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Abstract:
We test whether and how membership in the upper class affects ethical behavior in a large representative population sample. Using objective measures of socioeconomic status to define class, we find no evidence of a general tendency for upper class to be less ethical, although we do replicate previous findings that higher status leads to less condemnation of infidelity. We also find evidence that higher class status leads to more self-focus and disengagement, as previously shown in laboratory studies with convenience samples.

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In response to the growth of income inequality, particularly in the wake of the 2007-2008 financial crisis, the financial and political elite has sometimes been portrayed as unethical, and/or as driven by unconstrained self-interest (e.g., Smith, 2012). In contrast, some recent sociological analyses that are concerned with these same income distribution issues, perceive the lower classes to be afflicted with a loss of values, and suggest that the upper class should actively promote its virtuous values to help their poor brethren raise themselves (Mead 2007; Murray, 2012).

This conflict in perceptions of the relationship between class and ethical behavior goes back way before the 21st century. Great works in literature and political economy have taken both sides. In Thomas More's *Utopia*, the character of Raphael Hythlodaeus identifies money and privately held property as the causes of social dysfunction. Reiterating an argument found in Plato's *Republic*, he proposes that private property be eliminated because this will dampen two of the main characteristics of upper-class individuals: greed and the propensity for unethical behavior. However, low-status individuals have been portrayed as equally unethical. Raskolnikov, Fyodor Dostoyevsky's protagonist in *Crime and Punishment*, is a destitute ex-student who plans and executes the murder of a female pawn broker, ostensibly for money. No less supporters of the working class than Karl Marx and Friedrich Engels, referred to them in the *Communist Manifesto* as "the social scum, that passively rotting mass thrown off by the lowest layers of the old society," and noted their tendency to engage in criminal activities.

Pitting these rival conceptions of social class and ethics against each other, recent studies in social psychology have found evidence that high socio-economic status (SES), upper class individuals behave more unethically compared to low status individuals, in a wide range of situations. Upper class individuals were found to be less social and helpful (Piff, Kraus, Cote, Cheng, & Keltner, 2010), more likely to cheat, lie, or take goods from others to foster their own material outcomes, and more ruthless drivers (Piff, Stancato, Cote, Mendoza-Denton, & Keltner, 2012). These studies go further to establish causality from class to behavior by manipulating subjective SES. When made to feel upper class, subjects behave less ethically.

A source for these differences in ethics may be the previously shown differences in social cognition between high and low SES individuals. Researchers have found that upper class individuals show more dispositional attribution, less empathic accuracy, and are more self-focused and less engaged in social interaction (Grossman & Varnum, 2011; Kraus, Cote, & Keltner, 2010; Kraus & Keltner 2009; Kraus, Piff, & Keltner, 2011). Such findings are consistent with upper class people behaving less ethically.

Clearly the implications of this research are of utmost societal importance. Therefore, the current paper aims to test the robustness of more unethical behavior of the upper class using a unique data set from a large representative population sample in which experiments related to ethical behavior were conducted. Moreover, the data set allows us to determine participants' class status by employing a broad set of objective status indicators. Previous research made use of either relatively noisy status indicators, like the quality of someone's car, or used convenience samples with relatively small variation in SES. Moreover, most findings were based on subjective social status perceptions, or manipulations. The use of such subjective measures was justified because previous research had shown that objective and subjective measures are strongly correlated, and that they have similar effects on a range of measures of social cognition (Kraus & Keltner 2009; Kraus, Piff, & Keltner, 2011). Prior research also suggests that upper class effects are common to a wide range of status dimensions (wealth, education, occupational prestige). Using objective measures of these different dimensions of status, we test the robustness of these findings.

Method

We study the ethics underlying behavior and judgments using a representative Dutch population panel, the LISS panel, administered by CentERdata. All data discussed in this paper were collected by CentERdata, and are publicly available at www.lissdata.nl. Subsets of the approximately 9000 participants in the panel take part in questionnaires and experiments administered 4 times per year. Comprehensive background data are available for the panel participants. We used those data to define dimensions of the individual's SES. To obtain measures of the degree of ethical behavior and judgment we employ data revealing (1) second mover actions in a real-pay trust-game experiment, and (2) value judgments collected by the European Values Study (EVS). Descriptive statistics are given in the appendix.

Status measures

To determine the participants' SES we employ six variables, each broken into two categories to indicate high status, upper class individuals as opposed to low status, lower class individuals. The status indicator *Income* is defined by the median split of the net income

of the panel participants. *Financial wealth* is categorized by counting the presence of assets in four categories: savings, risky investments, long-term and life insurance, and real estate investments. This count ranges from 0 to 4, and status is broken at the median split at 1. To measure occupational prestige, high status *Job Type* is indicated by academic or professional jobs, and low status by commercial, other mental, and manual work (skilled and unskilled), in their current (or last) job. High status *Employment Type* is defined by a permanent employment contract, self-employment, being independent professional or by holding directorship in own company. Temporary contracts define low status. Occupational status may be relative rather than absolute, in the perception of the individual. Thus, we include a variable *Supervisor* that indicates if the subject supervised any employees in her current/last job. Even for lower class individuals, supervision responsibilities may lead to perceived high status in the relevant reference group, and thus in terms of effects on ethical behavior. This relates to the idea that subjective class perceptions can be manipulated experimentally. Finally, *High Education* indicates that the individual holds a college or university degree. Column 1 in Table 1 shows the distribution of people into high and low SES using the split on each variable.

To test Piff et al.'s (2012) conjecture that unethical behavior by the upper class is moderated by positive attitudes toward greed, and that economic/business oriented training may proxy for such attitudes, we include an indicator *Economics* if the participant had any training in economics or business. Two aggregate status measures inform the data analysis. *SES_6* counts the number of times that an individual scores as high status on our six dimensions, and *SES_4* counts only the more established categories *Financial wealth, Income, Job Type,* and *Education*.

Ethical behavior and judgments

We employ two sources to indicate ethical behavior and judgments. First, for N=470 panel participants we observe their decision as a second mover in a binary trust game. If the first mover did not trust, both players would receive 100 points and the second mover's decision was irrelevant. If the first mover trusted, the pie expands to 300, but she puts herself at risk. If the second mover rewards trust, each player gets 150 points. Alternatively, the second mover could betray. He would then keep 220 points, leaving the first mover just 80 points. Each point was worth 5 eurocent, roughly 6.5 American cents. The experiment used

the strategy method: Second movers had to indicate their decision without knowing whether or not the first mover trusted. Note that the game was one-shot, non-repeated, and anonymous, thus the second mover had no strategic incentive to be cooperative had the first mover trusted. However, many observers would think it unethical to betray a first mover who had expanded the pie in the hope the second player would reward trust, leading to greater payoffs for both. Participants were matched at random and paid for real, according to the two players' choices. Original instructions are given in the appendix.

Our second measure of ethical behavior was distilled from the answers to seven questions from the EVS that asked N=337 participants how justifiable are certain instances of lying, cheating, and stealing (Table 1). In contrast to the trust game behavior, these questions are non-incentivized and self-reported. However, if reports are honest, they would have immediate external validity, unlike the real-pay decision in the abstract trust game.

We also have reports on participants' guiding life principles, and which values they consider important. These judgments include the items responsible, helpful, obedient, polite and independent, which closely relate to the previously found differences in engagement and self-focus between upper and lower classes. We define the variable *Independent* as the average score on the five items, with the first four items reverse coded.

Results

Table 1 shows our main results. Positive numbers in the table indicate agreement with the hypothesis that upper class subjects are less ethical. We observe that there are few significant effects of higher vs. lower status, and that there are also negative numbers indicating that lower status individuals were less ethical. Numbers in square brackets indicate significant effects after controlling for age and gender. Clearly there is no general tendency for high status individuals to behave less ethically than low status individuals. We find no effects of economics training. There are some important findings, however. Higher status individuals have a less negative attitude towards infidelity, also after controlling for gender and age. This result replicates findings by Lammers et al. (2011), who found that people who are higher in their organization's hierarchy are more likely to intend to and to commit adultery. Consistent with their findings, we find the strongest effects for status related to occupational prestige and education. Wealthy people have less negative attitudes to cheating on taxes.

Table 1: Correlations among status measures and measures of ethical behavior/judgments

Status measure	Betray in real-pay trust game[a] M=48.7%	It can be justified to…[b] wrongly claim SS benefits M=1.57, SD=1.53	cheat on tax M=2.33, SD=1.91	steal car for joyriding M=1.40, SD=1.10	lie in your own interest M=3.27, SD=1.84	commit adultery M=2.53, SD=1.92	accept bribes M=1.78, SD=1.51	avoid fare on public transport M=2.62, SD=2.10
Financial Wealth TG: L=296; H=111 EVS: L=213; H=77	-1.0	.01	.70*** [η^2= .013*]	.17	.31	.60** [η^2= .010*]	.17	.05
Income TG: L=172; H=275 EVS: L=110; H=181	-.3	<.01	.06	-.09	.06	.47**	-.09	-.06
Job Type TG: L=281; H=140 EVS: L=184; H=119	-3.4	-.19	.12	-.08	-.03	.59*** [η^2= .017**]	-.19	-.23
Employment Type TG: L=34; H=270 EVS: L=32; H=185	3.7	.18	-.67*	-.11	-.79**	-.43	-.77***	-.60
Supervisor TG: L=203; H=92 EVS: L=151; H=61	-5.0	-.30	.04	-.02	.15	.20	.07	-.33
High Education TG: L=317; H=113 EVS: L=211; H=97	3.6	-.30* [η^2=.010*]	-.12	-.13	.08	.65*** [η^2=.019**]	-.14	-.22
Economics TG: Y=72, N=368 EVS: Y=48; N=266	1.1	-.10	.04	-.02	.11	.30	.08	.11

Notes: Entries are differences between means for high status minus means for low status individuals. a: measured as percentage of players betraying the first movers trust. b: measured on a scale from 1 (never justifiable) to 10 (always justifiable). TG=trust game, EVS=European Values Study, L= low status, H=high status, Y=yes, N=no, M=mean, SD=standard deviation. Difference tested by χ^2 test for binary choice in trust game, and t-tests in EVS judgments. Square brackets indicate results from regression controlling for age and gender; */**/*** denotes significance at the 10% / 5% / 1% level.

In Table 2, we regress trustee (second-mover) behavior, the average score on the 7 EVS questions, and the score on the variable Independent, on age, gender, and the two status aggregates. Positive coefficients indicate both more independent and less ethical behavior. We find that older people are more ethical in both the trust game and the EVS questions, and feel less independent. This replicates previous trust game results by Sutter and Kocher (2007). Males are less ethical in the EVS questions, but do not differ from females in terms of trust game betrayals and feelings of independence. We find no effects of the aggregate SES measures on ethical behavior or judgments. However, we successfully replicate the positive effect of status on independence found in previous research.

Table 2: Regression analysis of indicators of ethics and independence on aggregate status measures

	Ia	Ib	IIa	IIb	IIIa	IIIb
	Betray in real cash trust game (probit)		Av Score EVS immoral behavior justified (OLS)		Independent (OLS)	
Male	3.58	2.86	.54	.57	.03	.08
	(.65)	(.43)	(4.49)***	(4.29)***	(.56)	(1.25)
Age (10y)	- 4.37	-6.09	-.23	-.18	-.04	-.06
	(2.63)***	(2.21)**	(5.79)***	(2.99)***	(3.22)***	(2.78)***
SES_4	.25	-	-.01	-	.13	-
	(.11)		(.16)		(6.69)***	
SES_6	-	1.90	-	.02	-	.10
		(.77)		(0.52)		(4.39)***
N	354	245	234	163	639	394
R^2			.22	.16	.07	.07

Notes: Probit regressions for betrayal in trust game, marginal effects reported, z-values in parentheses; Linear least squares for EVS judgments and Independence measure reported, t-values in parentheses; */**/*** denotes significance at the 10% / 5% / 1% level.

To further test the robustness and external validity of the status measures used in the current study, we studied the relation between status and four trust-related survey measures (Alesina & La Ferrara, 2002). Consistent with results by Alesina and La Ferrara, we find that higher status predicts higher trust for all four measures, even after controlling for past experiences of betrayal. Results are given in the appendix.

Discussion

Using a representative population sample with a large variation in objective social class, we find no general tendency of higher status individuals to behave less ethically or to endorse unethical behaviors. Our results are inconsistent with some studies that found strong differences in ethical behavior between upper and lower class individuals (Piff et al., 2010; Piff et al., 2012). However, they directly accord with findings in sharing decisions where no differences across SES were found (Kraus, & Keltner, 2009, p.101). The current study employed a real-pay experimental game, as well as value judgments from the EVS, both of which were directly comparable to measures of ethical behavior used in the previous literature. Our data replicate previously observed trustee behavioral patterns (Sutter & Kocher, 2007). The current study employs a large representative population sample, and defines status and class in terms of variables that measure objective financial, educational, and occupational prestige. This approach differs from the previous literature which used convenience samples within which status varies little, or was manipulated subjectively to yield perceived class. Moreover, previous research always measured perceived social class in the context of the studies. In neither of the current experimental decisions or value judgments was social class made salient. This suggests the possibility that subjectively perceived social status, rather than objective social status, matters most for ethical behavior.

However, our data do not support this view. Using objective measures, we replicate previous findings about high status individuals and ethically related behavior. Thus we find that such individuals are more individualistic and disengaged (Kraus & Keltner, 2009), report more trust in general survey questions (Alesina & La Ferrara, 2002), and perceive infidelity to be more justifiable (Lammers et al., 2011). Wealthy people perceive cheating on taxes more justifiable. These findings provide exogenous validity to our status measures. Moreover, a strong correlation and similarity in behavioral effects between objective and subjective measures of social class is typically found in the literature (Kraus, Cote, & Keltner, 2010; Kraus, Piff, & Keltner, 2011).

Our study uses European data, while previous research on the ethics of the upper class was predominantly based on U.S. data. The basic findings for class effects on social cognition have been replicated outside the U.S. for countries with diverse cultural backgrounds (individualistic vs. interdependent societies) (Grossmann and Varnum, 2011; Kohn et al., 1990). Thus, if differences in social cognition cause the effects on ethical behavior observed by Piff et al. (2012), we would expect these results to be replicated outside

the U.S. However, if other processes cause these differences in ethical behavior, cross-cultural differences may obtain. Our results suggest that direct cross-cultural comparisons of ethical behavior across SES, along the lines of Grossmann and Varnum (2011) or Gebauer, Sedikides, and Neberich (2012), are warranted.

Though the confirmation of numerous past studies with our large data set in a variegated population is reassuring, there is still the puzzle to be explained as to why our results clash with those of some recent studies. A deeper look at the differential effects of objective and subjective class measures might provide a partial explanation. Moreover, our results suggest that different dimensions of status and class, like academic training or financial wealth may have differential effects. Similarly, what are presented as markers of social class, like driving an expensive car, may be more manipulable as a way to feign status, than more objective measures related to money, education and employment.

Finally, we think conventional understanding of ethical behavior does not carry over across many contexts. One conjecture is that that individuals tend to be less ethical where temptations are great, and the payoffs to unethical behavior are greater, almost a benefit/cost approach to choosing one's ethics. Thus, given their wealth, an antiques dealer would be much less likely to shop lift, but much more likely to cheat on taxes than a Walmart clerk. And a professor who travels around to conferences, and has more opportunities, would be more accepting of infidelity than that clerk. Given the concordance of our results with many prior studies, but apparent disagreement with others, we conclude that the relation between class and ethical behavior represents more complex mosaic than simple pattern.

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Appendix

A Summary statistics for background variables

Table A1 provides summary statistics for background variables used in the construction of variables used in the paper. Summary statistics for the derived status measures, and the EVS variables, are in Table 1 in the main text.

Table A1: Summary Statistics for background variables

Variable	# obs.[a]	mean/%
SES		
Income (€)	1727	1460
Presence of savings	1455	89.9%
Presence of risky investments	1455	15.5%
Presence of long-tem and life insurance	1455	11.8%
Presence of real estate investments	1455	4.1%
Male	1813	46.1%
Age (years)	1813	49.4
Engagement and self-focus (guiding life principles)[b]		
Responsible	1368	5.64
Helpful	1368	6.28
Obedient	1368	6.00
Polite	1368	5.95
Independent	1368	4.80

Notes: a: number of observations based on panel participants who participated in at least one of the questionnaires used in this paper; b: measured on a scale from 1 (extremely unimportant) to 7 (extremely important)

B Experimental Instructions for Second Movers in Trust Game

At the end of the experiment, your answers will be matched with the answers of another participant. For convenience, we will call this participant **Participant X**.

In this part of the experiment you can earn a number of points, depending on your choice between two options (1 or 2) and the Situation (A or B) as determined by Participant X; see the table below.

Situation (Determined by Participant X):	**Your Choice:**	**Earnings Participant X:**	**Your earnings:**
A	1 or 2	100	100
B	1	150	150
	2	80	220

- In **Situation A** you and Participant X earn 100 points, irrespective of your choice.
- In **Situation B** the earnings depend on your choice. If you choose option 1, you and Participant X earn 150 points. If you choose option 2, you earn 220 points while Participant X earns 80 points.

As you can see, your choice between option 1 and 2 only affects the earnings in Situation B. The moment you make your choice, you do not know which situation, A or B, applies. This is determined by Participant X. We ask you to choose between option 1 and 2. Depending on which situation applies, your earnings and the earnings of Participant X will be determined as described in the table above at the end of the questionnaire.

If you need more explanations, you can click on this link and see 3 examples of how your choice and the choice of Participant X determine the situation and the earnings.

If the instructions are clear, you can click here to continue and make your choice.

C Survey trust measures and status indicators

To further probe the exogenous validity of the objective status measures used in the current paper, we try to replicate findings about SES and trust as shown by Alesina and La Ferrara (2002) for U.S. data. We show results for our 6-item status measure in Table C1, and note that SES_4 gives qualitatively identical results. We use four trust questions, Q1 coming form the EVS, and Q2 - Q4 from the trust game survey (translated from Dutch original wording):

Q1: Generally speaking, would you say that most people can be trusted or that you can't betoo careful in dealing with people? (1=Most people can be trusted; 2=Can't be too careful).

Q2: Strangers cannot be trusted anymore. (1=strongly disagree to 7=strongly agree).

Q3: You should better be careful with strangers, before you trust them. (1=strongly disagree to 7=strongly agree).

Q4: I often lend money to friends. (1=strongly disagree to 7=strongly agree).

We also measured whether the respondent's trust has been betrayed in the past. Results do not differ if we do not control for past betrayal. Positive coefficients in Table C1 indicate *higher* trust.

Table C1: Status and Survey Trust Measures

	Q1 (Probit)	Q2 (OLS)	Q3 (OLS)	Q4 (OLS)
Male	5.85	-.12	-.09	-.11
	(.47)	(1.58)	(1.32)	(1.43)
Age (10y)	4.63	0.04	-.005	-.20
	(1.12)	(1.23)	(.18)	(7.01)***
SES_6	9.56	.14	.12	.10
	(2.28)**	(5.36)***	(4.59)***	(3.72)***
Betrayed in past	-11.03	-.33	-.16	-.03
	(2.73)***	(12.88)***	(6.84)***	(1.26)
N	87	1587	1587	1587
R^2		.15	.06	.04

Notes: marginal effects reported for probit regression, z-values in parenthesis; for OLS regressions t-values in parenthesis; */**/*** denotes significance at the 10% / 5% / 1% level.

For all four questions we replicate the finding of Alesina and La Ferrara (2002) for the U.S. Higher status, as measured by objectively observable indicators like income, wealth, or educations, is related to higher trust.