Thus, when an offense is committed by a wealthy (vs. non-wealthy) individual, people perceive a greater fall from the behavioral standard and administer a more severe punishment to the offender. Based on this discussion, I hypothesize:

**H1.** People punish an offender more severely when the offender is perceived as wealthy rather than non-wealthy.

**H2a.** The wealthy are held at a higher standard of behavior than the non-wealthy.

**H2b.** The perceived degree of fall from the behavioral standard mediates the effect of the offender’s perceived wealth on the observer’s punishment judgment.
1.4.3 Harm Allocations in Cases where No Rule was Violated

By definition, punishment occurs in response to a violation of rules and norms (Kleinig 1972; Vidmar and Miller 1980; Zaibert 2006). Thus, the aforementioned hypotheses specifically refer to cases where a rule was violated. Then, what would happen in cases when a rule had been not violated? Would such discriminatory punishment be observed even if no rule had been violated? In fact, whether the rich are treated unfavorably even when they have not committed any offense must be considered to determine the underlying mechanism of the discrimination-against-the-rich effect in punishment. Regarding what will occur under the conditions in which no rule is violated, my proposed theoretical framework and alternative explanations make different predictions. Specifically, the current theoretical framework predicts that people would not discriminate against the rich when no rule is violated. However, alternative explanations predict that people would discriminate against the rich by giving more negative resources (i.e., harm) even when no rule is violated.

As discussed previously, the previous literature on envy in benefit allocation has suggested that people would punish offenders more severely when the offender is perceived as rich (vs. non-rich) due to envy. For example, the findings from Gino and Pierce’s work (2009, 2011) have implied that people will harm wealthy people whenever they have the chance, regardless of whether the wealthy have violated a rule or not. As punishing the rich would result in the perception that the rich are socially derogated (Vidmar 2001; Vidmar and Miller 1980), it
decreases the feelings of envy toward the rich. As the consequence of punishing the rich (i.e., derogation of the rich) is important for relieving an observer’s feelings of envy (Gino and Pierce 2009, 2011), the observer inflicts more harm on the wealthy regardless of whether the wealthy have violated social rules or not.

Some might argue that people allocate more negative resources to the rich than to the non-rich due to their hatred of the rich (Chua 2003; Glaeser 2005). People have some degree of resentment toward the wealthy (Frank 2008; Todd 2012). As seen in the Occupy Wall Street movement in the late 2011, some people believe that the rich have too much power and American economic system unfairly favors the rich (Kristof 2011). Historical evidence suggests that people inflict harm on the rich due to their hatred of the rich. For instance, the Jewish in modern Eastern Europe, the Lebanese in modern Sierra Leone, and the Armenians in the Ottoman Empire during the First World War were all financially successful groups and they were persecuted due to middle class individuals’ hatred of the rich (Sowell 2005). The hatred of the rich has also been expressed as hate crimes against the rich. For instance, Dontary Carter who was convicted for kidnapping and murder, had targeted white men as he thought they were rich (Jacobs and Potter 2000). In addition, oftentimes, vandalism of luxury cars happens due to people’s resentment toward the rich (Frank 2009).

Similarly to the envy-based explanation, this position also has implied that hatred of the rich leads people to inflict harm on the rich whenever they have a chance to derogate the rich.
Since the derogation of the rich is important to relieve their feelings of resentment, if hatred of the rich is the underlying mechanism of the discrimination-against-the-rich effect, we should observe that people allocate more harm to a rich (vs. non-rich) person regardless of whether the person has violated a rule or not.

The key difference between these alternative explanations and my proposed theoretical framework is that they make different predictions regarding what occurs under the conditions where no rule is violated. While the alternative explanations predict that people discriminate against the rich regardless of rule violation, the current conceptual framework predicts this is not the case. Rather, the current framework proposes that the combination of a rule violation incident and the privileged social position of the rich creates the greater perception of a fall from the behavioral standard. In other words, people are more likely to perceive that the person is falling from the behavioral standard to a great degree only when a rich person commits an offense. Thus, according to the current conceptual framework, we should observe the discrimination-against-the-rich effect only under conditions where a social rule is violated. Thus, no such discrimination against the rich should be observed under conditions where no social rule is violated.

**H3.** When no rule is violated, the wealthy (vs. non-wealthy) do not receive unfavorable treatment in terms of the allocation of negative resources.
The above hypotheses focus on people’s direct punishment judgment and behavior. However, a punishment has implications beyond the punishment itself (Trevino and Ball 1992; Walters and Grusec 1978). The secondary effects of punishment can occur through observing the delivery of a punishment. For instance, the organizational behavior literature has documented that observing a punishment influences the observer’s productivity and attitude toward the workplace (O’Reilly and Barton 1980; O’Reillys and Puffer 1989). Furthermore, observing the delivery of a punishment to an offender reduces the observer’s likelihood of engaging in additional punishment behavior toward the offender (Lin, Dahl, and Argo 2013). Lin et al. (2013) documented a case where an observer was less likely to directly punish a rule violator for destroying a store display when he or she saw the store manager punishing the violator ahead of time. The authors suggest that this occurs because observing a social rule violator being punished by a third party decreases the motivation for observers to punish the offender in turn, as the goal of punishment is to re-establish the balance of social order. Lin et al. (2013) suggested that the observation of a punishment produces a similar effect as if the observer himself or herself were engaged in punishing the offender. Thus, if the same dynamics in the discrimination-against-the-rich effect apply to the observation of punishment, a punishment delivered to an offender by a third party would produce different reactions depending on the wealth level of the offender.
Extending from the above findings, I hypothesize that observing the delivery of a punishment by a third party has implications for the observer’s fairness perceptions. Specifically, I predict that observing the rich (vs. non-rich) being punished would influence the observer’s fairness perception differently as a secondary effect. One of the important functions of punishment is fairness restoration. A stream of research shows that calls for punishment are strongly driven by justice concerns (Carlsmith and Darley 2008; Carlsmith, Darley, and Robinson 2002; Darley and Pittman 2003; Wenzel and Thielmann 2006). When a social rule has been violated, people perceive that the scales of justice are out of balance. Thus, punishing the offender restores the feelings of justice (Carlsmith et al. 2002; Darley and Pittman 2003). Based on this line of logic, I expect that people are more likely to perceive the punishment of a rich (vs. non-rich) offender as more legitimate and fairer, given that people judge a rich (vs. non-rich) individual to be punished more severely than a non-rich individual for an same offense.

I further predict that the effect of observing the delivery of a punishment would extend to the fairness judgment of the third party who punishes an offender. Specifically, as a secondary effect of discrimination against the rich, whether a punished offender is perceived as rich (vs. non-rich) would differently influence the observer’s fairness perceptions about the third party. The findings in the organizational behavior literature support this prediction. Studies in this literature found that when a punishment delivered by an organization (i.e., working place) is judged as legitimate and fair, observing the punishment is positively associated with observer’s attitude toward the organization (O'Reilly and Barton 1980; O'Reillys and Puffer 1989). Applying these findings to a store rule violation context, I expect that when people observe a
third party related to a store punishing the offender would enhance people’s fairness perceptions about the store. More importantly, I predict that they would judge the store’s marketing practices fairer when the punished offender is perceived as rich than non-rich. In sum, the secondary effect of discrimination against the rich on consumers’ fairness perceptions can be identified following this line of logic. When people observe a rich (vs. non-rich) individual who has violated a store rule and is punished by a third party related to the store, it will enhance the consumer’s perception of the fairness of the store’s marketing practices. More formally:

**H4.** Observing a rich (vs. non-rich) rule violator being punished by a third party related to a business increases a consumer’s perceptions of the fairness of the business’ marketing practices.

The first chapter of this dissertation introduces a conceptualized background for the proposed hypotheses. The second chapter will present and discuss the results of four empirical studies that tested the discrimination-against-the-rich in punishment domain and its underlying mechanism (H1, H2a and H2b, and H3). The third chapter will present results of two empirical studies that tested the secondary effect of discrimination against the rich on fairness perceptions (H4). In the third chapter, I also tested whether the secondary effect of discrimination against the rich is generalizable to people across different income levels. The final chapter will summarize the findings from the empirical studies and discusses the contributions and limitations of the research, in addition to the possibilities for future research.
Chapter 2: Empirical Evidence

Empirical studies were conducted to test whether and how the perceived wealth of an offender influences observers’ punishment judgment and behavior when the offense was mundane. These studies indicated whether people punish an offender more severely for mundane offenses when the offender is perceived as wealthy (vs. non-wealthy) (H1). Furthermore, they documented the evidence of the proposed underlying mechanism of the discrimination-against-the-rich effect. Because the wealthy are held to a higher standard of behavior (H2a), when a wealthy (vs. non-wealthy) individual commits an offense, people perceive a greater fall from the behavioral standard and consequently punish the offender more severely (H2b). Lastly, to validate the proposed mechanism, these studies tested whether people allocate more negative resources to the wealthy (vs. non-wealthy) when no rule was violated (H3).

As mentioned in the introduction, the following studies focused on the allocation of harm. Thus, they adopted various negative stimuli such as fines for traffic regulation violation (studies 1 and 2), a dislikable food product (study 3), and a negative physiological experience (study 4).
2.1 Study 1: Field Study

Study 1 was a field study conducted to provide preliminary evidence, supporting the idea of discrimination against the rich in response to a rule violation in a real-life context. The study examined whether the perceived wealth level of a parking violator would affect the observer’s penalty judgment for that parking offense.

2.1.1 Method

The study was conducted in the Robson Street area of downtown Vancouver. In some downtown areas, street parking during rush hours is prohibited, and any cars parked in these areas are towed. Research assistants were stationed in this area from 3 to 6 pm for three or four days in a week during September and October, 2011. When a car was towed, the research assistants stopped pedestrians to point out the towing incident to them, and asked them to indicate how much they thought would be an appropriate fine amount for the infraction. For each car towed, the research assistants recorded the vehicle’s brand name. Seventy-three pedestrians (28 women, $M_{age} = 30.60$; 2 did not report their gender and age) completed a short survey and fourteen brands of cars were observed being towed (See Appendix A for detailed information).
Measurement of wealth perceptions. A separate post-test was also conducted to examine the wealth perceptions associated with each observed car brand. Eighty-six people (41 women, $M_{age}=19.72$) participated in an online study and they were presented with the each image of the observed car one at a time. Respondents were asked to answer the following three questions: “How expensive do you think this car is? (1 = cheap, 9 = expensive)”, “How wealthy do you think the owner of this car is? (1 = poor, 9 = rich)”, and “How luxurious is this car? (1 = not at all luxurious, 9 = very luxurious)”. The scores of the three items were averaged to create an index of the perceived wealth of the offender ($\alpha = .92$).

2.1.2 Results and Discussion

As the amount of fine data were highly skewed, they were log-transformed. Then, the index of the perceived wealth of the owner was regressed on the log-transformed fine amount in the main analysis. As expected, the offender’s perceived wealth significantly predicted the fine amount respondents felt would be appropriate ($\beta = .622, t (71) = 6.56, p < .001$).

Study 1 provided evidence of the discrimination-against-the-rich effect in terms of punishments applied in real-life contexts. People who actually observed a parking violation judged the parking violator more severely (i.e., indicating a higher amount of fine as a penalty of the parking violation) as the level of the offender’s perceived wealth increased.
While study 1 documented real world evidence of the discrimination-against-the-rich effect, it has some limitations. Since it examined the relationship between the perceived wealth of the offender and the severity of punishment, it is unclear whether the rich are more severely punished or the non-rich are more leniently punished. Further, due to the lack of process measurements, the underlying mechanism of the discrimination-against-the-rich effect still remains unanswered. To overcome these drawbacks of the field study, an attempt was made to replicate the study 1 finding and show the underlying mechanism via a series of lab experiments.

As the first step, in the next study, the directionality of the discrimination-against-the-rich effect was examined. In other words, study 2 tested whether people punish the rich more or the non-rich less. Thus, it included a control condition in which no information of the offender’s wealth level was given. Furthermore, study 2 tested alternative explanations such as envy and negative emotion.

2.2 Study 2

In study 2, I tested H1 by investigating whether people make harsher punitive judgments for a rule violation when the offender is perceived to be rich than to be non-rich. Furthermore, to examine whether the rich are more severely punished or the non-rich are more leniently punished, the study included a control condition in which no information about the wealth level of the
offender was provided. I also investigated alternative process explanations such as envy and negative emotion in the discrimination-against-the-rich effect.

2.2.1 Method

Study 2 adopted a three-level (wealth level: wealthy vs. non-wealthy vs. control) one-way factorial between-subjects design. It included a scenario-based survey where the scenario described a car speeding on a local street. The price of the car was used to manipulate the wealth level of the offender. It was described as worth $95,000 in the wealthy condition and $19,000 in the non-wealthy condition, and no such price information was mentioned for the control condition.

Pre-test. To check whether the manipulation of an offender’s wealth level was successful, a separate pre-test was conducted. Sixty-five people (26 women, $M_{age} = 34.08$) on Amazon’s Mechanical Turk (Mturk) website participated in an online survey. They were presented the same scenario used in the main study and asked to answer how wealthy they perceived the driver in the scenario to be. The result of the pre-test confirmed that the manipulation of the offenders’ wealth was successful. The respondents judged the car owner to be wealthiest when the car was $95,000 ($M_{wealthy} = 6.55$ vs. $M_{non-wealthy} = 3.90$, $t(62) = -6.51$, $p < .001$; $M_{wealthy} = 6.55$ vs.
\[ M_{control} = 4.00, t(62) = -6.49, p < .001 \). However, the perceived wealth of the offender did not differ between the non-rich and control conditions \((t < 1)\).

**Main study.** In the main study, 110 participants on Amazon’s Mechanical Turk (Mturk) website (49 women, \( M_{age} = 32.12 \)) completed a scenario-based survey. The participants were told that they would be given a scenario they may face in their daily lives and to imagine the situation vividly while reading it. The scenario described a situation in which a person observed a car speeding down a local street. The wealth level of the offender was manipulated by providing different price information about the speeding car. For instance, the participants in the *wealthy* condition were given the following description: “It is Saturday afternoon. You and your friend decide to go shopping at a mall close to your home. While you are driving to the shopping mall, a $950,000 car passes you very quickly. The wind from the speeding $950,000 car rocks your car from side to side. It is obvious that the $950,000 car is over the speed limit, as the car speeds at 120 km/h and passes a street where the speed limit is 80 km/h.” The car was priced at $19,000 in the *non-wealthy* condition. In the *control* condition, no price information was given to the participants.

After reading the scenario, the participants’ feelings about the situation were assessed. The participants were posed the following question: “Given the information above and putting yourself in the shoes of the observer, how would you feel about the situation?” The participants were given several statements and indicated how much each statement reflected their feelings on
a 9-point scale (1 = “Not at all characteristic of my feelings,” 9 = “Very characteristic of my feelings”). Envy (i.e., “I am envious of the car”) (Gino and Pierce 2011) and two other negative emotions (i.e., “I feel annoyed” and “I feel frustrated”) were assessed along with other filler items.

The participants were then asked to imagine that they were a police officer who could penalize the speeding car. They were asked to indicate the fine amount they thought was appropriate, given that a speeding ticket ranges from $1 to $300. The participants’ demographic information (i.e., gender, age and ethnicity) was collected at the end of the study.

2.2.2 Results and Discussion

None of the demographic variables interacted with the other variables or was significant as a covariate in the following analyses.

Amount of fine. An analysis of variance (ANOVA) with the fine amount as the dependent variable revealed the anticipated main effect ($F(2, 107) = 4.80, p < .05$). The participants indicated a greater fine amount when the offender was perceived to be wealthy (i.e., driving a relatively high-priced vehicle; $M = 228.84$) rather than non-wealthy (i.e., driving a relatively
low-priced vehicle; \( M = 176.14; t(107) = -3.08; p < .01 \) or when the offender’s wealth level was unclear (i.e., the car price was unknown; \( M = 198.31, t(107) = -1.79; p = .08 \)). The amount of fine were not different between the non-wealthy condition and the control condition \( (t(107) = 1.28, p = .20) \).

Envy. The main effect of wealth level on envy was significant \( (F(2, 107) = 29.69, p < .001) \). The envy level was highest when the offender was wealthy \( (M = 5.24) \) rather than non-wealthy \( (M = 2.67, t(107) = -5.36, p < .001) \) or when the wealth level was not identified \( (M = 1.67, t(107) = -7.45, p < .001) \). Further contrast analyses indicated that people were more envious when the offender was perceived as non-wealthy than when the wealth level was not identified \( (t(107) = -2.01, p < .05) \).

The mediating role of envy was tested using bootstrapping procedures adopted from Hayes (2013). The indirect effect of envy in the relationship between wealth level and the fine amount was not significant \( (effect = -2.02, boot se = 6.26, CI_{95\%} = [-16.04, 9.74]) \).

Negative emotion. The main effect of wealth on negative emotion (an index comprising feelings of being frustrated and annoyed, \( r = .71, p < .001 \)) was not significant \( (F(2, 107) = .50, p = .61) \). Furthermore, the indirect effect of negative emotion in the relationship between the offender’s wealth level and the fine amount was not significant \( (effect = 1.02, boot se = 2.79, CI_{95\%} = [-2.04, 6.07]) \).
In sum, study 2 tested and validated H1 by showing that people punish the wealthy (vs. non-wealthy) more severely for traffic regulation violations (i.e., speeding). Furthermore, it provided evidence of the directionality of the discrimination-against-the-rich effect. People in the *wealthy* condition indicated harsher punishments than those in the *non-wealthy* or *control* conditions, suggesting that people punish the rich more harshly rather than being lenient toward the non-rich. Lastly, it showed that neither envy nor negative emotion fully explains the discrimination-against-the-rich effect. Although the participants showed higher envy levels when an offender was perceived as wealthy, the feelings of envy did not mediate the effect of the offender’s wealth on his or her punishment.

In this study and the following studies, the participants’ gender, age and ethnicity were assessed, but none of the variables had a systematic influence on the relationship between the offender’s wealth and punishment. Thus, the analyses of the demographic information are not discussed further.
2.3 Study 3

Study 3 was designed to accomplish two goals. First, it attempted to extend the preceding findings to behavioral measures of punishment. Thus far, consideration has been given to how the wealth level of an offender influences an observer’s punishment judgment. Study 3 tried to provide behavioral evidence by testing whether people administer a harsher punishment when they have a chance to cause harm to the rich. To document the actual punishment behavior, study 3 was a behavioral lab experiment in which each participant was paired with a confederate and given a chance to punish the confederate via the allocation of a dislikable food product.

Second, it tests H3 by investigating whether the discrimination-against-the-rich effect occurs only in cases where a rule is violated. Thus far, I have argued that rule violation is a key component in triggering the discrimination-against-the-rich effect. As the combination of a rule violation and the rich’s privileged social position results in a psychological motive to punish the rich, I have further hypothesized that people punish the rich more severely than the non-rich only when they observe a rule violation. As discussed earlier, examining what occurs under the cases where no rule is violated is important to rule out other alternative hypotheses. If a feeling of envy or hatred toward the rich is the psychological driver of the discrimination-against-the-rich effect, we would observe that people allocate more harm to the rich regardless of whether a rule is violated. Thus, to test the proposed hypothesis, violation conditions were contrasted with non-violation conditions.
2.3.1 Method

Study 3 incorporated a 2 (wealth level: wealthy vs. non-wealthy) x 2 (rule violation: present vs. absent) between-subjects design. Ninety-two undergraduate students (51 women, $M_{age} = 20.97$) at the University of British Columbia participated in the study on an individual basis. At the beginning of the study, participants were told that they would complete several unrelated tasks.

The first task involved the wealth level manipulation, which was disguised as an impression formation study. The instructions indicated that the researchers were interested in understanding how people form first impressions of others through brief online conversations (see Appendix A for the details of the instructions). The participants were asked to interview a student in the next room (who was actually a confederate) via MSN Messenger. They were given a list of questions to ask their confederates, which included seven items about wealth (e.g., questions about the number of cars owned by the family, area of residence and monthly expenses for shopping). The confederates answered differently only to the wealth-related questions depending on their wealth conditions (see Appendix A for the detailed information).

The second task involved the rule violation manipulation. In what was ostensibly a second study, the lab study administrator brought the confederate to the participant and
introduced the confederate as the person the participant just chatted with. They were then asked to complete a cognitive task in the same room, but independently. They were instructed to memorize a matrix with numbers in one minute and then to reproduce the matrix on the next page in the following two minutes (see Appendix A for the detailed information). The instruction explicitly stated, “Please make sure the content is facing down while you are reproducing the matrix.” The confederate in the rule violation absent condition completed the task without cheating. In contrast, the confederate in the rule violation present condition cheated by looking back at the matrix while completing the task.

After the memory task, the confederate was sent back to the next room, leaving the participant alone. Following Liberman, Solomon, Greenberg and McGregor (1999), the punishment behavior was assessed according to the amount of hot sauce the participants allocated to their confederates. Each participant was asked to independently prepare a food sample for his or her partner (i.e., confederate), as the administrator had to be blind to the experiment (see Appendix A for the detailed information). The participants received written instructions stating that their confederates should entirely consume the allocated food, that the participants’ role in the study would not be revealed to their confederates, and that the study administrator would not know how much hot sauce was allocated. The participants also learned from the instructions that the food given to their confederates was hot sauce, the sauce was generally evaluated as dislikable, and that consuming the sauce would be unpleasant. Lastly, they were instructed to put the sauce (ostensibly for their confederates to taste) into containers and seal the containers with lids. The study administrator stayed outside the room until the
participants finished packing the sauce and then weighed the allocated samples. The amount of hot sauce that the participants allocated to their confederates serves as a behavioral measure of punishment. At the end of the study, participants completed a questionnaire that includes an item for rule violation manipulation (i.e., did your partner cheat during the memory task? 1: yes, 2: no) and questions for demographic information.

2.3.2 Results

During data analysis, twelve participants were removed due to study administration failure (i.e., they were acquainted with the confederates, knew about the study from previous participants, failed to observe cheating or cheated along with the confederates).

The main effect of rule violation was significant ($t(78) = 2.12$, $p < .04$). People in the rule violation present condition ($M = 26.55$) allocated more of hot sauce to the confederate than those in the rule violation absent condition ($M = 18.88$). However, the main effect of wealth level was not significant ($t(78) = 1.02$, $p = .31$).

Next, a 2 (wealth level: wealthy vs. non-wealthy) x 2 (rule violation: present vs. absent) ANOVA revealed a significant interaction ($F(1, 76) = 5.77$, $p < .05$). Further contrast analyses
showed that when cheating occurred during the task, the participants allocated more hot sauce to confederates who were perceived as wealthy rather than non-wealthy ($M_{wealthy} = 32.65g$ vs. $M_{non-wealthy} = 20.45g$, $F(1, 76) = 6.10, p < .05$). However, when no cheating occurred, participants’ allocation of hot sauce were not different across wealth level conditions ($M_{wealthy} = 16.55g$ vs. $M_{non-wealthy} = 21.20g$, $F(1, 76) = .88, p = .35$). Another aspect of the contrast analyses showed that observing the cheating increased the allocated amount of hot sauce when the confederates were perceived as wealthy ($F(1, 76) = 10.54, p < .01$) but not when the confederates were perceived as non-wealthy $F(1, 76) = .02, p = .88$).

2.3.3 Discussion

Study 3 provided behavioral evidence that people punish the rich more severely only under conditions where they observe them violating a rule. Replicating the discrimination-against-the-rich effect, the study revealed that the participants allocated more of a dislikable food product to a rule violator (i.e., a person who cheated on an exam) when the violator was perceived to be wealthy rather than non-wealthy.

More importantly, the results of study 3 validated that a rule violation incident is a key to trigger the discrimination-against-the-rich effect. People punished the wealthy (vs. non-wealthy) more severely only when a social rule was violated. This finding confirms that the combination
of a rule violation incident and the rich’s privileged social position results in a psychological motive to punish the rich. Furthermore, the results suggest that a feeling of envy or hatred toward the rich is not the psychological driver of this effect. If people hated the rich or were envious of their possessions, they would allocate more harm to the rich regardless of whether a rule had been violated. However, the study found that when no rule was violated, people treated the rich (vs. non-rich) equally favorable. Thus, these findings rule out the alternative explanations that predict the discrimination-against-the-rich effect will occur regardless of a rule violation.

Another interesting result of the study is that observing a rule violation increased the allocated amount of hot sauce only when the confederates were perceived as wealthy. This finding suggests that people are stricter with the wealthy (vs. non-wealthy) when making punishment judgment of a rule violation as people hold the rich to a higher standard of behavior than the non-rich.

Lastly, this study provided evidence that it is not necessary for the rich to show off their wealth, as doing so may lead people to punish them more harshly. In this study, the wealth level was manipulated through an online interview, and the confederates did not show off their wealth levels. This idea can be further explored in future research.
2.4 Study 4

Study 4 was to provide a comprehensive evidence of the proposed underlying mechanism of the discrimination-against-the-rich effect. The conceptual framework proposes that people hold the rich to a higher standard of behavior than the non-rich (H2a). Thus, when an individual who has committed an offense is perceived as wealthy (vs. non-wealthy), people perceive the offender to be falling from the behavioral standard at a greater degree, and consequently administering a more severe punishment to the offender (H2b). As the combination of an offender’s wealth and a rule violation incident results in a psychological motive to punish the rich, I further propose that when no rule is violated, the wealthy (vs. non-wealthy) do not receive unfavorable treatment in harm allocation (H3). A pre-test and a main study tested the above arguments.

The pre-test documented preliminary empirical evidence to support that people’s expectations for each social group differ depending on the wealth level of the social group. Specifically, the pre-test examined whether people do indeed hold the rich to a higher behavioral standard than the non-rich (H2a).

The main test was to provide a comprehensive evidence of the proposed underlying mechanism (H2b and H3). Adopting a moderated mediation paradigm, it directly examined
whether people punish the wealthy (vs. non-wealthy) more severely due to a greater perception of a fall from the behavioral standard when a rule violation was observed. To obtain additional evidence that the discrimination-against-the-rich effect occurs only in cases where a rule is violated (H3), violation conditions were contrasted with non-violation conditions as in study 3.

2.4.1 Pre-test

One hundred and seventeen people (52 women, $M_{age} = 31.99$) on Amazon’s Mechanical Turk (Mturk) website completed an online survey. They were told that they would be presented with six social groups and asked to give their opinions about each group. The six social groups examined in the pre-test were the rich, millionaires, average people, people with average income, the poor and people on welfare. The social groups were presented on a computer screen one at a time in random order, and the participants were asked to complete a set of questions for each social group. The participants were asked to indicate the extent to which they agreed with each of following statements using a slider from 0 (strongly disagree) to 100 (strongly agree): “X should live up to people’s expectations,” “X should be role models in society,” “X should behave better than other groups in society” and “X should be held to a high standard of behavior relative to others in society” (X is the corresponding social group in each statement). The scores for each item were averaged to create an index for the participants’ expectations of standard behavior of each social group.
A repeated measures ANOVA using the six social groups as within-factor variables revealed a significant main effect on the participants’ expectations of standard behavior (Greenhouse-Geisser adjusted $F(2.07, 239.66) = 106.31, p < .001$). A series of pairwise comparison analyses was conducted to test the mean difference between the groups. The participants’ responses to the rich ($M = 69.48$) and millionaires ($M = 70.19, p = .33$) did not differ. Thus, the responses of these two groups were averaged to create an index for the high wealth groups ($\alpha = .93$). Another index was created for the middle wealth group with the responses to average people ($M = 54.68$) and people with average income ($M = 55.31, p = .55; \alpha = .89$). Lastly, to simplify the analysis, an index for the low wealth group was created with the responses to the poor and people on welfare, although the participants had lower expectations of the poor ($M = 36.68$) than of people on welfare ($M = 41.89, p < .001; \alpha = .84$).

Next, another repeated measures ANOVA was conducted using three indices of social groups’ wealth level as within-factor variables and the level of expectation as the dependent variable. The result revealed a significant difference across social groups’ wealth level (Greenhouse-Geisser adjusted $F (1.36, 158.07) = 132.41, p < .001$). Further pairwise comparison analyses showed that the participants held the high wealth social groups to a higher standard of behavior ($M = 69.84$) than the middle wealth social group ($M = 54.99; p < .001$) and, than the low wealth social group ($M = 39.29; p < .001$). In addition, the participants set a higher behavioral standard for the middle wealth group than for the low wealth group ($p < .001$).
The results of the pre-test showed that the participants set different levels of behavioral standards for different social groups based on each group’s wealth. Based on this finding, the main study directly examined that a fall from the expected behavioral standard is a key mediator of the discrimination-against-the-rich effect.

### 2.4.2 Method

One hundred and forty (66 females, $M_{age} = 33.74$) Mturk participants completed an online survey. Study 4 used a scenario implementing a 2 (wealth level: wealthy vs. non-wealthy) x 2 (rule violation: present vs. absent) between-subjects design (see Appendix A for more detailed information). The participants were asked to imagine themselves as research assistants administrating a psychological study known as “The effect of physiological stress on an individual’s performance in a group learning context.” The scenario indicated that the participants of the psychological study were expected to be on time. A late participant caused a delay in the start time because the rest of the participants were kept waiting. In the rule violation present condition, one of the participants was late, keeping the other four participants and the study administrator waiting for 10 minutes. In contrast, in the rule violation absent condition, every participant was on time. The wealth level was manipulated by providing different information about a target person. The target was the late participant in the rule violation present condition whereas it was one of the subjects who are on time in the rule violation absent condition. In particular, in the wealthy rule-violation-present condition, the late participant was

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described as wearing a luxurious brand jacket (i.e., Armani) and having a luxury brand car key (i.e., Mercedes-Benz). In contrast, in the non-wealthy rule-violation-absent condition, one of the participants was described as wearing a low-end brand jacket (i.e., Old Navy) and holding a bus pass.

In the last part of the scenario, the participants were told that they had to determine the degree of electric shocks that each participant in the psychology study would receive within a range of 100 up to 300 volt. They were also informed that receiving electric shocks might cause discomfort, but it was not at all harmful in the given range of shocks. To minimize social desirability biases, the participants were informed that the participants in the psychological study would not know who provided the electric shocks and that every participant would experience electric shocks.

The main study participants read the scenario and were given a related questionnaire. First, the severity of the punishment was assessed using two measures. The participants were asked to indicate the level of electric shocks they would assign to the target participant (i.e., the late participant who appears to be wealthy in the wealthy rule-violation-present condition). They were also asked to indicate the number of electric shocks they would give to the target subject during the experiment (1-10 times).
Second, the perception of the degree of fall from the behavioral standard was collected using two items. The participants were asked to indicate the perceived degree of falling of the target person on a given 7-point scale (1: not at all, 7: very much): “To what extent is the target person perceived as falling short of his moral responsibilities” and “To what extent is the target person perceived as falling short of social standards?” ($r = .92, p < .001$).

To check whether the manipulation of the wealth levels was successful, each participant’s perception of the target person’s wealth was assessed (1: very poor, 9: very wealthy). Moreover, to check for the rule violation manipulation, the participants were asked to indicate whether the target person was on time in the scenario.

### 2.4.3 Results

Three data points were removed as the participants incorrectly answered the violation manipulation check question or attention check questions, leaving 137 data points (65 women, $M_{age} = 33.85$) for final analysis.

Before the main data analysis, it was determined whether the manipulation of the target person’s wealth level was successful. As predicted, the participants in the *wealthy* condition
perceived the target person as wealthier than those in the non-wealthy condition ($M_{wealthy} = 7.46$ vs. $M_{non-wealthy} = 4.72$, $t(135) = 14.47$, $p < .001$). The rule violation manipulation did not interact with the wealth level manipulation in predicting the perceived wealth of the target person ($F(1, 133) = .35$, $p = .55$).

*The level of electric shocks.* The main effect of rule violation was significant ($t(135) = 4.95$, $p < .001$). People assigned higher levels of electric shocks when the target person violated the rule ($M = 211.80$ volt) versus when not ($M=160.24$ volt). Further, the main effect of wealth level was significant ($t(135) = 2.02$, $p < .05$). People assigned higher levels of electric shocks to the target person when the person was perceived to be wealthy ($M = 198.32$ volt) than non-wealthy ($M = 175.77$ volt).

Next, a 2 (wealth level: wealthy vs. non-wealthy) x 2 (rule violation: present vs. absent) ANOVA revealed a marginally significant two-way interaction ($F(1,133) = 3.02$, $p < .10$). Further contrast analyses showed that the participants in the rule violation present condition assigned higher levels of electric shocks to the target subject when the subject was perceived as wealthy rather than non-wealthy ($M_{wealthy} = 232.09$ vs. $M_{non-wealthy} = 192.08$, $F(1, 133) = 7.98$, $p < .01$). However, the participants in the rule violation absent condition showed no difference in their responses ($M_{wealthy} = 162.52$ vs. $M_{non-wealthy} = 157.97$, $F(1,133) = .10$, $p = .77$).
The mediating role of the perception of a fall from the behavioral standard in the discrimination-against-the-rich effect was then examined. I predicted when a rule violator (i.e., late subject) was perceived as wealthy (vs. non-wealthy), people would be more likely to perceive the person as having fallen farther from the behavioral standard and give a harsher punishment to the offender, but that if no offense occurred this effect would be mitigated. Based on this prediction, I adopted the moderated mediation model that specifies how the perception of falling from the behavioral standard mediates the interactive effect of rule violation and wealth level on the level of electric shock assigned to the target subject (see Appendix B).

First, a regression analysis was conducted with rule violation, wealth level and the interaction term between rule violation and wealth level as the independent variables, and the level of electric shocks as the dependent variable. The result showed that the interactive effect of rule violation and wealth level on the level of electric shocks was marginally significant ($\beta = 36.63, t = 1.79, p < .10$). Another regression analysis was conducted with rule violation, wealth level and the interaction term between rule violation and wealth level as the independent variables, and the perception of a fall from the behavioral standard as the dependent variable. The result revealed that the interactive effect of rule violation and wealth level on the perception of a fall from the behavioral standard was significant ($\beta = 1.12, t = 2.38, p < .05$). When the mediator was included in the proposed moderated mediation model, the interactive effect between rule violation and wealth level on the level of electric shocks became insignificant ($\beta = 18.46, t = .95, p = .35$). However, the effect of the perception of a fall from the behavioral standard remained significant ($\beta = 16.28, t = 4.59, p < .001$).
Furthermore, the indirect effect of the proposed model was tested using bootstrapping procedures adopted from Hayes (2013). The indirect effect of the interaction between rule violation and wealth level in the moderated mediation model was significant (effect = 17.39, boot se = 9.14, CI_{95\%} = [2.04, 37.75]). Conditional indirect effect analysis showed that the mediating effect of the perception of a fall from the behavioral standard was significant only in the rule violation present condition (effect = -25.56, boot se = 7.89, CI_{95\%} = [-42.93, -12.15]) and not in the rule violation absent condition (effect = -8.18, boot se = 5.61, CI_{95\%} = [-22.01, 1.13]).

The number of electric shocks. The number of electric shocks administered as a punishment measure showed similar patterns. First, the main effect of rule violation on the number of electric shocks was significant ($t(135) = 3.43, p < .001$). People assigned a greater number of electric shocks when the target person violated the rule ($M = 5.83$ times) versus when not ($M = 4.41$ times). Further, the main effect of wealth level was also significant ($t(135) = 2.02, p < .05$). People assigned a greater number of electric shocks to the target person when the person was perceived to be wealthy ($M = 5.59$ times) than non-wealthy ($M = 4.71$ times).

Second, a 2 (wealth level: wealthy vs. non-wealthy) x 2 (rule violation: present vs. absent) ANOVA revealed a significant two-way interaction ($F(1,133) = 4.20, p < .05$). Further contrast analyses showed that participants in the rule violation present condition assigned a greater number of electric shocks to the target subject when the person was perceived as wealthy rather than non-wealthy ($M_{Wealthy} = 6.69$ times vs. $M_{Non-wealthy} = 5.00$ times, $F(1, 133) = 9.05, p < .01$). However, no such difference was found in the rule violation absent condition.
Another aspect of the contrast analyses showed that observing the violation increased the number of electric shocks when the target person was perceived as wealthy ($F(1, 133) = 15.58, p < .001$) but not when the person was perceived as non-wealthy ($F(1, 133) = 1.13, p = .29$).

A serious of regression analyses was conducted to test the mediating role of perception of a fall with the number of electric shocks as the dependent variable. The interaction between rule violation and wealth level on the number of electric shocks was significant ($\beta = 1.80, t = 2.24, p < .05$). Consistent with the analysis of the level of electric shocks as a dependent variable, when the mediator was included in the model, the interactive effect between rule violation and wealth level on the number of electric shocks became insignificant ($\beta = 1.29, t = 1.63, p = .11$). However, the effect of proposed mediator, the perception of a fall from the behavioral standard remained significant ($\beta = .46, t = 3.17, p < .01$).

Finally, the indirect effect of the moderated mediation model was tested. The indirect effect of the interaction between rule violation and wealth level in the moderated mediation model was significant (effect $= .51$, boot $se = .29$, 95% CI $= [.08, 1.26]$). Further conditional indirect effect analyses showed that the mediating role of the perception of a fall from the behavioral standard was significant only in the rule violation present condition (effect $= -.76$, boot $se = .29$, 95% CI $= [-1.44, -.27]$) but not in the rule violation absent condition (effect $= -.24$, boot $se = .19$, 95% CI $= [-.76, .02]$).
2.4.4 Discussion

Study 4 provided comprehensive evidence of the proposed underlying mechanism of the discrimination-against-the-rich effect. The pre-test results revealed that people hold the wealthy to a higher behavioral standard than the non-wealthy (H2a). The main study directly showed that the perception of a fall from the behavioral standard significantly mediated the effects of an offender’s wealth on the observer’s punishment judgment (H2b). The results of the moderated mediation analyses showed that the perceptions of a fall from the behavioral standard significant mediates the impact of wealth level of an offender when there was a rule violation but not when there was no rule violation. In summary, when the participants observed a wealthy (vs. non-wealthy) individual violating a social rule, there was a greater perception of the offender falling from behavioral standards, and consequently harder punishments were administered.

Further, it is noteworthy that people punish the wealthy more severely than the non-wealthy only when they observe a rule violation. When no rule was violated, people treated the wealthy and non-wealthy equally in terms of the allocation of negative resources (e.g., negative physiological stimuli). The fact that people punish the wealthy (vs. non-wealthy) more severely only when a rule was violated confirms that the combination of a rule violation incident and the rich’s privileged social position results in a psychological motive to punish the rich.
In this chapter, I have investigated whether and how people discriminate against the rich in harm allocation. Extending these findings, in the next chapter, I explore whether observing the wealthy (vs. non-wealthy) being punished will influence an observer’s fairness perception differently as a secondary effect. Further, I test whether the secondary effect of discrimination against the rich is generalizable to people across different income levels: specifically, whether the secondary effect of discrimination against the rich is moderated by the observer’s family income level.
Chapter 3: The Secondary Effect of Discrimination Against the Rich

In Chapter 3, I present the results of two empirical studies that tested the secondary effect of discrimination against the rich on consumers’ fairness perception. I investigate whether observing the wealthy (vs. non-wealthy) being punished influenced consumers’ fairness perception differently. In particular, I hypothesize that when a consumer observes a wealthy (vs. non-wealthy) offender being punished by a store, the consumer’s perception of the fairness of the store’s marketing practices would be enhanced (H4).

Furthermore, in Chapter 3, I investigate the generalizability of the secondary effect of discrimination against the rich. Thus far, I have argued that ordinary people punish the wealthy (vs. non-wealthy) more severely when a social rule is violated. As “ordinary people” may refer to “people who are not famous, rich, or powerful” (Macmillan Dictionary), this argument, in fact, implies that the effect is observable only among a certain group of people. Further, although I have tested this effect with various populations (i.e., people on the street, undergraduate students and a national online panel), people who participated in the previous studies might have shared certain characteristics of a social group. Thus, it is necessary to test whether people at different SES levels would show the same tendency to discriminate against the rich, since SES is a relevant variable for verifying which social group an observer belongs to in relation to the rich. Since family income level is an objective factor used to determine one’s SES (Kochanska, Kim,
and Koenig Nordling 2012; Laurin, Fitzsimons, and Kay 2011), I test how an observer’s family income level influences the secondary effect of discrimination against the rich.

Following this line of reasoning, study 6 tests how the secondary effect of discrimination against the rich is generalizable to people across different income levels. How does observers’ family income level moderate the secondary effect of discrimination against the rich? Is the secondary effect generalizable to people at a high- or low-income level? I predict that people at a high- or low-income level would not exhibit the secondary effect of discrimination against the rich.

I expect that people at a high-income level would not exhibit the secondary effect of discrimination against the rich. Discrimination usually occurs against out-group members who are not perceived as “us” (Tajfel 1970). Thus, it is unlikely that people at a high-income level discriminate against another rich individual who belongs to their own social group. More importantly, wealthy people or people at a high-income level would not hold a higher expectation of themselves, because they would not believe themselves to be different from other members of the society in terms of their behavioral obligations. Thus, people at a high-income level would think that punishment should be allocated on the same basis of the offense itself. As a result, their punishment judgment of an offender would not differ regardless of whether they perceived the offender as rich or not.
Furthermore, I predict that people at a low-income level would not show the secondary effect of the discrimination against the rich. I proposed that the wealthy are expected to show a higher standard of behavior than average citizens because having relatively more income and wealth is perceived as a privilege (Rosser 2007). If the same dynamics apply to people at a low-income level, these individuals should also hold average citizen since at a higher behavioral standard as average citizens have more income and wealth than people at a low-income level. Therefore, people at a low-income level would also hold a higher standard of behavior of the average citizen, who is compared with the wealthy in this study. Thus, whether an offender is perceived as rich or not makes no difference to people at a low-income level, who hold both wealthy and average citizens to higher standards. Study 6 tests the above predictions.

In summary, chapter 3 tests the secondary effect of discrimination against the rich and its generalizability. Study 5 investigates whether the discrimination-against-the-rich effect spills over to observers’ fairness perception. Specifically, it tests whether observing the wealthy (vs. non-wealthy) being punished influences consumers’ fairness judgment differently. Further, Study 6 tests whether the secondary effect of discrimination against the rich is generalizable to people across different income levels by examining whether the observer’s income level moderates the secondary effect of discrimination against the rich.
3.1 Study 5

Study 5 extends the previous studies and considered the secondary effect of discrimination against the rich. It investigates whether observing the wealthy (vs. non-wealthy) being punished influences consumers’ fairness judgment differently. More importantly, study 5 attempts to show that the effect of punishment extends to the observers’ fairness perceptions of a store’s marketing practices (i.e., price fairness). Specifically, it investigates that when a consumer observes a wealthy (vs. non-wealthy) offender being punished by a store, the consumer’s perception of the fairness of the store’s marketing practices would be enhanced (H4). This prediction is tested with a towing incident scenario involving an overtime-parked vehicle in a paid parking zone. In particular, the study examines whether observing a wealthy (vs. non-wealthy) offender being punished for violating a rule (i.e., violator’s car is towed according to a parking lot’s rule) leads to a higher perception of the business’ price fairness (i.e., the fare required to use the parking lot).

3.1.1 Method

A three-level (wealth level: wealthy vs. non-wealthy vs. control) one-way factorial between-subjects design was used. One hundred and seven (63 females, $M_{age} = 21.34$) undergraduate students at the University of British Columbia participated in this study for a
bonus course credit. The participants read a scenario that described a car being towed due to overtime parking in a 30-minute parking zone. To manipulate the wealth level of the offender, the car brand in the scenario differed across conditions: a Mercedes-Benz S class for the *wealthy* condition and a Toyota Corolla for the *non-wealthy* condition. No car brand information was given to the participants in the *control* condition.

For instance, participants in the *wealthy* condition were asked to imagine the following situation: “It is Saturday morning. You and your friend decide to go shopping in a mall close to your home. As you drive into the mall’s parking lot, you notice a Mercedes-Benz S class parked in a 30-minute parking zone near the mall’s entrance. You park your car and spend the next four hours shopping in the mall. When you and your friend return to the parking lot, you see a tow truck. You recognize that the Mercedes-Benz S class you saw earlier is being towed away.” The brand name of the car was replaced with Toyota Corolla for the *non-wealthy* condition. Lastly, no car brand information was described in the *control* condition.

After reading the scenario, the participants answered a question to reveal their price fairness perception: “It currently costs $2 per hour to park in this mall’s parking lot. What do you think of this parking fee?” The participants then indicated their perceptions of price fairness on a 9-point scale (not at all fair/not at all just/unreasonable = -4, fair/just/reasonable = 4; α = .94) (Bolton, Keh, and Alba 2010).
3.1.2 Results and Discussion

An ANOVA with prices fairness as the dependent variable revealed the predicted significant main effect ($F(2, 104) = 8.72, p < .001$). Further contrast analyses showed that people in the *wealthy* condition ($M = 1.02$) indicated the parking price to be fairer than those in the *non-wealthy* condition ($M = -.77, t(104) = 3.84, p < .001$) or those in the *control* condition ($M = -.72, t(104) = 3.22, p < .01$). However, people in the *non-wealthy* and *control* conditions showed no differences in terms of their price fairness judgment ($t(104) = -.09, p = .93$).

Study 5 extended another aspect of discrimination against the rich by examining its secondary effect. The results showed that the wealth level of an offender who had been punished by the store influences the observers’ perceptions of the fairness of the store’s marketing practices. This finding is particularly important, as it shows that the effects of punishment are not limited to the perception of the punishment’s fairness, but also extend to perceptions about the fairness of a store’s marketing practices (i.e., price fairness). The implication of this finding is further discussed in the “General Discussion” section.
3.2 Study 6

Study 6 has two purposes. First, it attempts to provide additional evidence of the secondary effect of discrimination against the rich. Second, more importantly, it tests the generalizability of the secondary effect of discrimination against the rich. Specifically, it examines whether the observer’s income level moderates the effect of the wealth level of a punished offender on fairness perceptions.

3.2.1 Method

Three hundred and two people (113 females, $M_{age}=33.53$; 2 did not report their gender and age) from the Metro Vancouver area participated in the study. Data were collected on the streets, around shopping malls and at subway stations. A 2 (wealth level: wealthy vs. non-wealthy) x 4 (income level: low income vs. lower-middle income vs. upper-middle income vs. high income) between-subjects design was administrated. The participants completed a one-page survey and they were presented with a shortened version of the towing scenario used in study 5. The scenario described the towing incidence of a vehicle parked in a space beyond the legal allotted time. The wealth level was manipulated by varying the brand name of the towed vehicle. The towed vehicle was a Mercedes-Benz S class in the wealthy condition and a Toyota Corolla in the non-wealthy condition. The participants’ price fairness perceptions were assessed using the
same items used in study 5 (not at all fair/not at all just/unreasonable = -4, fair/just/reasonable = 4; α = .83) (Bolton, Keh, and Alba 2010). After answering the price fairness question, each participant’s annual family income was assessed according to four categories: “under $40,000” for low income, “$40,000–79,999” for middle-lower income, “$80,000–120,000” for middle-upper income and “over $120,000” for high income.

3.2.2 Results

The main effect of the wealth level of the punished offender was significant \( (F(1, 300) = 5.15, p < .05) \). The participants generally indicated higher price fairness perceptions when a luxury \( (M = -1.97) \) versus a non-luxury car \( (M = -2.34) \) was described as being towed. More importantly, the interaction between the wealth level of the offender and observers’ income level was significant \( (F(1, 294) = 2.70, p = .05) \). The secondary effect of discrimination against the rich was found only among the participants with middle-class incomes. The participants indicated higher price fairness when the offender was perceived as wealthy \( (M = -1.58 \text{ for the lower-middle group, } M = -1.63 \text{ for the upper-middle group}) \) rather than non-wealthy \( (M = -2.45, F (1, 294) = 7.43, p < .01 \text{ for the lower-middle group}; M = -2.49, F(1, 294) = 5.95, p < .05 \text{ for the upper-middle group}) \). However, the discrimination-against-the-rich effect was not observed among participants in the high- and low-income groups. The participants’ perceptions of price fairness did not differ in the high-income groups \( (M_{wealthy} = -2.13 \text{ vs. } M_{non-wealthy} = -2.01, \)
$F(1, 294) = .12, p = .73$) in the low-income group ($M_{wealthy} = -2.38$ vs. $M_{non-wealthy} = -2.37$, $F(1, 294) = .00, p = .97$).

Another aspect of the contrast analyses focused on the effects of observers’ income level on the perceptions of price fairness. The results showed that observers’ price fairness perceptions were different across income categories only when a luxury car was described as being towed ($F(3, 294) = 2.96, p < .05$). When a non-luxury car was presented as being towed in the scenario, their responses in price fairness not different across income categories ($F(3, 294) = .76, p = .52$).

### 3.2.3 Discussion

Study 6 investigated whether the observer’s income level moderates the secondary effect of discrimination against the rich. As predicted, only participants at the middle-income level showed that their fairness perceptions were differed depending on whether a wealthy (vs. non-wealthy) offender was punished by a store. The participants at high- and low-income levels did not show such difference.

The results of the study suggest that people with different SESs hold the rich to a different level of behavioral standards. Specifically, the null effect of offender’ wealth on fairness perception among people at a high-income level may indicate that they do not hold a higher expectation of themselves and thus, whether a rich versus non-rich offender is punished...
did make no difference in their fairness perceptions. In addition, people at a low-income level did not exhibit the secondary effect of discrimination against the rich. As these individuals hold both the wealthy and average citizens to higher behavioral standards, thus, whether the rich versus non-rich is punished made no difference to the fairness perceptions of people at a low-income level.

Given the complexity of punishment judgment and its effect on fairness judgment, the above explanations may not be sufficient to explain the income effect. More in-depth studies should be conducted to illuminate the underlying mechanism of the income effect in terms of the secondary effect of discrimination against the rich.
Chapter 4: General Discussion

In this final chapter, I summarize the findings from the six empirical studies and discuss their implications. In addition, I discuss the limitations of my research, and opportunities for future research.

4.1 Summary of the Results

Although how an individual’s wealth influences other people’s punishment judgment and behavior is a significant issue, no empirical research has directly investigated it in terms of mundane offenses. Based on the social obligations of the wealthy, I propose a novel conceptual framework that identifies when and why discrimination against the rich in terms of punishment will occur. Specifically, I predict that people will punish an offender more severely when the offender is perceived as wealthy rather than non-wealthy. As an underlying mechanism of the discrimination-against-the-rich effect, I propose that people hold the wealthy to a higher behavioral standard. Thus, when an offense is committed by the wealthy (vs. non-wealthy), people will perceive a greater degree of a fall from the behavioral standard and administer a more severe punishment to the offender. In addition, I predict that observing the wealthy (vs. non-wealthy) being punished will influence an observer’s fairness perception differently as a secondary effect. I propose that observing the delivery of punishment to a wealthy (vs. non-
wealthy) offender increases the observer’s fairness perception. Moreover, when no offense is made, the wealthy person will not receive unfavorable treatment in the allocation of negative resources (i.e., a more severe punishment).

The studies detailed in Chapter 2 provided empirical evidence of the discrimination-against-the-rich effect and its underlying mechanism. In the first study, I documented that people who observed an actual rule violation (i.e., a traffic regulation violation) judge the offender more harshly when the offender is perceived as wealthy rather than non-wealthy. The second study replicated the result that people punish a rich offender more severely, rather than being more lenient to a non-rich offender. I further validated that the combination of an offender’s wealth and a rule violation incident causes the discrimination-against-the-rich effect. By contrasting the rule and no-rule violation conditions, I showed that the rich are punished more severely only when they violated social rules (studies 3 and 4). Study 3 provided behavioral evidence of the discrimination-against-the-rich effect by documenting that people allocate more negative resources to the rich than to the non-rich when a social rule was violated. Lastly, study 4 offered a comprehensive evidence of the underlying mechanism of the discrimination-against-the-rich effect. People hold the rich to a higher standard of behavior than they did average citizens (study 4, pre-test). Furthermore, people are more likely to perceive that an offender is falling short of a behavioral standard when the offender is perceived as rich (vs. non-rich) (study 4, main test).
Finally, in chapter 3, two empirical studies documented the secondary effect of discrimination against the rich on the observer’s fairness judgment. Observing a rich (vs. non-rich) offender being punished by a store enhances the observer’s perception of the fairness of the store’s marketing practices. Specifically, people who observed a rich (vs. non-rich) parking violator being punished indicate higher fairness perceptions of the parking lot’s prices (study 5 and 6). Further, study 6 tested the generalizability of the secondary effect of discrimination against the rich. It investigated whether the enhancing effect of observing a rich (vs. non-rich) offender being punished is moderated by the observer’s income level. The secondary effect of discrimination against the rich is only found among people at a middle-income level. Participants at a high- or low-income level do not exhibit the secondary effect.

In summary, this dissertation offers empirical evidence supporting that the rich are discriminated against by others in everyday life when they violate social rules. It also provides the underlying mechanism of the discrimination-against-the-rich effect in terms of punishment. People have higher behavioral expectations of the rich. When a rich (vs. non-rich) individual violates a social rule, the rich offender is perceived to have fallen farther from the behavioral standard and is consequently punished more severely. Yet, people discriminate against the rich only when they observe the rich commit offenses, validating that the juxtaposition of rule violations and the privileged position of the rich results in discrimination against the rich in punishment. The dissertation also documents an important secondary effect of discrimination against the rich. In consumption contexts where punishment is administered by a store (i.e., overtime parking at a paid parking lot), people who observe a rich (vs. non-rich) rule violator
being punished indicate higher fairness about the store’s marketing practices (i.e. parking fee in a paid parking lot).

4.2 Theoretical Contributions

This dissertation contributes to the discrimination, consumer behavior and punishment literature. First, it documents empirical evidence that the rich are discriminated against by others when they commit a mundane offense. Although there has been active discussion of the discrimination against the rich in terms of punishment (Lott 1987), no empirical study has directly examined it in the context of mundane offenses. By providing empirical evidence of the effect and its psychological mechanism, this dissertation expands the general understanding of the psychological motives that lead ordinary people to discriminate against the rich in terms of harm allocation.

Second, this dissertation contributes to the consumer literature by demonstrating how one’s materialistic possessions influence other people’s punishment judgment and behavior toward owners. Although the literature has shown how material possessions can influence a consumer’s daily life (Cavalluzzo and Wolken 2005; Gino and Pierce 2009, 2011; Oakes and Rossi 2003; Piff et al. 2012), no such empirical research has directly examined a third party’s punishment judgment of a rich offender. Furthermore, people’s punishment is not driven by
conspicuous consumption of the wealthy. A severe punishment can occur even when a person’s wealth level is revealed naturally through conversation (study 3). In sum, by documenting a new effect and its underlying mechanism, this dissertation extends the general understanding of how material possessions influence consumers’ social interactions with others.

Third, the dissertation contributes to the punishment literature by providing a new conceptual framework for explaining how an offender’s wealth influences ordinary people’s punishment judgment for mundane offenses. The previous research on punishment has focused on serious crime cases (Bray et al. 1978; Gleason and Harris 1975, 1976; Mazzella and Feingold 1994), thus the existing knowledge in punishment literature was not sufficient to fully explain observers’ punishment judgment and behavior in relation to mundane offenses. This dissertation provides new insight into the moderating role of an offender’s wealth within the context of punishment for mundane offenses.

Finally, it contributes to the consumer fairness literature by documenting the secondary effect of discrimination against the rich on consumer fairness perceptions. Previous marketing research has noted various factors that influence a consumer’s price fairness, including other consumers’ purchasing price (Bolton, Warlop, and Alba 2003), the source of price fairness information (Campbell 2007), inferred firms’ intention for price changes (Campbell 1999) and culture (Bolton, Keh, and Alba 2010). This dissertation identifies a new factor in the context of a consumer observing a rule violator being punished (i.e., the influence of the offender’s wealth
level on the observer’s price fairness). In the next section, I discuss the managerial implications of the secondary effect of discrimination against the rich and the managerial and public policy implications of the discrimination-against-the-rich effect.

4.3 Managerial and Public Policy Implications

This dissertation has important managerial implications. First, its findings emphasize that retailers should pay more attention to consumers’ observations of a store’s treatment of other consumers. Studies of consumer behavior have documented the various effects of consumer observation on consumption (Argo and Main 2008; Jiang, Hoegg, and Dahl 2013; Lin et al. 2013). This dissertation shows that “who” is punished significantly influences consumers’ price fairness perceptions. Furthermore, given that observers’ income level moderates the secondary effect, marketers should consider how wealthy their consumers are (i.e., who are mostly likely to be an observer). In sum, the findings imply that marketers should pay more attention to the complexity of consumer interaction in a retail context.

The secondary effect of discrimination against the rich has additional implication on fairness perceptions. I found that different descriptions of an offender’s wealth (i.e., the brand name of the car an offender was in) influence a consumer’s fairness perception. This finding has implications for road and store policy campaigns, in which many cases are accompanied by
visual stimuli describing a punishment incident. The findings in my dissertation suggest that describing the rich (vs. non-rich) are described as being punished in the campaigns will enhance fairness perceptions and legitimacy of the campaign. In fact, people’s favorable response to the ‘crushing a illegally parked Mercedes-Benz with a tank’ campaign reflect this idea. As the perception of fairness in rules or law is an important indicator of people’s compliance with behavior (Tyler 1990), describing a rich (vs. non-rich) person being punished may result in a greater perception of a legitimate law and an increased amount of compliant behavior.

Finally, this dissertation has important public implications for cases where the public is involved in administering punishment. Given that the wealthy are discriminated against by middle-class people for rule violations, the regulation administrators (i.e., police officers, traffic regulators, etc.), who are most likely to be middle class, may punish the rich more by selectively reporting rule violation cases. Society has recently been giving more chances to citizens to punish offenders through civil reports of offenses. For instance, in fall 2013, the police in British Columbia encouraged citizens to snap photos of distracted drivers (i.e., drivers using electric devices such as mobile phones while driving) and their license plates (Bathe and Aslam 2013), and issued fines to the offenders based on the civilian reports (Bathe 2014). Given that the increased participation of ordinary people in violation reports, it is possible that offenses made by the rich (vs. non-rich) are more likely to be documented due to the observer’s selective detection based on the offender’s wealth. Furthermore, such biased reports may enforce people’s negative perceptions of the rich in the context of rule violations. Thus, law practitioners should consider the effect of an offender’s wealth when ordinary citizens report offense cases.
4.4 Limitations and Future Research

As this dissertation focuses on the how the rich are discriminated against by ordinary people, the empirical studies contrasted when a person is perceived as rich than non-rich. Thus, whether the poor is punished more harshly than average citizens or than the wealthy remains unanswered. In study 4, I found evidence that people have lower behavioral expectations of the poor compared with average citizens and with the rich. This finding suggests that people might be more lenient toward the poor compared with other social groups in cases of rule violations. It would be interesting to examine whether the poor receive more favorable treatment for mundane offenses and to determine the underlying mechanism.

Second, in this dissertation I focus on the cognitive mechanism of the discrimination-against-the-rich effect. Future research could examine the affective responses that occur in punishment. For instance, the literature has emphasized the role of moral emotions, especially moral outrage, and its influence on ordinary people’s punishment of serious crimes (Wakslak et al. 2007). Further, as people’s higher expectations of the rich drive the discrimination-against-the-rich effect, disappointment would be a relative emotional response following the observation of a rich person’s rule violation.
Thirdly, this dissertation focuses on perceived wealth of an offender rather than actual wealth or how a rich individual obtains their wealth. It is possible that people hold a different expected behavioral standard for the people who come from a wealthy family background (i.e., old money) and for those who acquired their wealth within their generation (i.e., new money). People may have perception that people with new money as uncultured and to be inferior to the people with old money. In this case, people would not hold people with new money to a higher behavioral standard than the average citizen. I will leave this an empirical question for a topic of future research.

Finally, as the studies in this dissertation were conducted in North America, whether their reported effects and underlying mechanism can be generalized to other cultures or societies remains in question. Punishment fundamentally involves cultural (Hamilton and Sanders 1996; Triandis 1995) and sociological components (Heider 1958; Thibaut and Kelley 1959). Furthermore, the expected behavioral standards for the wealthy may be influenced by the history of the relevant society’s economic development. For instance, people in developing countries with short histories of capitalism may have not higher expectations of the rich due to the absence of the “noblesse oblige” construct. They may have a different perception of the rich, and materialistic possessions may cause them to experience feelings of unfairness due to extreme income inequality. In this case, people would allocate more harm to the rich regardless of whether rule violation. In sum, studying whether the discrimination-against-the-rich effect can be observed in a different type of society would be an interesting direction for future research.
Chapter 5: Tables and Figures

5.1 Tables

Table 1. Summary of Results (Study 2: Pre-test)

<table>
<thead>
<tr>
<th>Perceived Wealth</th>
<th>Wealthy (n=22)</th>
<th>Non-Wealthy (n=20)</th>
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<tbody>
<tr>
<td></td>
<td>( M )</td>
<td>( M )</td>
<td>( M )</td>
</tr>
<tr>
<td>Perceived Wealth</td>
<td>6.55</td>
<td>3.90</td>
<td>4.00</td>
</tr>
</tbody>
</table>

\( N = 65 \) (26 women), \( M_{age} = 34.08 \)

Table 2. Summary of Results (Study 2: Main Study)

<table>
<thead>
<tr>
<th>Amount of Fine</th>
<th>Wealthy (n=38)</th>
<th>Non-Wealthy (n=36)</th>
<th>Control (n=36)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>( M )</td>
<td>( M )</td>
<td>( M )</td>
</tr>
<tr>
<td>Amount of Fine</td>
<td>228.84</td>
<td>176.14</td>
<td>198.31</td>
</tr>
</tbody>
</table>

\( N = 110 \) (49 women), \( M_{age} = 32.12 \)
Table 3. Summary of Results (Study 3)

<table>
<thead>
<tr>
<th></th>
<th>Rule Violation Present</th>
<th>Rule Violation Absent</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Wealthy (n=20)</td>
<td>Non-Wealthy (n=20)</td>
</tr>
<tr>
<td>Amount of Hot Sauce (g)</td>
<td>$M$</td>
<td>$M$</td>
</tr>
<tr>
<td></td>
<td>32.65</td>
<td>20.45</td>
</tr>
</tbody>
</table>

$N = 80$ (44 women), $M_{age} = 21.04$

Table 4. Summary of Results (Study 4: Pre-test)

<table>
<thead>
<tr>
<th></th>
<th>The Rich</th>
<th>Millionaires</th>
<th>Average People</th>
<th>People with average income</th>
<th>The Poor</th>
<th>People on welfare</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expectation Level</td>
<td>$M$</td>
<td>$M$</td>
<td>$M$</td>
<td>$M$</td>
<td>$M$</td>
<td>$M$</td>
</tr>
<tr>
<td></td>
<td>69.48</td>
<td>70.19</td>
<td>54.68</td>
<td>55.31</td>
<td>36.68</td>
<td>41.89</td>
</tr>
</tbody>
</table>

$N = 117$ (52 women), $M_{age} = 31.99$
Table 5. Summary of Results (Study 4: Main Study)

<table>
<thead>
<tr>
<th></th>
<th>Rule Violation Present</th>
<th>Rule Violation Absent</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Wealthy (n=35)</td>
<td>Non-Wealthy (n=36)</td>
</tr>
<tr>
<td></td>
<td>Wealthy (n=33)</td>
<td>Non-Wealthy (n=33)</td>
</tr>
<tr>
<td>Level of Electric Shocks (volt)</td>
<td>232.09</td>
<td>192.08</td>
</tr>
<tr>
<td></td>
<td>162.52</td>
<td>157.97</td>
</tr>
<tr>
<td>Number of Electric Shocks (times)</td>
<td>6.69</td>
<td>5.00</td>
</tr>
<tr>
<td></td>
<td>4.42</td>
<td>4.39</td>
</tr>
</tbody>
</table>

$N = 137$ (65 females), $M_{age} = 33.85$

Table 6. Summary of Results (Study 5)

<table>
<thead>
<tr>
<th></th>
<th>Wealthy (n=38)</th>
<th>Non-Wealthy (n=44)</th>
<th>Control (n=25)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price Fairness Perception</td>
<td>$M$</td>
<td>$M$</td>
<td>$M$</td>
</tr>
<tr>
<td></td>
<td>1.02</td>
<td>-0.77</td>
<td>-0.72</td>
</tr>
</tbody>
</table>

$N = 107$ (63 females), $M_{age} = 21.34$
Table 7. Summary of Results (Study 6)

<table>
<thead>
<tr>
<th></th>
<th>Low Income</th>
<th>Lower Middle Income</th>
<th>Upper Middle Income</th>
<th>High Income</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Wealthy (n=44)</td>
<td>Non-Wealthy (n=41)</td>
<td>Wealthy (n=35)</td>
<td>Non-Wealthy (n=43)</td>
</tr>
<tr>
<td>Price Fairness Perception</td>
<td>$M$</td>
<td>$M$</td>
<td>$M$</td>
<td>$M$</td>
</tr>
<tr>
<td></td>
<td>-2.38</td>
<td>-2.37</td>
<td>-1.58</td>
<td>-2.45</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Wealthy (n=31)</td>
<td>Non-Wealthy (n=33)</td>
<td>Wealthy (n=45)</td>
<td>Non-Wealthy (n=30)</td>
</tr>
<tr>
<td></td>
<td>$M$</td>
<td>$M$</td>
<td>$M$</td>
<td>$M$</td>
</tr>
<tr>
<td></td>
<td>-1.63</td>
<td>-2.49</td>
<td>-2.13</td>
<td>-2.01</td>
</tr>
</tbody>
</table>

$N = 302$ (113 women), $M_{age} = 33.53$
5.2 Figures

Figure 1. Effects of Wealth Level and Rule Violation on the Amount of Hot Sauce (Study 3)
Figure 2. Effects of Wealth Level and Rule Violation on the Level of Electric Shocks (Study 4)
Figure 3. Effects of Wealth Level and Rule Violation on the Number of Electric Shocks

(Study 4)
Figure 4. Effects of Income Level and Wealth Level on the Price Fairness Perceptions (Study 6)
Bibliography


Bathe, Anita and Sonia Aslam (2013, September 5), Police want you to send them photos of distracted drivers: Victoria’s police chief says this should only be done by someone who isn’t driving, *News1130*. Retrieved February 3, 2014 from http://www.news1130.com/2013/09/05/police-want-you-to-send-them-photos-of-distracted-drivers/


Appendices

Appendix A  . Experimental Materials

A.1 Study 1: Car Brands

The car brand observed during the study were: Chrysler 300, Lamborghini Gallardo, BMW Z4 Coupe, Chrysler Jeep, Dodge Caravan, GM Pontiac, GM Yukon, GM CTS Coupe, Honda Acura, Hyundai Accent, Nissan Rogue, Toyota Corolla, Toyota RAV4, and Volkswagen Zetta.
A.2 Study 3: Instructions for Impression Formation Task

In this study, we are interested in understanding how people form first impressions of others through brief, online conversations (e.g., MSN chat). There is another participant in the next room, and your task is to ask a list of questions and based on the answers s/he provides, form an impression of the person. The list of questions is presented below, please ask **ALL** the 12 questions in the sequence presented.
### A.3 Study 3: Wealth Level Manipulation

**Wealthy Condition:**

<table>
<thead>
<tr>
<th>Questions for participants</th>
<th>Answers for confederates</th>
</tr>
</thead>
<tbody>
<tr>
<td>1  What is your gender?</td>
<td>Male (Female)</td>
</tr>
<tr>
<td>2  Do you have your own vehicle?</td>
<td>Yea, I have a car. I don’t drive all the time though…</td>
</tr>
<tr>
<td>3  How many vehicles do your family own?</td>
<td>6, we each have our own car, and my dad has 2.</td>
</tr>
<tr>
<td>4  Do you have a boyfriend/girlfriend?</td>
<td>No, I wish I had one though!</td>
</tr>
<tr>
<td>5  How much money do you spend every month on shopping?</td>
<td>Let me think. Around $1500?</td>
</tr>
<tr>
<td>6  Are you a left handed or right handed?</td>
<td>Righted handed.</td>
</tr>
<tr>
<td>7  How often do you exercise?</td>
<td>only occasionally! Maybe once or twice a month?</td>
</tr>
<tr>
<td>8  Where do you live?</td>
<td>I live in British property.</td>
</tr>
<tr>
<td>9  What kind of phone do you have?</td>
<td>I have an i-phone 4S.</td>
</tr>
<tr>
<td>10 What is your favorite clothing brand?</td>
<td>I like Nike.</td>
</tr>
<tr>
<td>11 What is your most memorable purchase?</td>
<td>For my last birthday, I went to Las Vegas to celebrate my birthday with six of my friends. We really enjoyed our hotel. The food and service were awesome. Cost about $10000 in total as I covered all of the expenses and it was worth it.</td>
</tr>
<tr>
<td>12 What did you buy for your parents’ Christmas gifts last year?</td>
<td>I bought a gift set of wine and glasses, costs $500 for the set.</td>
</tr>
</tbody>
</table>
### Non-wealthy Condition:

<table>
<thead>
<tr>
<th></th>
<th>Questions for participants</th>
<th>Answers for confederates</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>What is your gender?</td>
<td>Male (Female)</td>
</tr>
<tr>
<td>2</td>
<td>Do you have your own vehicle?</td>
<td>Yea, I have a car. I don’t drive all the time though…</td>
</tr>
<tr>
<td>3</td>
<td>How many vehicles do your family own?</td>
<td>Just one. We all share the car.</td>
</tr>
<tr>
<td>4</td>
<td>Do you have a boyfriend/girlfriend?</td>
<td>No, I wish I had one though!</td>
</tr>
<tr>
<td>5</td>
<td>How much money do you spend every month on shopping?</td>
<td>Let me think…around $150?</td>
</tr>
<tr>
<td>6</td>
<td>Are you a left handed or right handed?</td>
<td>Righted handed.</td>
</tr>
<tr>
<td>7</td>
<td>How often do you exercise?</td>
<td>only occasionally! Maybe once or twice a month?</td>
</tr>
<tr>
<td>9</td>
<td>What kind of phone do you have?</td>
<td>I have a Nokia.</td>
</tr>
<tr>
<td>10</td>
<td>What is your favorite clothing brand?</td>
<td>I like Nike.</td>
</tr>
<tr>
<td>11</td>
<td>What is your most memorable purchase?</td>
<td>For my last birthday, I went to a restaurant with six of my friends. The food and service were awesome. Cost about $100, and it was worth it.</td>
</tr>
<tr>
<td>12</td>
<td>What did you buy for your parents’ Christmas gifts last year?</td>
<td>I bought a gift set of wine and glasses, costs $50 for the set.</td>
</tr>
</tbody>
</table>
A.4 Study 3: Instructions for Memory Task

INSTRUCTIONS

The second part of this experiment is a memory task. On the next page, you will be presented with a table of numbers. Please try to memorize the numbers and their exact positions in the table for 1 min. The timer in front of you will go off after 1 min. Then, please turn over this page, making sure that the content is facing down, and try to reproduce the table of numbers on the following page. You will be given up to 2 mins to reproduce the table. We will assess your memory based on your performance.

When the timer goes off, please turn over this page, making sure that the content is facing down, and try to reproduce the table of numbers on the following page.

<table>
<thead>
<tr>
<th></th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>4</td>
<td>11</td>
<td>20</td>
<td>14</td>
<td>71</td>
</tr>
<tr>
<td>B</td>
<td>79</td>
<td>52</td>
<td>34</td>
<td>84</td>
<td>8</td>
</tr>
<tr>
<td>C</td>
<td>1</td>
<td>37</td>
<td>7</td>
<td>49</td>
<td>45</td>
</tr>
<tr>
<td>D</td>
<td>23</td>
<td>55</td>
<td>89</td>
<td>29</td>
<td>33</td>
</tr>
<tr>
<td>E</td>
<td>34</td>
<td>34</td>
<td>3</td>
<td>99</td>
<td>43</td>
</tr>
</tbody>
</table>
Please reproduce the table of numbers on the following page.

<table>
<thead>
<tr>
<th></th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>C</td>
<td></td>
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<td></td>
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<tr>
<td>D</td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>E</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
A.5 Study 3: Instructions for Taste Perception Task

**Instructions 1**

Because of human sensitivity to taste cues, you will be required to package taste samples for your partner. The administrator will not be able to carry out this task because he/she needs to be blind to certain specifics of this experiment. For unbiased results, your participation is necessary.

In front of you, there is a bowl filled with a particular food item that was randomly picked, an empty aluminum container, a lid, a plastic spoon and an envelope. Please read the document in the envelope to get an idea of the general population’s preference for this food item.
Instructions 2

Today’s taste sample is hot sauce. People generally rate this food taste 3 out of 21 point scale (1 - Extreme Dislike, 21- Extreme Liking). That means people generally dislike it.

Please allocate an amount of the food item you feel your partner will need to fully experience the sample as a Taster. Place a quantity of the sample into the aluminum container using the plastic spoon and seal it with the lid. All quantities of the food are useful so put in as much or as little as you want. Your partner will have to consume the entire quantity of the sample you prepare. While consuming the sauce will be an unpleasant experience for your partner, it will not lead to any physical harm.

Note: your role in this experiment will not be revealed to your partner. Your partner will not know that you packed this taste sample and study administrator will never know how much you packed. So please feel free to pack as much as you want for your partner to fully experience the hot sauce.
A.6 Study 4: Instructions and Scenarios

On the next screen, you will read a description of a situation that you may confront. Please try to imagine the situation as vividly as possible and report your responses. Your honest response will be greatly appreciated.
Today, you are running a study, named “The effect of physiological stress on individual’s performance in a group learning context.” The set-up of the study requires that sessions of the study need be run with 5 people as a team at a same time. All participants are informed that they should be on time as late participation causes delay and the rest of the participants will have to wait for anyone who is late.

It’s 9am. So far only 4 participants have arrived at the lab. One of the participants has not yet arrived. Given that you can run the study only after the late participant comes in, you and the rest of participants are waiting for the person. Nine minutes have passed by and you and the 4 other participants are still waiting. Finally, at 9:10am, the last participant shows up. You look at this person. Clearly, he is rich or from a rich family. He wears an Armani jacket and holds a Mercedes-Benz car key.

Now you get started the session. You lead each individual to a different cubicle where they will receive minor electric shocks on their little finger while they are completing an online memory task as a team. You have been assigned the role of the administrator and you need to determine the level of electric shocks that each individual will have. Specifically, you have to assign different level of electric shocks within the range of 100 volt shock (unnoticeable) up to 300 volt shock (may cause discomfort, but it is not at all harmful). Everyone in the study is well informed that there will be up to a certain level of electric shocks to be experienced. As such, no one would be upset about it. In addition, participants won’t know who impose the electric shocks.
Rule Violation Present x Non-wealthy Condition:

Today, you are running a study, named “The effect of physiological stress on individual’s performance in a group learning context.” The set-up of the study requires that sessions of the study need be run with 5 people as a team at a same time. All participants are informed that they should be on time as late participation causes delay and the rest of the participants will have to wait for anyone who is late.

It’s 9am. So far only 4 participants have arrived at the lab. One of the participants has not yet arrived. Given that you can run the study only after the late participant comes in, you and the rest of participants are waiting for the person. Nine minutes have passed by and you and the 4 other participants are still waiting. Finally, at 9:10am, the last participant shows up. You look at this person. Clearly, he is middle class, or from a middle class family. He wears an Old Navy jacket and holds a bus pass.

Now you get started the session. You lead each individual to a different cubicle where they will receive minor electric shocks on their little finger while they are completing an online memory task as a team. You have been assigned the role of the administrator and you need to determine the level of electric shocks that each individual will have. Specifically, you have to assign different level of electric shocks within the range of 100 volt shock (unnoticeable) up to 300 volt shock (may cause discomfort, but it is not at all harmful).
**Rule Violation Absent x Wealthy Condition:**

Today, you are running a study, named “The effect of physiological stress on individual’s performance in a group learning context.” The set-up of the study requires that sessions of the study need be run with 5 people as a team at a same time. All participants are informed that they should be on time as late participation causes delay and the rest of the participants will have to wait for anyone who is late.

It’s 9am, when the session is supposed to start. Everyone is on time. You bring everyone to the lab. One of the participants catches your attention. You look at this person. Clearly, he is rich or from a rich family. He wears an Armani jacket and holds a Mercedes-Benz car key.

Now you get started the session. You lead each individual to a different cubicle where they will receive minor electric shocks on their little finger while they are completing an online memory task as a team. You have been assigned the role of the administrator and you need to determine the level of electric shocks that each individual will have. Specifically, you have to assign different level of electric shocks within the range of 100 volt shock (unnoticeable) up to 300 volt shock (may cause discomfort, but it is not at all harmful).
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It’s 9am, when the session is supposed to start. Everyone is on time. You bring everyone to the lab. One of the participants catches your attention. You look at this person. Clearly, he is middle class, or from a middle class family. He wears an Old Navy jacket and holds a bus pass.

Now you get started the session. You lead each individual to a different cubicle where they will receive minor electric shocks on their little finger while they are completing an online memory task as a team. You have been assigned the role of the administrator and you need to determine the level of electric shocks that each individual will have. Specifically, you have to assign different level of electric shocks within the range of 100 volt shock (unnoticeable) up to 300 volt shock (may cause discomfort, but it is not at all harmful).
Appendix B. Study 4: Moderated Mediation Model

Rule violation → Wealth level → The perception of a fall from the behavioral standard → Punishment