Will Pay for Status

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Huffington Post:

There are lots of ways to show other people that you have status. I travel a lot, and the airlines treat frequent travelers specially. At the start of the boarding process, the people who fly a particular airline often get on the plane first, and are often given upgrades to first class. Everyone else on the plane has to walk by the people in first class as they get on. So, the people sitting in first class get a chance to feel special.

How much is this kind of status worth?

An interesting paper by Aarti Ivanic, Jennifer Overbeck, and Joseph Nunes in the Decemner 2011 issue of *Psychological Science* suggests that these kinds of status markers are particularly valuable to people who see themselves at a social disadvantage.

They addressed this question by looking at how much African-Americans and Caucasians are willing to pay for luxury goods in different circumstances. The idea is that in the United States, many African-Americans feel like they get poor treatment in consumption situations. Studies show that African Americans report feeling like they are not valued by stores.

Read the whole story: <u>Huffington Post</u>