Status concerns and financial debts in adolescents

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Are status concerns associated with debts? Social comparison theory suggests that three status-based motives may underlie consumption: status enhancement, maintenance, and restoration. We tested whether each motive contributed to adolescents' consumer debt. Status restoration appeared the best predictor of adolescents' debt. Furthermore, the association between status restoration and debt was only significant for people with no other means to regain status. This suggests that accumulation of consumption debt is in fact the result of a strategy that is aimed at status restoration. This confirms ideas about the social nature of consumption and extends insights into the psychological nature of debt behavior.

Keywords: Social comparison; Status; Conspicuous consumption; Debts; Adolescents.

It has been argued time and again that consumption is not based solely on personal preferences for certain goods, but also on social considerations such as the desire to do well compared to others or the aversion against falling behind (Bourdieu, 1984; Duesenberry, 1949; Hirsch, 1976; Leibenstein, 1950; Veblen, 1899). Contemporary scholars have suggested that the influence of such “social comparison tendencies” on people’s purchases causes excessive consumption because people are constantly trying to meet upward shifting consumption norms (e.g., Frank, 1999; Schor, 1998; Sullivan, Warren, & Westbrook, 1989). Therefore it is remarkable that research on consumer debt has not yet established unequivocally that social comparison motives are strongly associated with debts. In the present study we will show that, when adequately assessed, social comparison motives are indeed independent predictors of consumer debts. As such, the present article confirms extant
views on the social nature of consumption and extends current insights into the psychological causes of consumer debt.

CAUSES AND CONSEQUENCES OF CONSUMER DEBT

Consumer debt has risen dramatically over the past decades. In the USA, consumption debt amounted to a total of 2.7 trillion dollars in 2007, averaging at about 8,500 dollars per person (Money-Zine, 2008). As a result, Americans spend about 14.1% of their disposable income on repaying debt and associated interest. Many fail to do so. Since June 2006, 1.5 million people went bankrupt. About 2–2.5 million people seek help from credit consultants each year. This number doubled between 1990 and 2000 (Money-Zine, 2008). Other western nations report similar statistics, albeit not as extreme. For instance, the total amount of outstanding credit card debt in the Netherlands increased from €147 million in 1999 to about 9 times as much (€1364 million) in 2009 (CBS, 2009).

Increasing consumer debt presents a profound problem to individuals and to society at large. In fact, as a conspicuous illustration of the latter, excessive consumerism is often acclaimed to be at the heart of the current financial crisis (e.g., Krugman, 2009). At the individual level, research has identified a range of problems associated with accumulating consumer debts, such as depression (Krause, 1987; Price, Choi, & Vinokur, 2002; Vinokur, Price, & Caplan, 1996), marital stress (Vinokur et al., 1996), decreased work performance (Kidwell, Brinberg, & Turrisi, 2003; Price et al., 2002), and other mental and physical health problems (Jenkins et al., 2008; Krause & Baker, 1992; Price et al., 2002; Roberts et al., 2000). Research into the causes of consumer debt is thus highly important: Why do people spend more money than they can afford?

The picture that emerges from a steady stream of studies is that getting into or staying out of debt is not just a function of economic factors (e.g., income, household situation, socioeconomic status), and that the impact of psychological factors is too substantial to ignore (e.g., Lea, Webley, & Walker, 1995; Stone & Maurey, 2006; Webley & Nyhus, 2001). So far, the dominant psychological perspective on consumer debt is that the underlying behavior is caused by intrapersonal factors, such as attitudes to debt (e.g., Kidwell et al., 2003; Kidwell & Turrisi, 2004; Lea, Webley, & Devine, 1993; Livingstone & Lunt, 1992), abilities for budgeting (Kidwell & Turrisi, 2004) and money management (Lea et al., 1995), and personality traits that reflect self-control capacities, like perceived locus of control (Livingstone & Lunt, 1992), sensation seeking (Wong & Carducci, 1991), general risk attitudes (Carducci & Wong, 1998), time horizons (Lea et al., 1995), and impulsivity (Webley & Nyhus, 2001). This intrapersonal perspective is typically translated into approaches toward prevention or
restoration of problem debt that emphasize individual responsibility (e.g., Tennyson & Nguyen, 2001).

We believe that the emphasis on intrapersonal factors and individual responsibility is one, undeniably important, part of the solution. Yet we also believe that strict adherence to this intrapersonal perspective is likely to result in underappreciation of the inherently social nature of consumption and consumer debt. Therefore we believe it is time to shift our focus to the role of social comparison processes that potentially underlie excessive consumption and, consequently, consumer debt.

SOCIAL COMPARISON AND CONSUMPTION

Previous studies have not been able to unequivocally demonstrate an independent contribution of social comparison to the prediction of consumer debt (e.g., Lea et al., 1995; Livingstone & Lunt, 1992; Stone & Maurey, 2006). Some studies have aggregated the influence of social comparison with other psychological factors in general scales (Furnham, 1984; Stone & Maurey, 2006) or discriminant functions (Livingstone & Lunt, 1992), such that it is impossible to discern the independent contribution of social comparison motives to consumer debt. Other studies did investigate the independent impact of social comparison but may have failed to identify any significant effects because of awkward measurement. For instance, Lea and colleagues (1995) asked people whether they thought they had more or less money than their peers. Although such perceptions may elicit status-based incentives, the strength of these incentives depends on people’s sensitivity to these social comparisons. In other words, it is not the extent to which people engage in social comparisons that produces behavioral effects, but the extent to which these comparisons elicit status-related incentives. To measure the general sensitivity to the outcome of social comparisons, we first need to properly identify what motives may arise from social comparison and explain their relation to (excessive) consumption.

Humans have an innate tendency to compare themselves to others because this may help them to define (Who am I?) and evaluate (How am I doing?) themselves (Festinger, 1954; for an overview, see Stapel & Blanton, 2006). People engage both in upward (unfavorable) and downward (favorable) social comparisons to find out what their “status” is. Status refers to one’s perceived position on some dimension that is considered important. High status is generally associated with all kinds of positive outcomes. High status people are rich, intelligent, powerful, and well liked (e.g., Ball & Eckel, 1998; Berger, Rosenholtz, & Zelditch, 1980; de Botton, 2004; Nelissen & Meijers, 2009). Consequently, engaging in downward social comparison (“I am more successful than she is”) typically feels nice,
whereas upward social comparison (“He is better than me”) often elicits aversive feelings. Therefore people typically strive to (1) attain high status, (2) avoid losing status to others, and (3) make up for the loss when status decreases.

One way to enhance status is to consume (de Botton, 2004; Nelissen & Meijers, 2009; Veblen, 1899). We posit that status concerns may elicit consumption in three different ways: First of all, people may buy stuff just to show off to others. This process has been referred to as conspicuous consumption (Veblen, 1899) and reflects a status enhancement motive. Second, people may buy stuff in order not to lose status or fall behind the people around them in terms of possession. This pattern of consumption has been referred to as “Keeping up with the Joneses” (Duesenberry, 1949). It reflects a status maintenance motive that has also been called “status anxiety” (de Botton, 2004). Finally, people who experience (real or imagined) negative self-evaluations may buy stuff to escape from that aversive state and restore self-integrity (Braun & Wicklund, 1989; Leary, Terry, Allen, & Tate, 2009). Unlike people high in status anxiety, who anticipate a negative social opinion, these people already experience social depreciation and seek to restore that through consumption.

There is empirical support for the involvement of all three motives (i.e., enhancement, maintenance, and restoration) in consumption. First, Griskevicius and colleagues showed that consumption is a strategy that people employ if they experience a high need for status (Griskevicius, et al. 2007). Second, people who experience social self-threats, for instance because their experience or talent in a certain area is called into question, also state they are more willing to consume than people whose social self is not threatened (Braun & Wicklund, 1989). Hence consumption is a strategy that people use to avoid status loss. Finally, people appeared more inclined to spend after experimental manipulations that temporarily reduced their sense of power (Rucker & Galinski, 2008, 2009). As regaining status can be a means to compensate for the lack of control that accompanies episodes of reduced power, these results indicate that consumption is conducive to status restoration as well. In the present study we considered all three status-derived motives in order to get a comprehensive view of the role of social comparison in consumer debt.

OVERVIEW OF THE PRESENT STUDY

To investigate if social comparison contributes to consumer debt, we investigated the impact of status enhancement, status maintenance, and status restoration tendencies, independent of the key psychological factors that have been documented in previous research to affect consumer debt,
such as perceived social norms for borrowing money, and personal attitudes toward borrowing. We also considered several non-psychological factors that have been found to be strongly associated with financial debts, such as income, age, and gender.

We further controlled for differences in social comparison orientation and self-esteem. Social comparison orientation (Gibbons & Buunk, 1999) refers to people’s inclination to engage in social comparison. Because it is necessary to engage in social comparison in order for any of the status-based motives to arise in the first place, we controlled for individual differences in social comparison orientation. As stated, it is not the tendency to engage in social comparison that triggers behavior, but the motivational incentives for status enhancement, maintenance, or restoration that the social comparison process may or may not elicit that matter. Self-esteem (Rosenberg, 1965) refers to people’s global feelings of self-worth. Although there is no a priori reason to presume a direct relation between self-esteem and consumption behavior either, self-esteem has been shown to function as a psychological resource in the sense that it buffers against the negative consequences of downward social comparison (e.g., Schwinghammer, Stapel, & Blanton, 2006). Therefore individual differences in self-esteem may obscure the potential impact of status-based motives, particularly of status anxiety and status restoration tendencies, which follow from upward social comparison.

We tested the involvement of status enhancement, maintenance, and restoration tendencies on financial debts in a survey among high school students. By limiting our sample to adolescents we excluded debt categories that are difficult to interpret as financial risk behavior, such as mortgages and tuition loans. Thus we focused strictly on consumption debts. A second reason to study the influence of status concerns in adolescents comes from recent findings, which indicate that in the Netherlands a substantial subset of about 23% of the high school students between the ages of 15 and 18 already have financial debts (NIBUD, 2008). Of the total population of working adolescents of under 25 years, 60% have accumulated financial debts of on average €1750. These figures suggest that financial risk behavior may already develop at an early age, which identifies adolescents as a relevant target population for investigating psychological determinants of debt. Although the amounts of accumulated financial debt at this age may not yet be problematic, it is at least indicative of a propensity that is likely to turn out problematic later in life.

A final reason was that adolescents are particularly prone to engage in social comparison and are also particularly sensitive to its outcomes (Cummins, 2005). To establish that adolescents do indeed engage in
consumption as a strategy to satisfy status-related needs, we tested whether the observed relations (if any) between status-based motives and debts were moderated by the extent to which participants had other means to satisfy these needs. We considered school performance and physical attractiveness as other sources of social status. So, we tested the auxiliary hypothesis that if a main effect were to be observed for any of the three status-related motives on financial debts, this association would be more pronounced for participants without alternative means to satisfy that status motive, hence for adolescents who neither performed well at school, nor were particularly attractive.

**METHOD**

**Participants and procedure**

Participants were recruited at different high schools. School boards received an invitation to participate in a survey on financial behavior of adolescents and were asked to convey this to their teachers. Teachers were asked to offer a period in one or more of their classes in exchange for a lecture on financial behavior. Upon consent, arrangements were made to administer the questionnaires. Completion of the questionnaires was supervised by a research assistant.

To participants, the study was presented as an investigation into social relations of adolescents. It was explicated that participation in the study was completely voluntary. Students who did not wish to participate were free to spend the lesson doing homework. However, none of the students in the classes that participated chose to do so. Also, it was explained that if at any point students no longer felt like answering any of the questions, they were free to quit doing so at any time.

A total of 934 high school students between 13 and 19 years ($M_{age} = 16.07, \ SD = 1.03$) completed the questionnaire. Of this sample, 54.5% were female. Furthermore, 44.2% of the participants were students at the pre-university education level, 36.5% were students at the higher, and 19.3% were students at the lower, secondary education level.

**Measures**

The questionnaire was structured as follows: We first measured status-based motives and general social comparison tendencies. Subsequently we measured self-esteem. Next, attitudes and perceived social norms to debt were assessed. After that, we asked about participants’ income and financial debts. Next, participants indicated their age and gender. Finally, we assessed attractiveness and grade-point average. Several additional measures were included in the questionnaire but since they are not relevant to the present
research question, we will not report them here. A complete version of the questionnaire is available upon request.

**Status enhancement**

Status enhancement tendencies were assessed using a modification of Adler’s Social Ladder of Subjective Status scale (Adler, Epel, Castellazzo, & Ickovics, 2000). In the original version of this scale perceived social status is assessed by asking people to place a mark on a graphic representation of a 10-step ladder, indicating their current position in society. We adjusted the instructions to assess status enhancement tendencies in adolescents. Specifically, participants were told to “Think of a ladder with ten steps (like in the pictures below). Each step represents a place where people like yourself stand compared to others. On the top are the people who are best-off, the most successful and most popular people. On the bottom are the people who are worst-off, the least successful and least popular people.” Subsequently, participants indicated on three different ladders: (a) the step on which they wanted to be, (b) the step on which they had to be at the very least, and (c) on which step they expected to be. These ratings were averaged into a single measure of status enhancement ($\alpha = .86$).

**Status maintenance**

As no existing measure of status maintenance was available, we composed a five-item measure of this construct, based Alain de Botton’s (2004) definition of status anxiety as a worry of failing to meet the standards of success laid down by society and of losing prestige in the opinion of others. Specifically, we asked participants to indicate the extent of their agreement (1 = not at all, 5 = completely) with five statements: I want to avoid that other people think I am a loser; I would feel bad if others ignored me; I cannot stand if others outperform me; I do my best not to deteriorate; I don’t want to do worse than others. Ratings were averaged into a single measure of status maintenance ($\alpha = .69$).

**Status restoration**

Tendencies for status restoration following perceived status depreciation were assessed through participants’ public self-consciousness (Fenigstein, Scheier, & Buss, 1975). Public self-consciousness reflects worries about the self as a social stimulus. The Public Self-Consciousness scale (Fenigstein et al., 1975) consists of seven items that reflect an experience of social depreciation that underlies status restoration tendencies, e.g., I am concerned about what other people think of me; I worry about the
impression I make. Ratings were averaged into a single status restoration ($\alpha = .67$) measure.\(^1\)

**Social comparison orientation**

Social comparison orientation refers to people’s dispositional tendency to engage in social comparison as a means of self-evaluation. The Social Comparison Orientation scale (Gibbons & Buunk, 1999) assesses this tendency on 11 items, e.g., I always like to know what other people do in a similar situation; I am not the kind of person that compares him/herself to others (reversed). Participants indicated the extent of their agreement ($1 = $not at all, $5 = $completely) with each of these statements. Ratings were averaged into a single measure of social comparison orientation ($\alpha = .74$).

**Self-esteem**

Self-esteem reflects global self-evaluations. We used Rosenberg’s (1965) Self-Esteem scale, which consists of nine items, e.g., In general I am happy with myself; Sometimes I feel like I am good for nothing (reversed). Again, participants indicated the extent of their agreement ($1 = $not at all, $5 = $completely) with each of these statements. Ratings were averaged into a single measure of self-esteem ($\alpha = .82$).

**Attitude**

Attitudes to debt were assessed by asking the extent of participants’ agreement ($1 = $not at all, $7 = $completely) with three statements: It is OK to borrow money; It is risky to spend money you don’t have (reversed); I am not comfortable borrowing money (reversed). Ratings were averaged into a single measure of debt attitude ($\alpha = .71$).

**Subjective norm**

Subjective norms to debt were assessed by measuring the extent of participants’ agreement ($1 = $not at all, $7 = $completely) with three statements: Among my friends it is normal to borrow money from each other; My parents have no trouble with me borrowing money; My parents always lend me money if I need it. Ratings were average into a single measure of subjective norm of borrowing ($\alpha = .76$).

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\(^1\)We conducted an exploratory factor analysis (with varimax rotation) to verify the independent nature of the measures of status restoration and maintenance. This yielded a two-factor solution, in which the items of the Fenigstein et al. (1975) PSC scale, and the items that were based on the construct of status anxiety loaded onto separate factors, respectively explaining 33.6% and 20.01% of variance.
Income and debt

We used a questionnaire developed by the Dutch institute for budget counseling (NIBUD, 2008) to measure income and debts. Because adolescents often do not perceive certain types of borrowed money as an outstanding debt, this questionnaire inquires into several specific sources of debt, as well as specific sources of income. Specifically, participants were asked to indicate (if necessary by approximation) how much money they still owed (1) for outstanding bills (e.g., telephone bills and subscriptions), (2) for things they bought on credit (e.g., audio equipment, scooters), (3) to the bank for being in the red on their account, and (4) to their friends for any money that they may have borrowed. Finally, one item asked about (5) other, miscellaneous sources of debt. All amounts were added into a single measure of total debt.

Similarly, participants indicated their monthly income from (1) pocket money, (2) incidental extras from family members, (3) jobs on the side, and (4) a miscellaneous category of other sources of income. All these amounts were added into a single measure of total income.

Attractiveness and GPA

The potential moderators of the impact of status motives on financial debt, attractiveness, and GPA were assessed last. GPA was provided for each student by their teacher. A measure of attractiveness was provided by letting the participant’s neighbor rate their attractiveness on a scale from 1 (not at all attractive) to 10 (very attractive), right before handing in the completed questionnaires.

RESULTS

Descriptive statistics

Financial debts

Debts higher than €10,000 were considered unlikely given that our sample consisted of adolescents under age 20. Therefore we decided to exclude all participants reporting debts higher than this amount from further analysis (N = 3). Notably, the (three) excluded participants all reported debts of over 1 million euros, suggesting that our cut-off at 10,000 euros was reasonable and did not result in the omission of borderline cases. Remaining participants reported an average debt of €39,26 (SD = 326.20). Most participants, however, reported no debt. Both the mode and the median debt were zero. Of the total sample, 24.6% reported debts. This is consistent with previous findings on financial debts of Dutch adolescents (NIBUD, 2008). The highest reported debt was €8000. In order to exclude
extreme cases that would unduly influence the observed associations, we decided to apply another cut-off criterion at 3 SDs above the mean debt. So we excluded all participants who reported debts of more than €1057. This resulted in the exclusion of an additional six participants who reported debts of €2000 or more.

**Income**

Participants reported an average income of €167.73 (SD = 133.53). In order to exclude distortion of observed associations due to influential extreme cases, we again excluded all cases outside 3 SDs above the mean debt. Excluding participants with an income of more than €563.33 (N = 7), reduced the mean income in the remaining sample to €154.04 (SD = 111.86). The maximum reported income was €550. Descriptive statistics of the final sample (N = 918) can be found in Table 1.

**Correlations**

Table 1 reports the means, SDs, and univariate correlations of all the variables in this study. Debt size was associated with income, age, and gender. Confirming previous findings, attitudes to debt and social norms toward borrowing were also positively related to debt size. Of importance to the present study, status enhancement, status maintenance (marginally), and status restoration tendencies were all correlated with debt size. We subsequently tested for the independent effects of different determinants on debt size.

**Associations with debt size**

We first log transformed total debts and income in order for both measures to approximate the normal distribution. We performed a Tobit regression analysis (Long, 1997) because associations with debt size can only be assessed for people who actually have debts, which only comprise about one fourth of our total sample. This analysis includes all participants to estimate the independent associations of all predictors with the amount of financial debt, accounting for the fact that some participants did not have any debt.

Confirming previous findings, the overall Tobit regression analysis showed that financial debts were higher for participants with more positive attitudes toward borrowing money (see Table 2). Furthermore, participants with higher average incomes also had higher financial debts, suggesting that income facilitates rather than prevents excessive financial expenditure. Also, older participants had higher debts, which appears to be a natural pattern, rather than a meaningful psychological process. Of particular interest to the present paper, participants with stronger status restoration tendencies also
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<tr>
<th></th>
<th>Mean</th>
<th>SD</th>
<th>Income</th>
<th>SE</th>
<th>SM</th>
<th>SR</th>
<th>SCO</th>
<th>Self-esteem</th>
<th>Attitude</th>
<th>Norm</th>
<th>Age</th>
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<td>.07*</td>
<td>.06</td>
<td>.11***</td>
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<td>.39***</td>
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<td>0.68</td>
<td>.48***</td>
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<td>Attitudea</td>
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SE = Status Enhancement; SM = Status Maintenance; SR = Status Restoration; SCO = Social Comparison Orientation; Norm = Social Norm. Gender (0 = female, 1 = male).

* p < .05; ** p < .01; *** p < .001.
had higher financial debts. This indicates that, as expected, status concerns may indeed contribute to financial risk behavior, independent of previously identified determinants of financial debt.

In order to determine whether excessive financial expenditure may be a strategy to recover from experienced loss of status, we tested if the association between status restoration tendencies and debt size was moderated by the extent to which participants had other means to restore their status. First we tested the moderating effects of physical attractiveness. We ran a standard OLS regression analysis with debt size as the dependent variable, and status restoration tendencies and attractiveness ratings as independent predictors (Step 1), subsequently entering their interaction in the model (Step 2). We only included participants who actually had financial debts in this analysis.

In line with our predictions, we did find a significant status restoration × attractiveness interaction (\(\beta = -0.80, \ t = -3.04, \ p = .003\)). Simple slope analysis (cf. Aiken & West, 1991), confirmed that the association between status restoration tendencies and financial debts was only significant for participants with low attractiveness ratings (\(\beta = .22, \ t = 4.95, \ p < .001\)), but not for participants with high attractiveness ratings (\(\beta = -0.05, \ t = -1.12, \ p = .263\)). The association between status restoration tendencies and financial debts at high and low attractiveness ratings is plotted in Figure 1.

Similarly, we observed a significant status restoration × grade-point average interaction (\(\beta = -1.90, \ t = -2.65, \ p = .009\)). Again, simple slopes analysis confirmed that only for participants with low average grades there was a significant association between debt size and status restoration
tendencies ($\beta = .27$, $t = 5.07$, $p < .001$), whereas status restoration tendencies were unrelated to debt size for participants with high average grades ($\beta = .01$, $t = 0.13$, $p = .898$). The association between status restoration tendencies and financial debts at high and low average grades is plotted in Figure 2.

**DISCUSSION**

The present study investigated if social comparison tendencies were associated with the accumulation of financial debt, independent of and in
addition to other (psychological) factors that were previously identified as predictors of consumer debt. Three status-based motives were derived from considering the incentives that may emerge from social comparison: status enhancement, status maintenance, and status restoration. Of these three motives, status restoration tendencies proved to be an independent predictor of adolescents’ debt size. We further observed that the association between status restoration tendencies and financial debt was only significant for people who did not have other means to regain status. That is, if people were attractive or if they had high grades, strong status restoration tendencies were not associated with higher debts, probably because these people had other, more straightforward ways to deal with experiences of status loss. This suggests that the accumulation of consumption debt is in fact the result of a strategy that is aimed at status restoration. In general, our findings confirm ideas about the social nature of consumption (e.g., Frank, 1999; Schor, 1998), and extend insights into the psychological nature of debt behavior.

As stated, previous studies may have failed to establish an independent influence of social comparison tendencies on consumer debt because they only assessed proxy’s for status-based motives, such as socio-economic status and perceived income (e.g., Lea et al., 1995), rather than the actual motivational tendencies. Furthermore, previous research has not considered the full range of motivational tendencies that may emerge form social comparison, but appears to have focused on tendencies for status maintenance (i.e., to “Keep up with the Joneses”, e.g., Livingstone & Lunt, 1992). We do not claim that ours is the only or even the optimal way to measure the motivational tendencies that arise from social comparison, quite the contrary. Future research may seek to establish better ways to capture tendencies for status enhancement, maintenance, and restoration, as there is currently not a single validated measure that assesses all three tendencies at once. Still, by using available constructs related to these status-based motives, we revealed that social comparison might incite tendencies that predict consumer debt.

We can only speculate as to why status restoration turned out to be the prevailing motive associated with consumer debts in our study. Generally, upward social comparison causes stronger affective reactions and stronger incentives for behavior than downward comparisons (cf. Stapel & Blanton, 2006), which may explain why status restoration tendencies predominated over status enhancement tendencies as predictors of debt. Another reason may be that most adolescents lack the financial resources to actually use consumption as a means to enhance their status. It should be noted that others have argued as well that status driven consumption is mainly a defensive strategy (e.g., Schor, 1998; Sullivan et al., 1989), which fits our finding that restoration is the key status-based motive underlying debt.
Still, it also possible that the associations between debt and status based motives is dependent on the participant sample.

**Implications and limitations**

Insights in different predictors of financial debts may have important implications for interventions that aim to reduce financial risk behavior. Remarkably, the role of status-driven consumption has not permeated the present public and political debate, for instance on the causes of the financial crisis. Consumers are often still portrayed as rational beings that have the ability to personally control their purchases in accordance with their own, stable preferences (cf. Kahneman, 2003). As a result, current approaches to limit excessive consumption focus mainly on individual perceptions and skills (e.g., Tennyson & Nguyen, 2001). We think this is due to the lack of direct support that substantiates the role of and the portrayed pitfalls of status-driven consumption. The findings from the present proposal will require attention to other solutions that more readily appreciate the role of status-concerns and acknowledge the limits of self-control.

Obviously these implications should be considered in the light of the limitations of the present study. We stress that it was not the aim of this study to draw a comprehensive model of consumer debt or one that was optimal in terms of predictive potential (percentage of explained variance). Our main goal was to investigate whether social comparison is a factor that should be taken into account, next to other key predictors of consumer debt. We (deliberately) investigated the influence of social comparison on consumer debt in an adolescent sample. Future research should investigate if the observed influence of status-based motives also generalizes to participant samples that are representative of the general population.

In the present research we did not specifically consider different types of purchases as separate sources of consumer debt. Previous research (e.g., Belk, 1988) suggests that consumption is a means for people to establish their personal and social identity. This means that social comparison tendencies may predict consumption patterns in far more refined ways than considered in the present study. We fully acknowledge that particular status-based motives will not just instigate consumption per se, but will induce consumption of particular brands and products that are currently in vogue in a particular social group. Such nuances deserve further attention in future research as well.

**CONCLUSION**

It has often been argued that consumption is an inherently social phenomenon. What and how much we buy is not just determined by
personal desires and necessities but also by socially elicited needs. Acknowledging the potential impact of the social need for status, we investigated if specific motivational tendencies that originate from social comparison processes not only affect consumption behavior, but may also actually cause excessive consumption; that is, the accumulation of financial debt. We found that, among adolescents, the tendency to compensate for status loss predicts financial debts, at least for people that had no other means to regain from status loss. It thus seems that status concerns may engage people in financial risk behavior.

REFERENCES


