

People love the billionaire, but hate the billionaires' club

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Americans may respect and admire how individual billionaires—think Oprah Winfrey or Bill Gates—made their billions, even as they rage against the "top 1%" as a group, new research finds.

In eight related studies, people tended to have fewer problems with hearing about the extreme wealth of a particular wealthy person, even as they thought it was unfair that billionaires in general controlled so much riches.

"When there's this group of people at the top, we think that's unfair and wonder how luck or the economic system may have played a role in how they made all the money," said Jesse Walker, co-author of the study and assistant professor of marketing at The Ohio State University's Fisher College of Business.

"But when we look at one person at the top, we tend to think that person is talented and hard-working and they're more deserving of all the money they made."

And this difference may have real-life implications: People are more likely to support wealth taxes on the super-rich when they think about a group like the top 1%, but less likely to support these taxes when they think about a specific rich person.

Walker conducted the study with Thomas Gilovich, professor of psychology, and Stephanie Tepper, a Ph.D. student in psychology, both at Cornell University. Their findings were published today in the *Proceedings of the National Academy of Sciences*.

In one study, 201 survey respondents had very different opinions about how much more a CEO should make relative to the average employee depending on how this fact was presented.

One group of participants read that the salaries of the CEOs of the largest 350 companies in America had grown from 48 times the average worker in 1995 to 372 times today.

The other group of participants read about one specific company in the top 350, called Avnet, and how Avnet's CEO, Robert Eisen, had seen his salary grow from 48 times the average worker in 1995 to 372 times today.

Participants in the study read that observers attributed the growth of all 350 companies, or the growth of Avnet, to their CEOs.

Those who were told about Avnet's CEO thought that the ratio of his salary to the average employee should be significantly higher than did those who were told about the whole group of CEOs.

"We appear to be a bit more tolerant of lavish compensation when it is an individual CEO being compensated, rather than CEOs as a group," Walker said.

The way the wealthy are portrayed and praised in society and the media may play a large role in how accepting people are of economic inequality, he said.

In one study, participants were shown a *Forbes* magazine cover. Half saw a cover adapted from an issue that highlighted the wealthiest people in the world. The cover was edited to remove five billionaires that most people were familiar with, such as Gates and Winfrey, in order to eliminate any positive or negative biases people might have toward them. It included only the seven billionaires that most people would either know nothing about or not feel strongly about.

The other half were shown a cover with only one of the seven billionaires.

After reading a brief description of the person or persons on the cover, participants were asked to write a few sentences conveying how they felt

about the person or persons, and rate how much the person or persons deserved their wealth and how they thought they earned those riches.

The findings were striking, Walker said.

The comments of those who wrote about the individual were less angry than those who wrote about the group, and more likely to reflect the belief that the individual [billionaire](#)'s success was due to talent and hard work.

"People in our study were clearly more upset by the wealth of the seven individuals pictured on a single cover than they were by any one of them pictured alone," Walker said.

And there was more. People who saw the seven billionaires pictured together were more in favor of an inheritance tax to close the gap between the wealthy and poor than were those who saw only one billionaire.

"How we think of the wealthiest people—as a group or as individuals—seems to affect even our policy preferences," he said.

The issue of how we think about policy regarding inequality is important, Walker said. Economic inequality has [grown substantially over the past decades](#), particularly during the COVID-19 pandemic. [One analysis](#) suggests that U.S. billionaires saw their wealth surge \$1.8 trillion (62%) during the pandemic.

Research has shown that countries with greater [economic inequality](#) tend to have [higher homicide rates](#), [greater infant mortality](#), [lower well-being](#) and [lower commitment to democratic institutions](#).

"How we express and communicate information about inequality is

important. Talking about "the 1%" is going to get a different reaction than personalizing it by talking about one person in that exclusive club," Walker said.

"And as consumers, we need to pay attention to how we react to news about the rich and inequality. How that information is presented to us can influence us, even our policy preferences, in ways that we may not always consciously realize."

More information: People are more tolerant of inequality when it is expressed in terms of individuals rather than groups at the top, *Proceedings of the National Academy of Sciences* (2021). [DOI: 10.1073/pnas.2100430118](https://doi.org/10.1073/pnas.2100430118)

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