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Students' Perception Of Status-Conveying Goods

Jessie X. Fan¹ and John R. Burton²

The purpose of this study was to identify an array of goods that college students believe indicate social status. Data from a survey of almost 400 students at the University of Utah were analyzed. Commodities considered status-conveying all have the feature of being either easily seen by others or easily talked about in social conversations. The exploratory logistic regression analyses show that students' perception of what constitutes status goods vary by age, gender, race, marital status, working status, family size, living arrangement, income and student's major. Implications are discussed for financial advisors working with clients who overspend.

Key words: College students, Conspicuous consumption, Perceptions, Positional goods, Social display, Status consumption

Introduction

Status consumption refers to consumption of commodities and services that are consumed more for their social display values than for their actual utilitarian values. Schor (1998) emphasizes that status goods in most cases are readily visible or if invisible, the owner must be able to convey the ownership and any status associated with it. Belk (1988, p. 139) frames the concept of status consumption in the statement "We are what we have." Terms related to status consumption include conspicuous consumption, positional goods, and social display.

In the attempt to understand consumers' credit use behavior and to help consumers with their financial management problems such as overextended debt, studies have directly or indirectly linked financial management problems with consumers' pursuit of status consumption (Fan, 2000; Ruskin & Markus, 2001; Lea, Webley & Walker, 1995; Livingstone & Lunt, 1992a, 1992b; Roberts, 1998; Roberts & Jones, 2001; Schor, 1998). Sociologists and social psychologists have suggested that debt-tolerant or debt-inducing norms might be generated if a consumer adopts a reference group with more economic resources than he or she has (Newcomb, 1943, as cited in Lea, Webley & Walker, 1995). Such emulation of consumption behavior likely is achieved through status consumption. Livingstone and Lunt (1992a, 1992b) suggested that debtors are more likely to express their social worth and social relations through consumption and get into financial difficulties

through treating as necessities goods whose only function is social display. Fan (2000) studied the relationship between consumer debt and consumer expenditure patterns and found that debtors allocate more of their budget to luxury goods, compared to non-debtors, other things being equal. Ruskin and Markus (2001) examined the relationship between positional goods and income inequality with bankruptcy and concluded that in a positional consumption environment, where net income gains are not homogeneous across populations, positional consumption by lower income consumers who emulate the wealthier can be financially destructive and possibly lead to bankruptcy. Schor (1998, p. 75) discussed what she called a "see-want-borrow-and-buy" process, in which people may borrow in order to keep up with the Jones. Two additional studies (Roberts, 1998; Roberts & Jones, 2001) found positive association between credit card use and compulsive buying behavior among college students. While it is not clear what kind of commodities and services compulsive buyers tend to purchase, it is possible that there is an association between compulsive buying behavior and status consumption.

However, due to a lack of systematic investigation of what constitutes status goods, the link between status consumption and consumer debt has been mostly suggestive. The purpose of this study is to initiate the systematic investigation of status consumption by exploring student's perceptions of what commodities and services are considered status goods. Because a consumer who practices status consumption is concerned about the

1. Jessie X. Fan, Associate Professor, University of Utah, Department of Family and Consumer Studies, 225 S 1400 E ARB 228, Salt Lake City, UT 84112-0080. Phone 801-581-4170, Fax: 801-581-5156, E-mail: fan@fcs.utah.edu

2. John R. Burton, Associate Professor, University of Utah, Department of Family and Consumer Studies, 225 S 1400 E ARB 228, Salt Lake City, UT 84112-0080. Phone 801-581-8332, Fax: 801-581-5156, E-mail: burton@fcs.utah.edu

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perception of others, it seems logical to start this investigation by looking at consumers' perception of what commodities and services can convey status. It is intended that this study will be the impetus for a more detailed investigation of status consumption and its possible relationship to financial management problems.

Literature Review

Theoretical Development

Status consumption probably existed before recorded history. However, there is no record of it being addressed by scholars until Bernard Mande, a Dutch emigre to London (Mason, 1981). In the early 18th century, in his discussion of the century of the mercantile class, Mande observed that "... expenditures were made not only for utilitarian purposes, without question, for ostentatious display; success or otherwise was measured in part in terms of the impact on others..." (Mason, 1981, p. 4). Later in that century, Adam Smith was prepared to concede the legitimacy of personal consuming intended to protect the individual's status (Mason, 1981). By the 1890s, levels of ostentatious luxury expenditures by the rich for the purpose of belonging to a society determined by wealth had reached new heights (Mason, 1981). Around this time Thorstein Veblen began his works on status (conspicuous) consumption which was culminated in the publication of *Theory of the Leisure Class* (1899). In this classic, Veblen asserted that society consumes not only for the utilitarian value of a good but for the status the ownership conveys. This is sometimes called the "Veblen effect." He also posited that the less utility the good provides for the money spent, the greater the status. Veblen did not ascribe status consumption to only the wealthy: "No class of society, not even the most abjectly poor, forgoes all customary status consumption" (Veblen, 1899, p. 85). He added that squalor and discomfort will be endured in pursuit of this endeavor.

Twentieth-century scholars continued examining the concepts embodied in status consumption. Of these were Hirsch (1976) and Frank (1985), who used the terms "nonpositional" and "positional" goods to differentiate goods that convey status from those that do not. The former refers to those consumer items whose value is not significantly affected by interpersonal comparisons. The latter refers to goods whose value to any one person is measured in relationship with what goods are possessed by others. Mason (1998) asserted that in the modern days status cannot be gained through the consumption of generic commodities alone because most of the former status commodities are now commonplace. More important status signifiers are individual brands such as designer labels. Twitchell (1998, p.175), in his discussion

of product branding, stated that we are now in the "golden age of brands." In other recent studies, Ramstad (1998) theorized that pecuniary emulation described by Veblen continues to be a central element of human nature, while Brown (1998) asserted that self realization and self actualization have become the new measure of universal index of status. However, Brown acknowledged that Veblenian pecuniary prowess is still an important factor in human nature.

Empirical Studies

While there is a general theoretical notion as to what status consumption is, and consumers have some general ideas about what commodities and services may be associated with status consumption, no known recent scholarly research has systematically investigated which commodities are considered as conveying status. One reason might be the fluidity of status attached to the possession of specific goods or the brands within a good. Casual observation shows that fashion is changing at an accelerated rate. What may be fashionable (or status-enhancing) one moment may be passé the next. Teenagers provide ample anecdotal evidence of this.

One concept that has been linked to status consumption is vanity. In a study on cross-cultural differences in vanity, Durvasula, Lysonski and Watson (2001) defined vanity as a psychological construct that describes a person's excessive concern with physical appearance or achievement. They found that a vanity measure containing four dimensions: physical-concern, physical-view, achievement-concern, and achievement-view, has similar dimensionality and validity in both Eastern and Western cultures. They further noted that achievement vanity can be observed in American culture when consumers use consumption as a means of conveying success, status, or conspicuous consumption.

In a study of the status consumption of cosmetics, Chao and Schor (1998) found that women were more likely to pay higher prices for brand-name lipsticks even though all lipsticks are essentially the same. The same women were less likely to pay more for brand-name facial cleansers, which are less visible to others in social occasions. They concluded that the visibility of the product influences the status of the product and consumers' willingness to pay for it.

Schor (1998), in her chapter "The visible lifestyle: American symbols of status", noted that "clothes, cars, wristwatches, living room furniture, and lipsticks are well-known purveyors of social position." Schor cited articles from fashion and marketing magazines and

quotes from company executives to support her statement. Fan (2000) used the economic definition of luxury goods as a proxy for status consumption. Luxury commodities are defined as those commodities and services with an income elasticity greater than unity. Fan found that borrowers allocated more of their budgets to luxury goods than were non-borrowers. Burton and Fan (2001), upon finding that automobile lessees were more likely to have certain features in their cars, such as a sunroof, suggested that a sunroof was a status good.

There is some research on status consumption done by marketing firms whose sample, research design, and results are typically proprietary. The authors of this paper have a subscription to one research organization devoted to automobile sales and leasing. For the past 15 years, this firm has surveyed credit card usage in three categories: needs (essential items for clothing, shelter and food), enhancements (items that simplify or enhance life), and embellishments (items that are pure luxuries). The credit charges for the embellishments category have increased, following a dip in the early 1990's, from 12.2% in 1995 to 24.3% in 2000 (CNW Marketing Research, 2000). However, the empirical definition of embellishments is not available either in their publications or in the public domain. Other non-scholarly business and economic publications have observed that although status consumption was rampant during the 1980s, it became less visible in the 1990s. Although little if any empirical evidence was given for their observations, articles in *Advertising Age* (Cardona, 1997), *Brandweek* (Bissell, 1997), *Black Enterprise* (Hayes, 1995), *Automotive News* (Henry, 1992), and *The Economist* (1992), have commented on the lessened emphasis on status consumption in the 1990s. In these publications, status consumption was often discussed in the context of designer labels, sports cars, and high-priced cars. Again, an empirical definition of status consumption was not given in these publications.

It should be noted that not all consumers make status enhancing purchases. For example, Kahle (1995a) described "Role-Relaxed Consumers" as those who "... decide how to act and what to buy while remaining oblivious to social demands." In a subsequent paper, Kahle (1995b) provided empirical evidence for these types of consumers.

The existing literature, although deficient in empirical studies that identify status goods, does provide a theoretical basis and an operational definition for status consumption. While no social or behavioral scientist denies its existence, few have measured what it is and the extent to which it is practiced. As noted above, this has

usually been left to private marketing research businesses.

The purpose of our study is to identify the type of commodities consumers consider as status consumption items. By surveying a sample of university students, we will gain insight into consumers' perception of what constitutes status consumption, thus indicating possible avenues for future research in this area. This future research may include, among other topics, the link between consumer debt and status consumption, and the influences of advertising and promotion on choice or the willingness of consumers to incur debt to satisfy the need for status consumption.

Methodology

Instrument development

An open-ended questionnaire was first developed and administered to a convenience sample of 20 students and friends of members of our research team. The open-ended question was simply "What commodities and services do you think convey status?" The team carefully analyzed the answers to these open-ended questions and developed a closed-ended questionnaire based on the responses to the open-ended questions. Subsequently, feedback from students, colleagues, and friends was gathered and incorporated into each iteration in the development of the closed-ended questionnaire. A final version of the closed-ended questionnaire was developed after four revisions.

We learned in the questionnaire development process that questions related to status consumption need to be as specific as possible or we would get information that is too general to shed much light on the topic. Thus, in our final questionnaire, in addition to demographic information, we divided commodities and services into three sections: general purpose commodities and services, car-related commodities and services, and house-related commodities and services. Within each section, different price categories were given to capture status commodities at various price levels. For general purposes, three price categories were given: "a little extra money" was defined as \$1 to \$999, "a moderate amount of extra money" was defined as \$1,000 to \$9,999, and "a lot of extra money" was defined as \$10,000 or more. For the car-related commodity section, two price categories were given: "a little extra money" was defined as \$1 to \$999, and "a lot of extra money" was defined as \$1,000 or more. For the house-related commodities category, three price categories were given: "a little extra money" was defined as \$1 to \$2,499, "a moderate amount of extra money" was defined as \$2,500 to \$9,999, and "a lot of extra money" was defined as \$10,000 or more.

Similar questions were asked in each section for each price category. As an example, for the "a little extra money" category in the general purposes section, the following question was asked: "If you want to give the impression of a higher status and you have a little extra money, what would you buy? (A little extra money is defined as \$1 to \$999.)" The respondents were instructed to select three items from a list of 15 to 20 items for each price category in each section. The respondents were also given the choice of writing down other goods that were not included in the list given.

Sample Selection

The population for this study was all undergraduate students at the University of Utah. The university has about 20,000 undergraduate students, and is located in a metropolitan area with a population of about one million. Due to budget constraints, we were not able to use random sampling for this study. Instead, a quota sampling approach was used to improve sample representativeness in the absence of random sampling. There are 14 colleges that offer classes at this university. Because we were interested in an undergraduate student sample, we excluded seven colleges that are either professional schools only (Medicine, Nursing, Pharmacy, Law, and Architecture), or graduate schools only (Social work and Education). The remaining seven colleges were: Business, Engineering, Fine Arts, Health, Humanities, Mines and Earth Sciences, and Social and Behavioral Sciences. Information on the number of majors enrolled in each college as of autumn semester of 2000 was obtained from the University Office of Institutional Analysis. The percentage of majors in each college was calculated: Business (23%), Engineering (17%), Fine Arts (11%), Health (9%), Humanities (16%), Mines and Earth Sciences (2%), and Social and Behavioral Sciences (22%). Sample goals were established based on this major distribution in each college in that the sample distribution should mirror the population distribution in terms of majors.

Next, we obtained a list of all course offerings from these seven colleges in the Spring Semester of 2001, together with information on enrollment in each class. We selected one to three classes from each of the colleges, depending on the size of the college and the sizes of the classes. Selection of classes was consciously made with the intent to find both upper and lower division courses that would give us a diverse student sample of Freshman, Sophomores, Juniors, and Seniors. In all, 17 classes were selected with a total target sample size of 500.

Data Collection

After the selection of the classes, we contacted the

instructors to obtain permission to administer the survey in their classes. Of the 17 selected, seven instructors either declined access or could not be reached after repeated phone and email attempts. These seven classes were then replaced with other classes of similar sizes and in the same colleges.

In April 2001, questionnaires were distributed in classes at times agreed upon by the instructors. Due to a schedule conflict, we were not able to distribute questionnaires in one of these seven replaced classes, which had a target sample size of 22. Students were informed that participation was on a voluntary basis and information collected would be confidential. Questionnaires were then collected by researchers in class after the students completed them.

Sample Size, Response Rate and Generalizability

Because student class attendance rate is seldom 100%, our sample size was smaller than the targeted 500. The number of returned questionnaires for this study was 400. We do not know the exact response rate because the questionnaires were distributed by being passed around in the classrooms from student to student. Some students may have obtained more than one copy, and some extra copies may have been left in the classrooms. However, given how many questionnaires we have given out and how many were returned, our estimate of the response rate was at least 90%.

Among the 400 returned questionnaires, the response rate to the demographic questions ranged from 93.5% for the income question, to 99.5% for the question identifying the student's major. Excluding questionnaires with missing demographic information, the sample size used for this study was 371. The distribution of the sample by college was as follows: Business (31%), Engineering (15%), Fine Arts (9%), Health (8%), Humanities (10%), Mines and Earth Sciences (1%), and Social and Behavioral Sciences (18%). About 10% of the sample reported having majors other than the seven indicated. These students could have undeclared majors or double majors. This sample distribution showed an oversampling of Business majors and an undersampling of all other majors.

Table 1 presents the descriptive statistics of the sample. The majority (58%) of the students surveyed were between the ages of 21 to 24, with about 28% of the respondents between the ages of 18 and 20, and 14% of the respondents over 24. There was an almost even split of male and female respondents. More Juniors and Seniors responded to this survey (68% combined) than Freshmen and Sophomores (32% combined). The

majority of the respondents were Caucasians (88%), worked part time (65%), lived with their parents (57%), and had family income of more than \$40,000 (54%).

Table 1.
Descriptive Statistics of the Sample

Variable	Sample Percentages or Means (Standard Deviation)
Age (<21):	
21-24	58%
>24	14%
Gender (Male):	
Female	48%
Class (Freshmen and sophomores):	
Juniors and seniors	68%
Marital status (Not mar.):	
Married	25%
Race (Caucasian):	
Non-Caucasian	12%
Working status (not working):	
Full time	19%
Part time	65%
Family size	3.60 (1.55)
Living with parents	57%
Major (Business):	
Science and Engineering	15%
Fine arts /humanities	29
Health sciences	8%
Social sciences	18%
Family income (\$20K-\$40K):	
<20K	22%
>40K	54%

Note: All numbers are percentages except for the variable "family size".

Compared to the university official statistics (University of Utah, 2002), our sample was somewhat younger and has a slightly higher percentage of minority students. The official statistics show that in the 2000-2001 academic year, about 21% of undergraduate students were over the age of 25, while our sample only had 14% of students older than 24. The official statistics also show that the minority students comprised 7% of the undergraduate student population, while our sample percentage was

12%. The gender composition was comparable.

While we do not have comparable national data on undergraduate student profiles, we looked at the student profiles of two of the largest public universities in the U.S.: the University of Texas at Austin, and the Ohio State University. In the 2000-2001 academic year, the University of Texas at Austin had 36% minority students. In addition, 7.6% of its undergraduates were 25 or older (University of Texas at Austin, 2002). The Ohio State University had approximately 16% minority students. Eleven percent of its undergraduate students were 25 or older (Ohio State University, 2002). The gender composition was again comparable. This suggests that our student sample may be somewhat less diversified and more mature than students from other public universities.

Results

Tables 2, 4, and 6 present the top five ranking commodities or services selected by the respondents as status-conveying in the three sections: general-purpose, car-related, and house-related. A commodity or service was ranked the highest if it was selected by the greatest percentage of respondents. In addition, logistic regression analyses on the top two ranking commodities and services were conducted in order to explore whether students' perception of what commodities convey status varies by their demographic characteristics. Due to the exploratory nature of this study, we did not have any theoretical models guiding us as to which socio-demographic factors would affect students' perception. Thus we used the usual socio-demographic variables in our models: age (younger than 21 [reference group], between 21 and 24, and older than 24), gender (male [reference group] and female), class (freshman or sophomore [reference group], juniors or senior), marital status (not married [reference group] and married), race (Caucasian [reference group] and non-Caucasian), working status (not working [reference group], working full time, working part time), family size, living arrangement (not living with parents [reference group], living with parents), major (Business [reference group], Science and Engineering [including both Engineering and Mines and Earth Sciences], Fine arts / Humanities, Health Sciences, and Social Sciences), and family income (less than \$20,000, between \$20,000 and \$40,000 [reference group], and more than \$40,000).

General-purposes commodities and services

Table 2 presents the top five ranking commodities and services for the general purposes section. For the "a little extra money" category, "clothing" was selected as a commodity showing a higher status by 61% of the respondents, followed by "small vacations", "Palm

Pilot", "cell phone", and "fine dining". For the "a moderate amount of extra money" category, "laptop computer" was selected as a commodity showing a higher status by 44% of the respondents, followed by "moderate vacations", "furniture", "Jacuzzi", and "large screen HDTV". For the "a lot of extra money" category, "new bigger home" was selected as a commodity showing a higher status by 50% of the respondents, followed by "luxury car", "SUV", "boat", and "luxury vacations".

Cochran's Q tests were performed to see if the proportions of respondents choosing each of the top five ranking commodities were statistically significantly different (Fleiss, 1981). The test results are presented in Table 2. All test statistics have P-values less than 0.0001.

The logistic regressions (Table 3) show that age, gender, class, marital status, working status, family size, living arrangement, major, and income affect students' perception of whether the top two ranking commodities and services convey status. Compared to students who were younger than 21, students who were 24 or older were only 25% as likely to perceive "clothing" as a status good, and only 22% as likely to perceive "luxury car" as a status good. Females were 2.67 times as likely as males to perceive "clothing" and also "moderate vacations" but only 46% as likely as males to perceive "luxury car" as status conveying. Married students were only 51% as likely as unmarried students to consider "clothing" and 43% as likely to consider "luxury car" as status goods.

Students who were employed part time were 2.75 times as likely as students who were not employed to consider "small vacation" as status. Students who lived with their parents were 1.82 times as likely to consider "clothing" and 1.80 times as likely to consider "luxury car" as status conveying compared to students who did not live with their parents. Students' majors also affected their perception of what constitutes status consumption. Compared to Business majors, Science and Engineering majors were more likely to select "laptop computer" as status conveying, but less likely to perceive "small vacations" and "luxury car" as status goods. On the other hand, Fine Arts and Humanities majors were less likely to consider "laptop computer" as status conveying, compared to Business majors. Higher income students were less likely to select "new bigger home" as status conveying, compared to their middle income counterparts.

Car-related Commodities and Services

Table 4 reports the top five commodities and services selected by students as status conveying in the car section. For the "a little extra money" category, "CD player / stereo system" was selected as a commodity showing a higher status by 68% of the respondents, followed by "sunroof / moonroof", "automatic windows / locks", "car alarm", and "tinted windows". For the "a lot of extra money" category, "leather interior" was selected by 53% of the respondents, followed by "four-wheel/all wheel drive", "sound system", "On-Star GPS system", and "larger engine". Table 4 also presents the Cochran's Q test results. All test statistics were significant with P-values of less than 0.0001.

Table 2.
Top Five Ranking General Purpose Commodities that Represent Status - by Price Category

A little extra money (\$1-\$999)		A moderate amount of extra money (\$1,000-\$9,999)		A lot of extra money (\$10,000 or above)	
Clothing	60.6%	Laptop computer	43.9%	New bigger home	50.1%
Small vacation	30.5%	Moderate vacation	30.7%	Luxury car	45.0%
Palm Pilot	28.3%	Furniture	24.8%	SUV	29.4%
Cell phone	27.2%	Hot tub / Jacuzzi	24.5%	Boat	24.8%
Fine dining	18.6%	Large screen HD TV	24.0%	Luxury vacation	22.9%
Cochran's Q	157.7	Cochran's Q	46.43	Cochran's Q	93.13
P-Value	<0.0001	P-Value	<0.0001	P-Value	<0.0001

Table 3.

Logistic Regression Odds Ratio Estimates for the Top Two Ranking Commodities in the General Purpose Section

Variable	A little extra money		A moderate amount of money		A lot of extra money	
	Clothing	Small vacation	Laptop computer	Moderate vacation	New bigger home	Luxury car
Age (<21): 21-24 >24	0.59 0.25†	1.42 1.74	0.88 0.84	0.90 0.55	0.79 0.65	0.71 0.22†
Gender (Male): Female	2.67†	1.38	0.72	2.67†	0.94	0.46†
Class (Freshmen and sophomores): Juniors and seniors	1.50	0.57	1.22	1.21	0.94	1.54
Marital status (Not mar.): Married	0.51*	1.31	0.82	0.83	1.65	0.43*
Race (Caucasian): Non-Caucasian	1.30	1.47	0.69	0.69	0.90	1.16
Working status (not working): Full time Part time	1.17 0.99	2.17 2.75†	1.03 0.87	0.82 1.54	0.98 1.24	0.76 0.70
Family size	1.13	0.96	1.19	0.86	1.17	1.09
Living with parents	1.82*	1.67	1.14	1.38	1.42	1.80*
Major (Business): Science and Engineering Fine arts /humanities Health sciences Social sciences	0.86 0.77 2.10 0.88	0.37* 1.52 1.14 1.70	1.97* 0.53* 1.00 1.12	0.54 0.70 1.15 1.68	0.99 1.02 1.33 1.32	0.36† 1.09 0.44 0.82
Family income (\$20K-\$40K): <20K >40K	0.99 0.85	0.80 1.54	1.54 0.73	1.07 1.32	0.58 0.53*	0.67 0.46*
Max-rescaled R-square	0.16	0.12	0.09	0.15	0.06	0.15

Note: Variables in parentheses are reference categories.

* p<0.05

† p<0.01

The logistic regression results (Table 5) show that age, living arrangement, and family income affect students' perception of status goods in the car section. Compared to those younger than 21, students 25 or older were only 31% as likely to consider "CD/stereo" as a status good. Students living with their parents were only 61% as likely as those not to consider "sunroof / moonroof" as status conveying. Those with lower income (below \$20,000) were only 48% as likely to consider "sunroof / moonroof" and 49% as likely to consider "leather interior" as those with income between \$20,000 and \$40,000. "Sunroof / moonroof" was also less likely to be considered status conveying by students with family

income higher than \$40,000, compared to those with between \$20,000 to \$40,000 income.

Table 4.
Top Five Ranking Car-Related Commodities that
Represent Status - by Price Category

A little extra money (\$1-\$999)		A lot of extra money (\$1,000 or more)	
CD player / stereo system	68.5%	Leather interior	52.8%
Sunroof / moonroof	44.7%	Four-wheel / all-wheel drive	44.7%
Automatic windows / locks	34.8%	Sound system	39.1%
Car alarm	26.7%	On-Star / GPS system	27.5%
Tinted windows	22.6%	Larger engine	27.0%
Cochran's Q	192.3	Cochran's Q	72.1

Both Cochran's Q tests significant at $p < 0.0001$

House-related Commodities and Services

The top five ranking commodities and services selected by students as status goods in the house section are presented in Table 6. For the "a little extra money" category, "furniture" was selected by 44% of the respondents as a commodity showing a higher status, followed by "hot tub / Jacuzzi", "art", "automatic sprinkler", and "security system". For the "a moderate amount of money" category, "hardwood floor" was selected as a commodity showing higher status by 42% of the respondents, followed by "central air", "Jacuzzi", "vaulted ceiling", and "entertainment center". For the "a lot of extra money" category, "pool" was selected by 37% of the respondents, followed by "larger lot", "upperclass neighborhood", "multiple levels", and "professional landscaping". The Cochran's Q test results are presented in Table 6. All test statistics had P-values less than 0.0001.

Table 7 presents the odds ratio estimates from the Logistic regression models. Females were only 46% as likely as males to consider "Jacuzzi" as status conveying. Non-Caucasians were only 39% as likely as Caucasians to consider "Jacuzzi" as status conveying. Family size was negatively associated with the probability of selecting "central AC" as status-conveying. Non-Caucasians were only 35% as likely as Caucasians to consider "central AC" as status conveying. Compared to Business majors, all other majors except for Health Sciences had lower odds for choosing "pool" as status conveying. Finally, those with income above \$40,000 a

year were 1.99 times as likely to choose "central AC" as status conveying, compared to those with family income between \$20,000 and \$40,000 a year.

Discussion, Limitations, and Implications

Our results show that commodities and services that are considered status goods all have the feature of being either easily seen by others (for example, clothing, luxury car, Jacuzzi, furniture), or easily talked about in social conversations (for example, vacations). While a direct comparison between our results and results from previous studies is not possible, our result does support Burton and Fan (2001)'s suggestion that "sunroof/moonroof" in cars is perceived as status-conveying, and Schor (1998)'s statement that clothes, cars, and furniture are status goods. Our results also support the implicit assumption made by the non-scholarly economic and marketing publications that luxury cars are status commodities (Sports cars in America, 1992; Henry, 1992). It is not clear what the link is between the status commodities we identified and the economic definition of luxury commodity, which was used as a proxy of status commodities in a previous study (Fan, 2000).

While the commodities and services we identified no doubt have some real utilitarian values, they apparently also have social display functions. Further, the exploratory logistic analyses show that students' perception of what constitutes status goods vary by their socio-demographic characteristics. In particular, gender and different stages of the life-cycle play important roles in such perceptions. For example, females are likely to perceive "clothing" and "vacation" as status conveying, males are more likely to perceive "luxury car" and "Jacuzzi" as status conveying. Older, married students, who are at a later stage of their life-cycles compared to their younger, unmarried counterparts, are less likely to consider "clothing" and "luxury car" as status conveying. This life-stage effect is further supported by the impact of the variable "living with parents", which shows that those living with their parents (and presumably are at an earlier stage of their life-cycle) are more likely to consider "clothing" and "luxury car" as status conveying.

Table 5.
Logistic Regression Odds Ratio Estimates for the Top Two Ranking Commodities in the Car-Related Section

Variable	A little extra money		A lot of extra money	
	CD / stereo	Sunroof / moonroof	Leather interior	Four-wheel / all wheel drive
Age (<21): 21-24 >24	0.88 0.31*	0.67 0.73	1.29 0.85	0.94 0.88
Gender (Male): Female	0.68	1.00	1.46	1.51
Class (Freshmen and sophomores): Juniors and seniors	1.41	1.34	1.24	1.01
Marital status (Not married): Married	0.10	0.81	1.08	0.91
Race (Caucasian): Non-Caucasian	0.86	0.88	0.70	0.85
Working status (not working): Full time Part time	0.96 1.49	0.75 0.99	0.79 1.23	1.00 0.84
Family size	0.99	0.89	1.00	0.99
Living with parents	0.96	0.61*	0.86	1.38
Major (Business): Science and Engineering Fine arts /humanities Health sciences Social sciences	0.87 0.85 0.56 1.37	1.20 0.79 1.63 1.47	1.20 1.37 0.64 0.73	1.86 1.15 1.31 1.77
Family income (\$20K-\$40K): <20K >40K	2.04 1.09	0.48* 0.46†	0.49* 0.63	1.51 1.59
Max-rescaled R-square	0.09	0.07	0.07	0.06

Variables in parentheses are reference categories.

* p<0.05

† p<0.01

Table 6.

Top Five Ranking House-Related Commodities that Represent Status - by Price Category

A little extra money (\$1-\$2,499)		A moderate amount of extra money (\$2,500-\$9,999)		A lot of extra money (\$10,000 or above)	
Furniture	43.9%	Hardwood floor	41.8%	Pool	37.2%
Hot tub / Jacuzzi	40.7%	Central air	31.0%	Larger lot	28.6%
Art	27.8%	Hot tub / Jacuzzi	29.9%	Upper-class neighborhood	28.3%
Auto. Sprinkler	27.5%	Vaulted ceiling	28.0%	Multiple levels	22.4%
Security system	24.5%	Entertainment center	27.0%	Professional landscaping	22.1%
Cochran's Q	47.3	Cochran's Q	23.4	Cochran's Q	27.5
P-Value	<0.0001	P-Value	<0.0001	P-Value	<0.0001

Table 7.

Logistic Regression Odds Ratio Estimates for the Top Two Ranking Commodities in the House Section

Variable	A little extra money		A moderate amount of money		A lot of extra money	
	Furniture	Jacuzzi	Hardwood floor	Central AC	Pool	Larger lot
Age (<21): 21-24 >24	0.71 0.49	1.65 0.85	0.84 0.70	0.61 0.60	1.07 0.59	0.94 0.69
Gender Female	1.17	0.46†	0.97	1.11	1.23	1.12
Class Juniors and seniors	1.62	0.72	1.38	1.03	0.84	0.97
Marital status (Not mar.): Married	1.06	0.58	0.68	1.53	0.91	1.34
Race Non-Caucasian	1.22	0.39*	0.60	0.35*	0.93	0.75
Working status (not working): Full time Part time	1.55 1.22	1.10 1.21	0.67 0.55*	1.46 1.36	1.23 1.92	2.26 1.79
Family size	1.01	0.96	0.93	0.78*	0.95	0.94
Living with parents	1.06	1.20	0.91	0.62	0.90	0.80
Major (Business): Science and Engineering Fine arts /humanities Health sciences Social sciences	0.79 0.87 1.15 0.95	1.84 1.06 1.33 0.67	1.48 1.18 1.21 1.51	1.13 1.54 0.62 0.75	0.47** 0.37† 0.67 0.42*	1.54 1.11 1.28 1.26
Family income (\$20K-\$40K): <20K >40K	0.59 0.80	0.85 0.83	1.29 0.96	1.53 1.99*	1.16 0.85	0.55 1.10
Max-rescaled R-square	0.04	0.14	0.05	0.10	0.09	0.05

Note: Variables in parentheses are reference categories.

* p<0.05

† p<0.01

That the students' major plays quite an important role in their perception of status goods may indicate values leading to the selection of a particular major. Such values may then be reinforced by a peer-group effect. Such effects echo Duesenberry's relative income hypothesis (Duesenberry, 1949), in that within each peer group, people's perception of status goods may be similar; while among different peer groups, such perception can be somewhat different.

Obviously the sample used in this study is not representative of the U.S. population. One limitation is that this is a student sample. A student sample is likely to be younger and have a higher than average educational level than the general population. Because consumers' perceptions of what constitutes status consumption are likely to be affected by their age and educational level, the same survey administered to a national representative sample of the U.S. population may yield different results. A second sample limitation is that our student sample is probably more mature and less diversified than students in other U.S. universities. While these features may make our sample less similar to the U.S. college student population, they also make our sample somewhat more similar to the general young-adult population. Further studies should use more representative samples to see if our results hold for other samples of college students and for samples of the general population.

This study has several implications. First, this study adds to the discussion of status consumption by identifying certain commodities and services as conveying status. The fact that the commodities identified in this study all share the feature of being either visible or easily discussed shows that the theoretical definition of status consumption is well developed and measurable in empirical research. The finding that socio-demographic variables affect students' perception of status-conveying goods indicates that operationalization of the concept "status consumption" needs to be a dynamic process and takes the demographics of the target population into consideration. Second, understanding the attributes of status consumption can aid practitioners in devising financial plans for their clients. For example, if a client who wants to cut back on spending has an excessive amount of money spent on commodities identified in this study, then the financial counselor may want to discuss with the client his/her view on status consumption issues to see if that is the root of overspending. If that is the case, then spending on the commodities or features of commodities identified in this study may be the areas to cut back. Further, educational programs can be more effectively developed if the social needs of the recipients of such programs, including the needs of status

consumption and the needs for emulating others, are better understood.

In addition, this study has empirical implications. The findings of this study can help researchers investigating issues such as consumer debt and consumer bankruptcy to propose more specific hypotheses to test the link between debt and status consumption, especially in the college student population, and thus provide more assertive answers to the existence or absence of such a link. For example, researchers can test whether consumers with debt are more likely to buy luxury cars and/or spend more money on clothing. Establishing the presence or absence of such a link is especially important for college students as consumer debt has been increasing among college students. Many students double their average credit card debt and triple their number of credit cards while in college (Nellie Mae, 2002). More definitive answers to a link between status consumption and consumer debt can help financial counselors and planners better understand their clients in identifying causes of their financial management problems.

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