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## “Fear of Falling”: Economic Instability Enhances Collective Angst among Societies’ Wealthy Class

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*In 2008, an era of unprecedented growth and prosperity came to an end, and the world was plunged into the Great Recession, a Global Financial Crisis (GFC)—the worst since the 1930s Great Depression. We examined whether it is low- or high-SES people that are most affected psychologically—and most likely to express concern about the future vitality of their group—by uncertainty associated with economic instability. In two experiments, we found that even though those lower in SES report more collective angst than their wealthier counterparts, those who are higher in SES are more likely to become concerned when presented with information that the economy is a bubble about to burst, elevating their collective angst levels. Both studies also showed that collective self-definitions as competent and warm were affected by wealth but not by economic instability. Competence ratings increased with increasing wealth, whereas warmth ratings were lower for those both lower and higher in wealth, compared to those with moderate wealth. In Experiment 2, we also found that opposition to immigration was higher for the high-income group in the unstable than in the stable economic prospect condition. We conclude that even though those lower in income experience chronic collective*

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*angst, collective angst levels for those higher in income are elevated when they fear they may be living in a bubble economy—a bubble that may burst any moment.*

## Introduction

*“Riches leave a man [sic] always as much and sometimes more exposed than before to anxiety, to fear and to sorrow” (Adam Smith, 1776)*

*“Whether the middle class looks down toward the realm of less, or up toward the realm of more, there is the fear, always, of falling” (Ehrenreich, 1990, p. 15)*

The 2008 Global Financial Crisis (GFC) not only led to dramatic increases in unemployment, the devaluation of assets, and the collapse of the housing markets in many Western countries, it also changed people’s perceptions about the stability of the world they live in. For a generation that was used to relative economic stability, the GFC revealed that financial stability cannot be taken for granted, and that not all was what it appeared to be. Stable economies turned out to be bubble economies, and investments that were believed to be safe lost their value within days, and in many cases became liabilities. In other words, the GFC put an end to people’s perception that life is predictable and controllable. For people who had not encountered this type of economic instability in their life time, it heightened their concern about the future vitality of the societies in which they live.

In this research, we ask the question *who* is most likely to be sensitive to economic instability—people of low, average, or high incomes? Much of the research in social psychology and political science has focused on the effects of (actual and perceived) relative deprivation, among people affected by an economic downturn. Research has confirmed that people living in relative poverty are indeed harder hit by economic recessions, compared to those who are more prosperous, because they have fewer resources to fall back on (Riek, Mania, & Gaertner, 2006; Walker & Smith, 2001). While we do not challenge these findings, we argue that certain kinds of economic instability should, at least psychologically, affect the wealthy more than those on lower incomes and have a disproportionate psychological effect on those with greater wealth in society. More specifically, we argue that being confronted with a bubble economy is psychologically more consequential for “the haves” than “the have-nots.” We argue that precisely because the wealthy have a lot, they also have a lot to lose when financial markets collapse overnight. On the other hand, even though individuals on low incomes face a daily challenge to make ends meet, a challenge that is psychologically extremely stressful, they have less to fear of this particular type of threat because they have much less to lose from collapsing house prices and stock markets. This prediction not only makes intuitive sense, it is also consistent with theorizing from social identity theory on how high-status groups (i.e., wealthy groups in society) respond to instability within the broader sociostructural context (Tajfel & Turner, 1979,

see also Ellemers, Doosje, van Knippenberg, & Wilke, 1992; Harvey & Bourhis, 2011; Mols & Jetten, forthcoming). Here, we will apply this theorizing and use it to develop our prediction that, psychologically speaking, wealthy people should be more affected by threats posed by this type of economic crisis than their poorer counterparts.

### *Status Anxiety among Wealthy Groups*

A key premise of the social identity approach is that in order to maintain a positive identity, group members will aim to compare their group positively on a relevant dimension of comparison with other wealth groups. However, because these social groups find themselves at different starting positions within stratified societies, the strategies that they use may differ. Whereas members in low-income or low-status groups will aim to *achieve* wealth and status (either individually or as a group), wealthy or high-status groups aim to *maintain and protect* their high status (Ellemers et al., 1992; Harvey & Bourhis, 2011; Spears, Greenwood, De Lemus, & Sweetman, 2010).

While social identity theorizing has mostly focused on strategies that members of low-status groups use to improve their status, there is growing interest in strategies that high-status group members use to preserve their privileged status. Social identity theorizing draws attention to features of the broader sociostructural context (e.g., permeability of group boundaries, stability and legitimacy of status relations) and posits that such factors determine the strategies toward which low-status group will gravitate. What has been less appreciated, though, is that these factors are also key in explaining responses by high-status groups (Haslam, 2004; Mols & Jetten, forthcoming). In particular, when confronted with rapid social crisis and economic instability, high-status groups in particular may experience a general “fear of falling” (Ehrenreich, 1990), and this fear tends to involve two distinct anxieties, both associated with a sense of decline. First, due to the instability of the economy, high-status groups may fear that the status quo will change, that they may lose their advantaged status in the future and that their group may be “slipping downwards.” Second, high-status groups may fear that economic instability may mean that boundaries between groups become more permeable: Poorer groups may challenge the status quo and other less wealthy groups may “encroach upwards” (Bobo, 1999; Martinovic & Verkuyten, 2013; Minescu & Poppe, 2011), enhancing a concern that an outgroup is “getting ahead of itself” and forgetting its place in society.

In order to refine our understanding of these psychological processes and their consequences, we focus in particular on responses of wealthy groups and examine the effect of “fear of falling” resulting from economic instability on (a) collective angst (i.e., the future vitality of the group), thereby paying attention to the distinction between fear of one’s own group slipping back, and fear of other

groups encroaching on “us,” but also on (b) collective self-definitions, and (c) attitudes toward newcomers such as immigrants and refugees. We discuss these in turn.

### *Collective Angst*

As Durkheim (1897/1951) observed in his famous work on suicide, sudden economic fluctuations can affect people deeply in that it affects their sense that the world is stable and predictable. Abrupt changes to the sociostructural context can cause angst: anxiety and a fear for the future because a sense of control over the group’s standing is lost.

There is some experimental evidence for these predictions. For example, Scheepers, Ellemers, and Sintemaartensdijk (2009) focused on the stability of the status position for both high- and low-status groups. They showed experimentally that only high-status groups who feared to lose their status in the future displayed a physiological stress response as measured by higher systolic blood pressure and pulse rate. Those lower in status and those higher status group members who perceived their status as relatively stable showed less physiological stress response (see also Sapolsky, 2004; Scheepers & Ellemers, 2005). Building on the prospect theory prediction that people are loss averse (Kahneman & Tversky, 1979), the organizational psychology literature suggests this is particularly true for people with high status. That is, high-status individuals experience more threat and perform worse after status loss than low-status individuals who experience comparable status loss (Marr & Thau, 2013).

Even though people on higher incomes are generally more secure than people on lower incomes, it can be argued that the GFC may, at least psychologically, have hit higher income people relatively hard. The fear of losing one’s wealth overnight is anxiety provoking and should make people fearful of the future. We focus here on collective angst, which we define as the fear for the future vitality of the group. It refers to a sense of uncertainty, lack of predictability of future events, and concern for what might happen in the future to one’s group and one’s wealth. While some have focused on angst that an individual may experience (Barlow, 1991), here, we are interested in how the collective or group is affected by such concerns (see also Wohl, Branscombe, & Reysen, 2010; Wohl, Giguère, Branscombe, & McVicar, 2011).

### *Collective Self-Definitions as Competent but Cold*

We also aim to assess how wealth and economic instability (potentially interactively) affect collective self-definitions. Consistent with the Stereotype Content Model (SCM; Cuddy, Fiske, & Glick, 2007), we focused on two core self-stereotyping dimensions: competent versus incompetent, and cold versus warm.

In line with this body of research we hypothesized that wealthy people will self-stereotype as competent and cold (rather than incompetent and warm). Those on lower incomes, by contrast, are stereotypically associated with higher levels of warmth, and lower levels of competence (see also Durante, Tablante, & Fiske, 2017). We were open to the finding that these collective self-definitions are amplified in times of economic instability.

Most of the research on the content of stereotypes has focused on how we perceive other groups. Little attention so far focuses on how stereotypes about *own* status groups are dependent on the perceived status or wealth hierarchy. Our research will therefore focus on how self-stereotype of groups that differ in wealth may be affected by wealth and instability.

### *Opposition to Immigration*

It has been argued that when members of the high-status group feel secure in their high status and when they feel their comfortable at the top of the hierarchy, they may show greater generosity toward members of lower status group, in particular on those aspects of the status comparison that are irrelevant to the key comparison dimension (Sachdev & Bourhis, 1985; Vanbeselaere, Boen, van Avermaet, & Buelens, 2006). For example, research has revealed that members of high-status groups show ingroup bias on the status-defining dimensions, but no bias or even bias in favor of another group with less status on status-irrelevant dimensions (Bettencourt, Dorr, Charlton, & Hume, 2001; Mullen, Brown, & Smith, 1992; Turner & Brown, 1978).

However, economic instability may undermine the psychological security of the high-status position. Indeed, in times of economic instability it is in particular those who have acquired wealth in the past who start to worry about the fear of falling. A sudden economic downturn may trigger relative deprivation concerns because people feel that they are no longer able to secure the same valued outcomes as they did in the past (Davies, 1962; Mols & Jetten, in press; Postmes & Smith, 2009; Ragnarsdóttir, Bernburg, & Ólafsdóttir, 2012).

There is some evidence that high-status groups may become more prejudiced toward minority groups when they fear they will lose their status in the future. LeBlanc, Beaton, and Walker (2015) found some evidence for this prediction in a study among undergraduate students at a prestigious Canadian university. In this study, participants who were led to believe that they would lose their advantaged position in the future were more prejudiced towards a minority group (i.e., Aboriginals in Canada) than participants who received information that their advantaged status was stable.

Combining these ideas, we propose here that economic instability may be associated with higher opposition to immigration, particularly for wealthy respondents. We were open to the idea that collective self-stereotypes would mediate

the effect of wealth and economic instability on opposition to immigration. Our reasoning is that for wealthy people in particular, economic instability should be associated with the development of collective self-stereotypes as competent but cold, and it should also serve to justify the exclusion of minority groups such as immigrants.

### *The Present Research*

Bringing these predictions together, two studies focused on whether economic instability moderates effects of wealth on (a) collective angst (i.e., the fear for the future vitality of the own wealth group), (b) collective self-definitions as warm and competent, and (c) opposition to immigration. We conducted two studies where wealth and economic stability was experimentally manipulated. We focused on responses by wealthy groups to economic instability, because wealthy groups (or “haves”) should be relatively vulnerable and sensitive to the type of instability that marked the GFC: fear that house prices and financial markets may collapse, and fear that possessions may have lost their value overnight.

## **Experiment 1**

### *Method*

*Participants and design.* Participants were 194 MTurk workers (74 females, 120 males, with an average age of  $M = 35.22$  years,  $SD = 11.94$ ). The design was a 3 (wealth: low-income, moderately wealthy, wealthy)  $\times$  2 (economic instability: stability vs. instability) factorial design.

*Procedure and measures.* We developed a paradigm designed to make participants feel temporarily wealthy or poorer (see Jetten, Mols, & Postmes, 2015). To do this, in the first part of the experiment, we asked our participants to imagine they had joined a society called Mambiza. Participants read that, just like any other society, Mambiza is a stratified society in which there are clear differences in income between different groups: Some groups are relatively poor, and others are wealthier. Participants were informed that Mambiza consists of 3 income groups, with the low-income group earning less than 10,000 Mambizean Dollars (MD) per year, the moderately wealthy group earning between 10,000 MD and 100,000 MD, and the wealthiest group earning more than 100,000 MD per year. Participants were then allocated to one of these income groups. Participants then completed a manipulation check asking them to indicate to what extent they agreed with the statements “my group is poor” (recoded) and “my group is rich” on a 7 point scale ranging from 1 = *Strongly disagree* to 7 = *Strongly agree* ( $r = .86, p < .001$ ).

Once participants were allocated to an income group, they were told that in order to start their new life, they needed to purchase essential items such as a house and car. We then presented all participants with a number of houses to choose from, ranging from old and run-down dwellings to luxurious mansions. Importantly, the houses on offer were listed by income group, with three houses to choose from per income group. Participants were advised that they could only buy a house within or below their income bracket. If participants selected a house that did not meet this condition (e.g., it was more expensive than their income group could afford), they received a message alerting them to their mistake, and inviting them to make a different selection. The same procedure was used when buying a car, phone, and holiday. Finally, participants were asked if they would be interested in purchasing luxury items such as a jet ski, a hot tub, or a surround-sound entertainment system for their new house. Even though participants of all income groups could see these items, only participants in the wealthy group were able to purchase them.

After this, economic instability was manipulated by asking participants to read one of two articles. Participants in the high economic instability condition received a fictional newspaper article titled “Is the bubble about to burst? Unexpected market change causes concern in Mambiza.” The article informed readers that Mambiza’s economy was precarious, about to collapse, and that *all* citizens could lose a substantial part of their assets. In the low economic instability condition, participants were presented with an alternative article entitled “Budget projections show stable economic conditions for Mambiza.” According to this article, Mambiza’s economy was sound, and citizens should expect no changes to the economic conditions in Mambiza in the near future.

The instability of income manipulation was checked using three items asking participants to indicate to what extent they thought these were relevant descriptors of the situation in Mambiza. The items were “stability” (recoded), “uncertainty,” and “instability.” Responses were measured on a scale ranging from *Very irrelevant* (1) to *Very relevant* (7). The three items were combined into a composite measure of economic instability ( $\alpha = .82$ ).

After completing collective angst and collective self-definition measures (described below), a new group was introduced to Mambiza, and participants were informed that newcomers might need assistance from the other groups in order to be able to start their new lives. Participants were then asked to complete opposition-to-immigration measures, after which they were debriefed and thanked for their participation.

*Dependent measures.* Responses were recorded on 7-point scale with endpoints ranging from *Strongly disagree* (1) to *Strongly agree* (7) unless indicated otherwise.



*Collective angst.* An 8-item measure, adapted from Wohl and Branscombe (2009), was used to assess collective angst. Participants were required to indicate their agreement with statements such as “I am worried about the future vitality of my income group.” Four items were reverse coded, after which all items were averaged ( $\alpha = .95$ ).

*Collective self-definition as competent and warm.* Competence was measured with three items (“competent,” “capable,” and “weak” [reverse-scored],  $\alpha = .81$ ), and three items were used to assess warmth (“warm,” “friendly,” “likeable,”  $\alpha = .82$ ). For each of these traits, participants were asked to indicate the extent to which they perceived the trait described their income group.

*Opposition to immigration.* An 8-item scale was used to assess attitudes toward newcomers (e.g., “I think our group should not allow newcomers to Mambiza,” “In schools where there are too many children from the new group, the quality of education will suffer,” “The cultural practices of the new group will threaten the Mambizean way of life”). Responses were measured on a 7-point scale from *Not at all* (1) to *Extremely* (7). After reverse scoring one item (“I feel a sense of responsibility to help the new group”), items were combined into a composite measure with higher scores indicating greater opposition to immigration ( $\alpha = .92$ ).

## Results

*Wealth manipulation check.* A 3 (wealth)  $\times$  2 (economic instability) ANOVA on the wealth check revealed only a main effect of income group,  $F(2, 188) = 283.87, p < .001, \eta^2_p = .75$ . A Bonferroni post hoc test showed that those in the wealthy group ( $M = 6.18, SD = 1.49$ ) perceived their group to be significantly richer than did participants in the moderate wealth group ( $M = 4.29, SD = 0.68$ ),  $p < .001$ . Participants in the moderate wealth group perceived themselves to be significantly richer than did those in the low-income group ( $M = 1.56, SD = 1.07$ ),  $p < .001$ .

*Economic instability manipulation check.* A main effect of instability was found,  $F(1, 188) = 208.60, p < .001, \eta^2_p = .53$ , indicating, in line with the manipulation, that those in the economic instability condition thought that Mambiza was significantly more unstable ( $M = 5.45, SD = 1.05$ ) than those in the stable condition ( $M = 2.98, SD = 1.36$ ). Albeit weaker, there was also a main effect of wealth group on stability perceptions,  $F(2, 188) = 5.61, p = .004, \eta^2_p = .06$ , suggesting that instability perceptions were highest among the low-income group ( $M = 4.61, SD = 1.59$ ), followed by the moderately wealthy ( $M = 4.12, SD = 1.74$ ), and lowest for the wealthy ( $M = 3.86, SD = 1.81$ ). The interaction,

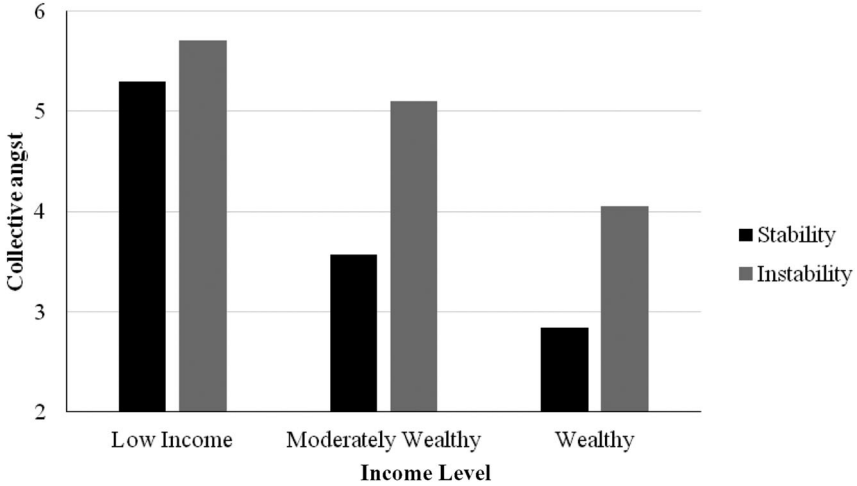
between wealth group and economic instability was not significant,  $F(2, 188) = 1.77, p = .17, \eta^2_p = .02$ . We conclude that both the wealth and economic instability manipulations were successful, but that the latter manipulation also differentially impacted perceptions of economic stability for each of the wealth groups.

*Collective angst.* A main effect for wealth group was found,  $F(2, 188) = 56.58, p < .001, \eta^2_p = .38$ , indicating that collective angst was significantly higher for the low-income group ( $M = 5.39, SD = 1.28$ ) than the moderately wealthy ( $M = 4.27, SD = 1.22$ ),  $p < .001$ . The moderately wealthy reported higher collective angst than the wealthy ( $M = 3.32, SD = 3.31$ ),  $p < .001$ . Collective angst was also found to differ as a function of economic instability,  $F(1, 188) = 28.29, p < .001, \eta^2_p = .13$ . Those in the high economic instability condition reported higher levels of collective angst ( $M = 4.75, SD = 1.26$ ) than those in the low economic instability condition ( $M = 3.90, SD = 1.70$ ).

We also found a significant interaction between wealth group and economic instability,  $F(2, 188) = 24.94, p < .001, \eta^2_p = .21$ . Simple effects revealed that, among the low-income group, collective angst was higher in the stable ( $M = 5.76, SD = 0.94$ ) than in the unstable condition ( $M = 5.03, SD = 1.46$ ),  $p < .001$ . In the moderate wealth condition, we found the reverse effect: Those in the unstable condition ( $M = 5.05, SD = 0.91$ ) reported significantly more collective angst than those in the stable condition ( $M = 3.48, SD = 0.97$ ),  $p < .001$ . This same effect was seen for the wealthy-income group, where collective angst was higher in the unstable condition ( $M = 4.17, SD = 1.13$ ) than in the stable condition ( $M = 2.48, SD = 1.13$ ),  $p < .001$  (see Figure 1).

*Collective self-stereotyping as competent.* We found only a significant main effect of wealth group on participants' perception of their own group as competent,  $F(2, 188) = 28.26, p < .001, \eta^2_p = .23$ , whereby competence perceptions increased as income increased. The low-income group judged their group as significantly less competent ( $M = 4.19, SD = 1.36$ ) than did the moderate wealth group ( $M = 5.22, SD = 0.96$ ),  $p < .001$ . The low-income group also differed from the wealthy group ( $M = 5.63, SD = 0.99$ ),  $p < .001$ , but there was no difference in own competence perceptions between the moderate wealth group and the wealthy-income group,  $p = .14$ .

*Collective self-stereotyping as warm.* Analyses of variance revealed only a main effect for wealth group,  $F(2, 188) = 5.35, p = .005, \eta^2_p = .05$ . Post hoc tests showed that self-stereotyping as warm was lowest in the low-income group ( $M = 4.39, SD = 1.19$ ) and the wealthy group ( $M = 4.38, SD = 1.25$ )—both lower than the moderate wealth income group ( $M = 4.94, SD = 0.83$ ),  $p = .015$  and  $p = .015$ , respectively. The low-income and wealthy-income group did not differ in self-stereotyping the ingroup as warm,  $p = 1.00$ .



**Fig. 1.** Fear for the future of one's income group as a function of wealth and economic instability (Experiment 1).

*Opposition to immigration.* We found only a main effect for wealth group,  $F(2, 188) = 3.25, p = .041, \eta^2_p = .03$ , indicating that opposition to immigration decreased with increasing income levels ( $M_{low-income} = 4.34, SD = 1.33, M_{moderate\ wealth} = 3.84, SD = 1.47, M_{wealthy} = 3.75, SD = 1.52$ ). The low-income group did not differ from the moderate wealth group,  $p = .133$ , and only marginally significantly from the wealthy group,  $p = .063$ . There was no difference in opposition to immigration between the moderate wealth group and the wealthy-income group,  $p = 1.00$ .

### Discussion

When predicting the conditions under which people will be most fearful for the future of their income group, we found that higher levels of wealth and perceived stability of the economic situation led to lower levels of collective angst. Specifically, we found a main effect for instability (i.e., higher collective angst when the economic situation was unstable rather than stable) and a main effect for wealth (i.e., less collective angst the higher the wealth). However, these effects were qualified by an interaction between instability and wealth group. For those in the low-income income group, collective angst was higher when economic conditions were stable than when they were unstable. Even though we had not predicted this finding, it is consistent with the classic social identity theorizing that stability is threatening for those at the bottom of the hierarchy because it

reinforces the status quo and undermines the hope for a better future. In contrast and consistent with predictions, the reverse effect was found for the moderately wealthy and wealthy group: Relatively speaking, for those assigned to these wealth groups, it was instability that led to more collective angst than when economic conditions were stable.

We also found that collective self-definitions were affected by wealth group, but not by stability: Both the wealthy and the low-income group were perceived as colder than the moderately wealthy group, regardless of economic stability. We also found that the more wealthy the group, the more participants inferred that the group was competent and capable. We only found a marginally significant effect for wealth group on our opposition to immigration measure: There was a trend that increasing wealth was associated with less opposition to immigration.

In sum, we found that even though those who are wealthier may generally speaking be less anxious about the future of their income group, consistent with predictions, instability of the economic situation elevated their collective angst levels compared to stable economic conditions. However, even though interesting effects of wealth group were found on collective self-stereotyping and opposition to immigration, stability did not moderate these effects. We therefore decided to examine support for our predictions in a second experiment using a similar design, but testing predictions in a setting where we had more control over participation in the study.

## Experiment 2

### *Method*

*Participants and design.* A total of 132 Australian undergraduate students participated in an online experiment in return for course credits (105 females and 27 males with age ranging from 17 to 54,  $M = 22.34$ ,  $SD = 7.75$ ). Sixteen cases were removed due to incomplete survey data. Australian citizenship was a prerequisite for participation in the experiment. Despite this, three participants reported that they were not Australian citizens. Results were unaffected by the inclusion of this data, and as such the non-Australian citizen data were retained. The design was again a 3 (wealth: low-income, moderately wealthy, wealthy)  $\times$  2 (economic instability: stability vs. instability) factorial design with random allocation to conditions.

*Procedure and measures.* As in Experiment 1, participants were informed they would become part of a hypothetical society called Mambiza. Wealth group assignment and instability of income was manipulated in the same way as in Experiment 1. The manipulation of wealth (2 items,  $r = .91$ ,  $p < .001$ ) and economic instability ( $\alpha = .83$ ) was checked in the same way as in Experiment 1.

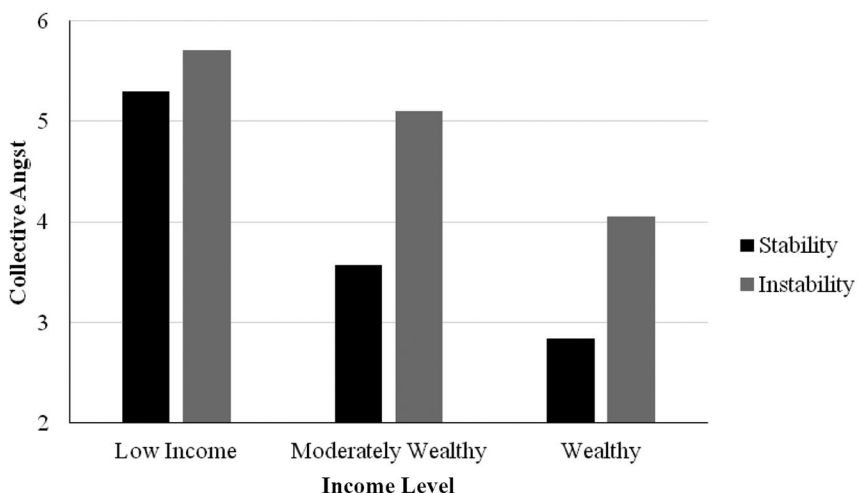
We also used the same items to assess collective angst ( $\alpha = .93$ ), and collective self-definition (as competent,  $\alpha = .83$  and warm,  $\alpha = .85$ ). We again informed participants that a new group (called newcomers) would be joining Mambiza after which they were asked to complete the same opposition-to-immigration items as used in Experiment 1 ( $\alpha = .85$ ). After completing all measures, participants were debriefed, and they were thanked for their participation.

## Results

*Wealth manipulation check.* A 3 (wealth)  $\times$  2 (economic instability) ANOVA on the wealth check revealed only a main effect of income group,  $F(2, 125) = 99.11, p < .001, \eta^2_p = .61$ . A Bonferroni post hoc test showed that those in the wealthy group ( $M = 6.09, SD = 1.43$ ) perceived their group to be significantly richer than participants in the moderately wealthy group ( $M = 4.53, SD = 0.81$ ),  $p < .001$ . Participants in the moderately wealthy group perceived themselves to be significantly richer than those in the low-income group ( $M = 2.31, SD = 1.41$ ),  $p < .001$ .

*Economic instability manipulation check.* A main effect of instability was found,  $F(1, 126) = 117.05, p < .001, \eta^2_p = .48$ , indicating, in line with the manipulation, that those in the unstable condition thought that Mambiza was significantly more unstable ( $M = 5.61, SD = 0.82$ ) than those in the stable condition ( $M = 3.53, SD = 1.37$ ). We also found a significant interaction between wealth and instability,  $F(2, 126) = 3.55, p = .032, \eta^2_p = .05$ . Inspection of the means suggested that whereas the instability condition was perceived rather similarly by the three wealth groups ( $M_{low-income} = 5.63, SD = 0.89, M_{moderate\ wealth} = 5.68, SD = 0.72, M_{wealthy} = 5.50, SD = 0.87$ ), the stability condition was perceived as most stable by the moderate wealth group ( $M = 3.03, SD = 1.08$ ), followed by the low-income group ( $M = 3.48, SD = 1.46$ ) and least stable by the wealthy group ( $M = 4.09, SD = 1.37$ ). Despite the fact that wealth group affected the stability manipulation, we conclude that the wealth and instability manipulations had both been successful.

*Collective angst.* As in Experiment 1, we again found a main effect for wealth group,  $F(2, 126) = 52.95, p < .001, \eta^2_p = .46$  (higher collective angst with decreasing wealth) and a main effect for economic instability,  $F(1, 126) = 40.89, p < .001, \eta^2_p = .25$  (higher levels of collective angst in the unstable than the stable economic condition). The interaction between wealth group and economic instability was also significant,  $F(2, 126) = 4.10, p = .019, \eta^2_p = .06$ , see Figure 2. Whereas the stability manipulation did not significantly affect collective angst perceptions for the low-income group ( $M_{unstable} = 5.71, SD = 0.89, M_{stable} = 5.30, SD = 1.02, p = .15$ ), collective angst was higher in the unstable



**Fig. 2.** Fear for the future of one's income group as a function of wealth and economic instability (Experiment 2).

than in the stable condition for both the moderately wealthy ( $M_{unstable} = 5.10$ ,  $SD = 0.78$ ,  $M_{stable} = 3.57$ ,  $SD = 0.99$ ,  $p < .001$ ) and the wealthy-income groups ( $M_{unstable} = 4.05$ ,  $SD = 0.89$ ,  $M_{stable} = 2.84$ ,  $SD = 0.98$ ,  $p < .001$ ).

*Collective self-stereotyping as competent.* There was only a significant main effect of income on participants' perception of their own group as competent,  $F(2, 126) = 30.61$ ,  $p < .001$ ,  $\eta^2_p = .33$ , showing that competence perceptions of own group increased as income increased. The low-income group judged their group as significantly less competent ( $M = 4.03$ ,  $SD = 1.09$ ) than the moderate wealth group ( $M = 5.17$ ,  $SD = 0.90$ ),  $p < .001$ . In turn, the moderate wealth group perceived their group as marginally significantly less competent than the wealthy-income group ( $M = 5.69$ ,  $SD = 1.02$ ),  $p = .057$ .

*Collective self-stereotyping as warm.* Analyses of variance revealed only a main effect of wealth,  $F(2, 126) = 9.28$ ,  $p < .001$ ,  $\eta^2_p = .13$ . Post hoc tests showed that self-stereotyping as warm was lower in the low-income group ( $M = 4.41$ ,  $SD = 1.15$ ) than in the moderate wealth group ( $M = 5.02$ ,  $SD = 0.83$ ),  $p = .027$ . Participants in the wealthy group ( $M = 4.05$ ,  $SD = 1.13$ ) rated their group as least warm—as less warm than participants in the moderate wealth group,  $p < .001$ . The low-income and wealthy group did not differ significantly in the extent to which they rated own group as warm,  $p = .328$ .

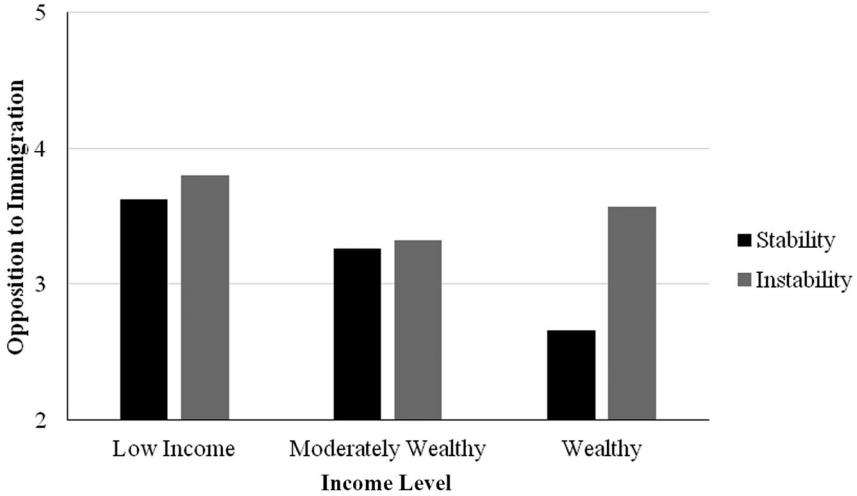


Fig. 3. Opposition to immigration as a function of wealth and economic instability (Experiment 2).

*Opposition to immigration.* Analysis revealed a main effect of wealth,  $F(2, 126) = 3.58, p = .031, \eta^2_p = .05$  indicating that, as in Experiment 1, opposition to immigration decreased with increasing income levels ( $M_{low-income} = 3.71, SD = 1.20, M_{moderate\ wealth} = 3.29, SD = 1.04, M_{wealthy} = 3.12, SD = 1.05$ ). We also found a significant effect of instability,  $F(1, 126) = 4.23, p = .042, \eta^2_p = .03$ , indicating that opposition to immigration was higher in the unstable ( $M = 3.56, SD = 1.04$ ) than in the stable conditions ( $M = 3.19, SD = 1.16$ ). The interaction between income level and instability of income was not significant,  $F(2, 126) = 2.03, p = .14, \eta^2_p = .03$ .

Closer inspection of the means, however, showed that stability only significantly affected the wealthy group's opposition to immigration,  $p < .006$ : Opposition to immigration was higher in the unstable than in the stable condition only for the wealthy-income groups ( $M_{unstable} = 3.57, SD = 1.03, M_{stable} = 2.66, SD = 0.86, p = .006$ ), but not for the moderate wealth ( $M_{unstable} = 3.32, SD = 1.04, M_{stable} = 3.26, SD = 1.06, p = .848$ ), or the low-income groups ( $M_{unstable} = 3.80, SD = 1.04, M_{stable} = 3.63, SD = 1.35, p = .583$ ), see Figure 3.

### Discussion

Consistent with the collective angst effect in Experiment 1, collective angst was higher when the economic situation was unstable compared to stable. Furthermore, with increasing wealth, collective angst decreased. However, these main effects were qualified by an interaction showing that economic instability only

mattered for participants in the moderate and wealthy groups, with higher collective angst reported when the economic situation was unstable compared to when it was stable.

A similar effect (albeit weaker) was observed on opposition to immigration. There was a main effect for stability with more opposition to immigration when the economy was presented as unstable rather than as stable. We also found a main effect for wealth with declining opposition to immigration when groups were wealthier. However, it was also clear that, once again, it was the wealthy group that was most sensitive to the stability of the economy, with higher opposition to immigration when the economy was presented as unstable compared to stable.

We again found that, regardless of the stability of the economy, collective self-definitions of one's group as competent increased, the wealthier the groups were. Furthermore, a main effect for wealth was found on collective self-definitions as warm: Wealthy and low-income groups perceived themselves as less warm than members of moderately wealthy groups.

### General Discussion

Our analyses of responses showed that fear for the future not only differed depending on the income group participants had been allocated to, but also on economic instability. Not surprisingly, as a baseline main effect, it was participants in the wealthy-income group and those in the moderately wealthy-income groups who were less fearful of the future of their income group compared to those who were allocated to the low-income group.

However, this situation changed when the economy in Mambiza was presented as a bubble about to burst. Even though all participants who had read this article were more fearful of the future than those who had read the article that the economy was stable, fear particularly rose for participants in the wealthiest income group. In particular, we found that those in the wealthy group expressed a higher fear for the future of the income group when the economic situation was unstable compared to when it was stable.

Those in the low-income group were generally fearful of the future of their income group and, in Experiment 1, they were found to be more fearful when the economy was presented as stable rather than unstable. This finding maps well onto the conventional wisdom view that people on lower incomes face a constant struggle and that stability (compared to instability) also emphasizes the enduring and chronic nature of their poverty.

In these experiments, the moderately wealthy responded to instability of the economy in similar ways to those who were at the top of the wealth pyramid. This is consistent with classic theorizing that being "stuck in the middle" is a particularly unfortunate position to be in—one that is associated with high anxiety and fear of falling in and of itself (Ehrenreich, 1990). People in such groups may



believe they are better off than other groups (e.g., working classes), but they also know that their status is not as high as it is for some other groups (e.g., upper classes). This is often the fate of lower middle classes (or “petite bourgeoisie,” to use Karl Marx’s terminology).

### *Limitations and Directions for Future Research*

Even though our studies provide high experimental control, there are clear limits to the role-playing and the “imagine” paradigm that we used here. Explicit random assignment to wealth does not fully simulate inheriting or earning wealth. That being said, there is mounting evidence of a link between economic prosperity, instability, and the appeal of radical anti-immigration parties and movements (Betz, 1994; Lubbers, Gijsberts, & Scheepers, 2002; Mols & Jetten, 2015). Our experimental findings chime well with the finding that populist right-wing parties have done remarkably well in times of economic instability and among relatively wealthy groups of voters (see Mols & Jetten, forthcoming). What remains less well understood, though, are the factors rendering the wealthy frightened of the future, attached to their privilege, and hostile towards those in need. We have focused on the role of economic instability, but future research should also focus on other moderators to this relationship (e.g., deservingness of wealth). Furthermore, to broaden the scope of the research, future research should also focus on other outcome variables than the ones we studied here such as, for example, the lack of prosocial helping or lack of empathy for vulnerable people in society (e.g., homeless or unemployed individuals).

### *Implications*

These findings shed new light on the question we had asked ourselves: *Who* is most likely to be sensitive to financial instability resulting from the collapse of an economic bubble—those on low, average, or high incomes? It appears that people on lower incomes are chronically fearful of the future, and their anxiety and fear levels trump those of the moderately wealthy and the wealthy, regardless of the economic context in which they find themselves (see also Mullainathan & Shafir, 2013).

However, those who are wealthier may rapidly *become* more fearful when they perceive that the economic context becomes unpredictable and unstable. In fact, fear may be particularly difficult to cope with for those for whom fear is not a chronic state, but one that is out of the ordinary and not expected. In Experiment 2, we found that these collective angst patterns of results mirrored the trends that were observed on the opposition to immigration measure. It was only for the wealthy groups that we saw a marked rise in opposition to immigration when confronted with economic instability compared to economic stability.

In sum, with the entire world now in the grip of the global financial crisis, it is clear that one can no longer rely on what were once regarded economic and financial certainties. Two studies showed that even though people on low incomes are clearly threatened by their chronically disadvantaged position, instability brought on by the crisis might not affect them greatly. However, those who are prosperous have psychologically most to lose when the bubble is about to burst. In addition to collective self-definitions as cold but competent, threats posed by economic uncertainty enhances anxiety among the affluent, and this may, at times (as Experiment 2 shows), form fertile soil for anti-immigrant sentiments.

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