

Are the Rich More Unethical and Greedy?

Studies of unethical behavior show significantly more cheating, law breaking, and other deceptive and harmful activities committed by individuals in higher socio-economic strata. The poor are likely to be more generous, less selfish, and more cognizant of others.

Funded by the National Academy of Sciences, four researchers in the Department of Psychology at the University of California at Berkeley, headed by Paul K. Piff, and one at the Rotman School of Business at the University of Toronto have published the results of seven related studies that show “wealthier” individuals behave more unethically than individuals with less money. The researchers used university, community, and nationwide samples to test their correlation hypotheses.

The report, titled “Higher social class predicts increased unethical behavior,” is contained in the February 27, 2012, *Proceedings of the National Academy of Sciences* (PNAS). The authors reason that “increased resources and independence from others cause people (in higher classes) to prioritize self-interest over others’ welfare and perceive greed as positive and beneficial, which in turn gives rise

to increased unethical behavior.”

These findings are significant to all organizations. They emphasize the importance of the tone at the top, a concept well established as the keystone characteristic of the strong ethical culture that’s needed for a well-run organization. The findings also mirror the conclusions reached in some of the largest fraud cases that it was the CEO who was directly responsible, or at least heavily involved, including Enron, HealthSouth, WorldCom, Adelphia, Tyco, Satyam, Bernie Madoff, and others.

“Large sums of money may give people greater feelings of entitlement, causing those people to be the most adverse to wealth distribution,” Piff, the principal researcher, said. “People in power who are more inclined to behave unethically...have great effects on society as a whole,” he continued. It’s difficult to say whether some richer people get to the top because of unethical behavior or whether wealth causes some people to become this way. “It seems like a vicious cycle,” Piff says.

The first two experiments were designed to test whether wealthy individuals, as measured by the make, year, and appearance of the

car they drove, were more unethical. One test measured whether the driver cut in front of others before waiting their turn at a four-way-stop intersection near Berkeley, a violation of the California Vehicle Code. While 12.4% of all drivers cut in front of other vehicles, 29.4% of wealthy drivers did so, a statistically significant difference, even when controlling for time of day, driver’s perceived age and gender, and amount of traffic.

The second test observed whether drivers with more money were more likely to cut off pedestrians at a crosswalk. Although 34.9% of all drivers failed to yield to a pedestrian, 46.4% of wealthier drivers were “significantly more likely to drive through the crosswalk without yielding to the waiting pedestrian.” The regression analysis included time of day and the perceived age and gender of the driver. All of the drivers with the least money yielded to the pedestrian.

The third experiment measured the relationship between social class and a variety of unethical decisions. College students reported their social class and read scenarios that implied unrightfully taking or benefiting



from something. Then they indicated the likelihood they would engage in the described unethical behavior. The results showed that social class “positively predicted unethical decision-making tendencies, even after controlling for ethnicity, sex, and age.” The authors conclude that wealthier

making and behavior.”

The fifth experiment focused on positive attitudes toward greed as one mechanism why some people from wealthier backgrounds behave in a more unethical fashion. Participants were questioned as to their socio-economic group and then presented with a hypo-

authors find that “upper-class individuals are prone to deception in part because they view greed in a more positive light.”

In the sixth experiment, participants were presented with an ostensibly fair dice game with only five separate rolls. They were told that higher scores would lead to greater chances to win a cash prize, but actually the scores were predetermined. Thus those who reported higher scores than the predetermined number were actually cheating. The same measures of socio-economic group and attitude toward greed were used. The authors conclude that “more favorable attitudes toward greed among members of the upper [socio-economic] class explain, in part, their unethical tendencies.”

In the last test, the so-called benefits of greed were explained to participants before asking whether they would engage in unethical behavior. As expected, “participants primed with positive features of greed expressed more favorable attitudes toward greed.” Further, the individuals with less money who were so primed were as unethical as wealthier individuals when instructed to think of greed’s benefits. Thus, “...individuals do not necessarily differ in terms of their capacity for unethical behavior, but rather in terms of their default tendencies toward it.”

In an earlier study, Piff found that “the more money a person makes or has, the less generous, helpful, compassionate, and charitable he is toward other people.” Piff also found that rich people seemed to be insulated from reali-

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individuals are more likely to exhibit tendencies to act unethically compared with those with less money.

The fourth experiment attempted to provide evidence of a causal effect, rather than just an association, with social class and unethical decision making and behavior. Participants (who self-selected into their socio-economic class) were presented with a jar of individually wrapped candies. The candies were ostensibly for nearby children, but participants were informed they could take some if they wanted. When the experiment leader left the room, wealthier participants took significantly more candy that would otherwise go to children than did poorer participants. Those from wealthier backgrounds also reported increased tendencies toward unethical decision making based on a list of scenarios. The authors state that “the experience of higher social class has a causal relationship to unethical decision-

making and behavior.” They were also asked to judge whether they believed it was moral and just to be greedy. When controlling for participant gender, age, ethnicity, religiosity, and political orientation, attitudes toward greed were a significant predictor of telling the truth. The

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ty rather than lacking in empathy for those in need. When shown a short compassion-inducing video about child poverty, the wealthier individuals became as empathetic as those with less money. (See Jessica Ruvinsky, “Money Makes People Stingy,” *Stanford Social Innovation Review*, Spring 2011.)

Of course, there are many examples that tend to cast doubt on the findings of these studies. Many well-to-do individuals, such as Bill Gates, Warren Buffett, and others, engage in significant philanthropy. Other examples include the whistleblowers who have taken great risks to their careers and lifestyles to expose wrongdoing to benefit others.

Yet income and wealth disparities in the United States have

grown significantly in the past few decades. The tendency of some people in the upper socioeconomic strata to openly display their riches and act as if they want to increase their share of society’s goods and services is troubling to many. As Piff states, “Inequality is very much on Americans’ minds, and the potential effects of inequality on individual levels of behavior are major.”

Implications of this research are many, including finding methods of compensating high-performing CEOs and others on Wall Street and elsewhere who don’t exacerbate the disparity of wealth distribution. Other countries have successfully motivated their high-ranking employees without the excesses found in the

U.S. The sense of community in other countries is well-known to be greater than in the U.S.

Greater attention must be given by all aspects of society, especially business, in working toward a solution that will lead to more ethical conduct. **SF**

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