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**The role of socio-economic status on luxury expenditures: evidence from a survey experiment among middle to low-income households**

**Tesis**

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**The role of socio-economic status on luxury expenditures: evidence from a survey experiment among middle to low-income households**

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## RESUMEN

Este trabajo explora el papel del estatus socioeconómico en las decisiones de ahorro/consumo. Realizamos un experimento, a través de una encuesta, en el que pedimos a los participantes que asignen una hipotética bonificación laboral inesperada en efectivo en tres categorías: ahorro, gastos en necesidades y gastos en lujos. El experimento consta de tres tratamientos en los que los participantes se exponen aleatoriamente a un ejercicio de imprimación diseñado para recordar el estatus social de compañeros cercanos, el estatus social de personas famosas, y el estatus en categorías de tarjetas de crédito. Encontramos que el estatus social de los compañeros cercanos aumenta la asignación al consumo de lujo -significativo al nivel del 5%. Además, mostramos que hay características específicas que influyen en el efecto del estatus social. Los participantes de mayor edad y los individuos que viven en ciudades distintas a Quito o Guayaquil son los que más responden a nuestros tratamientos. Del mismo modo, los individuos con más conocimientos financieros responden más fuertemente al estatus de sus compañeros que los participantes con menos conocimientos financieros. También encontramos que los individuos que tienen un alto uso de las redes sociales no responden a nuestros tratamientos de estatus social (quizás ya están saturados de estatus en sus plataformas online), mientras que los individuos con bajo uso de las redes sociales sí aumentan su asignación al consumo de lujo en respuesta a la imprimación de estatus. Además, los individuos con bajo autoestima responden fuertemente tanto al estatus de los compañeros como al de los famosos, mientras que los individuos con alto autoestima no responden a estas influencias. Cuando observamos las asignaciones al ahorro y a los gastos en necesidades, encontramos que los efectos encontrados en los gastos de lujo se financian principalmente con una reducción del ahorro.

**Palabras clave:** *Señalización de estatus, efectos de imprimación, consumo, heterogeneidad del comportamiento de ahorro, heterogeneidad demográfica.*

## ABSTRACT

This paper explores the role of socio-economic status on savings/consumption decisions. We run a survey experiment where we ask participants to allocate a hypothetical unexpected labor cash bonus into three categories: savings, expenditures on necessities, and expenditures on luxuries. The experiment has two main treatments where participants are randomly exposed to a priming exercise designed to bring to mind either the social status of close peers, or the social status of famous people, and status on credit card category. We find that the social status of close peers increases the allocation to luxury consumption –significant at the 5% level. Additionally, we show that specific characteristics influence on the effect of social status. Older participants, and individuals living on cities other than Quito or Guayaquil respond the strongest to our treatments. In the same way, individuals with more financial literacy respond stronger to the status of their peers than participants with less financial knowledge. We also find that individuals who have a high usage of social networks do not respond to our social status treatments (perhaps they are already saturated of status on their online platforms), whereas individuals with low usage of social networks do increase their allocation to luxury consumption in response to priming of status. Also, individuals with low self-esteem respond strongly to both the status of peers and of famous, while individuals with high self-esteem do not respond to these influences. When we look at the allocations to savings and to expenditures in necessities, we find that the effects found on luxury expenditures are mainly financed by a reduction in savings.

**Key words:** *Status signaling, priming effects, consumption, savings behavioral heterogeneity, demographic heterogeneity.*

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## INTRODUCTION

The study of status preferences and signaling through consumption decisions has been of interest for more than a century. Thorstein Veblen (1899), in his *Theory of the Leisure Class*, argued that wealthy people use consumption as a mechanism to show or advertise wealth through acquiring luxury goods and services to obtain a greater social status. Some decades later, and in accordance with the prior, James Duesenberry stated, with his relative income hypothesis (1949), that consumer choices depend not only on prices and own income, but also on the consumption and income of others. Almost a century after Veblen contribution, Frank (1985) coined the term of “Positional Goods”, referring to those things whose value depends on how they are compared to things own by reference groups. This concept implies relative consumption of others can negatively affect consumption utility as an externality. This literature was later contributed with a diverse analysis regarding the relationship between positional concerns and consumption, debt, and bankruptcy (see Frank, Levine, & Dijk, *Expenditure Cascades*, 2014; Bertrand & Morse, 2016; Agarwal, Mikhed, & Scholnick, 2016), with labor (see Card, Mas, Moretti, & Saez, 2012; Neumark & Postlewaite, 1998) and with subjective well-being (see Clark & Oswald, 1996; Luttmer, 2005; Kahneman & Deaton, 2010). In this paper we contribute to the analysis of positional concerns and status on preferences for the consumption of luxury, consumption of necessities, and for savings. While most of the literature on social status and positional concerns considers upper middle income and high-income households, we consider an experimental approach, with a sample of lower-middle and low-income households, through an online survey about consumption decisions, in particular luxury consumption, and savings.

The experiment was conducted through a partnership with a financial institution that focuses on microfinance in Ecuador. This commercial bank targets mainly middle and low-

income segments and offers diverse productive credits, such as unsecured loans, credit cards and collateral loans, and other financial services. By nature, the credit card is an aspirational financial product since they usually have different status categories with benefits each one. Therefore, it was conducted with specific clients of this product, considering a possible association between status signaling and consumption using this financial tool. The survey was conducted with more than 80,000 registered e-mails from credit card customers, which yielded about 1,000 effective surveys. First, we expose our participants to two type of social status priming treatments. One of them, inducing them to think on the income of peers that belong to an economic class above them, and the other one, inducing participants to think on the outstanding income of celebrities (both as a proxy of status of reference groups). In a third treatment, we offer status symbols on a credit card, in addition to the functional attributes offered to all participants to incentivize consumption with credit card. Subsequently, we asked questions about credit card debt and consumptions preferences through hypothetic scenarios. We designed this approach with the hypothesis that exposure to social status, of peer or celebrities, as well as status on financial products, will push individuals to consume more luxuries. Additionally, we also wanted to examine how status influence is related to specific characteristics. For this, we hypothesized that status signaling through consumption of luxuries may increase with present bias, and decrease with risk aversion, financial literacy, self-confidence, and happiness (see Bursztyn, Ferman, Fiorin, Kanz, & Rao, 2017; Meier & Sprenger, 2010; Luttmer, 2005; Makudza, Mugarisanwa, & Siziba, 2020). In the same way, we also stated the hypothesis that status of financial products are important for costumers beyond functional attributes.

On our baseline analysis, we found that luxury consumption is increased when participants are induced to think on peer's status. We also found that exposing individuals to images capturing the status of famous people increased their desired consumption of luxury but

only for certain profiles of people; individuals who reported low usage of social networks – those with high usage of social may already be saturated by images of opulence–, unhappy individuals, and individuals with low self-confidence. These findings also hold with consumption as a proportion of per capita income. Our work also shows us that this consumption increase on luxuries is mainly funded with a decrease on savings. Finally, our experiment showed that credit card status has not a significant influence on participants' consumption and savings preferences.

The remainder of the paper is organized as follows: Next, literature review. Then, Methodology describes the survey experiment and summarizes demographic characteristics of our sample. Results presents de main findings. Conclusions for final remarks.

## LITERATURE REVIEW

After the theoretical framework developed based mostly on Veblen (1899), Duesenberry (1945), and Frank (1985), a large literature on status and the influence it has on people because, consequently, have been approached through different contexts. On one hand, the relationship between status with consumption, savings and debt preferences was studied. A survey developed by Frank (2005) about house size preferences shows that most people prefer a home larger than everyone else's, over a bigger house, that is a smaller house than their neighbors. This also has important implications for explaining the low savings rate on households of economic classes when the wealthy have had an increase on their income. Similarly, Frank, Levine, & Dijk (2014) explains the aforementioned positional concerns effects as "expenditure cascades", which are defined as the increase in consumption of a less wealthy population, triggered by an increase in consumption of wealthier individuals above on the income distribution. Bertrand & Morse (2016), supporting the concept of "cascades" on consumption, expose evidence of how the increase of income and consumption of wealthy households has a positive effect on the consumption of households on the low quintile or decile of the income distribution. These authors named this pattern "trickle-down consumption". In the same way, positional concerns effects are revealed on literature about lotteries. Agarwal, Mikhed, & Scholnick (2016) show evidence that lottery prizes have a positive effect on the consumption of the lottery winner's neighbors. Analyzing Canadian households' nationwide data, they found this positive effect of lotteries as evidence of relative low-income households' preference to match consumption levels of households that have a rising income due to the lottery price. Comparably, in accordance with the concept of conspicuous consumption as status signaling reached with visible consumption, Heffetz (2011) elaborates on the visibility of consumer spending. This study defines a visibility metric for 47 consumption categories, and

finds that durable goods such as houses, cars and jewelry are more visible than services such as insurance. Subsequently, they find the correlation of visibility with the elasticity of 29 consumption categories and find that the visibility measure helps predict up to one-third of the heterogeneity of income elasticities, and these results are found in the top three quintiles of the income distribution. Subsequently, Heffetz (2012) investigates what is the relationship between people's demographic characteristics with the perceived visibility of other people's spending. The author finds that, for some consumption categories, sociodemographic variables such as gender and race can be predictors of people's perceived visibility. He also found that Black race is a strong predictor of an increase on visible consumption categories and, with a less significant result, being a woman predicts a decrease on more visible consumption categories. Related to these findings, Bursztyn, Ferman, Fiorin, Kanz, & Rao (2017) ran a field experiment that expose participants to financial products offers which includes status attributes on them. They found that participants are willing to consume and accept more credit card debt when these financial products have attributes that signal higher status. Setting the basis for some of our hypotheses mentioned earlier, the authors found that status signaling through credit card is negative related to high self-esteem, and high income.

Furthermore, these positional concerns about status have been related also to the labor market context. Card, Mas, Moretti, & Saez (2012) show evidence on pay and job satisfaction. They found on a study executed on university workers that public information about salaries have a negative effect on pay and job satisfaction on workers that receive a pay lower than the median of the income distribution of their colleagues with similar job characteristics within the university. Similarly, Neumark & Postlewaite (1998) developed a model in which they introduced relative income concerns into women's utility functions and found that employment decisions are positively related to relatives', specifically sisters', employment decisions. On this manner, Clark & Oswald (1996) tested the hypothesis that utility of workers depends on



income relative to a reference group. Using British workers data, they found that this comparison income is negatively correlated with job satisfaction.

According to this relationship on the status influence on happiness and subjective well-being, defined as the “Easterlin paradox”, Easterlin (1974) found that growth of real national income has not direct relationship with a higher national level of reported happiness. Complementarily, Luttmer (2005) studied how these relative positions diminish well-being. Through an analysis of panel data, the author found that higher earnings of neighbors are associated with lower levels of self-reported happiness. Continuing with this consideration of income as a status signal, Kahneman & Deaton (2010) found, through a survey results analysis, that emotional well-being is positively related with income, but there is no progress beyond a threshold annual income of approximately \$75,000. These authors conclude that high income might buy life satisfactions but not happiness. Consistently, Winkelmann (2012) combining information from various sources of individual satisfaction and socio-demographic characteristics, stated that income and life satisfaction are not related to density of luxury goods such as expensive cars.

Next, it is relevant to deepen in evidence obtained through laboratory or survey experiments. Regarding a broad description on preferences of status, Heffetz & Frank (2008) provide a broad summary of laboratory experiments concerning their classification of three main elements on status: positionality, desirability, and no-interchangeability. On the first one, they referred on happiness literature (see Ferrer-i-Carbonell, 2005; Clark, Frijters, & Shields, 2008; Zink, et al., 2008; Solnick & Hemenway, 1998) and on social preferences, (see Charness & Rabin, 2002; Fehr & Schmidt, 2006). On the second element, the authors emphasized on experimental evidence on status (see Glaeser, Laibson, & Soutter, 2000), status effects (see Ball, Eckel, & Zame, 2001; Eckel & Wilson, 2008; Kurmu & Vesterlund, 2008). For the third element, as well as aforementioned evidence from Heffetz (2011) and Heffetz (2012), in this

study the authors referred on evidence on visibility (see Rege & Telle, 2004; Ariely, Bracha, & Meier, 2007; Frey & Neckermann, 2008; Haley & Fessler, 2005). Along with this literature, we considered relevant to highlight other experimental evidence on the subject. For example, Nelissen & Meijers (2011) conducted an experimental approach to explain the consequences of conspicuous consumption in social interactions. By exposing participants to images of people with different statuses, varying the status signal through the brand of clothing they wear, it is found that participants treat more favorably individuals who wear luxurious clothing, and they believe them to have higher status, higher income level and to be more trustworthy. These results indicate that people generally perceive that a higher status demonstrated through spending is beneficial to individuals. In a complementary way, Clingensmith & Sheremeta (2015) conduct an experiment using exclusive food goods with chocolate truffles in which the visibility among participants of the decision of how many to consume is varied. Additionally, they consider what is the impact of social rank in the group, defined through the score on a cognitive test taken at the time of the experiment. The authors find that when the information of the consumption decision, as well as the rank obtained, is public, the demand for truffles is higher, especially in men. This shows that visibility, specifically in luxury goods, is relevant and affects people's consumption decisions. Finally, the study contrasts the results with an experience well-being metric, validating the pleasure of having consumed such a good through a small survey after the experiment. They find that, unlike men, women had a large positive impact on experiential well-being due to their visible consumption.

Lastly, it was relevant for the scope of this study to evaluate the evidence related to analyzing the influence of status by having most of our sample in a middle to low-income segment. Akay, Martinsson, & Medhin (2012) seek to understand how much relative income influences the poor and conduct a study in rural Ethiopia. The authors make a comparison between the effect of absolute income and relative income through household surveys and

analyzed how they relate to a measure of subjective life satisfaction. They find that there is no relationship between relative income and subjective well-being in their sample. Roth (2014) run a field experiment on Indonesia to evaluate peer effects and conspicuous consumption of poor households. With a cash transfer program, the author found that expenditure of visible goods rises of untreated households on sub-districts that participated on the program. Additionally, he found that these peer effects are larger for households with lower levels of social activities. Contrastingly, also contributing to this literature on low-income households, Moav & Neeman (2012) developed a theoretical model that shows that if human capital is observable and correlated with income, a signaling equilibrium is reached in which poor individuals spend a large fraction of their income in status goods.

It is hard to find robust causal evidence of the effects of positional concerns on savings, consumption decisions (specially luxury consumption). In this paper, we want to contribute to this literature with evidence from a survey experiment of the effects of social status on luxury consumption, particularly among household of medium to low income. In Ecuador, where the experiment is run, it is common to see families willing to dedicate a considerable part of their income on unnecessary car accessories or expensive home sound systems, while having deprioritizing educations, food, or insurances. With our results, we want to extend the knowledge of how positional concerns can affect consumption and savings preferences with the usage of simple priming effects that, with a scope of the traditional consumer problem, should not influence consumers decisions.

## METHODOLOGY

### **Partnership and sample**

We conducted the experiment in partnership with a popular microfinance institution from Ecuador. The bank has about half a million clients and offers diverse financial products mainly with the objective of exercising financial inclusion to the segments of the population most excluded by the financial system. The sample we worked with was filtered out of the bank's 200,000 credit card customers nationwide. For the bank's internal policies and logistic, the database was filtered searching for a customer profile that would have a good relationship with the bank, and that would have a bigger probability of answering the online survey. In particular, we chose shared customers (who have more credit cards) and unique customers (only credit card is with the bank), were not late with their payments, who did not have financial blockages with the bank, who did not have a refinance solicitation, who had a consumption using their bank's credit card greater than 0, who had at least one registered e-mail, and that have a minimum credit score with the bank. After applying the filters, the study population is reduced to 83,542 customers nationwide.

### **Survey structure**

#### **Personality trait questions.**

All survey participants will be instructed to answer 6 general personality questions through Likert scales from 1 to 5, and 3 multiple answer questions to measure financial literacy (see Appendix 2 for the exact questions on the survey). First, we ask a subjective well-being question aimed to measure experience utility. The aim is to understand how much mood can influence the decision to allocate additional income between luxuries, basic needs, and savings. Secondly, the participant is asked to rate her self-esteem through three different measures. We asked directly for an evaluation for self-esteem, confidence on general personal decisions and

confidence on home expenses decisions. Bursztyn, Ferman, Fiorin, Kanz, & Rao (2017) find that people with higher self-esteem tend to demand fewer status goods or services; we want to validate whether this relationship holds among middle to our low-income households' sample. We also included a question about risk aversion in different aspects of the participant's life, such as economic, health, sports, and driving, among others. Next, we set a group of questions to raise a metric of participants' present bias. Similar to Meier & Sprenger (2010), in which they find that people who have a greater present bias tend to take on more debt, we wanted to understand how this specific characteristic can affect debt and consumption preferences. For this metric, we decided to rely on Goda, Levy, Manchester, Sojourner, & Tasoff (2018), in which they define a "present-future ladder" and a "future-present ladder" question, in order to be able to calculate what the measure of Beta and Delta of each participant is. Finally, considering the exponential growth of the use of social networks and the severe impact it can have on how people compare themselves with others, we defined that it would be extremely important to understand the level of use that people give to social networks. For this, we included a question, under the same scale as the previous questions, to measure the level of social network use in hours per day.

### **Knowledge additional questions**

Subsequently, we measured the level of financial literacy of the participants. Based on Banuri & Nguyen (2020), there is evidence that people who have a lower level of financial literacy tend to get more indebted, so it is considered a variable of interest for this study. In addition, considering that the level of education of almost 70% of the population segment we are focusing on is secondary or less, it is considered that the level of financial literacy can have an important influence on household consumption and savings decisions. For this, we rely on the metric of Banuri & Nguyen (2020), which uses five general questions about compound

interest, time value of money, and other basic concepts to define a financial literacy metric. From these group of questions, we chose the three questions that generated the most variation in the pilots and the metric is constructed with the sum of all correct answers (more information on the pilots in Survey validation section).

### **Household economic questions**

Complementing socio-demographic characteristics provided from the banks database, we decided to ask information about household size as well as consumption and savings levels. On the first question, we asked directly how many people live with our participant in the same household. Next, we asked the participant to state monthly consumption and savings level, which is information that be helpful for analyzing income distribution, as detailed on the next section.

### **Experimental design**

For the treatment assignation, the experiment has a 2 x 3 design as follows:

*Table 1. Sample distribution in control and treatment groups*

		<b>Social status influence</b>			
		<b>Control</b>	<b>T1: Peer status</b>	<b>T2: Celebrities status</b>	<b>Total</b>
<b>Status on financial products influence</b>	<b>Control</b>	N = 13,923	N = 13,924	N = 13,924	N = 41,771
	<b>T3: Credit card status</b>	N = 13,923	N = 13,924	N = 13,924	N = 41,771
<b>Total</b>		N = 27,846	N = 27,848	N = 27,848	N = 83,542

For our treatment implementation, we induced status influence on our participants through priming effects. From Benjamin, Choi, Strickland, & A.J (2010), we can state that inducing participants to a prime, in this case focused on a status category, causes behavior to move closer to a norm associated to the prime category. This reveals the marginal behavioral effect of inducing people to think on a specific status category.

In the first treatment (T1), we wanted to measure the influence status that belongs to a close representative social circle of each participant. For this purpose, treated participants were asked: “*Do you have any acquaintance who approximately earns more than twice your monthly salary?*”, following with the question: “*Approximately what do you think this person's monthly salary is? (Please enter only numbers)*”. This is done under the consideration that having at least double their income would induce participants to think on people that has a higher socio-economic status. Additionally, the participant is asked what she believes this person’s monthly income is for two reasons. The first is to validate if participants keep in mind the income of a person who earns more than they do, and we do this by comparing the value of the income they believe this known person who has a higher income earns, with the sum of their monthly consumption and savings as an indicator of the participant’s monthly income. Secondly, if the participant registers an income for the other person higher than theirs, regardless of whether it is more than double their monthly income or not, it is considered that the person had to think of people who earn more than twice as much in order to answer the question, and this already generates the priming effect we are searching for.

In the second treatment (T2), we seek to perform a similar priming effect on the participants, but with another type of social influence. In this case, we want to understand how people can be influenced by famous multimillionaires from different industries, so this priming seeks to get participants to think about the status of these celebrities. In this question, three randomly chosen images of ten celebrities who are publicly known to have exorbitant amounts of money are displayed. This group includes soccer players, movie stars, musicians, politicians, and businesspeople (see Appendix 2 for reference images used). The participant is asked: “*Of the following celebrities, who do you think has the highest salary?*”. Regardless of whether the participant answers the question correctly or not, she had to think or imagine the level of wealth

of each of the three celebrities and, therefore, consider the economic status that the celebrity projects, thus generating the desired priming effect.

Finally, as the third main treatment (T3), we wish to measure the impact and influence of status characteristics on financial products. For this, considering that all participants are credit cardholder customers of the bank, we rely on the study conducted by Bursztyn, Ferman, Fiorin, Kanz, & Rao (2017), so a modification is made to the base question about participant's predisposition to spend more with their current credit card. We asked: “*Would you be willing to spend more monthly if you had the option to renew your current [CREDIT CARD NAME] Credit Card for a BLACK Credit Card [CREDIT CARD NAME], which only a few exclusive customers could access, if you received additional benefits such as discounts at your favorite stores and the option to shop internationally?*”. As it is shown, the only difference with the control group is that not only are these participants are offered some functional attributes, like international shopping and discounts at their favorite establishments, but also status characteristics through a Black Category label on credit card, specifying that only a few exclusive customers can have access to. This approach is considered to isolate the effect of basic functional attributes of a credit card (international purchases and discounts at establishments), from the symbolic status attributes (exclusivity and Black Category). For the last two base groups, a combination of two of the three base treatments was assigned. The fourth group receives T1 x T3 combination and, the fifth group, receives T2 x T3 combination.

### **Hypothetical scenarios (experiment basis)**

First, after treatment questions, we asked our participants about their willingness to spend more with their credit card. The question was: “*Would you be willing to spend more monthly with your current NAME CREDIT CARD if you received additional benefits on your card such as discounts at your favorite stores and the option to shop internationally?*”. This



approach helped us understand how debt and credit card use preferences may change with the influence of our treatments.

Then, for the main analysis for this study and after treatment questions, we presented our participants to a hypothetical scenario question which will help us understand consumption and savings preferences. The scenario was: *“Let us assume you work for a company and your boss gives you a surprise bonus of \$650 for your good work during the year. How would you distribute this additional money between basic necessities, luxuries, and savings? Enter how much the value would be for each. Remember that you have \$650 available, and anything you do not spend should go into savings.”* This context is assumed to reveal how would participants distribute an additional income between these three options and give us information about how their preferences of status goods, represented on luxuries, change when they are exposed to social status priming.

### **Additional questions**

For the last part of the survey, we decided to contrast all the findings that we might get with the previous questions and ask directly to the participants how important status is for them, and how influential it is on their financial decisions. With this information, we want to understand if people show inconsistency on their preferences for status than what think their preferences are. See Appendix 3 for a survey question set diagram.

### **Pre-survey data balance check**

With pre-survey data, we ran a balance check of observable variables that were available to the bank to make sure that we have five treatment groups that were comparable with our control group (see results on Table 2). The variables considered were gender, age, credit card limit, whether they have one or more financial products with financial institutions other than the bank, whether they receive a salary or are self-employed, marital status and their credit

score with the bank. Table 2 shows the comparison of these variables for the five treatment groups against the control group, and corresponding t-tests (p-values > 0.5). We found no statistically significant differences in observable variables' means among the groups.

### **Survey validation**

Prior to sending the e-mail to the financial institution's clients, we ran three pilots of the survey to validate that the design of the treatments is generating the appropriate effect and, contrastingly, that the wording, length, difficulty, and order of the questions are adequate so that we can obtain the greatest number of effective responses. The first two pilots were conducted with employees belonging to the bank or the bank's business group, while the third was conducted with clients belonging to the target population. For more details on the design and samples of the pilots, see Appendix 1.

### **Survey incentives**

The three aforementioned pilots considered an instruction requesting the participants' support with filling out the survey without offering anything in return. The instructions indicated that it would be a brief survey and that the objective is to improve the products and services offered by the bank to its clients. However, due to the average response rate of less than 1% of the emails sent in the pilots, we analyzed the use of incentives to achieve a higher level of response. For this purpose, we collaborated with a partner company of the financial institution to offer gift cards with a credit of \$20 for purchases in supermarkets through a lottery. For the last version of the survey, participants were instructed that by filling out the survey

Table 2. Balance check of pre-survey data

Variables	Group 1: Control	Group 2: T1	P-value	Group 3: T2	P-value	Group 4: T3	P-value	Group 5: T1 + T3	P-value	Group 6: T2 + T3	P-value	
N	13,923	13,924	-	13,924	-	13,923	-	13,924	-	13,924	-	
Age	41.81	41.71	0.18	41.76	0.52	41.62	0.42	41.76	0.70	41.74	0.33	
Men proportion	50.71%	51.51%	0.49	51.08%	0.70	51.19%	0.18	50.47%	0.71	50.13%	0.63	
Credit card limit	\$ 2,458.21	\$ 2,426.22	0.24	\$ 2,438.35	0.47	\$ 2,418.75	0.15	\$ 2,443.09	0.58	\$ 2,451.11	0.80	
Shared customer proportion	56.37%	55.73%	0.28	55.81%	0.34	56.07%	0.61	55.82%	0.35	56.80%	0.47	
Formal dependent workers proportion	69.98%	70.23%	0.64	70.13%	0.78	70.44%	0.39	70.36%	0.49	70.13%	0.78	
Marital status	Married prop.	42.87%	0.28	43.21%	0.56	41.92%	0.06	43.07%	0.94	43.06%	0.74	
	Divorced prop.	6.96%		6.58%		6.72%		6.29%		6.48%		6.64%
	Single prop.	47.45%		48.17%		47.86%		49.20%		47.98%		47.85%
	Free union prop.	1.27%		0.93%		0.91%		1.28%		0.95%		1.10%
	Widow(er) prop.	1.45%		1.11%		1.39%		1.31%		1.52%		1.36%
Credit score	Credit score 1	23.59%	0.14	24.23%	0.23	24.15%	0.88	24.17%	0.28	23.39%	0.75	
	Credit score 2	21.57%		19.85%		20.80%		21.20%		20.45%		20.52%
	Credit score 3	17.65%		17.82%		17.48%		17.90%		17.70%		18.03%
	Credit score 4	37.19%		38.10%		37.30%		36.75%		37.68%		38.06%

Notes: 1. P-value is calculated of the difference between each of the five treatment groups with the control group.

completely, they could participate for one of the 20 cards offered by the partner company. It was considered that this would be a sufficiently strong incentive considering that the gift card credit corresponds to approximately 3 percent of the average monthly salary of the clients assigned to the study, which is not negligible. For many customers in this segment, it can represent a significant part of the food expenditure in the following days. The final survey was sent to the remaining 74,542 clients (total population minus sample for third pilot).

To ensure that each treatment can have the appropriate effect, the order of the questions in the survey was structured as follows. First, customers answer the nine basic personality and knowledge questions. This is followed by the experiment questions, which include the specific characteristics of the household as each of the treatment questions to which the participant was assigned, and the hypothetical scenario questions. At last, participants answer the two more direct questions, in which we ask how important and influential social status they think they are on their life's self-perspective. All treatment questions are answered immediately before answering the main base question, which refers to the hypothetical scenarios that helps us to understand the distribution of this additional income between luxury consumption, basic needs consumption and savings, as well as debt and credit card use preferences.

### **Pre-survey online submission**

Before implementing our survey experiment, we upload a submission of our hypotheses, methodology, and expected results in AsPredicted online platform to pre-register our study. Details of this submission can be found on <https://aspredicted.org/xd8ax.pdf>.

## RESULTS

### Final sample description

We collected a total of 966 effective surveys. After deleting missing information and outliers, we obtain a total of 895 observations<sup>1</sup> (see Table 3).

*Table 3. Effective surveys distribution sample*

Clients final sample		Social status influence			
		Control	T1: Peer status	T2: Celebrities status	Total
Status on financial products influence	Control	N = 176	N = 133	N = 144	N = 453
	T3: Credit card status	N = 159	N = 128	N = 155	N = 442
Total		N = 335	N = 261	N = 299	N = 895

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<sup>1</sup> For level education, 6 observations were deleted because we did not have this information for these participants. Based on household size question, 13 observations with more than 10 integrant were eliminated, and we added 1 to each response to represent the participant on the household. With respect to income, the survey collected average consumption and savings, and the sum of these was defined as an approximation of monthly income (1 observation was deleted because of missing values). In the same way, as standard on literature, 25 outliers with a declared household income equal to 0 or within the 5th percentile of Ecuador household income distribution (less than \$140 per month) we deleted. Similarly, 3 participants with a declared household income greater than \$10,000 were deleted, considering that, for this population segment, an income of that magnitude is uncommon. The 99th percentile of Ecuador household income is \$3,943, so an income greater than \$10,000 was considered abnormal for this investigation purpose (see robustness checks on Robustness Analysis section). Additionally, for the participants that were assigned for peer's status treatment, 18 observations were the participant register a peer's income smaller that their own income were deleted, as evidence that the priming did not accomplish the wanted effect.

### **Balance check**

Doing the same analysis as pre-survey data, on Table 4 we show the balance check done with our obtained observations. We can see that groups with treated participants are correctly balanced in almost all variables. Only for participants of the second group, which received the celebrities' status priming treatment, are not totally balanced according to the distribution of credit scoring of the bank. Nevertheless, as it was only a control variable, we do not consider this relevant taking into account that more important variables such as monthly earnings per capita, age, debt and gender are statistically balanced.

### **Demographic characteristics**

Using the bank's data base, we were able to consider relevant important demographic variables for our sample. These variables are level of education, marital status, credit score with the bank and city (for a summary of all socio-demographic variables, see in Table 5A).

### **Behavioral characteristics**

For these variables, we aggregated each measure as dummy variables equal to 1 for level 4 and 5 or, in some cases, only level 5 in order to get closer to the median (see Appendix 4 for details). Table 5B shows a detail of the distributions of each variable, in addition to Beta and Delta estimates for present bias<sup>2</sup> (for calculations for present bias, see Appendix 5).

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<sup>2</sup> *We are aware of the noisy averages for Beta and Delta measures. As they are only control variables, we prioritize the usage of all observations in de baseline model, and we consider measures between 0 and 1 as robustness check on Robustness Analysis section. Additionally, 5 observations were deleted because of present and future cutoff values equal to 0.*

Table 4. Balance check of final data

Variables	Group 1:	Group 2:	P-value	Group 3:	P-value	Group 4:	P-value	Group 5:	P-value	Group 6:	P-value	
	Control	T1		T2		T3		T1 + T3		T2 + T3		
N	176	133	-	144	-	159	-	128	-	155	-	
Monthly per capita income	\$164.12	\$157.39	0.69	\$171.71	0.69	\$166.09	0.91	\$172.89	0.72	\$184.81	0.33	
Age	36.74	37.08	0.77	35.06	0.13	36.37	0.74	36.30	0.70	36.27	0.67	
Men proportion	47.73%	51.88%	0.47	45.14%	0.65	52.20%	0.41	50.78%	0.60	52.90%	0.35	
Credit card limit	\$1,700.06	\$2,153.44	0.07	\$1,770.25	0.75	\$1,714.26	0.94	\$1,749.13	0.83	\$1,905.69	0.33	
Shared customer proportion	50.00%	53.38%	0.56	48.61%	0.81	52.83%	0.61	54.69%	0.42	60.00%	0.07	
Formal dependent workers proportion	31.25%	28.57%	0.61	28.47%	0.59	29.56%	0.74	26.56%	0.38	29.03%	0.66	
Marital status	Married prop.	31.25%	0.79	31.94%	0.41	33.96%	0.41	35.94%	0.79	36.13%	0.21	
	Divorced prop.	7.39%		6.02%		6.94%		6.29%		4.69%		5.81%
	Single prop.	57.95%		53.38%		59.72%		58.49%		56.25%		58.06%
	Free union prop.	1.70%		1.50%		0.69%		0.63%		2.34%		0.00%
	Widow(er) prop.	1.70%		0.00%		0.69%		0.63%		0.78%		0.00%
Credit score	Credit score 1	42.61%	0.33	41.67%	0.17	44.03%	0.88	50.78%	0.24	44.52%	0.99	
	Credit score 2	30.11%		27.82%		18.75%		28.30%		23.44%		27.74%
	Credit score 3	11.36%		16.54%		19.44%		12.58%		14.84%		10.32%
	Credit score 4	15.91%		17.29%		20.14%		15.09%		10.94%		17.42%

Notes: 1. P-value is calculated of the difference between each of the five treatment groups with the control group.

Table 5A. Demographic variables distribution in sample

Variable		Average	Standard Deviation	Min	Max
Education	No educ.	<1%	8%	0	1
	Primary	12%	33%	0	1
	Secondary	54%	50%	0	1
	Bachelor's degree	33%	47%	0	1
	Master's or PhD degree	<1%	6%	0	1
Economic	Consumption	\$ 542	\$ 584	\$ 50	\$ 12,000
	Savings	\$ 164	\$ 239	\$ 0	\$ 3,009
	Income per month	\$ 706	\$ 675	\$ 140	\$ 8,000
	Monthly per capita income	\$ 170	\$ 196	\$ 17	\$ 2,550
Demographic	Age	36	10	19	77
	Household size	5	2	1	11
Marital status	Single	57%	49%	0	1
	Married	35%	48%	0	1
	Divorced	6%	24%	0	1
	Civil Union	1%	11%	0	1
	Widowed	<1%	8%	0	1
Bank credit score	Credit score 1	44%	50%	0	1
	Credit score 2	26%	44%	0	1
	Credit score 3	14%	35%	0	1
	Credit score 4	16%	37%	0	1
City	Quito	27%	49%	0	1
	Guayaquil	35%	44%	0	1
	Other	39%	48%	0	1

Notes: 1. All variables we rounded to 0 decimals.

2. Credit score is divided in four different categories. The bank assign the type 1 to new clients, and the other 3 are assignments according to their financial segmentations, with type 2 being the better credit scoring, while type 4 the worst for our selected sample.

Table 5B. Behavioral variables distribution in sample

Variable	Average	Standard Deviation
Financial literate	58%	49%
High self-esteem	48%	50%
High self-confidence in decisions	57%	50%
High self-confidence in household expenses administration	43%	50%
Happy	37%	48%
Risky	55%	50%
High social network use	33%	47%
Beta	2.99	24
Delta	1.81	10

Notes: 1. All variables we rounded to 0 decimals.



## Dependent variables

The key dependent variables for this study are those that were collected in the hypothetical scenario of receiving a bonus from the employer at the end of the year equivalent to a value close to the average salary of the financial institution's clients and dividing it into different items. The three variables obtained are consumption for luxuries, necessities, and savings. Figure 1 shows the average luxury consumption, differentiated by group. We can see that treated participants allocated more to luxury consumption, although there is no statistical difference with the control group for T2 and T3. Now, we can contrast these conclusions with preferences on needs consumption and savings. Figure 2 shows average needs consumptions and savings per group. It can be concluded that, excepting for participants that were assigned to the credit card's status treatment, all participants destined more money to needs consumption than to savings. Additionally, it seems that our first treatment made our treated participants to significantly save less than our control group participants.

*Figure 1. Luxury Consumption by Group*

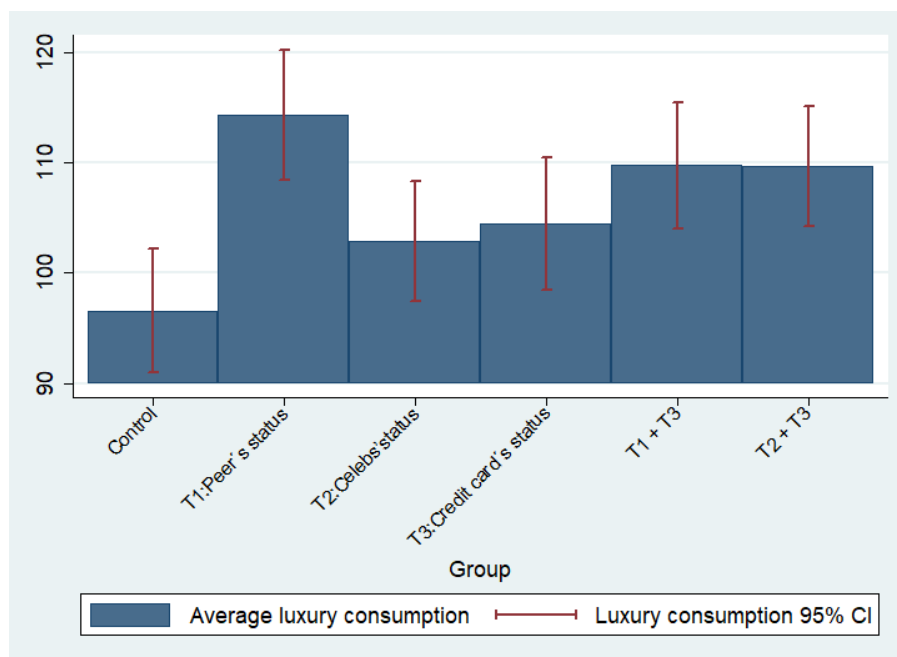
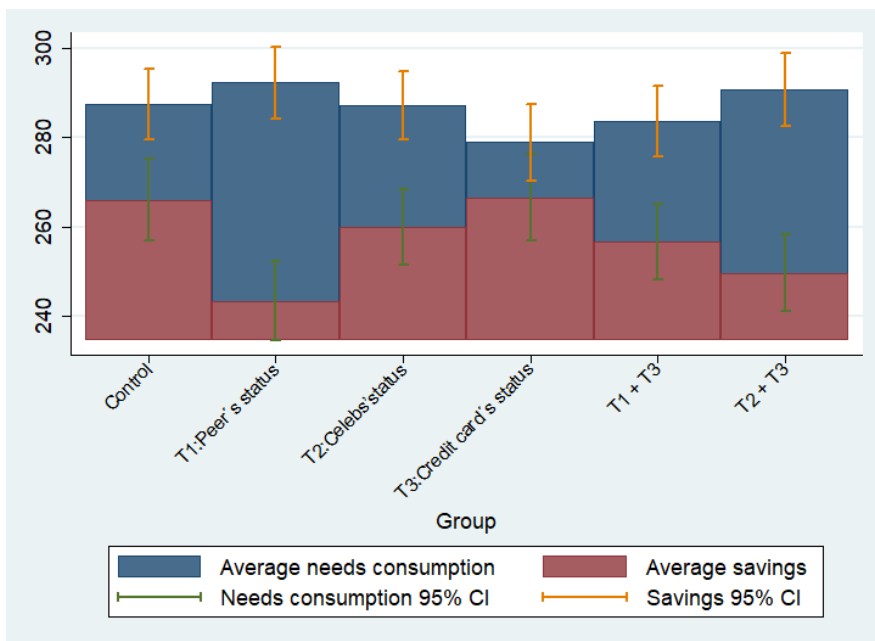
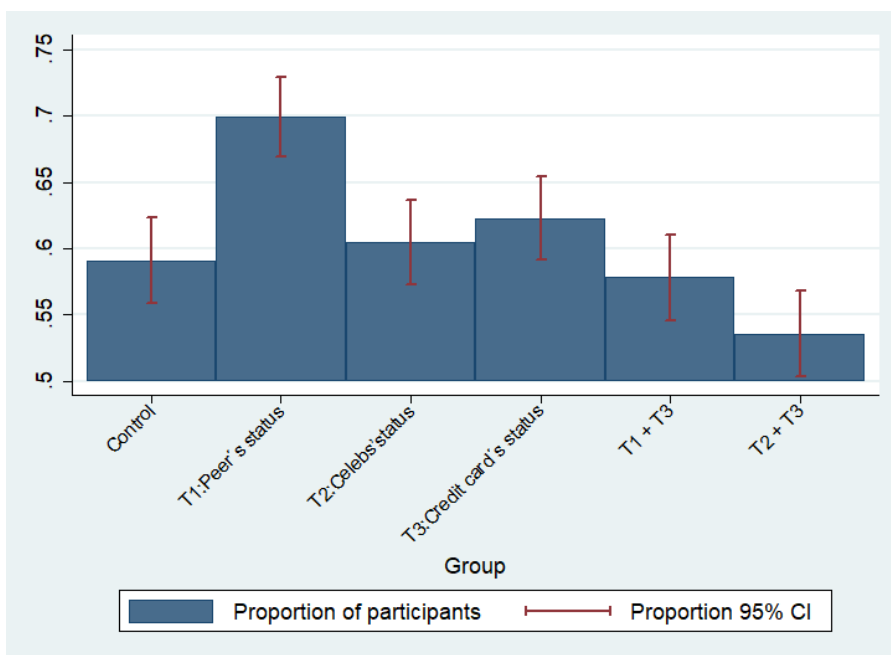


Figure 2. Needs Consumption and Savings by Group



Next, Figure 3 shows the proportion of participants, by groups, that accepted to consume more with their credit card.

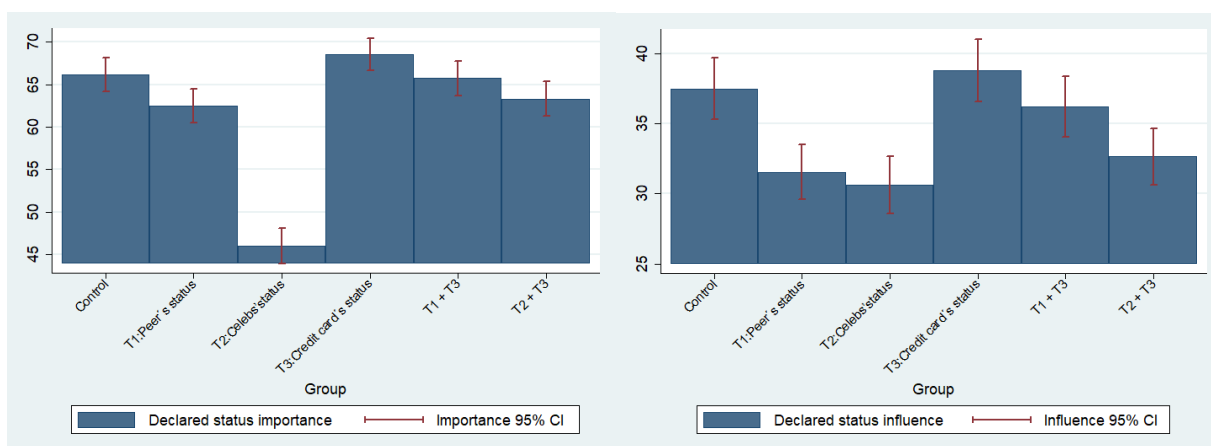
Figure 3. Proportion that Wants to Spend More with their Credit Cards



Similar to the previous variables, we can see that, for the first treatment, the portion of people who would like additional consumption with the credit card is higher than the control group. Interestingly, no effect is visually distinguishable for the other treatments.

Finally, the participants' self-perception of the importance and influence of status was directly assessed. Figure 4 shows the average score for each of the final questions, differentiated by group, which highlights that who received the social status treatments not only seems to spend more on luxury and save less (as evidence on previous figures stated), but also claim to be less influenced by status and stated that status was less important, than our control group did.

Figure 4. Declared Status Importance and Influence by Group



## Luxury consumption

### Main effects

As a first analysis, Table 6A shows the marginal effects<sup>3</sup> off the relationship between the level of luxury consumption, measured in dollars, and our treatments. Given that that our dependent variable is bounded on the left at 0 and at 650 to the right, we use Tobit regressions.

<sup>3</sup> From this section to the end of the study, all summary result tables consider marginal effects.

In Column 1 we can see that the treatment of peer's status has a positive effect on luxury consumption significant at 10%, while in Columns 2, 3 and 7 the influence is significant at 5% when demographic and behavioral controls are added. Our treatment causes participants to expend, in average, between \$11 and \$17 of the unexpected bonus on luxury consumption. Additionally, on Columns 4 to 7, we can see that status characteristics on credit card do not have any significant influence in the budget allocation of luxury consumption.

*Table 6A. Luxury Consumption Level on Treatments and Controls*

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Dependent variable	Luxury consumption (in dollars)						
Independent var.	Social status treatments	Social status treatments and demographic controls	Social status treatments and all controls	Credit card status treatment	Credit card status treatment and demographic controls	Credit card status treatment and all controls	Treatments interactions and all controls
T1: peer's status	9.815* (5.400)	11.260** (5.387)	10.920** (5.365)				16.290** (7.498)
T2: celeb's status	5.492 (5.213)	4.390 (5.192)	5.556 (5.177)				3.912 (7.379)
T3: cred. Card's status				3.612 (4.376)	3.913 (4.376)	4.907 (4.373)	7.225 (7.116)
T1 and T3							-11.104 (10.744)
T2 and T3							2.470 (10.399)
Per capita income		-0.004 (0.012)	-0.005 (0.012)		-0.005 (0.012)	-0.006 (0.012)	-0.005 (0.012)
Household size		0.676 (1.473)	0.795 (1.475)		0.669 (1.476)	0.738 (1.477)	0.740 (1.482)
Age		-2.968** (1.330)	-2.799** (1.330)		-2.983** (1.331)	-2.816** (1.331)	-2.799** (1.332)
Age^2		0.035** (0.016)	0.034** (0.016)		0.035** (0.016)	0.034** (0.016)	0.034** (0.016)
Primary		-43.371 (27.267)	-38.279 (27.164)		-44.080 (27.315)	-38.366 (27.218)	-38.713 (27.194)
Secondary		-16.003 (26.656)	-12.217 (26.561)		-16.828 (26.704)	-12.490 (26.613)	-11.871 (26.581)
Bachelor's degree		-5.749 (26.778)	-3.128 (26.677)		-6.099 (26.826)	-2.997 (26.729)	-2.821 (26.703)
Master's or PhD degree		4.633 (46.300)	5.343 (46.078)		7.365 (46.425)	8.784 (46.191)	7.776 (46.155)
Credit score 2		8.320	9.083		7.510	8.312	8.977

	(6.947)	(6.910)	(6.939)	(6.900)	(6.910)
Credit score 3	4.895	3.720	5.451	4.439	4.334
	(7.485)	(7.437)	(7.506)	(7.456)	(7.475)
Credit score 4	2.092	-0.175	2.087	0.016	0.080
	(7.053)	(7.034)	(7.066)	(7.046)	(7.058)
Shared customer	-3.779	-3.650	-4.158	-4.124	-4.184
	(5.168)	(5.163)	(5.191)	(5.185)	(5.182)
Male	5.483	6.720	5.458	6.733	6.440
	(4.483)	(4.493)	(4.488)	(4.496)	(4.492)
Married	-5.146	-3.958	-4.798	-3.613	-3.968
	(5.011)	(5.014)	(5.012)	(5.014)	(5.010)
Divorced	-17.682*	-17.117*	-17.996*	-17.400*	-17.030*
	(9.690)	(9.636)	(9.695)	(9.638)	(9.631)
Civil union	-20.425	-21.690	-18.276	-19.846	-20.123
	(21.973)	(21.940)	(21.940)	(21.913)	(21.985)
Widowed	-2.952	0.142	-4.082	-1.016	2.594
	(27.605)	(27.437)	(27.611)	(27.436)	(27.469)
Formally employed	1.140	0.530	0.770	0.258	0.559
	(5.062)	(5.046)	(5.063)	(5.047)	(5.043)
Debt with bank	-0.003	-0.002	-0.002	-0.002	-0.002
	(0.003)	(0.003)	(0.003)	(0.003)	(0.003)
Debt with other banks	-0.001*	-0.001*	-0.001*	-0.001*	-0.001*
	(0.001)	(0.001)	(0.001)	(0.001)	(0.001)
Quito	9.527*	8.634	9.613*	8.782	8.721
	(5.647)	(5.691)	(5.645)	(5.687)	(5.690)
Guayaquil	11.860**	11.990**	11.682**	11.865**	11.787**
	(5.175)	(5.148)	(5.178)	(5.150)	(5.153)
Financial literate		5.319		5.710	5.643
		(4.498)		(4.499)	(4.500)
Happy		0.105		-0.210	0.445
		(5.202)		(5.202)	(5.204)
Risky		-6.513		-6.313	-6.829
		(4.484)		(4.486)	(4.489)
High SSNN usage		8.571*		8.527*	8.658*
		(4.667)		(4.670)	(4.670)
High self-esteem		10.386*		9.962*	10.635**
		(5.388)		(5.381)	(5.388)
High confidence on dec.		-17.548***		-17.589***	-17.401***
		(5.404)		(5.399)	(5.405)
High conf. On expenses		-1.870		-2.312	-2.373
		(5.059)		(5.072)	(5.070)
Beta		-0.022		-0.018	-0.010
		(0.094)		(0.094)	(0.095)
Delta		-0.216		-0.237	-0.228
		(0.234)		(0.234)	(0.234)
Observations	895	895	895	895	895

Standard errors in parentheses

\*\*\* p&lt;0.01, \*\* p&lt;0.05, \* p&lt;0.1

In Table 6B (Columns 1, 2, 3, and 7), we have the results measuring luxury consumption as a proportion of per capita income, and the same results hold. This suggests that thinking about the socio-economic status of acquaintances causes participants to allocate in luxury, in average, between 11% to 18% of their monthly per capita income more than our control group.

*Table 6B. Luxury Consumption Proportion on Treatments and Controls*

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Dependent variable	Luxury consumption (as proportion of per capita income)						
Independent var.	Social status treatments	Social status treatments and demographic controls	Social status treatments and all controls	Credit card status treatment	Credit card status treatment and demographic controls	Credit card status treatment and all controls	Treatments interactions and all controls
T1: peer's status	0.116*	0.145**	0.143**				0.178**
	(0.064)	(0.064)	(0.064)				(0.089)
T2: celeb's status	0.038	0.039	0.048				0.014
	(0.062)	(0.062)	(0.062)				(0.088)
T3: cred. card's status				0.050	0.060	0.075	0.077
				(0.052)	(0.052)	(0.052)	(0.085)
T1 and T3							-0.072
							(0.127)
T2 and T3							0.058
							(0.123)
Age		-0.032**	-0.033**		-0.032**	-0.033**	-0.034**
		(0.016)	(0.016)		(0.016)	(0.016)	(0.016)
Age^2		0.000*	0.000*		0.000*	0.000*	0.000*
		(0.000)	(0.000)		(0.000)	(0.000)	(0.000)
Primary		-0.037	0.017		-0.045	0.017	0.014
		(0.323)	(0.323)		(0.324)	(0.324)	(0.324)
Secondary		0.074	0.121		0.064	0.118	0.126
		(0.316)	(0.316)		(0.317)	(0.317)	(0.317)
Bachelor's degree		0.038	0.088		0.033	0.089	0.093
		(0.318)	(0.318)		(0.319)	(0.319)	(0.318)
Master's or PhD degree		-0.196	-0.156		-0.160	-0.107	-0.117
		(0.549)	(0.547)		(0.550)	(0.548)	(0.548)
Credit score 2		0.127	0.127		0.118	0.118	0.128
		(0.082)	(0.082)		(0.082)	(0.082)	(0.082)
Credit score 3		0.156*	0.152*		0.164*	0.162*	0.164*
		(0.089)	(0.088)		(0.089)	(0.089)	(0.089)
Credit score 4		0.104	0.092		0.105	0.095	0.100
		(0.084)	(0.083)		(0.084)	(0.084)	(0.084)
Shared customer		-0.183***	-0.189***		-0.189***	-0.197***	-0.198***
		(0.061)	(0.062)		(0.062)	(0.062)	(0.062)
Male		0.049	0.068		0.048	0.069	0.065
		(0.053)	(0.053)		(0.053)	(0.053)	(0.053)
Married		-0.072	-0.064		-0.068	-0.059	-0.064

	(0.059)	(0.059)	(0.059)	(0.059)	(0.059)
Divorced	-0.095	-0.098	-0.098	-0.101	-0.096
	(0.115)	(0.115)	(0.115)	(0.115)	(0.115)
Civil union	-0.231	-0.296	-0.198	-0.264	-0.281
	(0.261)	(0.261)	(0.261)	(0.261)	(0.262)
Widowed	-0.250	-0.243	-0.261	-0.254	-0.221
	(0.326)	(0.325)	(0.326)	(0.325)	(0.325)
Formally employed	0.044	0.045	0.039	0.041	0.045
	(0.060)	(0.060)	(0.060)	(0.060)	(0.060)
Debt with bank	-0.000	-0.000	-0.000	-0.000	-0.000
	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
Debt with other banks	-0.000*	-0.000	-0.000*	-0.000	-0.000
	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
Quito	-0.012	-0.015	-0.011	-0.014	-0.014
	(0.066)	(0.067)	(0.066)	(0.067)	(0.067)
Guayaquil	0.059	0.061	0.056	0.059	0.059
	(0.061)	(0.061)	(0.061)	(0.061)	(0.061)
Financial literate		-0.035		-0.029	-0.031
		(0.053)		(0.053)	(0.053)
Happy		0.016		0.011	0.018
		(0.062)		(0.062)	(0.062)
Risky		-0.040		-0.036	-0.042
		(0.053)		(0.053)	(0.053)
High SSNN usage		-0.000		-0.000	-0.001
		(0.055)		(0.055)	(0.055)
High self-esteem		0.061		0.057	0.063
		(0.064)		(0.064)	(0.064)
High confidence on dec.		-0.200***		-0.203***	-0.199***
		(0.064)		(0.064)	(0.064)
High conf. on expenses		0.004		-0.002	-0.003
		(0.060)		(0.060)	(0.060)
Beta		0.001		0.001	0.001
		(0.001)		(0.001)	(0.001)
Delta		-0.004		-0.004	-0.004
		(0.003)		(0.003)	(0.003)
Observations	895	895	895	895	895
Standard errors in parentheses					
*** p<0.01, ** p<0.05, * p<0.1					

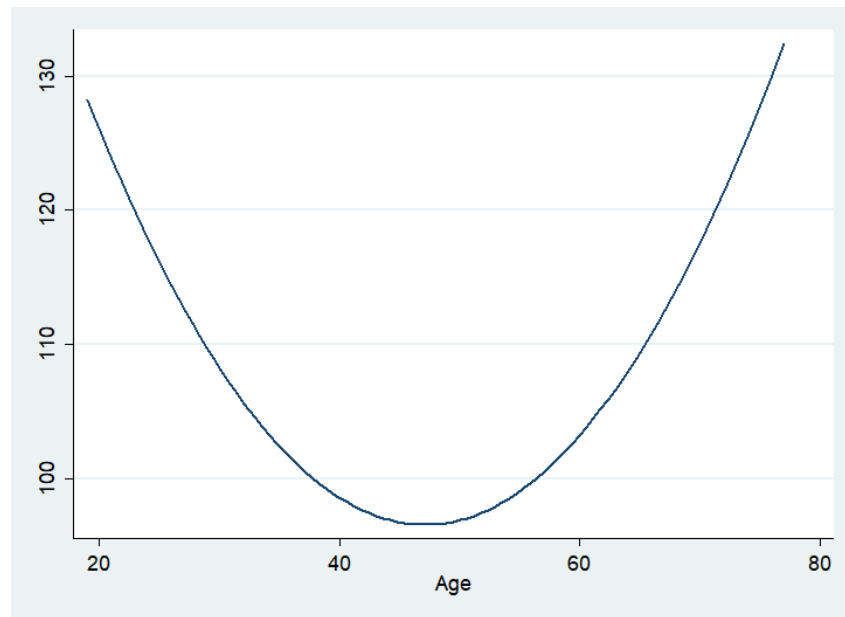
### Demographic effects

In terms of demographics, we found that, with age, people allocate less to luxuries, albeit only significant at the 10% level. Figure 5 shows a U shape relation between age and the allocation of luxury consumption, with a minimum around 43 years old. Perhaps, it is an age with more family and economic responsibilities, like children. Figures 6 shows the level consumption differenced by three age groups to support our explanation. We can see that; older

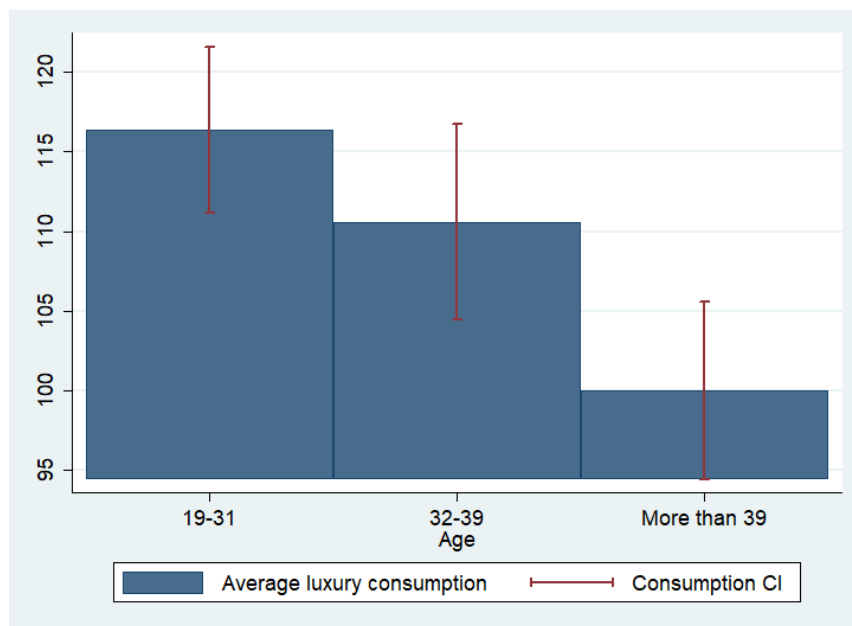
participants have a higher average consumption on luxury (approximately and additional 3% of per capita income per additional year of age). Also, divorced and more in debt participants have a noisy negative effect (significant only at the 10% level) suggesting that people with these characteristics allocate less to luxuries. Potentially, people with these traits have other (more important) expenses, decreasing the available income to allocate on luxuries. Also, this effect is only significant at 10% level with luxury consumption in levels (Column 3 and 7 of Table 6A), but not in proportion of per capita income (Columns 3 and 7 of Table 6B). As another finding, we can conclude that being a shared customer is relevant for the proportion of status goods consumption on income. It is observable in Table 6B that, with 1% significance, a participant that has financial products with other financial institutions allocates approximately 18% less of their per capita income in luxuries, possibly for the higher level of debt. Figure 7 shows the ratio of credit limit and balance with the level of per capita income. It is observed that the level of indebtedness relative to income, (credit limit and credit card debt) is higher for the shared client for all credit scores, in line with our hypothesis. Finally, in Table 6A is found that people who live in Guayaquil allocate, in average, near to \$12 more than other cities (different than Quito).



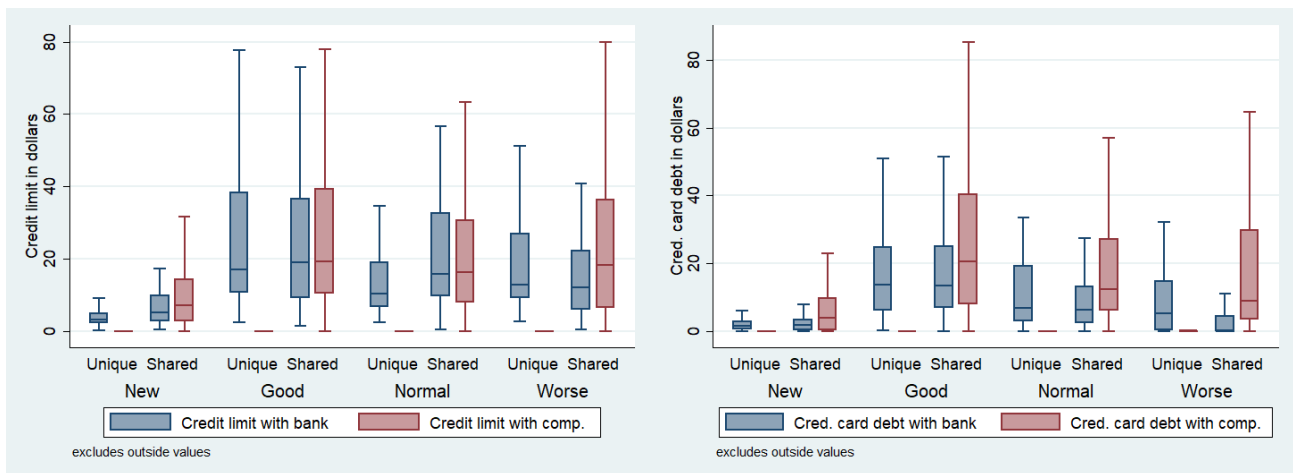
*Figure 5. Age as Quadratic Function of Luxury Consumption*



*Figure 6. Average Consumption by Age*



*Figure 7. Credit card Limit and Balance Relative to Per capita Income by Shared Customers*



### **Behavioral effects**

On contrast, with our proxy behavioral variables, it is observed that a high usage of online social networks also has a positive effect with 10% significance level in the amount spent on luxuries. This makes sense under the hypothesis that people who have an active use of social networks are constantly exposed to information about the status of other people, which is an incentive to allocate more consumption to goods that demonstrate status, analogous to our treatment. However, this result only holds in consumption level, not as a proportion of per capita income. For behavioral controls, in both analyses, a highly significant negative effect ( $p$ -value  $< 0.01$ ) is found for people who have high confidence in themselves. People who have greater confidence in their own decisions would consume, in average around \$17.50 less in luxuries, or 20% less of their per capita income. These findings align with the results of Burszty, Ferman, Fiorin, Kanz, & Rao (2017), in which they conclude that people who go through processes of self-affirmation or self-gratification, tend to spend less on status goods. We found no relations with the remainder behavioral variables.

### **Heterogeneity: Demographic variables interactions**

The control variables for which we had the hypotheses aforementioned, were interacted with our treatments. Tables 7A and 7B show the results of the interaction with the two social status influence treatments to assess their effect on luxury consumption, measured in dollars and as proportion of per capita income. In the model in Column 1 of Table 7A, we analyzed the interaction effect with age, under the hypothesis that younger people are more influenceable than older individuals. Yet, we found that for participants older than 39 years old, our peer's status treatment increase, in average, around \$15.50 the allocation on luxury consumption with significance at 5%. In Table 7B Column 1, we can observe that it corresponds to 18% additional as proportion of per capita income. Perhaps, younger people do not have the capacity to buy status goods or are saturated by social media and this our treatment has no more effect. Studying the interaction of these control variables with our credit card status treatment, we found interesting results. On Column 1 of Table 8, we can see that, for participants of 39 years old or younger, the offer of status attributes on a credit card increases the consumption of luxury, as proportion of per capita income, of almost 15%. It seems that younger people are more influenceable with status on financial products rather than with other people's status. On Appendix 6 is the detail on the effect of these interactions on luxury consumption level. We did not find any significant effect.

Combining the results on Columns 3 and 4 of Table 7A, we found that participants who live in cities different than Quito (p-value < 10%) and different than Guayaquil (p – value < 5%), increase their consumption on luxuries on around \$15 when they received the peer's status priming. Observing the same columns on Table 7B, we can see that these results hold with a significant effect for both cities, representing an increase of between 16% and 19% respectively of luxury consumption as proportion of per capita income.

*Table 7A. Luxury Consumption Level on Social Status Treatments  
with Demographic Interactions*

Dependent variable	(1)	(2)	(3)	(4)
Interaction variable	> 39 years old	Sex	Quito	Guayaquil
T1_peer * > 39 years old	15.523** (7.652)			
T1_peer * <= 39 years old	6.280 (7.641)			
T2_celeb * > 39 years old	8.990 (7.494)			
T2_celeb * <= 39 years old	1.225 (7.286)			
> 39 years old	-7.408 (7.525)			
T1_peer * Male		9.987 (7.624)		
T1_peer * Female		11.577 (7.682)		
T2_celeb * Male		5.523 (7.380)		
T2_celeb * Female		4.281 (7.343)		
Male		5.747 (7.291)		
T1_peer * Quito			9.185 (10.895)	
T1_peer * Diff. than Quito			11.302* (6.214)	
T2_celeb * Quito			-7.179 (10.021)	
T2_celeb * Diff. than Quito			9.215 (6.096)	
Quito			10.688 (8.380)	
T1_peer * Guayaquil				3.406 (9.075)
T1_peer * Diff. than Guayaquil				14.824** (6.692)
T2_celeb * Guayaquil				13.207 (8.695)
T2_celeb * Diff. than Guayaquil				0.446 (6.494)
Guayaquil				7.107 (7.515)
Demographic controls	Yes	Yes	Yes	Yes
Behavioral controls	Yes	Yes	Yes	Yes
Observations	895	895	895	895

Standard errors in parentheses  
\*\*\* p<0.01, \*\* p<0.05, \* p<0.1

*Table 7B. Luxury Consumption Proportion on Social Status Treatments with Demographic Interactions*

	(1)	(2)	(3)	(4)
Dependent variable	Luxury consumption (as proportion of per capita income)			
Interaction variable	> 39 years old	Sex	Quito	Guayaquil
T1_peer * > 39 years old	0.182** (0.090)			
T1_peer * <= 39 years old	0.101 (0.090)			
T2_celeb * > 39 years old	0.034 (0.089)			
T2_celeb * <= 39 years old	0.046 (0.086)			
> 39 years old	-0.116 (0.089)			
T1_peer * Male		0.141 (0.090)		
T1_peer * Female		0.139 (0.091)		
T2_celeb * Male		-0.003 (0.087)		
T2_celeb * Female		0.078 (0.087)		
Male		0.081 (0.086)		
T1_peer * Quito			0.070 (0.129)	
T1_peer * Diff. than Quito			0.164** (0.073)	
T2_celeb * Quito			-0.005 (0.119)	
T2_celeb * Diff. than Quito			0.054 (0.072)	
Quito			0.012 (0.099)	
T1_peer * Guayaquil				0.051 (0.107)
T1_peer * Diff. than Guayaquil				0.189** (0.079)
T2_celeb * Guayaquil				0.097 (0.103)
T2_celeb * Diff. than Guayaquil				0.006 (0.077)
Guayaquil				0.073 (0.089)
Observations	895	895	895	895
	Standard errors in parentheses			
	*** p<0.01, ** p<0.05, * p<0.1			

*Table 8. Luxury Consumption Proportion on CC Status Treatment with Demographic Interactions*

	(1)	(2)	(3)	(4)
Dependent variable	Luxury consumption (as proportion of per capita income)			
Interaction variable	> 39 years old	Sex	Quito	Guayaquil
T3_ccstatus * > 39 years old	-0.020 (0.074)			
T3_ccstatus * <= 39 years old	0.146** (0.072)			
> 39 years old	-0.012 (0.077)			
T3_ccstatus * Male		0.007 (0.073)		
T3_ccstatus * Female		0.128* (0.074)		
Male		0.113 (0.074)		
T3_ccstatus * Quito			-0.063 (0.101)	
T3_ccstatus * Diff. than Quito			0.113* (0.060)	
Quito			0.050 (0.081)	
T3_ccstatus * Guayaquil				0.152* (0.087)
T3_ccstatus * Diff. than Guayaquil				0.021 (0.064)
Guayaquil				-0.005 (0.077)
Demographic controls	Yes	Yes	Yes	Yes
Behavioral controls	Yes	Yes	Yes	Yes
Observations	895	895	895	895
Standard errors in parentheses				
*** p<0.01, ** p<0.05, * p<0.1				

For the other interactions regarding our status on credit card treatment, no significant difference was found for gender and the city were participant lives.

### **Heterogeneity: Behavioral variables interactions**

Doing the same exercise with behavioral variables, we hypothesized that the level of financial literacy would influence people's consumption decisions. It was assumed that people

with high financial literacy would better control their consumption decisions and, based on the results of Banuri & Nguyen (2020), consume less in luxuries. However, Columns 1 of both Table 9A and 9B, show that there is significant effect at 5% of our peer's status treatment on people with more financial literacy. For those individuals, the treatment had an effect of increasing \$15 to luxury consumption and around 18% of per capita income. On the other hand, and based on results from Hudders and Pandaleare (2011), it was hypothesized that people in a happier mood, tend to spend more on luxuries to increase satisfaction in life (at least in the short term). The second column on Table 9B shows a weak positive effect for the treatment of celebrity status in those who did not report being in a happy mood. Similarly, on the same table, we found a noisy positive effect with our peer's status treatment on participants who stated being risk averse.

As another analysis, we considered interactions with online social network usage, due to the growing exposure of information about other people's consumption and lifestyle through them. With a significance at 5% in consumption level and as proportion of per capita income, we found that peer status positively influences the consumption level of luxuries in people who have a low use of social networks. Our treatment increases luxury consumption in approximately \$14 or 17% of per capita income. We did not find any significant effect on our high social network users, we hypothesize that social networks already expose them with too much information about other people status, saturating the mechanism behind our treatment.

Similarly, in Columns 5 – 7 on both Table 9A and 9B, we analyze models that include an interaction with a metric of people's confidence level. In the first two of these, where the participant was asked to state how strongly she agrees that she has high self-esteem and high confidence on their own decisions, it was found that the close-person status treatment influences people who consider themselves to have low self-esteem increasing their luxury consumption

between \$16 and \$20. These results on luxury consumption proportions corresponds to 17% to 21% of their per capita income. Contrastingly, on our third self-esteem measure (confidence on household expenses administration) on the 7<sup>th</sup> columns of our tables, we found that our peer's status treatment had a positive significant effect ( $p\text{-value} < 5\%$ ) on luxury consumption level on people who stated that they do not trust themselves on their expense's decisions, increasing their status goods consumption, in average, in around \$19. Nevertheless, this was not the case when we look luxury consumption as proportion of per capita income. It was found on the last column of Table 9B that our close-person status had a significant on participants that have a high confidence on their expense's decisions with an increase of more than 19% of their proportion on per capita income. Maybe, people who believe have a good administration of household economy can organize personal finance to afford luxury goods from unexpected cash as a percentage of their budget.

As a complement, under the same analysis, we set out to assess the interactions of our control variables with our treatment of offering status attributes through their credit card. Appendix 7 presents the results of these models. No significant effect was found in the treatment of status attributes in the credit card, nor with their interactions with behavioral variables.



*Table 9A. Luxury Consumption Level on Social Status Treatments and Behavioral Interactions*

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Dependent variable	Luxury consumption (in dollars)						
Interaction variable	Financial literate	Happy	Risky	High SSNN usage	High self-esteem	High confidence on dec.	High conf. on expen.
T1_peer * Fin. Literate	14.945** (7.091)						
T1_peer * Not Fin. Literate	4.125 (8.343)						
T2_celeb * Fin. Literate	2.342 (6.890)						
T2_celeb * Not Fin. Literate	8.403 (7.955)						
Fin. Literate	4.208 (7.278)						
T1_peer * Happy		10.968 (8.995)					
T1_peer * Not happy		10.064 (6.760)					
T2_celeb * Happy		12.294 (8.412)					
T2_celeb * Not happy		0.196 (6.620)					
Happy		-6.931 (7.348)					
T1_peer * Risky			9.647 (7.218)				
T1_peer * Not risky			12.376 (8.111)				
T2_celeb * Risky			4.039 (7.060)				
T2_celeb * Not risky			5.677 (7.752)				
Risky			-6.170 (7.232)				
T1_peer * High SSNN usage				5.333 (9.397)			
T1_peer * Low SSNN usage				13.581** (6.604)			
T2_celeb * High SSNN usage				-5.929 (9.005)			
T2_celeb * Low SSNN usage				10.474 (6.388)			
High SSNN usage				16.114** (7.619)			
T1_peer * High self-esteem					5.205 (7.769)		
T1_peer * Low self-esteem					16.125**		

						(7.538)	
T2_celeb * High self-esteem						3.800	
						(7.463)	
T2_celeb * Low self-esteem						6.336	
						(7.297)	
High self-esteem						5.016	
						(7.225)	
T1_peer * High conf. on dec.						3.308	
						(7.236)	
T1_peer * Low conf. on dec.						19.444**	
						(8.020)	
T2_celeb * High conf. on dec.						-2.366	
						(6.820)	
T2_celeb * Low conf. on dec.						15.304*	
						(7.992)	
High conf. on dec.						-2.949	
						(7.236)	
T1_peer * High conf. on expen.							6.112
							(8.235)
T1_peer * Low conf. on expen.							13.994**
							(7.132)
T2_celeb * High conf. on expen.							1.641
							(7.917)
T2_celeb * Low conf. on expen.							7.083
							(6.971)
High conf. on expen.							-3.685
							(7.253)
Demographic controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Behavioral controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	895	895	895	895	895	895	895
Standard errors in parentheses							
*** p<0.01, ** p<0.05, * p<0.1							

*Table 9B. Luxury Consumption Proportion on Social Status Treatments  
and Behavioral Interactions*

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Dependent variable	Luxury consumption (as proportion of per capita income)						
Interaction variable	Financial literate	Happy	Risky	High SSNN usage	High self- esteem	High confidence on dec.	High conf. on expen.
T1_peer * Fin. Literate	0.183**						
	(0.084)						
T1_peer * Not Fin. Literate	0.081						
	(0.098)						
T2_celeb * Fin. Literate	0.022						
	(0.082)						
T2_celeb * Not Fin. Literate	0.064						

	(0.094)		
Fin. Literate	-0.049		
	(0.086)		
T1_peer * Happy	0.168		
	(0.106)		
T1_peer * Not happy	0.115		
	(0.080)		
T2_celeb * Happy	0.168*		
	(0.099)		
T2_celeb * Not happy	-0.044		
	(0.078)		
Happy	-0.113		
	(0.087)		
T1_peer * Risky	0.122		
	(0.085)		
T1_peer * Not risky	0.165*		
	(0.096)		
T2_celeb * Risky	0.038		
	(0.084)		
T2_celeb * Not risky	0.036		
	(0.092)		
Risky	-0.043		
	(0.085)		
T1_peer * High SSNN usage	0.075		
	(0.111)		
T1_peer * Low SSNN usage	0.173**		
	(0.078)		
T2_celeb * High SSNN usage	0.005		
	(0.107)		
T2_celeb * Low SSNN usage	0.054		
	(0.076)		
High SSNN usage	0.043		
	(0.090)		
T1_peer * High self-esteem	0.100		
	(0.092)		
T1_peer * Low self-esteem	0.176**		
	(0.089)		
T2_celeb * High self-esteem	0.004		
	(0.088)		
T2_celeb * Low self-esteem	0.067		
	(0.086)		
High self-esteem	0.014		
	(0.085)		
T1_peer * High conf. on dec.	0.079		
	(0.086)		
T1_peer * Low conf. on dec.	0.207**		
	(0.095)		
T2_celeb * High conf. on dec.	-0.017		
	(0.081)		
T2_celeb * Low conf. on dec.	0.118		

High conf. on dec.						(0.094)	
						-0.081	
						(0.086)	
T1_peer * High conf. on expen.							0.191**
							(0.097)
T1_peer * Low conf. on expen.							0.098
							(0.084)
T2_celeb * High conf. on expen.							0.091
							(0.093)
T2_celeb * Low conf. on expen.							-0.008
							(0.082)
High conf. on expen.							-0.121
							(0.086)
Demographic controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Behavioral controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	895	895	895	895	895	895	895
Standard errors in parentheses							
*** p<0.01, ** p<0.05, * p<0.1							

## Necessities consumption

### Main effects

Another key measurement variable in our experiment was consumption for basic needs goods with the \$650 bonus obtained in the hypothetical scenario. Following the same dynamics of the previous sections analysis, Appendix 8 shows the aggregate results of the effects of our treatments and control variables, on the amount of the bonus allocated to basic needs, measured in dollars and as proportion of per capita income. At first hand, it is observed that none of the treatments have a significant effect in any model. Neither other people's social status nor credit card status attributes have an effect on basic needs consumption. However, some control variables relevant to consumption are found in these models.

### Demographic effects

In all models of Appendix 8 that included control variables, we found that being divorced increases allocation in necessities consumption in approximately \$38 with

significance at 5%. Maybe, participants with this marital status might have more family related responsibilities. This effect does not hold for needs consumption as proportion of per capita income. On the other hand, people who has a credit score cataloged as 4 (the worst of our available segmentation) consume, in average, around an additional 36% of their per capita income (p-value < 5%), in comparison with people that has a credit score 1, which corresponds to new clients for the bank. Having a low credit score might be correlated with low income or bad financial behavior, so participants of this segment would have incentives to allocate their hypothetical additional income on basic needs supplies. Also, we found with significance at 1% that shared customers would allocate, in average, around 37% less of their per capita income on needs consumption than unique customers. Average total debt (debt on bank + debt on other financial institutions) for shared customers is \$4,679, while for unique customers is \$757. Shared customers have higher financial expenses, and they might be a limitation for increasing consumption with an additional income. Another finding with significance at 5%, on the same tables, that people who live in Guayaquil allocated around 26% less of their per capita income to necessities consumption than other cities (different than Quito). Looking back to our results on luxury consumption, we did not find an increase in this type of consumption for participants from this city. In addition, as we explain on forward sections, this reduction is not related with an increase in savings. We do not have a direct explication for this, but cultural and economic differences might be the reason.

### **Behavioral effects**

With our proxy behavioral variables, we found that having a high confidence on their household expenses decisions decreases necessities consumption in around \$25, with a p-value of 1%. People who know how to correctly administer the household economy might be able to buy just the necessary being more conservative on their consumption and thus they would use

the extra income elsewhere. To finish, although we are aware of the noisiness of our variable, we want to mention that our Beta measure had a positive significant at 5% effect on needs consumption as proportion of per capita income. For each additional unit on this measure (less present biased), allocation on necessities increases on 0.5%. These would be contrasted with our robustness check on later sections.

### **Heterogeneity: Demographic variables interactions**

Similar to the analyses of luxury consumption, we evaluated the effect of interactions of our relevant control variables with our social status treatments on the basic needs' consumption. Both in necessities consumption level and as proportion of per capita income, we found that none of the interactions with demographic characteristics generate a significant effect neither on needs consumption level nor as proportion of per capita income (reference on Appendix 9). Doing the same models with the interaction of demographics with our credit card status treatment, we did not find any significant effect either. Results on needs consumption level, as well as proportion of per capita income, are on Appendix 10.

### **Heterogeneity: Behavioral variables interactions**

When analyzing the effect of interactions of behavioral variables on luxury consumption level, again we did not find any significant effect (see Appendix 11). Nonetheless, it was not the same for luxury consumption as proportion of per capita income. On Column 7 of Table 10 we found that, for participants who are not confident on their household expenses administration, our celebrities' status treatment decreases needs consumptions as proportion of per capita income by 40%. Yet, surprisingly, we found the opposite effect for individuals with high confidence.

On Appendix 12, we detailed the same analysis for interactions with credit card status.

No significant effect was found on needs consumption level or proportion of per capita income.

*Table 10. Needs Consumption Proportion on Social Status Treatments and Behavioral Interactions*

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Dependent variable	Basic needs consumption (as proportion of per capita income)						
Interaction variable	Financial literate	Happy	Risky	High SSNN usage	High self-esteem	High confidence on dec.	High conf. on expen.
T1_peer * Fin. Literate	0.342* (0.177)						
T1_peer * Not Fin. Literate	-0.067 (0.207)						
T2_celeb * Fin. Literate	0.083 (0.172)						
T2_celeb * Not Fin. Literate	-0.064 (0.198)						
Fin. Literate	-0.371** (0.181)						
T1_peer * Happy		0.255 (0.224)					
T1_peer * Not happy		0.091 (0.169)					
T2_celeb * Happy		0.224 (0.210)					
T2_celeb * Not happy		-0.125 (0.165)					
Happy		-0.239 (0.182)					
T1_peer * Risky			0.131 (0.180)				
T1_peer * Not risky			0.200 (0.203)				
T2_celeb * Risky			-0.140 (0.176)				
T2_celeb * Not risky			0.190 (0.193)				
Risky			0.040 (0.179)				
T1_peer * High SSNN usage				0.167 (0.236)			
T1_peer * Low SSNN usage				0.161 (0.165)			
T2_celeb * High SSNN usage				0.034 (0.225)			

T2_celeb * Low SSNN usage									-0.004										
									(0.159)										
High SSNN usage									-0.196										
									(0.190)										
T1_peer * High self-esteem																			0.206
																			(0.194)
T1_peer * Low self-esteem																			0.101
																			(0.188)
T2_celeb * High self-esteem																			0.022
																			(0.186)
T2_celeb * Low self-esteem																			-0.023
																			(0.181)
High self-esteem																			-0.213
																			(0.179)
T1_peer * High conf. on dec.																			0.301*
																			(0.181)
T1_peer * Low conf. on dec.																			-0.026
																			(0.201)
T2_celeb * High conf. on dec.																			0.186
																			(0.170)
T2_celeb * Low conf. on dec.																			-0.225
																			(0.201)
High conf. on dec.																			-0.377**
																			(0.180)
T1_peer * High conf. on expen.																			0.478**
																			(0.204)
T1_peer * Low conf. on expen.																			-0.102
																			(0.178)
T2_celeb * High conf. on expen.																			0.524***
																			(0.196)
T2_celeb * Low conf. on expen.																			-0.400**
																			(0.173)
High conf. on expen.																			-0.629***
																			(0.179)
Demographic controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Behavioral controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	895	895	895	895	895	895	895	895	895	895	895	895	895	895	895	895	895	895	895
Standard errors in parentheses																			
*** p<0.01, ** p<0.05, * p<0.1																			



## **Savings preferences**

### **Main effects**

Appendix 13 details the results on allocations on savings level and as a proportion of per capita income. We can see that there is no significant effect from any of our treatments on savings. Nevertheless, we had some interesting findings in regard to demographic and behavioral effects.

### **Demographic effects**

For the analysis on savings levels, we did not find any significant effect from demographic characteristics. With respect to savings as proportion of per capita income, we found that participants from Quito save, in average, 35% less than participants from other cities. No other demographic variable had a significant effect on savings as a proportion of income.

### **Behavioral effects**

We found that online social networks usage and declared self-esteem influence savings levels. First, participants with a high usage of social networks allocate, in average, around \$17 dollars less to savings than low usage participants. This result holds for savings as a proportion of per capita income, with a reduction of around 32% of savings proportion for people with high social networks usage. This goes in accordance with our prior findings on Table 6A regarding a suggestively higher consumption of luxury of high usage participants. Similarly, people who declared to have a high self-esteem allocate around \$21 less to savings than low self-esteem participants. In contrast, subjects that claimed to be confident with their expenses' management save \$24 more than low confident participants (significance at 1%). Both of these results regarding self-esteem are not statistically significant for savings as proportion of per capita income. To finish with this subsection, it is important to explain that being more

financially literate influences savings proportion negatively with a highly significant coefficient. Participants who are more financial literate according to our measure are going to allocate almost 40% less of their per capita income to savings. Financial literate participants have, in average, a total debt of \$3,269, while financial literate people have \$2,253 of total debt. Perhaps, people that have more financial knowledge have more financial expenses, so they cannot afford the additional income to savings. In contrast with our prior results, finding that financial literate participants are more influenced by peer's status, maybe this reduction in savings for financial literate takes place in order to have more extra cash to consumption in status goods.

#### **Heterogeneity: Demographic variables interactions**

Finishing this savings section, we analyze the effect of interactions with our social and credit card status treatments on savings preferences. We did not find a significant effect with the interactions with demographic variables (see Appendices 14 and 15).

#### **Heterogeneity: Behavioral variables interactions**

With the models that take into account savings as a dollar amount, first we found that financial literacy has a relevant interaction with our treatments. Column 1 of Table 11A shows us that our peer's status treatment had a significant effect, at 5% level, influencing people who have higher financial knowledge to allocate approximately \$28 less to savings (this result holds only for savings level). Contrasting with our findings from luxury consumption on Tables 9A and 9B, we stated that the same treatment significantly influenced these participants to consume more on status goods. It seems that these people sacrificed savings to finance the additional consumption on luxuries. In addition, we also found that online social network usage affects our treatment effect on savings. On Column 4 of Table 11A, for participants who declared a

low social network usage, the model shows us that both of our social status treatments have a negative effect on savings level, significant at 5% of \$23 to \$25, respectively. Considering our prior findings from Tables 9A and 9B, in the same way that for highly financial literate participants, low users of online social networks seems to reduce savings to increase luxury consumption. Observing the magnitudes of both findings, it is found that both groups of participants (highly financial literate and low social networks users) decreases savings in a greater magnitude than their increase in luxuries. Finally, with respect to effects on savings as proportion of per capita income, this analysis shows that our peer's status treatment increases, in average, more than 40% the proportion of per capita income allocated to savings on participants who are confident on their household expenses decisions (see Column 7 on Table 11B). Observing our results from luxury and needs consumption for prior sections, and specifically the magnitudes of effects, we can see that our peer's status treatment increases overall consumption for confident participants according to our household expenses confidence metric (all coefficients are positive and significant at 5% level).

On the other hand, doing the same interaction analysis with our credit card status treatment, we found that for participants that consider themselves as risk takers, our treatment increases their allocation to savings as proportion of per capita income around 31% (see Column 3 on Table 12). Nevertheless, this result holds only on savings as proportion of per capita income. For savings levels, as can be checked on Appendix 16, we did not find any significant effect with our interactions with credit card status treatment.

Table 11A. Savings Level on Social Status Treatments and Behavioral Interactions

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Dependent variable	Savings (in dollars)						
Interaction variable	Financial literate	Happy	Risky	High SSNN usage	High self- esteem	High confidence on dec.	High conf. on expen.
T1_peer * Fin. Literate	-28.190** (12.724)						
T1_peer * Not Fin. Literate	7.152 (14.925)						
T2_celeb * Fin. Literate	-8.614 (12.320)						
T2_celeb * Not Fin. Literate	-14.002 (14.279)						
Fin. Literate	-4.208 (13.018)						
T1_peer * Happy		-16.172 (16.132)					
T1_peer * Not happy		-11.552 (12.153)					
T2_celeb * Happy		-21.855 (15.118)					
T2_celeb * Not happy		-3.385 (11.853)					
Happy		15.123 (13.111)					
T1_peer * Risky			-9.334 (12.921)				
T1_peer * Not risky			-20.288 (14.586)				
T2_celeb * Risky			1.518 (12.614)				
T2_celeb * Not risky			-25.175* (13.898)				
Risky			3.926 (12.892)				
T1_peer * High SSNN usage				7.571 (16.941)			
T1_peer * Low SSNN usage				-24.543** (11.806)			
T2_celeb * High SSNN usage				14.641 (16.191)			
T2_celeb * Low SSNN usage				-23.318** (11.398)			
High SSNN usage				-38.584*** (13.633)			
T1_peer * High self-esteem					-8.228 (13.956)		

T1_peer * Low self-esteem								-19.487 (13.535)	
T2_celeb * High self-esteem								-13.425 (13.398)	
T2_celeb * Low self-esteem								-8.744 (13.052)	
High self-esteem								-4.028 (12.898)	
T1_peer * High conf. on dec.									-18.493 (12.984)
T1_peer * Low conf. on dec.									-6.877 (14.466)
T2_celeb * High conf. on dec.									-21.889* (12.173)
T2_celeb * Low conf. on dec.									3.876 (14.431)
High conf. on dec.									32.410** (12.933)
T1_peer * High conf. on expen.									-14.702 (14.681)
T1_peer * Low conf. on expen.									-11.790 (12.779)
T2_celeb * High conf. on expen.									-22.394 (14.094)
T2_celeb * Low conf. on expen.									-0.287 (12.460)
High conf. on expen.									37.367*** (12.877)
Demographic controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes		Yes
Behavioral controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes		Yes
Observations	895	895	895	895	895	895	895		895
Standard errors in parentheses *** p<0.01, ** p<0.05, * p<0.1									

*Table 11B. Savings Proportion on Social Status Treatments and Behavioral Interactions*

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Dependent variable	Savings (as proportion of per capita income)						
Interaction variable	Financial literate	Happy	Risky	High SSNN usage	High self-esteem	High confidence on dec.	High conf. on expen.
T1_peer * Fin. Literate	0.096 (0.175)						
T1_peer * Not Fin. Literate	0.265 (0.205)						
T2_celeb * Fin. Literate	0.081						

	(0.170)		
T2_celeb * Not Fin. Literate	-0.288		
	(0.197)		
Fin. Literate	-0.450**		
	(0.179)		
T1_peer * Happy	0.348		
	(0.222)		
T1_peer * Not happy	0.023		
	(0.168)		
T2_celeb * Happy	0.139		
	(0.209)		
T2_celeb * Not happy	-0.220		
	(0.163)		
Happy	-0.225		
	(0.180)		
T1_peer * Risky	0.295*		
	(0.178)		
T1_peer * Not risky	-0.042		
	(0.202)		
T2_celeb * Risky	0.040		
	(0.174)		
T2_celeb * Not risky	-0.229		
	(0.192)		
Risky	-0.053		
	(0.178)		
T1_peer * High SSNN usage	0.526**		
	(0.234)		
T1_peer * Low SSNN usage	-0.034		
	(0.163)		
T2_celeb * High SSNN usage	0.196		
	(0.223)		
T2_celeb * Low SSNN usage	-0.219		
	(0.157)		
High SSNN usage	-0.601***		
	(0.189)		
T1_peer * High self-esteem	0.364*		
	(0.192)		
T1_peer * Low self-esteem	-0.056		
	(0.187)		
T2_celeb * High self-esteem	-0.057		
	(0.185)		
T2_celeb * Low self-esteem	-0.122		
	(0.180)		
High self-esteem	-0.185		
	(0.178)		

T1_peer * High conf. on dec.						0.243	
						(0.180)	
T1_peer * Low conf. on dec.						0.040	
						(0.200)	
T2_celeb * High conf. on dec.						-0.033	
						(0.168)	
T2_celeb * Low conf. on dec.						-0.157	
						(0.200)	
High conf. on dec.						0.080	
						(0.179)	
T1_peer * High conf. on expen.							0.421**
							(0.203)
T1_peer * Low conf. on expen.							-0.058
							(0.177)
T2_celeb * High conf. on expen.							0.254
							(0.194)
T2_celeb * Low conf. on expen.							-0.336*
							(0.172)
High conf. on expen.							-0.078
							(0.178)
Demographic controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Behavioral controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	895	895	895	895	895	895	895
Standard errors in parentheses							
*** p<0.01, ** p<0.05, * p<0.1							

*Table 12. Savings Proportion on Credit Card Status Treatments and Behavioral Interactions*

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Dependent variable	Savings (as proportion of per capita income)						
Interaction variable	Financial literate	Happy	Risky	High SSNN usage	High self-esteem	High confidence on dec.	High conf. on expen.
T3_ccstatus * Fin. Literate	0.170						
	(0.143)						
T3_ccstatus * Not Fin. Literate	-0.069						
	(0.166)						
Fin. Literate	-0.489***						
	(0.156)						
T3_ccstatus * Happy		0.213					
		(0.180)					
T3_ccstatus * Not happy		-0.005					
		(0.136)					
Happy		-0.131					
		(0.159)					
T3_ccstatus * Risky			0.308**				
			(0.145)				
T3_ccstatus * Not risky			-0.222				

								(0.163)
Risky								-0.125
								(0.153)
T3_ccstatus * High SSNN usage								0.252
								(0.189)
T3_ccstatus * Low SSNN usage								-0.007
								(0.132)
High SSNN usage								-0.428***
								(0.163)
T3_ccstatus * High self-esteem								0.061
								(0.157)
T3_ccstatus * Low self-esteem								0.090
								(0.152)
High self-esteem								-0.031
								(0.153)
T3_ccstatus * High conf. on dec.								0.110
								(0.144)
T3_ccstatus * Low conf. on dec.								0.000
								(0.166)
High conf. on dec.								0.115
								(0.153)
T3_ccstatus * High conf. on expen.								-0.047
								(0.166)
T3_ccstatus * Low conf. on expen.								0.129
								(0.144)
High conf. on expen.								0.340**
								(0.157)
Demographic controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Behavioral controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	895	895	895	895	895	895	895	895
Standard errors in parentheses								
*** p<0.01, ** p<0.05, * p<0.1								

### Preferences for credit card usage

As we were working with bank clients that own a credit card, we wanted to explore how our treatments could change preferences regarding the usage of their credit card. We have stated previously that credit cards are, by construction, an aspirational financial product. Their nature of having different categories and benefits for each one, gives a sense of exclusivity on them. For this, using Logit models, we also measured how peer's and celebrities' status affects the probability of the participants wanting to consume more with their credit card and, using Tobit models censored on the left, their aspired credit limit.



### Main effects

With Tables 13A and 13B, we can observe the marginal effects of our treatments and control variables on the probability of consuming more with credit card and wanted credit card limit as proportion of per capita income. As a first finding, on the last column of Table 13A, we can see that the combination of our peer's status treatment with our credit card status treatment decreases, in average, approximately 2% the probability of consuming more with the credit card (significance at 5%). Despite of not finding any other significant effect other than a positive from our peer's status treatment, we can speculate that credit cards from a Black category can be intimidating and perceived as expensive, generating a rebound effect discouraging credit card usage. It is relevant to emphasize that we are working with clients from a bank that works mostly with middle to low-income households.

On Appendix 17, we present the evidence that there is no significant effects from our treatments on wanted credit limit. Nonetheless, when doing the analysis with credit limit as proportion of per capita income (Table 13B), we can observe on Column 7 that our status on credit card treatment increases wanted credit card limit as a proportion of per capita income. More specifically, these results explain that our treatment increases wanted credit limit more than 600% of their per capita income, with significance at 5% level.

*Table 13A. Probability of Additional Cred. Card Consumption on Treatments and Control Variables*

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Dependent variable	Probability of consuming more with credit card						
Independent var.	Social status treatments	Social status treatments and demographic controls	Social status treatments and all controls	Credit card status treatment	Credit card status treatment and demographic controls	Credit card status treatment and all controls	Treatments interactions and all controls
T1: peer's status	0.034 (0.041)	0.029 (0.040)	0.027 (0.040)				0.120** (0.057)
T2: celeb's status	-0.037 (0.038)	-0.038 (0.038)	-0.036 (0.038)				0.023 (0.054)

T3: cred. card's status			-0.048 (0.033)	-0.045 (0.032)	-0.050 (0.032)	0.041 (0.052)
T1 and T3						-0.184** (0.080)
T2 and T3						-0.112 (0.076)
Per capita income	-0.000 (0.000)	-0.000 (0.000)		-0.000 (0.000)	0.000 (0.000)	0.000 (0.000)
Household size	-0.008 (0.011)	-0.006 (0.011)		-0.006 (0.011)	-0.005 (0.011)	-0.003 (0.011)
Age	-0.021** (0.010)	-0.017* (0.010)		-0.021** (0.010)	-0.017* (0.010)	-0.016 (0.010)
Age^2	0.000* (0.000)	0.000 (0.000)		0.000* (0.000)	0.000 (0.000)	0.000 (0.000)
Primary	-0.119 (0.208)	-0.125 (0.205)		-0.138 (0.208)	-0.145 (0.206)	-0.129 (0.207)
Secondary	-0.080 (0.204)	-0.080 (0.201)		-0.102 (0.205)	-0.103 (0.202)	-0.080 (0.203)
Bachelor's degree	-0.086 (0.205)	-0.095 (0.202)		-0.110 (0.205)	-0.119 (0.203)	-0.095 (0.204)
Credit score 2	0.009 (0.052)	0.007 (0.051)		0.006 (0.051)	0.004 (0.051)	0.002 (0.051)
Credit score 3	0.064 (0.056)	0.060 (0.055)		0.057 (0.056)	0.052 (0.055)	0.047 (0.055)
Credit score 4	-0.092* (0.051)	-0.101** (0.051)		-0.101** (0.051)	-0.110** (0.051)	-0.113** (0.050)
Shared customer	-0.052 (0.038)	-0.050 (0.038)		-0.047 (0.039)	-0.045 (0.038)	-0.042 (0.038)
Male	0.081** (0.033)	0.084** (0.033)		0.083** (0.033)	0.086*** (0.033)	0.084** (0.033)
Married	-0.011 (0.037)	-0.014 (0.037)		-0.011 (0.037)	-0.014 (0.037)	-0.016 (0.037)
Divorced	-0.019 (0.070)	-0.028 (0.069)		-0.021 (0.070)	-0.030 (0.069)	-0.031 (0.069)
Civil union	0.068 (0.168)	0.088 (0.164)		0.075 (0.166)	0.093 (0.163)	0.100 (0.164)
Widowed	0.019 (0.202)	0.019 (0.201)		0.013 (0.202)	0.013 (0.202)	0.036 (0.199)
Formally employed	0.026 (0.038)	0.025 (0.038)		0.024 (0.038)	0.023 (0.038)	0.024 (0.037)
Debt with bank	-0.000 (0.000)	-0.000 (0.000)		-0.000 (0.000)	-0.000 (0.000)	-0.000 (0.000)
Debt with other banks	0.000** (0.000)	0.000** (0.000)		0.000** (0.000)	0.000** (0.000)	0.000** (0.000)
Quito	0.033 (0.042)	0.046 (0.042)		0.028 (0.042)	0.041 (0.042)	0.047 (0.042)
Guayaquil	0.036 (0.038)	0.035 (0.038)		0.034 (0.038)	0.033 (0.038)	0.037 (0.038)
Financial literate		0.004			0.004	0.003

			(0.033)			(0.033)	(0.033)
Happy			0.051			0.049	0.054
			(0.039)			(0.038)	(0.038)
Risky			0.012			0.014	0.009
			(0.033)			(0.033)	(0.033)
High SSNN usage			0.114***			0.115***	0.119***
			(0.035)			(0.035)	(0.034)
High self-esteem			-0.046			-0.044	-0.042
			(0.040)			(0.039)	(0.039)
High confidence on dec.			0.032			0.030	0.036
			(0.040)			(0.040)	(0.040)
High conf. on expen.			0.027			0.031	0.032
			(0.038)			(0.038)	(0.038)
Beta			-0.001			-0.001	-0.001
			(0.001)			(0.001)	(0.001)
Delta			-0.003			-0.003	-0.003
			(0.002)			(0.002)	(0.002)
Observations	895	892	892	895	892	892	892
Standard errors in parentheses							
*** p<0.01, ** p<0.05, * p<0.1							

*Table 13B. Credit Card Limit as Proportion on Treatments and Control Variables*

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Dependent variable	Credit limit (as proportion of per capita income)						
Independent var.	Social status treatments	Social status treatments and demographic controls	Social status treatments and all controls	Credit card status treatment	Credit card status treatment and demographic controls	Credit card status treatment and all controls	Treatments interactions and all controls
T1: peer's status	0.188 (2.359)	-0.685 (2.364)	-0.746 (2.361)				2.495 (3.274)
T2: celeb's status	-3.520 (2.307)	-3.915* (2.306)	-3.949* (2.304)				-1.041 (3.249)
T3: cred. card's status				2.323 (1.927)	2.295 (1.928)	2.155 (1.930)	6.222** (3.119)
T1 and T3							-6.741 (4.707)
T2 and T3							-6.033 (4.596)
Age		-1.013* (0.583)	-0.874 (0.584)		-0.994* (0.583)	-0.857 (0.584)	-0.821 (0.583)
Age^2		0.010 (0.007)	0.008 (0.007)		0.010 (0.007)	0.008 (0.007)	0.008 (0.007)
Primary		-0.138 (12.060)	-1.076 (11.967)		-0.188 (12.049)	-1.051 (11.965)	-0.403 (11.917)
Secondary		0.057 (11.815)	-1.034 (11.717)		-0.019 (11.800)	-1.041 (11.711)	-0.150 (11.661)
Bachelor's degree		1.753 (11.870)	0.286 (11.771)		1.552 (11.858)	0.132 (11.766)	1.196 (11.715)

Master's or PhD degree	7.071 (19.099)	2.210 (19.015)	8.049 (19.129)	3.192 (19.051)	3.846 (18.986)
Credit score 2	1.056 (3.057)	1.127 (3.046)	1.328 (3.048)	1.425 (3.037)	1.031 (3.044)
Credit score 3	3.265 (3.254)	2.892 (3.247)	3.456 (3.258)	3.065 (3.251)	2.776 (3.258)
Credit score 4	0.447 (3.165)	0.081 (3.167)	0.544 (3.168)	0.162 (3.170)	0.038 (3.173)
Shared customer	0.402 (2.285)	0.717 (2.290)	0.068 (2.291)	0.363 (2.296)	0.575 (2.296)
Male	4.208** (1.984)	4.354** (1.997)	4.117** (1.983)	4.293** (1.996)	4.296** (1.995)
Married	3.521 (2.220)	3.163 (2.229)	3.512 (2.218)	3.151 (2.227)	3.173 (2.224)
Divorced	-0.720 (4.288)	-1.254 (4.284)	-0.526 (4.282)	-1.079 (4.279)	-1.264 (4.279)
Civil union	4.214 (9.025)	6.902 (9.013)	5.186 (9.007)	7.746 (8.999)	7.608 (9.017)
Widowed	0.185 (12.580)	-0.400 (12.669)	1.217 (12.554)	0.555 (12.645)	1.037 (12.628)
Formally employed	1.276 (2.227)	1.310 (2.223)	1.197 (2.224)	1.234 (2.220)	1.331 (2.219)
Debt with bank	0.001 (0.001)	0.001 (0.001)	0.001 (0.001)	0.001 (0.001)	0.001 (0.001)
Debt with other banks	0.000** (0.000)	0.000** (0.000)	0.001** (0.000)	0.000** (0.000)	0.000** (0.000)
Quito	1.992 (2.468)	2.465 (2.498)	1.812 (2.463)	2.253 (2.493)	2.584 (2.495)
Guayaquil	-0.171 (2.298)	-0.215 (2.294)	-0.259 (2.297)	-0.289 (2.293)	-0.089 (2.296)
Financial literate		2.057 (1.992)		2.058 (1.990)	2.069 (1.989)
Happy		3.404 (2.316)		3.400 (2.312)	3.553 (2.313)
Risky		1.904 (1.990)		1.958 (1.989)	1.831 (1.990)
High SSNN usage		6.009*** (2.053)		5.978*** (2.052)	6.100*** (2.052)
High self-esteem		-2.252 (2.393)		-2.026 (2.387)	-2.223 (2.389)
High confidence on dec.		2.938 (2.406)		2.639 (2.401)	2.982 (2.405)
High conf. on expen.		-0.221 (2.250)		-0.348 (2.251)	-0.364 (2.250)
Beta		-0.040 (0.045)		-0.041 (0.045)	-0.041 (0.045)
Delta		-0.083 (0.101)		-0.094 (0.101)	-0.089 (0.101)
Observations	895	895	895	895	895
Standard errors in parentheses *** p<0.01, ** p<0.05, * p<0.1					

### **Demographic effects**

There are some demographic variables that have influence on the probability of consuming more with credit card. First, we found on Columns 2 and 5 from Table 13A that the probability of consuming more decreases, in average, around 2% for every additional year of age. These seems evident due to older participants probably are more indebt than younger participants. In fact, average total debt for people older than 39 years old is \$4,187, while for younger participants is \$1,484. In the same way, we found that having a type 4 credit score, the lowest of our sample, decreases probability of consuming more in around 11%. This is not a surprise because, as it was mentioned on prior sections, this credit score represents low credit repayment capacity. Moreover, we found that male participants are approximately 8% more probable to accept the additional consumption with credit card, with a significance at 5% level. Additionally, male participants wanted a credit limit around 420% of their per capita income greater than female participants. To finish, debt with other financial institutions increases wanted credit limit with a significance at 5% level, but with an economically non-significant coefficient.

### **Behavioral effects**

With respect to behavioral characteristics, we found one significant effect among them. Here, usage of online social networks shows being influential again. People that have a higher social networks usage, have a 11% to 12% bigger probability of accepting the additional consumption ( $p\text{-value} < 1\%$ ). This might be because of the greater exposure that social networks provide participants to information about products, services, other people's lifestyles, and online payment methods. Uniformly, and surely for the same reasons, a high usage of social networks also increases wanted credit limit between \$712 and \$730, with significance at 1% level. Finally, and in the same way, this result holds on the relationship with credit limit as a

proportion of per capita income. A high usage of online social networks increase credit limit in around 600% of the participant's per capita income (similar to our status on credit card treatment effect).

### **Heterogeneity: Demographic variables interactions**

Analyzing the interaction between our social status treatments with the relevant control variables, we found on Table 14A Column 3 that our celebrities' status treatment has a rebound effect on people who live in Quito. The interaction term shows us that our treatment makes participants from this city want around \$150 less on their credit card limit, with significance at 5%. No other interaction with social status treatments was significant on credit card limit. On Appendix 18, we show the detailed results of the interactions between demographics and credit card status treatment. No significant coefficients were found.

Additionally, we can see on Table 14B interactions with our social status treatments that influence on credit limit as a proportion of per capita income. First, we can see on Column 1 that status of famous people decreases wanted credit limit as proportion of per capita income in more than 730%, with a p-value less than 0.05. Moreover, it was found on Column 4 that our celebrities status treatment also decreases credit limit proportion in around 590% of participants that live on a different city from Guayaquil. When doing the same analysis on the interactions with our credit card status treatment, Column 1 from Table 15 shows us that our treatment of credit card status increases credit limit as proportion of per capita income in almost 540% with significance at 5% in participants of 39 years old or younger. It seems that status effects are stronger through financial products on our younger study population, who perhaps has less access to credit cards.

Table 14A. Credit Card Limit on Social Status Treatments and Demographic Interactions

	(1)	(2)	(3)	(4)
Dependent variable	Credit card limit (in dollars)			
Interaction variable	> 39 years old	Sex	Quito	Guayaquil
T1_peer * > 39 years old	-429.995 (408.469)			
T1_peer * <= 39 years old	132.005 (408.233)			
T2_celeb * > 39 years old	-677.162* (408.552)			
T2_celeb * <= 39 years old	104.314 (390.349)			
> 39 years old	13.414 (401.637)			
T1_peer * Male		-59.061 (406.561)		
T1_peer * Female		-262.593 (413.927)		
T2_celeb * Male		-61.132 (394.481)		
T2_celeb * Female		-507.162 (401.795)		
Male		205.794 (389.846)		
T1_peer * Quito			-747.010 (576.195)	
T1_peer * Diff. than Quito			43.949 (333.209)	
T2_celeb * Quito			-1,112.909** (535.001)	
T2_celeb * Diff. than Quito			19.440 (330.044)	
Quito			968.268** (444.455)	
T1_peer * Guayaquil				562.635 (484.676)
T1_peer * Diff. than Guayaquil				-548.454 (359.336)
T2_celeb * Guayaquil				424.795 (474.491)
T2_celeb * Diff. than Guayaquil				-661.565* (349.580)
Guayaquil				-608.735 (405.652)

Demographic controls	Yes	Yes	Yes	Yes
Behavioral controls	Yes	Yes	Yes	Yes
Observations	895	895	895	895
Standard errors in parentheses *** p<0.01, ** p<0.05, * p<0.1				

*Table 14B. Credit Card Limit Proportion on Social Status Treatments and Demographic Interactions*

	(1)	(2)	(3)	(4)
Dependent variable	Credit limit (as proportion of per capita income)			
Interaction variable	> 39 years old	Sex	Quito	Guayaquil
T1_peer * > 39 years old	-2.643 (3.336)			
T1_peer * <= 39 years old	1.451 (3.332)			
T2_celeb * > 39 years old	-7.337** (3.366)			
T2_celeb * <= 39 years old	-0.204 (3.187)			
> 39 years old	-2.179 (3.280)			
T1_peer * Male		-0.110 (3.323)		
T1_peer * Female		-1.289 (3.388)		
T2_celeb * Male		-1.632 (3.220)		
T2_celeb * Female		-5.836* (3.304)		
Male		2.486 (3.192)		
T1_peer * Quito			-2.026 (4.738)	
T1_peer * Diff. than Quito			-0.154 (2.729)	
T2_celeb * Quito			-5.338 (4.393)	
T2_celeb * Diff. than Quito			-3.129 (2.715)	
Quito			3.382 (3.640)	
T1_peer * Guayaquil				4.307 (3.976)



T1_peer * Diff. than Guayaquil				-3.343 (2.941)
T2_celeb * Guayaquil				0.476 (3.901)
T2_celeb * Diff. than Guayaquil				-5.903** (2.869)
Guayaquil				-5.195 (3.322)
Demographic controls	Yes	Yes	Yes	Yes
Behavioral controls	Yes	Yes	Yes	Yes
Observations	895	895	895	895
Standard errors in parentheses *** p<0.01, ** p<0.05, * p<0.1				

*Table 14C. Credit Card Limit Proportion on Credit Card Status Treatments and Demographic Interactions*

	(1)	(2)	(3)	(4)
Dependent variable	Credit limit (as proportion of per capita income)			
Interaction variable	> 39 years old	Sex	Quito	Guayaquil
T3_ccstatus * > 39 years old	-1.253 (2.772)			
T3_ccstatus * <= 39 years old	5.487** (2.681)			
> 39 years old	-2.285 (2.853)			
T3_ccstatus * Male		3.380 (2.695)		
T3_ccstatus * Female		1.060 (2.771)		
Male		3.012 (2.731)		
T3_ccstatus * Quito			0.848 (3.718)	
T3_ccstatus * Diff. than Quito			2.975 (2.258)	
Quito			2.955 (2.991)	
T3_ccstatus * Guayaquil				2.037 (3.260)
T3_ccstatus * Diff. than Guayaquil				2.539 (2.395)
Guayaquil				-0.607 (2.868)
Demographic controls	Yes	Yes	Yes	Yes
Behavioral controls	Yes	Yes	Yes	Yes
Observations	895	895	895	895
Standard errors in parentheses *** p<0.01, ** p<0.05, * p<0.1				

On Appendix 19, we show that there is no significance effect of any demographic interaction with our social status treatments on the probability of consuming more with the credit card. However, on Table 15, our status on credit card also showed a significant and negative effect on the aforementioned group (living elsewhere other than Guayaquil), but in less magnitude. Column 4 shows that it decreases in 8%, with a significant coefficient at 5% level.

*Table 15. Probability of consuming more with CC on Credit Card Status Treatments and Demographic Interactions*

	(1)	(2)	(3)	(4)
Dependent variable	Probability of consuming more with credit card			
Interaction variable	> 39 years old	Sex	Quito	Guayaquil
T3_ccstatus * > 39 years old	-0.072 (0.045)			
T3_ccstatus * <= 39 years old	-0.018 (0.047)			
> 39 years old	-0.065 (0.049)			
T3_ccstatus * Male		-0.032 (0.047)		
T3_ccstatus * Female		-0.057 (0.045)		
Male		0.071 (0.046)		
T3_ccstatus * Quito			-0.052 (0.064)	
T3_ccstatus * Diff. than Quito			-0.041 (0.038)	
Quito			0.020 (0.052)	
T3_ccstatus * Guayaquil				0.032 (0.056)
T3_ccstatus * Diff. than Guayaquil				-0.084** (0.040)
Guayaquil				-0.032 (0.049)
Demographic controls	Yes	Yes	Yes	Yes
Behavioral controls	Yes	Yes	Yes	Yes
Observations	895	895	895	895
Standard errors in parentheses *** p<0.01, ** p<0.05, * p<0.1				

**Heterogeneity: Behavioral variables interactions**

Analyzing interactions of our behavioral variables with our three treatments, on Appendix 20 and 21, we show that no significant result was found on credit limit, measured in dollars. However, we found a different story when we analyze credit limit as proportion of per capita income. Column 1 of Table 16 shows that highly financially literate participants are influenced by our celebrities' status treatment. With significance at 5% level, the priming of status of famous people decreases their desired credit limit as a proportion of per capita income by 720% of their per capita income. Similarly, on the last column of the same table, the result shows that our celebrities' status influence people who have a low confidence on their household expenses decisions with a decrease of the wanted credit limit of more than 870% of their per capita income. These findings show that, for certain specific characteristics, status of famous people generated a rebound effect of what was expected (initial hypothesis was that status influence people to increase debt, based on Banuri & Nguyen, 2020; Bursztyn, Ferman, Fiorin, Kanz, & Rao, 2017; and Frank, Levine, & Dijk, Expenditure Cascades, 2014). Perhaps, our intention was obvious for our participants and, thus, generated this rebound effect. Doing the analysis of interactions with our third treatment, status of famous people, no coefficient had a significant influence on credit card limit proportion of per capita income (see reference on Appendix 22)

Finally, on Appendices 23 and 24, we show that interactions between our behavioral variables and all off our treatments had no statistically significant effect on the probability of consuming more with credit card.

*Table 16. Credit Card Limit Proportion on Social Status Treatments and Behavioral Interactions*

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Dependent variable	Credit limit (as proportion of per capita income)						
Interaction variable	Financial literate	Happy	Risky	High SSNN usage	High self-esteem	High confidence on dec.	High conf. on expen.
T1_peer * Fin. Literate	-0.803 (3.093)						
T1_peer * Not Fin. Literate	-0.857 (3.669)						
T2_celeb * Fin. Literate	-7.208** (3.053)						
T2_celeb * Not Fin. Literate	1.221 (3.531)						
Fin. Literate	4.478 (3.202)						
T1_peer * Happy		-0.717 (3.907)					
T1_peer * Not happy		-0.346 (2.969)					
T2_celeb * Happy		-0.192 (3.663)					
T2_celeb * Not happy		-5.656* (2.964)					
Happy		2.082 (3.193)					
T1_peer * Risky			-1.379 (3.129)				
T1_peer * Not risky			0.308 (3.602)				
T2_celeb * Risky			-4.816 (3.109)				
T2_celeb * Not risky			-2.075 (3.461)				
Risky			3.989 (3.166)				
T1_peer * High SSNN usage				-0.732 (4.052)			
T1_peer * Low SSNN usage				-0.601 (2.915)			
T2_celeb * High SSNN usage				-1.713 (3.899)			
T2_celeb * Low SSNN usage				-4.628			

					(2.864)		
High SSNN usage					4.707		
					(3.311)		
T1_peer * High self-esteem					-2.379		
					(3.402)		
T1_peer * Low self-esteem					1.150		
					(3.309)		
T2_celeb * High self-esteem					-3.174		
					(3.283)		
T2_celeb * Low self-esteem					-3.765		
					(3.252)		
High self-esteem					2.412		
					(3.158)		
T1_peer * High conf. on dec.						0.258	
						(3.143)	
T1_peer * Low conf. on dec.						-1.509	
						(3.579)	
T2_celeb * High conf. on dec.						-3.639	
						(2.996)	
T2_celeb * Low conf. on dec.						-3.792	
						(3.609)	
High conf. on dec.						3.102	
						(3.189)	
T1_peer * High conf. on expen.							6.157*
							(3.575)
T1_peer * Low conf. on expen.							-5.884*
							(3.130)
T2_celeb * High conf. on expen.							2.791
							(3.466)
T2_celeb * Low conf. on expen.							-8.777***
							(3.099)
High conf. on expen.							-5.953*
							(3.170)
Demographic controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Behavioral controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	895	895	895	895	895	895	895
Standard errors in parentheses							
*** p<0.01, ** p<0.05, * p<0.1							

## Declared status importance and influence

### Main effects

At the last section of our survey, the participants were asked two questions to understand how important and influential they think socio-economic status is. For both questions, participants selected from a slider from 1 to 100, how important status they think it is, and how

influential status is on their expenses' decisions (see Appendix 2 for exact questions). We show the results of our Tobit models of the effects of our treatments, and control variables, on both measurements. On firsthand, Columns 1, 3 and 4 shows us that our status of famous people treatment has strong negative influence on status importance and influence perception. On the three models, we found that status of famous people decreases the score of how important participants think status is, with a significance at 1%, even though participants did not show that celebrities' status influence on their status goods consumption. Possibly, this was also obvious for our participants, explaining the backfire effect. On the other hand, Column 2 states that our credit card status has an equally significant but positive effect on declared importance. Despite the fact that it was not a treatment that increased consumption of luxuries, it caused participants to increase the importance on status perception.

*Table 17. Declared Status Importance and Influence on All Treatments and Control Variables*

	(1)	(2)	(3)	(4)	(5)	(6)
	Declared status importance			Declared status influence		
VARIABLES	Social status treatments and all controls	Credit card status treatment and all controls	All status treatments and all controls	Social status treatments and all controls	Credit card status treatment and all controls	All status treatments and all controls
T1: peer's status	-1.037 (1.376)		-1.220 (1.925)	-1.784 (1.370)		-2.472 (1.914)
T2: celeb's status	-6.038*** (1.327)		-10.016*** (1.882)	-3.510*** (1.325)		-3.423* (1.885)
T3: cred. card's status		2.883*** (1.119)	0.547 (1.822)		0.689 (1.117)	0.486 (1.815)
T1 and T3			0.307 (2.766)			1.376 (2.746)
T2 and T3			7.542*** (2.661)			-0.224 (2.660)
Per capita income	-0.000 (0.003)	-0.001 (0.003)	-0.001 (0.003)	-0.001 (0.003)	-0.001 (0.003)	-0.001 (0.003)
Household size	0.723* (0.380)	0.715* (0.380)	0.601 (0.383)	1.034*** (0.376)	1.034*** (0.376)	1.013*** (0.378)
Age	-0.240 (0.343)	-0.214 (0.342)	-0.301 (0.344)	-0.340 (0.343)	-0.316 (0.342)	-0.341 (0.343)

Age^2	0.002 (0.004)	0.002 (0.004)	0.003 (0.004)	0.003 (0.004)	0.002 (0.004)	0.003 (0.004)
Primary	-0.943 (7.127)	-1.060 (7.099)	-1.743 (7.151)	-1.424 (6.839)	-1.465 (6.833)	-1.174 (6.854)
Secondary	-7.015 (6.975)	-7.086 (6.948)	-7.568 (6.998)	-2.315 (6.695)	-2.350 (6.688)	-2.126 (6.708)
Bachelor's degree	-5.822 (7.007)	-6.157 (6.980)	-6.433 (7.031)	-1.831 (6.728)	-2.039 (6.720)	-1.625 (6.742)
Master's or PhD degree	9.738 (12.151)	11.082 (12.115)	11.285 (12.242)	13.613 (11.526)	13.858 (11.545)	14.281 (11.559)
Credit score 2	-0.599 (1.780)	-0.266 (1.772)	-0.546 (1.782)	-0.101 (1.767)	0.168 (1.762)	-0.030 (1.769)
Credit score 3	-0.508 (1.896)	-0.381 (1.897)	0.302 (1.912)	-0.072 (1.891)	-0.101 (1.894)	0.022 (1.902)
Credit score 4	-4.352** (1.793)	-4.328** (1.791)	-3.941** (1.802)	0.096 (1.798)	0.074 (1.799)	0.227 (1.807)
Shared customer	2.079 (1.318)	1.603 (1.320)	1.631 (1.325)	1.976 (1.317)	1.812 (1.321)	1.894 (1.323)
Male	2.293** (1.150)	2.332** (1.148)	2.180* (1.153)	0.522 (1.150)	0.513 (1.149)	0.531 (1.150)
Married	-0.687 (1.283)	-0.749 (1.280)	-0.685 (1.285)	-2.316* (1.281)	-2.361* (1.280)	-2.299* (1.281)
Divorced	-3.506 (2.390)	-3.239 (2.385)	-3.438 (2.392)	-4.339* (2.436)	-4.157* (2.432)	-4.316* (2.437)
Civil union	7.057 (5.684)	8.151 (5.658)	7.701 (5.699)	-1.257 (5.517)	-0.884 (5.507)	-1.307 (5.521)
Widowed	8.651 (7.181)	9.872 (7.150)	9.532 (7.219)	-14.641* (7.672)	-13.831* (7.673)	-14.675* (7.679)
Formally employed	1.756 (1.298)	1.721 (1.295)	1.816 (1.299)	1.032 (1.284)	1.037 (1.282)	1.050 (1.284)
Debt with bank	-0.001 (0.001)	-0.001 (0.001)	-0.001 (0.001)	-0.000 (0.001)	-0.000 (0.001)	-0.000 (0.001)
Debt with other banks	-0.000 (0.000)	-0.000 (0.000)	-0.000 (0.000)	0.000 (0.000)	0.000 (0.000)	0.000 (0.000)
Quito	2.494* (1.451)	2.179 (1.446)	2.426* (1.454)	2.210 (1.450)	2.047 (1.447)	2.226 (1.452)
Guayaquil	2.753** (1.321)	2.635** (1.318)	2.551* (1.324)	2.300* (1.317)	2.253* (1.316)	2.325* (1.320)
Financial literate	-0.097 (1.154)	-0.099 (1.152)	0.074 (1.157)	-0.334 (1.150)	-0.362 (1.148)	-0.349 (1.151)
Happy	1.108 (1.331)	1.109 (1.328)	1.174 (1.334)	-0.610 (1.332)	-0.554 (1.330)	-0.645 (1.334)
Risky	0.895 (1.149)	0.899 (1.147)	0.821 (1.152)	0.343 (1.149)	0.333 (1.148)	0.395 (1.151)
High SSNN usage	-1.546 (1.198)	-1.502 (1.196)	-1.696 (1.201)	2.199* (1.192)	2.203* (1.191)	2.165* (1.194)
High self-esteem	-1.065 (1.380)	-0.700 (1.375)	-1.051 (1.383)	-1.118 (1.379)	-0.903 (1.375)	-1.163 (1.380)

High confidence on dec.	3.256** (1.383)	2.679* (1.379)	3.296** (1.387)	1.060 (1.381)	0.832 (1.377)	1.002 (1.383)
High conf. on expen.	2.604** (1.300)	2.476* (1.299)	2.204* (1.305)	-0.580 (1.296)	-0.578 (1.297)	-0.623 (1.300)
Beta	-0.038* (0.023)	-0.038* (0.023)	-0.030 (0.023)	-0.023 (0.024)	-0.024 (0.024)	-0.022 (0.024)
Delta	0.044 (0.056)	0.026 (0.056)	0.037 (0.056)	0.020 (0.055)	0.014 (0.055)	0.018 (0.056)
Observations	895	895	895	895	895	895
Standard errors in parentheses *** p<0.01, ** p<0.05, * p<0.1						

### Demographic effects

With demographic characteristics, Columns 4-6 of Table 15 show us that the perception of status influence on expenses decisions increase with household size. Participants stated that their preference for status increase if their household is bigger, in spite of the fact that it was not a characteristic that significantly influenced on their status goods consumption decision. Additionally, with significance at 5% level, people assigned to a credit score type 4 (the lowest on our sample), defined a lower score for status importance. This makes sense since this segment is struggling with other economic issues to show preference for status. In addition, male participants scored higher for status importance than females. Curiously, observing interaction effects on previous analysis, male participants did not show being specifically influenced social or credit card status. Finally, in contrast with our prior results, subjects from Guayaquil declared that status is more important than participants from other cities. Our experiment showed that our peer's status treatment had a significant effect on people from other cities, different from Guayaquil, demonstrating inconsistencies on their direct preferences comparing them with their consumption decisions.



**Behavioral effects**

On Columns 1 and 3 of Table 15, two of our three confidence measurements show that high confidence participants scored higher for status importance than people with less confidence. Nevertheless, our results from previous sections showed that the most influenceable group regarding self-confidence, were participants with lower self-esteem. These explain a clear inconsistency between how important people think status is, and how important they show it to be on their budget allocation.

## **ROBUSTNESS ANALYSIS**

Finishing our analysis, we checked the consistency of our results on luxury consumption preferences regarding the definition of specific characteristics of our participants and the models' specifications we used.

### **Alternative measures: Income**

One of the principal control variables that is considerably relevant for consumption is income. We want to corroborate that our results hold analyzing separately high, middle, and low-income participants (according to our sample income distribution), changing the source for income data, and alternating on limits for cutting the sample hold for results found, as we show bellow.

#### **High and low income**

First, we want to deepen on the understanding on how income level is related to luxury consumption preferences. For this analysis, we are considering our initial complete sample without our outliers deleted (we did exclude observations with household earnings equal to 0), corresponding to a complete sample of 911 participants. On Tables 18A and 18B, we show a comparison of the main results on luxuries preferences separating participants with high, middle, and low-income participants. These three groups are defined by checking if the participant's income per capita is in the top richest group of participants (per capita income  $\geq$  \$150), on our middle group (per capita income  $< 150$  &  $\geq 90$ ), or our poorest group (per capita income  $> 90$ ). Observing the first three columns of Table 18A, the only group that showed being significantly influential by our peer's status treatment was our top richest group. This result holds, with less significance, on the effect of luxuries consumption as a proportion of per capita income. On Table 18B, if we add all our control variables (demographic and behavioral),

our results remain. In fact, we can see on the last column that, even on luxuries consumption as proportion of income per capita for the top richest group of participants, the results are significant at a 5% level. This let us conclude that, even though we are working with clients from a microfinance bank, on a developing country, our main results of the effects of peer's status influence on our population of study founded on prior sections are driven by the richest participants<sup>4</sup>.

*Table 18A. Luxuries Consumption by Income Level without Control Variables*

Dependent var.	(1)	(2)	(3)	(4)	(5)	(6)
	Luxuries consumption (in dollars)			Luxuries consumption (as proportion of per capita income)		
Independent var.	Social status treatments					
Income dist.	Low	Mid	High	Low	Mid	High
T1: peer's status	6.228 (8.899)	13.65 (9.630)	20.716** (9.510)	-0.729 (0.978)	0.136 (0.084)	0.096** (0.044)
T2: celeb's status	7.356 (8.640)	2.341 (8.607)	4.100 (9.165)	-1.078 (0.953)	0.011 (0.077)	0.021 (0.042)
Controls	No	No	No	No	No	No
Observations	303	274	334	303	274	334
Standard errors in parentheses *** p<0.01, ** p<0.05, * p<0.1						

*Table 18B. Luxuries Consumption by Income Level with Control Variables*

Dependent var.	(1)	(2)	(3)	(4)	(5)	(6)
	Luxuries consumption (in dollars)			Luxuries consumption (as proportion of per capita income)		
Independent var.	Social status treatments					
Income dist.	Low	Mid	High	Low	Mid	High
T1: peer's status	6.397 (8.892)	13.62 (9.326)	19.158** (9.516)	-0.729 (0.978)	0.136 (0.084)	0.096** (0.044)
T2: celeb's status	7.142 (8.633)	2.328 (8.609)	3.214 (9.158)	-1.078 (0.953)	0.011 (0.077)	0.021 (0.042)
Controls	Yes	Yes	Yes	Yes	Yes	Yes
Observations	303	274	334	303	274	334
Standard errors in parentheses *** p<0.01, ** p<0.05, * p<0.1						

<sup>4</sup> Note: These are mostly middle-class individuals

### Declared income vs official income

As we were working with the bank's database, we had two sources for income data. One is the proxy created with the sum of declared monthly consumption and savings for each participant, and the other one is from the Ecuadorian Social Security Institute, which has the official income of employed citizen and has been collected and verified by the bank. As only part of our sample has formal wage employment and the rest is self-employed, we did not have the official income for all the participants, for all the main analysis we decided to use the proxy variable created with the sum of consumption and savings. Nevertheless, we were curious of the results we might get if we replace the declared income of our employed participants with our official data. On Table 19, we show the effects of our social status treatments on luxury consumption level and as proportion of per capita income with all of our employed participants having their declared income data replaced with the one from this administrative data.

*Table 19. Luxuries Consumption Considering Official Income Data*

Dependent var.	(1) Luxuries consumption (in dollars)	(2) Luxuries consumption (in dollars)	(3) Luxuries consumption (as proportion of per capita income)	(4) Luxuries consumption (as proportion of per capita income)
Independent var.	Social status treatments			
T1: peer's status	9.815*	10.940**	0.126*	0.151**
	(5.400)	(5.365)	(0.064)	(0.064)
T2: celeb's status	5.492	5.526	0.026	0.041
	(5.213)	(5.178)	(0.062)	(0.062)
Controls	No	Yes	No	Yes
Observations	895	895	849	849
Standard errors in parentheses *** p<0.01, ** p<0.05, * p<0.1				

Based on all columns from the previous table, we have evidence that changing declared income data with an official source data, our results hold with significance at 10% without

controlling by demographic and behavioral characteristics, and at 5% when adding all control variables<sup>5</sup>.

### **Different sample cutting for poorest and richest**

As another questioning that we thought relevant to check if our results would be robust when changing the outlier definitions to cut our sample. Initially, for our main analysis, we eliminate all observations which earnings we lower than the 5<sup>th</sup> lowest percentile of income distribution in the country (household earnings < \$140) on Ecuador, according to the National Statistics and Census Institute, and all observation which reported household earnings greater than \$10,000 (for us, an atypical income for these population). Now, we want to check what would be our findings if we change the cutting limit to the 10% poorest (household earnings < \$183), and also exclude participants from 5% or 10% of the top richest segment of Ecuador (household earnings > \$2,150 and household earnings > \$1,527 respectively). On Tables 20A and 20B, we can observe on Columns 1, 2, 5, and 6 that removing the poorest subjects from our sample, our results hold. However, on the rest of the Columns we can check that eliminating the top richest subjects from our sample, our main result from peer's status influence decrease in significance (maintaining direction). These results are in accordance with the ones checked on the prior subsections, strengthening the conclusion that the richest people are the most influenced by our treatment, ergo being the main drivers of our significant findings. On the analysis for luxuries allocation as proportion of per capita income, it is found that also even cutting participants from 10% poorest and 10% richest, we maintain the direction and significance at 5% of our positive influence of the peer's status priming (Column 8, Table 20B).

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<sup>5</sup> We lost 6 observations on Columns 3 and 4 due to missing values on official income data for employed participants

Table 20A. Luxuries Consumption by Different Sample Cutting

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Dependent var.	Luxuries consumption (in dollars)							
Independent var.	Social status treatments							
Cutoff sample	5% poorest	10% poorest	5% poorest & 5% richest	10% poorest & 10% richest	5% poorest	10% poorest	5% poorest & 5% richest	10% poorest & 10% richest
T1: peer's status	10.123* (5.387)	10.783** (5.463)	8.505 (5.500)	8.047 (5.632)	10.876** (5.353)	11.672** (5.436)	9.514* (5.467)	8.817 (5.583)
T2: celeb's status	5.497 (5.198)	6.147 (5.276)	5.461 (5.301)	5.128 (5.453)	5.270 (5.160)	5.881 (5.238)	5.190 (5.263)	4.702 (5.390)
Controls	No	No	No	No	Yes	Yes	Yes	Yes
Observations	898	879	867	821	898	879	867	821
Standard errors in parentheses *** p<0.01, ** p<0.05, * p<0.1								

Table 20B. Luxuries Consumption Proportion by Different Sample Cutting

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Dependent var.	Luxuries consumption (as proportion of per capita income)							
Independent var.	Social status treatments							
Cutoff sample	5% poorest	10% poorest	5% poorest & 5% richest	10% poorest & 10% richest	5% poorest	10% poorest	5% poorest & 5% richest	10% poorest & 10% richest
_IInf_socia_1	0.119* (0.064)	0.130** (0.061)	0.117* (0.066)	0.124* (0.065)	0.128** (0.061)	0.140** (0.059)	0.122* (0.063)	0.136** (0.063)
_IInf_socia_2	0.039 (0.062)	0.054 (0.059)	0.038 (0.064)	0.051 (0.063)	0.058 (0.059)	0.075 (0.057)	0.070 (0.061)	0.074 (0.061)
Controls	No	No	No	No	Yes	Yes	Yes	Yes
Observations	898	879	867	821	898	879	867	821
Standard errors in parentheses *** p<0.01, ** p<0.05, * p<0.1								

### Alternative measures: Time-preferences

As another robustness check, we want to get into a deeper analysis of our time preferences variables, specifically our Beta as present bias metric. As it was stated previously, we used Goda, Levy, Manchester, Sojourner, & Tasoff (2018) methodology to define Beta for each participant, but on the baseline analysis, we did not correct noisiness on our measures and use all the responses obtained. Due to the fact that we have Beta values greater than 1, we assumed that as we are contacting to participants through official communication from the

bank, people showed time preferences that favor the future too. Nevertheless, we considered adequate to check how the story might change by giving the correct treatment to this control variable.

### **Beta between 0 and 1**

On this subsection, we want to check if our results hold robust only for participants that show what classic theory predicts, that is preference for present utility over future utility. For this, we are subsetting our sample to participants that resulted on a Beta and Delta measures that are between 0 and 1, which means showing validated values for present and future bias. With this correction, we are sacrificing a considerable number of observations (311 for Beta and 88 for Delta corrections).

We can see on Table 21A the results of modelling the effects of our social status treatments separately and in combination with our status on credit card treatment. On Column 4, using all treatments and controls, we found that our significant effect of our peer's status treatment is maintained for luxury consumption allocation, and suggestively (significance at 10%) for consumption as proportion of per capita income when controls are not considered. Additionally, we did not find that either Beta or Delta measures, after correction, are significantly related to preferences for luxury consumption. Finally, we wanted to check how our Beta measure would interact with our social status treatments, with and without the aforementioned corrections. For this, we created a new dummy variable that separated more present biased participants ( $\text{Beta} \leq 0.83$ ) than less biased ( $\text{Beta} > 0.83$ ). On Table 21B, we can observe, on the first two columns, the results of these interactions without limiting Beta to values between 0 and 1 and, in the last two columns, we stated the results including this correction.

We show on Columns 1 and 2 that, without including corrections, our peer's status treatment is significant on less present biased participants, increasing their allocation on luxury consumption, even as proportion of per capita income. In the same way, we also found on the first column that being present biased increases consumption allocation in luxuries. These might explain why less present biased are more affected by our treatment. Due to the fact that this bias already increases luxury consumption, our peer's status treatment do not add an additional effect, while for participants that are not present bias, the mechanism behind our treatment works efficiently. Nonetheless, we are aware of the noisiness of our measures, due to Beta values greater than 1. The significance is lost when including the corrections for Beta measures to values between 0 and 1, as the sample size shrinks.

*Table 21A. Luxuries Consumption with Present Bias Correction*

Dependent var.	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Luxuries consumption (in dollars)				Luxuries consumption (as proportion of per capita income)			
Independent var.	Social status treatments	Social status treatments and all controls	All treatments	All treatments and all controls	Social status treatments	Social status treatments and all controls	All treatments	All treatments and all controls
T1: peer's status	9.815* (5.400)	8.595 (6.976)	13.894* (7.520)	20.003** (9.783)	0.116* (0.064)	0.070 (0.075)	0.159* (0.089)	0.141 (0.105)
T2: celeb's status	5.492 (5.213)	-2.389 (6.830)	5.194 (7.383)	-7.239 (9.883)	0.038 (0.062)	-0.012 (0.073)	0.038 (0.088)	-0.104 (0.106)
T3: cred. card's status			5.969 (7.193)	15.119* (9.061)			0.078 (0.085)	0.132 (0.097)
T1 and T3			-8.482 (10.798)	-23.048* (13.997)			-0.089 (0.128)	-0.142 (0.149)
T2 and T3			0.055 (10.432)	8.361 (13.716)			-0.006 (0.124)	0.164 (0.147)
Beta between 0 and 1		-1.608 (9.551)		-1.212 (9.537)		0.080 (0.102)		0.091 (0.102)
Delta between 0 and 1		3.808 (10.285)		5.250 (10.316)		0.030 (0.110)		0.037 (0.110)
Controls	No	Yes	No	Yes	No	Yes	No	Yes
Observations	895	532	895	532	895	532	895	532

Standard errors in parentheses  
\*\*\* p<0.01, \*\* p<0.05, \* p<0.1



*Table 21B. Luxuries Consumption with Social Status Treatments and Interactions on Present Bias Measures*

Independent variable VARIABLES	(1) Luxury consumption (in dollars)	(2) Luxury consumption (as proportion of per capita income) Social status treatments	(3) Luxury consumption (in dollars) Social status treatments	(4) Luxury consumption (as proportion of per capita income)
T1_peer * More biased	4.055 (8.369)	0.062 (0.099)	3.331 (11.693)	0.106 (0.125)
T1_peer * Less biased	17.283** (7.048)	0.203** (0.084)	12.004 (8.841)	0.057 (0.094)
T2_celeb * More biased	-2.884 (8.067)	-0.027 (0.096)	-14.235 (11.049)	-0.157 (0.118)
T2_celeb * Less biased	12.841* (6.837)	0.110 (0.081)	4.698 (8.633)	0.075 (0.092)
More biased	16.106** (7.273)	0.096 (0.086)	2.844 (10.809)	-0.061 (0.112)
Controls	Yes	Yes	Yes	Yes
Observations	895	895	532	532
Standard errors in parentheses *** p<0.01, ** p<0.05, * p<0.1				

*Notes:* 1. For the first two columns, the division for Beta distribution was at 1, the median of the distribution without considering the correction. For the last two, the division was at 0.83, the median of the distribution considering values only between 0 and 1.

## CONCLUSIONS

The purpose of this study was to identify the relationship between different sources of reference of social status on people's consumption and savings preferences. First, we found that the status of peers or acquaintances can be a factor affecting the consumption preferences of our participants. Being induced to think about the status of people close to them showed indications that people tend to sacrifice part of their savings or spending on basic needs to signal status through the purchase of visible goods such as luxuries. Contributing to these results, we showed that there are specific characteristics of individuals that may lead to nullify or enhance the effects of our treatments. Income level, age, and city where individuals live directly influence the capabilities and predisposition to spend or not on luxury goods when exposed to status influence. Similarly, personality traits such as financial literacy, self-confidence, risk aversion, and the usage of social media, are also influential factors in consumption and savings preferences, since they expose people to different contexts and change the perception of how people observe status in financial products or other people.

We consider that these findings contributes to preference for status literature. Nevertheless, the validation of our hypotheses also provides with information for public policy interventions. Frank (2005) and Heffetz & Frank (2008) developed an analysis of how status preferences can be managed through public policy, regarding the important economic impact that may have. It is suggested that a progressive income tax or a progressive consumption tax can decrease incentives for wealthy households and generate a “reverse expenditure cascade”. With our contribution we hope more literature can be created for the broad spectrum of status preferences effects on economic manners and bring to the table directions on how can negative externalities can be mitigated.

### **Limitations and further contributions**

Our results confirm the hypotheses raised about the influence of status on the consumption and savings preferences of lower middle-income individuals. However, it is important to highlight the scope of the analysis expressed above. Despite finding clear effects of our treatments on the distribution of the hypothesized bonus in luxuries, basic needs, and savings, we do not have a clear identification of which goods fall into each of the two consumption categories. When participants responded to the hypothetical scenario in which they divided the \$650 bonus, we showed basic examples of luxuries such as expensive jewelry and cell phones, and basic needs such as food and housing. However, we do not have enough evidence to say that all customers had the same goods and services in their minds for each group. This is why it is beyond the scope of this study to understand what kind of luxuries, or what kind of basic needs the participants were referring to, and the effects found are limited to what each person had as a concept for each category.

Additionally, it should be mentioned that several of the behavioral variables used are constructed based on people's self-perception of their own characteristics. For example, the level of risk, and self-esteem, are variables that were measured by directly asking the participants to choose a level according to a scale that they feel represents them under that criterion. Similarly, some sociodemographic variables were also collected using the same method without an official source to back them up, for example, household size, consumption, and savings, among others. Therefore, it is considered valuable, as future steps, to consider validating whether with official data on consumption and savings, specific and validated psychological tests to measure each behavioral variable can contribute to the development of this line of research. Nevertheless, it is considered that the results found in this study complement some first steps towards understanding the behavior of households in lower

income segments according to the status and specific characteristics of the people who are related to them, and financial products they hold.

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### APPENDIX 1: Pilots for survey validation

First, the first pilot was conducted with bank employees. Although not all employees will have a similar profile to the bank's customers, it was considered a good practice as a first filter to analyze the order and understanding of the questions and treatments. The survey was sent to almost 1,500 employees of the financial institution, from which an effective sample of 669 people was obtained.

Pilot 1: Bank employees		Social Status influence		
		Control	T1: Peer Status	T2: Celebrities Status
Status Influence on Financial Products	Control	N = 113	N = 106	N = 105
	T3: Credit Card Status	N = 119	N = 121	N = 105

Subsequently, after having made the necessary adjustments to the questions according to the corrections that could be identified in the first pilot, another version of the survey was sent to around 600 people who work in a Call Center company belonging to the same business group as the bank. It is known that the employees of this company have an income level similar to that of the clients of the segment studied, so it was considered that a preliminary review of the survey with them would provide adequate feedback on the questions, wording and treatments proposed.

Pilot 2: Similar profile employees		Social Status Influence		
		Control	T1: Peer Status	T2: Celebrities Status
Status Influence on Financial Products	Control	N = 87	N = 87	N = 123
	T3: Credit Card Status	N = 111	N = 74	N = 95

Finally, once the two pilots with employees were completed, it was decided to send the adjusted version of the survey to the first group of clients already in the study population. This group comprises approximately 9,000 people from the selected customer base. Considering that, due

to the nature of the e-mail survey methodology, the same e-mail cannot be sent several times to the same person to avoid falling into the "spam" category, this third pilot was conducted in order to evaluate the perception of the customers before sending the survey to the entire customer population and make the necessary adjustments beforehand.

<b>Pilot 3: Sample of clients</b>		<b>Social Status Influence</b>		
		<b>Control</b>	<b>T1: Peer Status</b>	<b>T2: Celebrities Status</b>
<b>Status Influence on Financial Products</b>	<b>Control</b>	N = 12	N = 9	N = 8
	<b>T3: Credit Card Status</b>	N = 10	N = 13	N = 8

## APPENDIX 2: Final survey example

### Spanish version (original)

#### Personality traits questions:

a) *Del 1 al 5, ¿qué tan feliz te sientes hoy?*

*Nivel de felicidad 1 (Nada) ... 5 (Mucho)*

b) *Del 1 al 5, ¿qué tan de acuerdo estás con las siguientes afirmaciones?*

a. *Tengo alta autoestima 1 (Nada) ... 5 (Mucho)*

b. *Confío en mis decisiones personales 1 (Nada) ... 5 (Mucho)*

c. *Manejo bien mis gastos del hogar 1 (Nada) ... 5 (Mucho)*

c) *Del 1 al 5, ¿qué tan arriesgado consideras que eres en los diferentes aspectos de tu vida (económico, salud, deportes, al conducir, etc.)?*

*Nivel de riesgo 1 (Bajo) ... 5 (Alto)*

d) *Si debes decidir entre ganar un premio de \$100 ahorita, y otro premio en 1 mes, ¿cuánto dinero debe ofrecerte el segundo premio en 1 mes para que seas indiferente entre recibir cualquiera de los dos?*

\_\_\_\_\_

e) *Si debes decidir entre ganar un premio de \$120 en 6 meses, y otro premio en 7 meses, ¿cuánto dinero debe ofrecerte el segundo premio en 7 meses para que seas indiferente entre recibir cualquiera de los dos?*

\_\_\_\_\_

f) *¿Cuántas horas al día consideras que utilizas Redes Sociales (Facebook, Instagram, TikTok, YouTube, etc.)?*

- *1(No uso)*
- *2(Menos de 1 hora)*

- 3(De 1 a 3 horas)
- 4(De 3 a 5 horas)
- 5(Más de 5 horas)

Knowledge questions:

g) *Supongamos que tienes \$100 en una cuenta de ahorros y la tasa de interés es 2% por año y no has realizado ningún retiro. Después de 2 años, ¿cuánto crees que tendrás ahorrado si no realizaste ningún movimiento adicional?*

- 104.04
- 202
- 102.50
- No estoy seguro

h) *Imagina que la tasa de interés en tu cuenta de ahorros es del 1% anual y la inflación es del 2% anual. Después de 1 año, ¿qué es lo que puedes hacer?*

- Puedo comprar más cosas después
- Puedo comprar la misma cantidad de cosas
- Puedo comprar menos cosas después
- No estoy seguro

i) *Imagina que, en el año 2025, tus ingresos se duplicaron, y los precios de todas las cosas también se duplicaron. En el 2025, ¿qué podrás hacer?*

- Puedo comprar más cosas después
- Puedo comprar la misma cantidad de cosas
- Puedo comprar menos cosas después
- No estoy seguro

Household economy questions:

j) *¿Con cuántas personas vives en tu hogar? (Ingresa sólo números)*

\_\_\_\_\_

k) *Aproximadamente, ¿cuánto es el consumo y el ahorro mensuales de tu hogar?*

*Consumo* \_\_\_\_\_

*Ahorro* \_\_\_\_\_

Treatments:

l) **(Peer status)** *Por otro lado, ¿tienes algún conocido que aproximadamente gane mensualmente más del doble que tu salario mensual?*

- *Sí*
- *No*

m) **(Peer status)** *Aproximadamente, ¿cuál crees que es el salario mensual de esta persona? (Ingresa solo números por favor)*

\_\_\_\_\_

n) **(Celebrities' status)** *Por otro lado, de las siguientes personas famosas, ¿quién crees que tiene el salario más alto?*





- o) **(Credit card status)** *Con respecto al manejo de tu tarjeta, ¿estarías dispuesto a gastar más mensualmente si tuvieses la opción de renovar tu Tarjeta de Crédito NOMBRE DE TARJETA DE CRÉDITO actual por una Tarjeta de Crédito NOMBRE TARJETA DE CRÉDITO BLACK, que solo unos pocos clientes exclusivos pueden acceder, si recibieses beneficios adicionales como descuentos en tus establecimientos favoritos y la opción de comprar internacionalmente?*





- *No, no gastaría más con mi Tarjeta de Crédito NOMBRE TARJETA DE CRÉDITO BLACK*
- *Sí, gastaría más si tuviese esos beneficios adicionales en mi nueva tarjeta*

Experiment questions:

p) *Con respecto al manejo de tu tarjeta, ¿estarías dispuesto a gastar más mensualmente con tu Tarjeta de Crédito NOMBRE TARJETA DE CRÉDITO actual si recibieses beneficios adicionales en tu tarjeta como descuentos en tus establecimientos favoritos y la opción de comprar internacionalmente?*

- *No, no gastaría más con mi Tarjeta de Crédito NOMBRE TARJETA DE CRÉDITO*
- *Sí, gastaría más si tuviese esos beneficios adicionales en mi tarjeta*

q) *¿De cuánto quisieras que sea el cupo de tu tarjeta actual para esos gastos? (Ingresa sólo números)*

---

r) *Finalmente, asumamos que trabajas para una empresa y tu jefe te entrega un bono sorpresa de \$650 por tu buen trabajo en el año. ¿Cómo distribuirías este dinero adicional entre necesidades básicas, consumos lujosos y ahorro? Ingresa cuánto sería el valor para cada una. Recuerda que tienes \$650 disponibles, y todo lo que no gastes, debe ir al ahorro.*

*Lujos (ejemplo: joyas, viajes turísticos, ropa fina, celulares costosos, etc.)*

---

*Necesidades básicas (ejemplo: alimentación en casa, seguros de salud/vida, educación, etc.)*

\_\_\_\_\_

*Ahorro*

\_\_\_\_\_

Additional questions:

s) *¿Consideras que el estatus socioeconómico es importante?*

**Slider:** *1 (Nada importante) ... 100 (Muy importante)*

t) *¿Consideras que el estatus socioeconómico de otras personas influye en tu nivel de gastos?*

**Slider:** *1 (Nada importante) ... 100 (Muy importante)*

**English version**

Personality traits questions:

a) *From 1 to 5, how happy do you feel today?*

*Happiness level 1 (Not at all) ... 5 (Very much)*

b) *From 1 to 5, how much do you agree with the following statements?*

a. *I have high self-esteem 1 (Not at all) ... 5 (Very much)*

b. *I am confident in my personal decisions 1 (Not at all) ... 5 (Very much)*

c. *I manage my household expenses well 1 (Not at all) ... 5 (Very much)*

c) *From 1 to 5, how risky do you consider yourself to be in the various aspects of your life (financial, health, sports, driving, etc.)?*

*Level of risk 1 (Low) ... 5 (High)*

d) *If you must decide between winning a \$100 prize now, and another prize in 1 month, how much money must the second prize offer you in 1 month for you to be indifferent between receiving either prize?*

---

e) *If you must decide between winning a \$120 prize in 6 months, and another prize in 7 months, how much money must the second prize offer you in 7 months for you to be indifferent between receiving either prize?*

---

f) *How many hours a day do you consider that you use Social Networks (Facebook, Instagram, TikTok, YouTube, etc.)?*

- *1(No use)*
- *2(Less than 1 hour)*
- *3(1 to 3 hours)*
- *4(3 to 5 hours)*
- *5(More than 5 hours)*

Knowledge questions:

g) *Suppose you have \$100 in a savings account and the interest rate is 2% per year and you have not made any withdrawals. After 2 years, how much do you think you will have saved if you did not make any additional withdrawals?*

- *104.04*
- *202*
- *102.50*
- *I am not sure*

h) *Imagine that the interest rate on your savings account is 1% per year and inflation is 2% per year. After 1 year, what can you do?*

- *I can buy more things later*
- *I can buy the same amount of things*
- *I can buy fewer things later*
- *I am not sure*

i) *Imagine that, in the year 2025, your income doubled, and the prices of all things also doubled. In 2025, what will you be able to do?*

- *I can buy more things later*
- *I can buy the same amount of things*
- *I can buy less stuff later*
- *I am not sure*

Household economy questions:

j) *How many people do you live with in your household? (Enter numbers only)*

\_\_\_\_\_

k) *Approximately how much is your household's monthly consumption and monthly savings?*

Consumption \_\_\_\_\_

Savings \_\_\_\_\_

Treatments:

l) **(Peer status)** *On the other hand, do you have any acquaintance who approximately earns more than twice your monthly salary?*

- *Yes*

- *No*

*m) (Peer status) Approximately what do you think this person's monthly salary is?*

*(Please enter only numbers)*

---

*n) (Celebrities' status) On the other hand, of the following celebrities, who do you think has the highest salary?<sup>6</sup>*



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<sup>6</sup> Example of 3 images out of 10 available.



- o) **(Credit card' status)** *Regarding your card management, would you be willing to spend more monthly if you had the option to renew your current CREDIT CARD NAME Credit Card for a BLACK Credit Card CREDIT CARD NAME, which only a few exclusive customers can access, if you received additional benefits such as discounts at your favorite stores and the option to shop internationally?\**



- *No, I would not spend more with my new BLACK Credit Card CREDIT CARD NAME*
- *Yes, I would spend more if I had those additional benefits on my new card.*

Experiment questions:

p) *Regarding your card management, would you be willing to spend more monthly with your current NAME CREDIT CARD if you received additional benefits on your card such as discounts at your favorite stores and the option to shop internationally?*

- *No, I would not spend more with my NAME CREDIT CARD Credit Card.*
- *Yes, I would spend more if I had those additional benefits on my card.*

q) *How much would you like your current credit card allowance to be for these expenses? (Enter numbers only)*

\_\_\_\_\_

r) *Finally, let us assume you work for a company and your boss gives you a surprise bonus of \$650 for your good work during the year. How would you distribute this additional money between basic necessities, luxuries, and savings? Enter how much the value would be for each. Remember that you have \$650 available, and anything you do not spend should go into savings.*

*Luxuries (e.g. jewelry, sightseeing trips, fine clothing, expensive cell phones, etc.)*

\_\_\_\_\_

*Basic necessities (example: food at home, health/life insurance, education, etc.)*

\_\_\_\_\_

*Savings*

\_\_\_\_\_

Additional questions:

s) *Do you consider that socioeconomic status is important?*

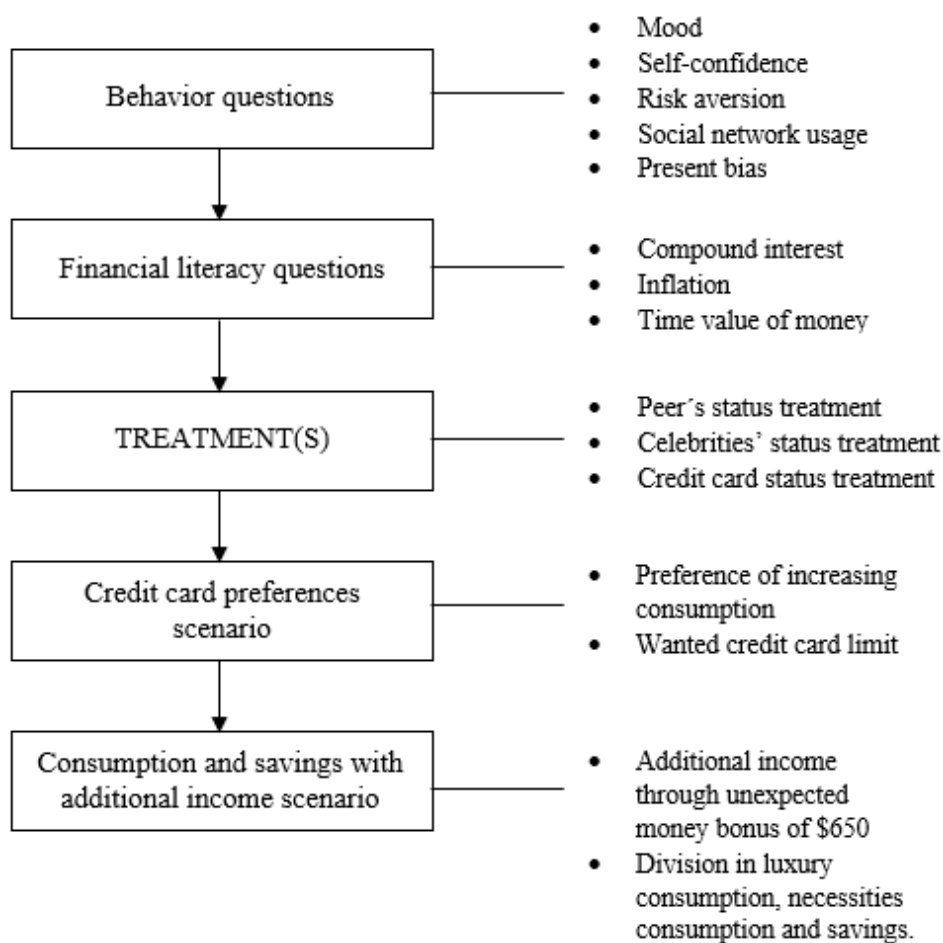
**(Slider)** 1 (Not at all important) ... 100 (Very important)

t) *Do you consider that the socioeconomic status of other people influences your level of spending?*

**(Slider)** 1 (Not important at all) ... 100 (Very important)



### APPENDIX 3: Survey diagram



**APPENDIX 4: Behavioral controls as dummy variables**

Variable	Score	
	Low level	High level
Financial literate	0 or 1	2 or 3
Happy	1, 2, 3 or 4	5
Risky	1, 2 or 3	3 or 4
High SSNN usage	1, 2 or 3	3 or 4
High self-esteem	1, 2, 3 or 4	5
High confidence on dec.	1, 2, 3 or 4	5
High conf. on expen.	1, 2, 3 or 4	5

### APPENDIX 5: Present bias metrics calculations

We have two questions based on Goda et al. (2018), in which they define a “present-future ladder” and a “future-present ladder” question. The two questions are:

- a) *If you must decide between winning a \$100 prize now, and another prize in 1 month, how much money must the second prize offer you in 1 month for you to be indifferent between receiving either prize?*
- b) *If you must decide between winning a \$120 prize in 6 months, and another prize in 7 months, how much money must the second prize offer you in 7 months for you to be indifferent between receiving either prize?*

With the first one, we obtain the “present cutoff” value and with the second one the “future cutoff value”. First, we calculate the Delta value for each participant with:

$$\text{Delta} = 120 / \text{Future cutoff value}$$

Then, we use the Delta value calculated for the following operation to obtain Beta measure:

$$\text{Beta} = 100 / (\text{Delta} \times \text{Present cutoff value})$$

As the authors from the references paper stated, we use two different reference values (100 and 120) for each question to avoid participants answering the second question biased with the answer on the first one.

**APPENDIX 6: Luxury consumption: Credit card status treatment interacted with demographic variables**

	(1)	(2)	(3)	(4)
Dependent variable	Luxury consumption (in dollars)			
Interaction variable	> 39 years old	Sex	Quito	Guayaquil
T3_ccstatus * > 39 years old	0.553 (6.267)			
T3_ccstatus * <= 39 years old	7.360 (6.151)			
> 39 years old	1.342 (6.561)			
T3_ccstatus * Male		0.557 (6.201)		
T3_ccstatus * Female		7.350 (6.228)		
Male		9.036 (6.241)		
T3_ccstatus * Quito			-3.542 (8.557)	
T3_ccstatus * Diff. than Quito			6.881 (5.101)	
Quito			9.172 (6.895)	
T3_ccstatus * Guayaquil				12.448* (7.372)
T3_ccstatus * Diff. than Guayaquil				-0.747 (5.446)
Guayaquil				1.371 (6.511)
Demographic controls	Yes	Yes	Yes	Yes
Behavioral controls	Yes	Yes	Yes	Yes
Observations	895	895	895	895
	Standard errors in parentheses *** p<0.01, ** p<0.05, * p<0.1			



							(6.375)
Demographic controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Behavioral controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	895	895	895	895	895	895	895
Standard errors in parentheses							
*** p<0.01, ** p<0.05, * p<0.1							

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Dependent variable	Luxury consumption (as proportion of per capita income)						
Interaction variable	Financial literate	Happy	Risky	High SSNN usage	High self-esteem	High confidence on dec.	High conf. on expen.
T3_ccstatus * Fin. Literate	0.056 (0.068)						
T3_ccstatus * Not Fin. Literate	0.083 (0.079)						
Fin. Literate	-0.016 (0.075)						
T3_ccstatus * Happy		0.038 (0.086)					
T3_ccstatus * Not happy		0.087 (0.065)					
Happy		-0.010 (0.076)					
T3_ccstatus * Risky			0.112 (0.070)				
T3_ccstatus * Not risky			0.015 (0.077)				
Risky			-0.102 (0.073)				
T3_ccstatus * High SSNN usage				0.171* (0.090)			
T3_ccstatus * Low SSNN usage				0.018 (0.063)			
High SSNN usage				-0.079 (0.078)			
T3_ccstatus * High self-esteem					0.079 (0.075)		
T3_ccstatus * Low self-esteem					0.061 (0.072)		
High self-esteem					-0.047 (0.073)		
T3_ccstatus * High conf. on dec.						0.089	

T3_ccstatus * Low conf. on dec.						(0.069)	
						0.065	
						(0.079)	
High conf. on dec.						-0.184**	
						(0.073)	
T3_ccstatus * High conf. on expen.							0.099
							(0.080)
T3_ccstatus * Low conf. on expen.							0.056
							(0.069)
High conf. on expen.							-0.092
							(0.075)
Demographic controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Behavioral controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	895	895	895	895	895	895	895
Standard errors in parentheses							
*** p<0.01, ** p<0.05, * p<0.1							

### APPENDIX 8: Basic needs consumption: Baseline models

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Dependent variable	Basic needs consumption (in dollars)						
Independent var.	Social status treatments	Social status treatments and demographic controls	Social status treatments and all controls	Credit card status treatment	Credit card status treatment and demographic controls	Credit card status treatment and all controls	Treatments interactions and all controls
T1: peer's status	4.646 (9.575)	4.033 (9.513)	3.920 (9.498)				3.525 (13.280)
T2: celeb's status	5.629 (9.227)	7.073 (9.152)	6.957 (9.145)				2.379 (12.996)
T3: cred. card's status				-3.889 (7.754)	-4.591 (7.720)	-3.382 (7.735)	-7.034 (12.540)
T1 and T3							1.071 (19.056)
T2 and T3							9.415 (18.368)
Per capita income		-0.016 (0.022)	-0.021 (0.022)		-0.015 (0.022)	-0.021 (0.022)	-0.021 (0.022)
Household size		3.525 (2.594)	3.167 (2.603)		3.575 (2.596)	3.194 (2.605)	3.144 (2.616)
Age		3.685 (2.355)	3.995* (2.362)		3.645 (2.355)	3.960* (2.362)	3.923* (2.366)
Age^2		-0.034 (0.028)	-0.038 (0.028)		-0.034 (0.028)	-0.037 (0.028)	-0.037 (0.028)
Primary		-10.784 (48.592)	-8.162 (48.462)		-11.141 (48.572)	-8.479 (48.453)	-10.230 (48.542)
Secondary		-32.811 (47.621)	-32.170 (47.494)		-33.248 (47.598)	-32.518 (47.479)	-34.075 (47.562)
Bachelor's degree		-21.045 (47.849)	-22.117 (47.716)		-21.172 (47.829)	-22.144 (47.702)	-24.153 (47.795)
Master's or PhD degree		-144.041* (81.827)	-149.042* (81.682)		-146.856* (82.008)	-151.058* (81.860)	-152.687* (81.859)
Credit score 2		6.574 (12.273)	7.061 (12.240)		5.936 (12.252)	6.466 (12.219)	6.915 (12.246)
Credit score 3		-9.693 (13.166)	-11.391 (13.118)		-10.027 (13.196)	-11.559 (13.148)	-11.296 (13.192)
Credit score 4		4.615 (12.459)	2.706 (12.452)		4.292 (12.476)	2.536 (12.468)	2.512 (12.502)
Shared customer		0.494 (9.107)	1.445 (9.113)		1.046 (9.140)	1.898 (9.147)	1.645 (9.151)
Male		-6.634 (7.924)	-7.248 (7.954)		-6.557 (7.925)	-7.227 (7.954)	-7.291 (7.959)
Married		-0.184 (8.851)	0.014 (8.878)		-0.041 (8.848)	0.153 (8.875)	0.031 (8.877)
Divorced		37.804** (16.803)	38.511** (16.750)		37.416** (16.802)	38.180** (16.749)	38.453** (16.748)
Civil union		25.702 (37.253)	31.126 (37.298)		24.522 (37.210)	30.218 (37.264)	31.009 (37.355)



Widowed	-43.137 (48.724)	-45.798 (48.616)	-45.389 (48.710)	-47.723 (48.602)	-46.282 (48.695)
Formally employed	-1.440 (8.927)	-1.869 (8.915)	-1.550 (8.922)	-1.953 (8.910)	-1.970 (8.914)
Debt with bank	0.002 (0.004)	0.002 (0.004)	0.002 (0.004)	0.002 (0.004)	0.002 (0.004)
Debt with other banks	0.000 (0.001)	-0.000 (0.001)	0.000 (0.001)	-0.000 (0.001)	-0.000 (0.001)
Quito	4.707 (9.942)	-0.251 (10.045)	4.916 (9.930)	0.012 (10.035)	-0.528 (10.052)
Guayaquil	-8.644 (9.148)	-9.388 (9.124)	-8.560 (9.146)	-9.304 (9.123)	-9.713 (9.140)
Financial literate		6.355 (7.976)		6.424 (7.973)	6.445 (7.981)
Happy		0.058 (9.203)		-0.099 (9.198)	0.034 (9.213)
Risky		-6.508 (7.959)		-6.498 (7.958)	-6.608 (7.974)
High SSNN usage		6.410 (8.269)		6.436 (8.270)	6.337 (8.278)
High self-esteem		9.604 (9.515)		9.211 (9.500)	9.751 (9.521)
High confidence on dec.		3.210 (9.570)		3.714 (9.554)	3.403 (9.578)
High conf. on expen.		-24.747*** (8.945)		-24.610*** (8.963)	-24.701*** (8.970)
Beta		0.001 (0.163)		-0.001 (0.163)	0.002 (0.164)
Delta		0.295 (0.397)		0.309 (0.396)	0.303 (0.397)
Observations	895	895	895	895	895
Standard errors in parentheses *** p<0.01, ** p<0.05, * p<0.1					

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Dependent variable	Basic needs consumption (as proportion of per capita income)						
Independent var.	Social status treatments	Social status treatments and demographic controls	Social status treatments and all controls	Credit card status treatment	Credit card status treatment and demographic controls	Credit card status treatment and all controls	Treatments interactions and all controls
T1: peer's status	0.076 (0.136)	0.141 (0.135)	0.154 (0.134)				0.080 (0.188)
T2: celeb's status	-0.041 (0.131)	0.028 (0.130)	0.011 (0.130)				-0.088 (0.184)
T3: cred. card's status				0.034 (0.110)	0.066 (0.109)	0.087 (0.109)	-0.018 (0.177)
T1 and T3							0.149 (0.269)
T2 and T3							0.190 (0.259)

Age	-0.001 (0.033)	-0.006 (0.033)	-0.001 (0.033)	-0.007 (0.033)	-0.008 (0.033)
Age^2	-0.000 (0.000)	-0.000 (0.000)	-0.000 (0.000)	-0.000 (0.000)	0.000 (0.000)
Primary	0.722 (0.687)	0.739 (0.685)	0.706 (0.687)	0.725 (0.685)	0.729 (0.686)
Secondary	0.273 (0.674)	0.297 (0.672)	0.257 (0.674)	0.280 (0.672)	0.288 (0.673)
Bachelor's degree	-0.125 (0.677)	-0.067 (0.675)	-0.138 (0.677)	-0.082 (0.675)	-0.077 (0.676)
Master's or PhD degree	-1.396 (1.147)	-1.388 (1.143)	-1.367 (1.149)	-1.351 (1.146)	-1.351 (1.145)
Credit score 2	0.283 (0.174)	0.252 (0.173)	0.275 (0.173)	0.245 (0.173)	0.259 (0.173)
Credit score 3	0.237 (0.187)	0.247 (0.186)	0.245 (0.187)	0.257 (0.186)	0.269 (0.187)
Credit score 4	0.356** (0.176)	0.359** (0.176)	0.358** (0.177)	0.361** (0.176)	0.377** (0.177)
Shared customer	-0.376*** (0.129)	-0.371*** (0.129)	-0.384*** (0.130)	-0.382*** (0.130)	-0.383*** (0.130)
Male	-0.127 (0.112)	-0.122 (0.113)	-0.128 (0.112)	-0.121 (0.113)	-0.124 (0.113)
Married	-0.156 (0.125)	-0.155 (0.126)	-0.152 (0.125)	-0.150 (0.125)	-0.154 (0.125)
Divorced	0.309 (0.238)	0.317 (0.237)	0.306 (0.238)	0.314 (0.237)	0.322 (0.237)
Civil union	0.416 (0.527)	0.335 (0.527)	0.449 (0.527)	0.375 (0.527)	0.338 (0.528)
Widowed	0.503 (0.689)	0.435 (0.687)	0.495 (0.689)	0.430 (0.687)	0.428 (0.689)
Formally employed	0.158 (0.126)	0.173 (0.126)	0.154 (0.126)	0.168 (0.126)	0.174 (0.126)
Debt with bank	0.000 (0.000)	0.000 (0.000)	0.000 (0.000)	0.000 (0.000)	0.000 (0.000)
Debt with other banks	-0.000** (0.000)	-0.000** (0.000)	-0.000** (0.000)	-0.000* (0.000)	-0.000** (0.000)
Quito	-0.203 (0.140)	-0.238* (0.141)	-0.204 (0.140)	-0.240* (0.141)	-0.239* (0.141)
Guayaquil	-0.247* (0.130)	-0.260** (0.129)	-0.249* (0.130)	-0.263** (0.129)	-0.265** (0.129)
Financial literate		-0.204* (0.112)		-0.199* (0.112)	-0.201* (0.113)
Happy		0.040 (0.130)		0.035 (0.130)	0.039 (0.130)
Risky		-0.052 (0.113)		-0.047 (0.113)	-0.049 (0.113)
High SSNN usage		-0.175 (0.117)		-0.175 (0.117)	-0.181 (0.117)
High self-esteem		-0.113 (0.135)		-0.115 (0.134)	-0.115 (0.135)

High confidence on dec.			-0.026 (0.135)			-0.033 (0.135)	-0.030 (0.136)
High conf. on expen.			-0.133 (0.127)			-0.138 (0.127)	-0.141 (0.127)
Beta			0.005** (0.002)			0.005** (0.002)	0.005** (0.002)
Delta			0.009 (0.006)			0.008 (0.006)	0.009 (0.006)
Observations	895	895	895	895	895	895	895
Standard errors in parentheses *** p<0.01, ** p<0.05, * p<0.1							

**APPENDIX 9: Necessities consumption: Social status treatment interacted with demographic variables**

Dependent variable	(1)	(2)	(3)	(4)	
	Interaction variable	> 39 years old	Sex	Quito	Guayaquil
T1_peer * > 39 years old	-3.606 (13.379)				
T1_peer * <= 39 years old	12.210 (13.557)				
T2_celeb * > 39 years old	3.720 (13.066)				
T2_celeb * <= 39 years old	10.321 (12.910)				
> 39 years old	24.771* (13.173)				
T1_peer * Male		4.537 (13.437)			
T1_peer * Female		4.378 (13.568)			
T2_celeb * Male		11.678 (13.036)			
T2_celeb * Female		3.198 (12.894)			
Male		-9.930 (12.805)			
T1_peer * Quito			18.768 (19.238)		
T1_peer * Diff. than Quito			-0.440 (10.965)		
T2_celeb * Quito			16.315 (17.557)		
T2_celeb * Diff. than Quito			3.812 (10.761)		
Quito			-1.148 (14.682)		
T1_peer * Guayaquil				1.472 (16.096)	
T1_peer * Diff. than Guayaquil				5.697 (11.796)	
T2_celeb * Guayaquil				2.612 (15.491)	
T2_celeb * Diff. than Guayaquil				9.890 (11.396)	
Guayaquil				-7.056 (13.261)	
Demographic controls	Yes	Yes	Yes	Yes	
Behavioral controls	Yes	Yes	Yes	Yes	
Observations	895	895	895	895	
Standard errors in parentheses *** p<0.01, ** p<0.05, * p<0.1					

	(1)	(2)	(3)	(4)
Dependent variable	Basic needs consumption (as proportion of per capita income)			
Interaction variable	> 39 years old	Sex	Quito	Guayaquil
T1_peer * > 39 years old	0.210 (0.189)			
T1_peer * <= 39 years old	0.113 (0.192)			
T2_celeb * > 39 years old	0.021 (0.185)			
T2_celeb * <= 39 years old	0.001 (0.183)			
> 39 years old	-0.065 (0.186)			
T1_peer * Male		0.189 (0.190)		
T1_peer * Female		0.134 (0.192)		
T2_celeb * Male		-0.218 (0.184)		
T2_celeb * Female		0.230 (0.182)		
Male		0.006 (0.181)		
T1_peer * Quito			0.266 (0.272)	
T1_peer * Diff. than Quito			0.128 (0.155)	
T2_celeb * Quito			0.149 (0.249)	
T2_celeb * Diff. than Quito			-0.034 (0.152)	
Quito			-0.204 (0.207)	
T1_peer * Guayaquil				0.117 (0.228)
T1_peer * Diff. than Guayaquil				0.184 (0.167)
T2_celeb * Guayaquil				-0.042 (0.219)
T2_celeb * Diff. than Guayaquil				0.035 (0.161)
Guayaquil				-0.128 (0.188)
Demographic controls	Yes	Yes	Yes	Yes
Behavioral controls	Yes	Yes	Yes	Yes
Observations	895	895	895	895
Standard errors in parentheses *** p<0.01, ** p<0.05, * p<0.1				

**APPENDIX 10: Necessities consumption level: Credit card status treatment interacted with demographic variables**

	(1)	(2)	(3)	(4)
Dependent variable	Basic needs consumption (in dollars)			
Interaction variable	> 39 years old	Sex	Quito	Guayaquil
T3_ccstatus * > 39 years old	-4.471 (10.955)			
T3_ccstatus * <= 39 years old	-4.957 (10.904)			
> 39 years old	17.533 (11.510)			
T3_ccstatus * Male		-3.128 (10.945)		
T3_ccstatus * Female		-7.032 (10.952)		
Male		-8.862 (10.970)		
T3_ccstatus * Quito			9.581 (15.017)	
T3_ccstatus * Diff. than Quito			-10.188 (8.999)	
Quito			-0.599 (12.138)	
T3_ccstatus * Guayaquil				0.432 (13.081)
T3_ccstatus * Diff. than Guayaquil				-8.021 (9.570)
Guayaquil				-14.912 (11.465)
Demographic controls	Yes	Yes	Yes	Yes
Behavioral controls	Yes	Yes	Yes	Yes
Observations	895	895	895	895
Standard errors in parentheses *** p<0.01, ** p<0.05, * p<0.1				

	(1)	(2)	(3)	(4)
Dependent variable	Basic needs consumption (as proportion of per capita income)			
Interaction variable	> 39 years old	Sex	Quito	Guayaquil
T3_ccstatus * > 39 years old	0.020 (0.155)			
T3_ccstatus * <= 39 years old	0.116 (0.154)			
> 39 years old	0.018 (0.163)			
T3_ccstatus * Male		0.089 (0.155)		
T3_ccstatus * Female		0.057 (0.155)		
Male		-0.144		

		(0.155)		
T3_ccstatus * Quito			0.271	
			(0.212)	
T3_ccstatus * Diff. than Quito			-0.005	
			(0.127)	
Quito			-0.230	
			(0.171)	
T3_ccstatus * Guayaquil			-0.072	
			(0.185)	
T3_ccstatus * Diff. than Guayaquil			0.150	
			(0.135)	
Guayaquil			-0.065	
			(0.162)	
Demographic controls	Yes	Yes	Yes	Yes
Behavioral controls	Yes	Yes	Yes	Yes
Observations	895	895	895	895
Standard errors in parentheses				
*** p<0.01, ** p<0.05, * p<0.1				

**APPENDIX 11: Necessities consumption level: Social status treatment interacted with behavioral variables**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Dependent variable	Basic needs consumption (in dollars)						
Interaction variable	Financial literate	Happy	Risky	High SSNN usage	High self-esteem	High confidence on dec.	High conf. on expen.
T1_peer * Fin. Literate	15.822 (12.519)						
T1_peer * Not Fin. Literate	-12.490 (14.664)						
T2_celeb * Fin. Literate	8.351 (12.112)						
T2_celeb * Not Fin. Literate	6.748 (14.039)						
Fin. Literate	-2.046 (12.797)						
T1_peer * Happy		7.084 (15.850)					
T1_peer * Not happy		2.198 (11.939)					
T2_celeb * Happy		11.858 (14.852)					
T2_celeb * Not happy		4.472 (11.646)					
Happy		-7.177 (12.887)					
T1_peer * Risky			-2.169 (12.691)				
T1_peer * Not risky			12.519 (14.343)				
T2_celeb * Risky			-4.994 (12.395)				
T2_celeb * Not risky			22.390 (13.658)				
Risky			5.392 (12.670)				
T1_peer * High SSNN usage				-15.651 (16.661)			
T1_peer * Low SSNN usage				14.007 (11.618)			
T2_celeb * High SSNN usage				-8.874 (15.926)			
T2_celeb * Low SSNN usage				15.468 (11.217)			
High SSNN usage				23.144* (13.421)			
T1_peer * High self-esteem					4.563 (13.701)		



T1_peer * Low self-esteem					4.045		
					(13.298)		
T2_celeb * High self-esteem					10.715		
					(13.152)		
T2_celeb * Low self-esteem					4.611		
					(12.825)		
High self-esteem					-0.186		
					(12.668)		
T1_peer * High conf. on dec.						18.900	
						(12.739)	
T1_peer * Low conf. on dec.						-14.950	
						(14.196)	
T2_celeb * High conf. on dec.						28.559**	
						(11.940)	
T2_celeb * Low conf. on dec.						-21.755	
						(14.159)	
High conf. on dec.						-31.199**	
						(12.696)	
T1_peer * High conf. on expen.							8.678
							(14.430)
T1_peer * Low conf. on expen.							-0.655
							(12.560)
T2_celeb * High conf. on expen.							23.643*
							(13.857)
T2_celeb * Low conf. on expen.							-6.164
							(12.245)
High conf. on expen.							-34.281***
							(12.665)
Demographic controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Behavioral controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	895	895	895	895	895	895	895

Standard errors in parentheses

\*\*\* p&lt;0.01, \*\* p&lt;0.05, \* p&lt;0.1

**APPENDIX 12: Necessities consumption: Credit card status treatment interacted with behavioral variables**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Dependent variable	Basic needs consumption (in dollars)						
Interaction variable	Financial literate	Happy	Risky	High SSNN usage	High self-esteem	High confidence on dec.	High conf. on expen.
T3_ccstatus * Fin. Literate	-3.528 (10.195)						
T3_ccstatus * Not Fin. Literate	-7.246 (11.867)						
Fin. Literate	4.718 (11.141)						
T3_ccstatus * Happy		-7.562 (12.785)					
T3_ccstatus * Not happy		-3.699 (9.702)					
Happy		-1.477 (11.311)					
T3_ccstatus * Risky			-3.094 (10.376)				
T3_ccstatus * Not risky			-7.622 (11.614)				
Risky			-10.226 (10.910)				
T3_ccstatus * High SSNN usage				-18.200 (13.435)			
T3_ccstatus * Low SSNN usage				1.018 (9.410)			
High SSNN usage				16.015 (11.566)			
T3_ccstatus * High self-esteem					-12.294 (11.147)		
T3_ccstatus * Low self-esteem					1.341 (10.843)		
High self-esteem					8.619 (10.910)		
T3_ccstatus * High conf. on dec.						-2.903 (10.271)	
T3_ccstatus * Low conf. on dec.						-7.654 (11.851)	
High conf. on dec.						-6.360 (10.906)	
T3_ccstatus * High conf. on expen.							9.124 (11.809)
T3_ccstatus * Low conf. on expen.							-12.809 (10.296)
High conf. on expen.							-32.692*** (11.138)



High conf. on expen.							(0.145)
							-0.204
							(0.159)
Demographic controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Behavioral controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	895	895	895	895	895	895	895
Standard errors in parentheses							
*** p<0.01, ** p<0.05, * p<0.1							

## APPENDIX 13 Savings: Baseline models

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Dependent variable	Savings (in dollars)						
Independent var.	Social status treatments	Social status treatments and demographic controls	Social status treatments and all controls	Credit card status treatment	Credit card status treatment and demographic controls	Credit card status treatment and all controls	Treatments interactions and all controls
T1: peer's status	-13.886 (9.677)	-14.209 (9.685)	-13.625 (9.615)				-19.408 (13.441)
T2: celeb's status	-10.275 (9.326)	-9.701 (9.320)	-10.931 (9.259)				-5.310 (13.158)
T3: cred. card's status				-0.335 (7.847)	-0.311 (7.870)	-2.439 (7.838)	-2.041 (12.694)
T1 and T3							11.740 (19.291)
T2 and T3							-10.630 (18.593)
Per capita income		0.016 (0.022)	0.022 (0.022)		0.016 (0.022)	0.022 (0.022)	0.022 (0.022)
Household size		-3.273 (2.643)	-3.087 (2.636)		-3.317 (2.646)	-3.059 (2.640)	-3.018 (2.649)
Age		-0.609 (2.399)	-1.139 (2.392)		-0.545 (2.401)	-1.078 (2.394)	-1.082 (2.396)
Age^2		-0.003 (0.028)	0.003 (0.028)		-0.003 (0.028)	0.003 (0.028)	0.003 (0.028)
Primary		54.179 (49.476)	46.703 (49.061)		55.601 (49.496)	47.480 (49.087)	48.894 (49.125)
Secondary		44.171 (48.495)	40.169 (48.088)		45.699 (48.510)	41.062 (48.107)	41.354 (48.142)
Bachelor's degree		21.713 (48.730)	20.591 (48.316)		22.520 (48.749)	20.807 (48.335)	21.950 (48.380)
Master's or PhD degree		122.063 (83.330)	126.917 (82.705)		121.943 (83.585)	125.388 (82.948)	127.420 (82.860)
Credit score 2		-11.359 (12.497)	-12.778 (12.391)		-10.100 (12.485)	-11.610 (12.379)	-12.591 (12.393)
Credit score 3		3.590 (13.404)	6.580 (13.280)		3.291 (13.446)	5.958 (13.320)	5.830 (13.351)
Credit score 4		-5.217 (12.688)	-0.932 (12.606)		-4.995 (12.716)	-1.064 (12.632)	-1.017 (12.653)
Shared customer		2.908 (9.276)	1.751 (9.229)		2.888 (9.318)	1.928 (9.270)	2.135 (9.264)
Male		-0.232 (8.072)	-1.274 (8.056)		-0.324 (8.080)	-1.351 (8.062)	-0.914 (8.058)
Married		6.180 (9.012)	4.460 (8.987)		5.741 (9.016)	4.033 (8.991)	4.513 (8.984)
Divorced		-14.710 (17.152)	-16.221 (17.003)		-14.043 (17.164)	-15.632 (17.014)	-16.329 (16.996)
Civil union		-10.748 (37.902)	-14.374 (37.735)		-11.849 (37.887)	-15.387 (37.726)	-16.428 (37.779)

Widowed	48.598 (49.617)	47.426 (49.225)	51.391 (49.643)	49.956 (49.246)	45.021 (49.292)
Formally employed	-0.107 (9.092)	1.086 (9.028)	0.312 (9.094)	1.385 (9.030)	1.121 (9.024)
Debt with bank	0.001 (0.005)	0.000 (0.005)	0.000 (0.005)	-0.000 (0.005)	0.000 (0.005)
Debt with other banks	0.001 (0.001)	0.001 (0.001)	0.001 (0.001)	0.001 (0.001)	0.001 (0.001)
Quito	-18.595* (10.117)	-13.094 (10.167)	-18.806* (10.113)	-13.419 (10.164)	-12.924 (10.171)
Guayaquil	-5.834 (9.318)	-5.188 (9.240)	-5.778 (9.324)	-5.180 (9.247)	-4.688 (9.254)
Financial literate		-12.376 (8.073)		-12.793 (8.076)	-12.789 (8.076)
Happy		1.273 (9.320)		1.732 (9.322)	0.890 (9.328)
Risky		13.307* (8.056)		13.061 (8.061)	13.788* (8.069)
High SSNN usage		-17.109** (8.364)		-17.143** (8.371)	-17.156** (8.371)
High self-esteem		-20.822** (9.630)		-20.090** (9.622)	-21.178** (9.633)
High confidence on dec.		17.655* (9.688)		17.321* (9.680)	17.309* (9.693)
High conf. on expen.		24.116*** (9.060)		24.421*** (9.084)	24.646*** (9.082)
Beta		0.030 (0.165)		0.028 (0.166)	0.017 (0.166)
Delta		-0.127 (0.402)		-0.117 (0.403)	-0.121 (0.402)
Observations	895	895	895	895	895
Standard errors in parentheses *** p<0.01, ** p<0.05, * p<0.1					

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Dependent variable	Savings (as proportion of per capita income)						
Independent var.	Social status treatments	Social status treatments and demographic controls	Social status treatments and all controls	Credit card status treatment	Credit card status treatment and demographic controls	Credit card status treatment and all controls	Treatments interactions and all controls
T1: peer's status	0.084 (0.135)	0.135 (0.134)	0.152 (0.133)				0.038 (0.185)
T2: celeb's status	-0.130 (0.130)	-0.063 (0.128)	-0.077 (0.128)				-0.140 (0.181)
T3: cred. card's status				0.060 (0.109)	0.064 (0.108)	0.048 (0.108)	-0.057 (0.175)
T1 and T3							0.231 (0.266)
T2 and T3							0.124 (0.256)

Age	-0.017 (0.033)	-0.025 (0.033)	-0.017 (0.033)	-0.025 (0.033)	-0.026 (0.033)
Age^2	0.000 (0.000)	0.000 (0.000)	0.000 (0.000)	0.000 (0.000)	0.000 (0.000)
Primary	1.005 (0.682)	0.883 (0.677)	0.977 (0.682)	0.851 (0.678)	0.884 (0.678)
Secondary	0.762 (0.669)	0.705 (0.664)	0.731 (0.669)	0.666 (0.665)	0.699 (0.665)
Bachelor's degree	0.050 (0.672)	0.054 (0.667)	0.019 (0.672)	0.014 (0.667)	0.049 (0.668)
Master's or PhD degree	-0.459 (1.137)	-0.295 (1.130)	-0.444 (1.140)	-0.294 (1.133)	-0.267 (1.132)
Credit score 2	-0.030 (0.172)	-0.059 (0.171)	-0.036 (0.172)	-0.066 (0.171)	-0.052 (0.171)
Credit score 3	0.026 (0.185)	0.062 (0.183)	0.031 (0.185)	0.065 (0.184)	0.076 (0.184)
Credit score 4	0.133 (0.174)	0.191 (0.174)	0.130 (0.175)	0.184 (0.174)	0.206 (0.174)
Shared customer	-0.193 (0.128)	-0.220* (0.127)	-0.202 (0.128)	-0.229* (0.128)	-0.228* (0.128)
Male	-0.108 (0.111)	-0.118 (0.111)	-0.106 (0.111)	-0.114 (0.111)	-0.116 (0.111)
Married	-0.009 (0.124)	-0.019 (0.124)	-0.006 (0.124)	-0.015 (0.124)	-0.017 (0.124)
Divorced	0.136 (0.236)	0.127 (0.235)	0.135 (0.237)	0.124 (0.235)	0.130 (0.235)
Civil union	-0.236 (0.520)	-0.375 (0.518)	-0.185 (0.520)	-0.322 (0.518)	-0.390 (0.519)
Widowed	1.227* (0.684)	1.164* (0.680)	1.232* (0.684)	1.165* (0.680)	1.138* (0.681)
Formally employed	0.095 (0.125)	0.104 (0.125)	0.090 (0.125)	0.098 (0.125)	0.105 (0.125)
Debt with bank	0.000 (0.000)	0.000 (0.000)	0.000 (0.000)	0.000 (0.000)	0.000 (0.000)
Debt with other banks	-0.000 (0.000)	-0.000 (0.000)	-0.000 (0.000)	-0.000 (0.000)	-0.000 (0.000)
Quito	-0.346** (0.139)	-0.301** (0.139)	-0.353** (0.139)	-0.311** (0.139)	-0.302** (0.140)
Guayaquil	-0.128 (0.128)	-0.124 (0.128)	-0.133 (0.128)	-0.128 (0.128)	-0.126 (0.128)
Financial literate		-0.371*** (0.111)		-0.367*** (0.111)	-0.372*** (0.111)
Happy		-0.090 (0.129)		-0.095 (0.129)	-0.094 (0.129)
Risky		0.112 (0.111)		0.117 (0.111)	0.118 (0.111)
High SSNN usage		-0.318*** (0.116)		-0.316*** (0.116)	-0.324*** (0.116)
High self-esteem		-0.167 (0.133)		-0.164 (0.133)	-0.171 (0.133)

High confidence on dec.			0.204 (0.134)			0.192 (0.134)	0.198 (0.134)
High conf. on expen.			0.191 (0.125)			0.190 (0.125)	0.187 (0.125)
Beta			0.002 (0.002)			0.002 (0.002)	0.002 (0.002)
Delta			0.002 (0.006)			0.002 (0.006)	0.002 (0.006)
Observations	895	895	895	895	895	895	895
Standard errors in parentheses *** p<0.01, ** p<0.05, * p<0.1							



**APPENDIX 14: Savings: Social status treatment interacted with demographic variables**

	(1)	(2)	(3)	(4)
Dependent variable	Savings (in dollars)			
Interaction variable	> 39 years old	Sex	Quito	Guayaquil
T1_peer * > 39 years old	-11.279 (13.626)			
T1_peer * <= 39 years old	-17.092 (13.796)			
T2_celeb * > 39 years old	-9.980 (13.297)			
T2_celeb * <= 39 years old	-10.991 (13.146)			
> 39 years old	-18.843 (13.414)			
T1_peer * Male		-15.685 (13.687)		
T1_peer * Female		-12.551 (13.827)		
T2_celeb * Male		-15.717 (13.282)		
T2_celeb * Female		-5.704 (13.135)		
Male		4.199 (13.048)		
T1_peer * Quito			-24.530 (19.581)	
T1_peer * Diff. than Quito			-10.654 (11.159)	
T2_celeb * Quito			-4.547 (17.872)	
T2_celeb * Diff. than Quito			-12.356 (10.949)	
Quito			-14.913 (14.934)	
T1_peer * Guayaquil				-4.202 (16.402)
T1_peer * Diff. than Guayaquil				-19.232 (12.012)
T2_celeb * Guayaquil				-17.042 (15.784)
T2_celeb * Diff. than Guayaquil				-7.339 (11.609)
Guayaquil				0.646 (13.512)
Demographic controls	Yes	Yes	Yes	Yes
Behavioral controls	Yes	Yes	Yes	Yes
Observations	895	895	895	895
Standard errors in parentheses *** p<0.01, ** p<0.05, * p<0.1				

	(1)	(2)	(3)	(4)
Dependent variable	Savings (as proportion of per capita income)			
Interaction variable	> 39 years old	Sex	Quito	Guayaquil
T1_peer * > 39 years old	0.233 (0.188)			
T1_peer * <= 39 years old	0.061 (0.190)			
T2_celeb * > 39 years old	-0.029 (0.184)			
T2_celeb * <= 39 years old	-0.125 (0.181)			
> 39 years old	-0.287 (0.185)			
T1_peer * Male		0.124 (0.189)		
T1_peer * Female		0.170 (0.191)		
T2_celeb * Male		-0.312* (0.183)		
T2_celeb * Female		0.142 (0.181)		
Male		0.062 (0.180)		
T1_peer * Quito			0.041 (0.270)	
T1_peer * Diff. than Quito			0.181 (0.154)	
T2_celeb * Quito			0.207 (0.246)	
T2_celeb * Diff. than Quito			-0.177 (0.151)	
Quito			-0.395* (0.205)	
T1_peer * Guayaquil				0.249 (0.226)
T1_peer * Diff. than Guayaquil				0.094 (0.166)
T2_celeb * Guayaquil				-0.125 (0.218)
T2_celeb * Diff. than Guayaquil				-0.059 (0.160)
Guayaquil				-0.012 (0.186)
Demographic controls	Yes	Yes	Yes	Yes
Behavioral controls	Yes	Yes	Yes	Yes
Observations	895	895	895	895
Standard errors in parentheses *** p<0.01, ** p<0.05, * p<0.1				

**APPENDIX 15: Savings level: Credit card status treatment interacted with demographic variables**

	(1)	(2)	(3)	(4)
Dependent variable	Savings consumption (in dollars)			
Interaction variable	> 39 years old	Sex	Quito	Guayaquil
T3_ccstatus * > 39 years old	2.912 (11.158)			
T3_ccstatus * <= 39 years old	-3.310 (11.107)			
> 39 years old	-19.706* (11.722)			
T3_ccstatus * Male		3.241 (11.161)		
T3_ccstatus * Female		-2.662 (11.168)		
Male		-3.088 (11.188)		
T3_ccstatus * Quito			-7.345 (15.307)	
T3_ccstatus * Diff. than Quito			2.480 (9.174)	
Quito			-11.320 (12.369)	
T3_ccstatus * Guayaquil				-11.824 (13.341)
T3_ccstatus * Diff. than Guayaquil				6.722 (9.759)
Guayaquil				10.994 (11.699)
Demographic controls	Yes	Yes	Yes	Yes
Behavioral controls	Yes	Yes	Yes	Yes
Observations	895	895	895	895
Standard errors in parentheses *** p<0.01, ** p<0.05, * p<0.1				

	(1)	(2)	(3)	(4)
Dependent variable	Savings consumption (as proportion of per capita income)			
Interaction variable	> 39 years old	Sex	Quito	Guayaquil
T3_ccstatus * > 39 years old	0.048 (0.154)			
T3_ccstatus * <= 39 years old	0.084 (0.153)			
> 39 years old	-0.185 (0.162)			
T3_ccstatus * Male		0.096 (0.154)		
T3_ccstatus * Female		0.055		

		(0.154)		
Male		-0.123		
		(0.154)		
T3_ccstatus * Quito			-0.005	
			(0.210)	
T3_ccstatus * Diff. than Quito			0.091	
			(0.126)	
Quito			-0.252	
			(0.169)	
T3_ccstatus * Guayaquil				-0.052
				(0.184)
T3_ccstatus * Diff. than Guayaquil				0.141
				(0.134)
Guayaquil				0.105
				(0.161)
Demographic controls	Yes	Yes	Yes	Yes
Behavioral controls	Yes	Yes	Yes	Yes
Observations	895	895	895	895
Standard errors in parentheses				
*** p<0.01, ** p<0.05, * p<0.1				



High conf. on expen.							(10.487)
							36.846***
							(11.336)
Demographic controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Behavioral controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	895	895	895	895	895	895	895
Standard errors in parentheses							
*** p<0.01, ** p<0.05, * p<0.1							

## APPENDIX 17: Credit limit: Baseline model

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Dependent variable	Credit limit (in dollars)						
Independent var.	Social status treatments	Social status treatments and demographic controls	Social status treatments and all controls	Credit card status treatment	Credit card status treatment and demographic controls	Credit card status treatment and all controls	Treatments interactions and all controls
T1: peer's status	-50.915 (289.906)	-147.750 (289.123)	-159.188 (288.881)				200.318 (400.334)
T2: celeb's status	-253.714 (282.614)	-316.296 (281.078)	-309.610 (280.988)				115.368 (397.064)
T3: cred. card's status				11.298 (236.380)	11.677 (235.730)	-4.506 (236.022)	501.087 (381.419)
T1 and T3							-748.224 (577.160)
T2 and T3							-856.928 (563.383)
Per capita income		0.878 (0.657)	0.945 (0.659)		0.872 (0.658)	0.943 (0.660)	0.983 (0.661)
Household size		-11.371 (79.714)	4.284 (80.037)		-8.662 (79.765)	7.297 (80.093)	14.890 (80.403)
Age		-33.129 (71.363)	-15.113 (71.504)		-31.955 (71.384)	-14.057 (71.527)	-8.725 (71.535)
Age^2		0.210 (0.844)	0.026 (0.846)		0.203 (0.844)	0.022 (0.846)	-0.040 (0.846)
Primary		-379.633 (1,475.532)	-479.566 (1,465.500)		-379.176 (1,477.316)	-476.638 (1,467.885)	-416.211 (1,463.026)
Secondary		9.163 (1,443.368)	-109.932 (1,432.955)		8.071 (1,444.684)	-106.161 (1,434.762)	-29.222 (1,429.754)
Bachelor's degree		210.991 (1,449.765)	31.816 (1,439.094)		196.936 (1,451.597)	22.340 (1,441.298)	114.613 (1,436.118)
Master's or PhD degree		605.317 (2,359.855)	44.087 (2,352.301)		607.852 (2,367.242)	45.326 (2,359.880)	97.533 (2,353.700)
Credit score 2		202.660 (373.765)	222.423 (372.609)		225.648 (372.783)	246.748 (371.673)	203.002 (372.884)
Credit score 3		270.601 (397.243)	217.113 (396.561)		265.813 (398.074)	209.454 (397.415)	165.743 (398.548)
Credit score 4		184.155 (386.653)	137.689 (386.938)		175.989 (387.278)	128.393 (387.598)	100.367 (388.378)
Shared customer		16.880 (279.068)	46.381 (279.858)		10.584 (280.104)	40.942 (280.879)	61.191 (281.090)
Male		409.487* (242.218)	426.746* (243.755)		406.750* (242.339)	424.263* (243.826)	429.218* (243.835)
Married		215.490 (271.278)	171.742 (272.499)		211.869 (271.271)	167.635 (272.477)	171.683 (272.306)
Divorced		-232.685 (522.550)	-291.177 (522.118)		-221.090 (522.489)	-281.046 (522.120)	-298.400 (522.262)
Civil union		608.527 (1,099.985)	939.749 (1,099.761)		653.364 (1,097.527)	972.362 (1,097.773)	1,000.007 (1,100.495)

Widowed	109.620 (1,535.480)	37.676 (1,544.799)	176.095 (1,534.246)	98.971 (1,543.735)	165.909 (1,541.150)
Formally employed	-78.478 (272.685)	-75.526 (272.308)	-81.534 (272.468)	-78.868 (272.099)	-76.620 (272.203)
Debt with bank	0.088 (0.136)	0.093 (0.136)	0.084 (0.136)	0.089 (0.136)	0.094 (0.136)
Debt with other banks	0.085*** (0.029)	0.084*** (0.029)	0.085*** (0.029)	0.084*** (0.029)	0.084*** (0.029)
Quito	451.622 (303.625)	497.009 (307.667)	436.006 (303.406)	481.410 (307.446)	512.966* (307.875)
Guayaquil	243.637 (280.700)	245.255 (280.239)	238.717 (280.766)	241.363 (280.314)	268.513 (280.819)
Financial literate		293.876 (244.297)		289.151 (244.283)	288.765 (244.343)
Happy		341.827 (283.047)		344.260 (282.886)	355.320 (283.211)
Risky		177.315 (243.279)		177.376 (243.307)	170.911 (243.558)
High SSNN usage		712.932*** (250.660)		712.998*** (250.788)	729.837*** (250.894)
High self-esteem		-155.201 (292.383)		-135.184 (291.955)	-149.385 (292.437)
High confidence on dec.		331.774 (294.140)		315.239 (293.827)	338.390 (294.464)
High conf. on expen.		-118.281 (275.207)		-116.173 (275.786)	-111.889 (275.827)
Beta		-5.479 (5.470)		-5.653 (5.488)	-5.890 (5.528)
Delta		-13.928 (12.434)		-14.277 (12.439)	-14.278 (12.439)
Observations	895	895	895	895	895
Standard errors in parentheses					
*** p<0.01, ** p<0.05, * p<0.1					



**APPENDIX 18: Credit limit: Credit card status treatment interacted with demographic variables**

	(1)	(2)	(3)	(4)
Dependent variable	Credit card limit (in dollars)			
Interaction variable	> 39 years old	Sex	Quito	Guayaquil
T3_ccstatus * > 39 years old	-391.376 (338.366)			
T3_ccstatus * <= 39 years old	378.274 (328.164)			
> 39 years old	-26.054 (348.367)			
T3_ccstatus * Male		149.967 (329.671)		
T3_ccstatus * Female		-143.310 (338.276)		
Male		268.386 (332.861)		
T3_ccstatus * Quito			-216.685 (456.027)	
T3_ccstatus * Diff. than Quito			112.576 (275.285)	
Quito			483.616 (366.650)	
T3_ccstatus * Guayaquil				-3.364 (397.561)
T3_ccstatus * Diff. than Guayaquil				24.960 (293.206)
Guayaquil				93.163 (349.432)
Demographic controls	Yes	Yes	Yes	Yes
Behavioral controls	Yes	Yes	Yes	Yes
Observations	895	895	895	895
Standard errors in parentheses *** p<0.01, ** p<0.05, * p<0.1				

**APPENDIX 19: Probability of consuming more with CC: Social status treatment  
interacted with demographic and behavioral variables**

	(1)	(2)	(3)	(4)
Dependent variable	Probability of consuming more with credit card			
Interaction variable	> 39 years old	Sex	Quito	Guayaquil
T1_peer * > 39 years old	-0.002 (0.056)			
T1_peer * <= 39 years old	0.056 (0.058)			
T2_celeb * > 39 years old	-0.082 (0.053)			
T2_celeb * <= 39 years old	0.019 (0.055)			
> 39 years old	-0.042 (0.055)			
T1_peer * Male		0.035 (0.057)		
T1_peer * Female		0.013 (0.057)		
T2_celeb * Male		0.033 (0.055)		
T2_celeb * Female		-0.097* (0.053)		
Male		0.031 (0.053)		
T1_peer * Quito			0.079 (0.084)	
T1_peer * Diff. than Quito			0.008 (0.046)	
T2_celeb * Quito			-0.044 (0.074)	
T2_celeb * Diff. than Quito			-0.032 (0.045)	
Quito			0.006 (0.062)	
T1_peer * Guayaquil				0.074 (0.070)
T1_peer * Diff. than Guayaquil				-0.000 (0.050)
T2_celeb * Guayaquil				-0.007 (0.065)
T2_celeb * Diff. than Guayaquil				-0.051 (0.047)
Guayaquil				-0.009

Demographic controls	Yes	Yes	Yes	(0.056) Yes
Behavioral controls	Yes	Yes	Yes	Yes
Observations	895	895	895	895
Standard errors in parentheses				
*** p<0.01, ** p<0.05, * p<0.1				

**APPENDIX 20: Credit limit: Social status treatment interacted with behavioral variables**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Dependent variable	Credit card limit (in dollars)						
Interaction variable	Financial literate	Happy	Risky	High SSNN usage	High self-esteem	High confidence on dec.	High conf. on expen.
T1_peer * Fin. Literate	-282.140 (377.734)						
T1_peer * Not Fin. Literate	-24.032 (449.280)						
T2_celeb * Fin. Literate	-664.027* (371.139)						
T2_celeb * Not Fin. Literate	247.029 (432.011)						
Fin. Literate	630.711 (391.870)						
T1_peer * Happy		-69.762 (477.868)					
T1_peer * Not happy		-192.884 (362.040)					
T2_celeb * Happy		400.450 (446.667)					
T2_celeb * Not happy		-692.373* (361.429)					
Happy		-13.561 (390.568)					
T1_peer * Risky			-242.383 (382.706)				
T1_peer * Not risky			-40.138 (439.738)				
T2_celeb * Risky			-518.005 (379.151)				
T2_celeb * Not risky			29.626 (421.901)				
Risky			494.274 (387.343)				
T1_peer * High SSNN usage				-92.869 (495.265)			
T1_peer * Low SSNN usage				-184.555 (355.823)			
T2_celeb * High SSNN usage				123.057 (475.216)			
T2_celeb * Low SSNN usage				-486.882			

					(349.204)		
High SSNN usage					450.996		
					(404.211)		
T1_peer * High self-esteem					-277.107		
					(415.697)		
T1_peer * Low self-esteem					-31.908		
					(403.602)		
T2_celeb * High self-esteem					-20.922		
					(399.540)		
T2_celeb * Low self-esteem					-486.748		
					(396.540)		
High self-esteem					125.845		
					(385.411)		
T1_peer * High conf. on dec.						-72.024	
						(384.489)	
T1_peer * Low conf. on dec.						-235.454	
						(436.771)	
T2_celeb * High conf. on dec.						-157.320	
						(365.025)	
T2_celeb * Low conf. on dec.						-469.753	
						(440.545)	
High conf. on dec.						232.749	
						(389.209)	
T1_peer * High conf. on expen.							340.955
							(438.356)
T1_peer * Low conf. on expen.							-534.783
							(382.843)
T2_celeb * High conf. on expen.							276.568
							(425.157)
T2_celeb * Low conf. on expen.							-719.281*
							(379.138)
High conf. on expen.							-532.837
							(388.400)
Demographic controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Behavioral controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	895	895	895	895	895	895	895
Standard errors in parentheses							
*** p<0.01, ** p<0.05, * p<0.1							



High conf. on expen.							(316.662)
							61.787
							(338.948)
Demographic controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Behavioral controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	895	895	895	895	895	895	895
Standard errors in parentheses							
*** p<0.01, ** p<0.05, * p<0.1							





High conf. on expen.							(316.662)
							61.787
							(338.948)
Demographic controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Behavioral controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	895	895	895	895	895	895	895
Standard errors in parentheses							
*** p<0.01, ** p<0.05, * p<0.1							

**APPENDIX 23: Probability of consuming more with CC: Social status treatment  
interacted with behavioral variables**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Dependent variable	Probability of consuming more with credit card						
Interaction variable	Financial literate	Happy	Risky	High SSNN usage	High self- esteem	High confidence on dec.	High conf. on expen.
T1_peer * Fin. Literate	0.032 (0.053)						
T1_peer * Not Fin. Literate	0.012 (0.062)						
T2_celeb * Fin. Literate	-0.057 (0.051)						
T2_celeb * Not Fin. Literate	-0.005 (0.059)						
Fin. Literate	0.016 (0.054)						
T1_peer * Happy		0.008 (0.068)					
T1_peer * Not happy		0.037 (0.050)					
T2_celeb * Happy		0.000 (0.063)					
T2_celeb * Not happy		-0.052 (0.048)					
Happy		0.045 (0.054)					
T1_peer * Risky			0.020 (0.054)				
T1_peer * Not risky			0.030 (0.060)				
T2_celeb * Risky			-0.043 (0.052)				
T2_celeb * Not risky			-0.027 (0.057)				
Risky			0.037 (0.053)				
T1_peer * High SSNN usage				0.036 (0.074)			
T1_peer * Low SSNN usage				0.019 (0.048)			
T2_celeb * High SSNN usage				-0.015 (0.069)			
T2_celeb * Low SSNN usage				-0.044			

High SSNN usage								(0.046)
								0.095*
								(0.057)
T1_peer * High self-esteem								-0.002
								(0.058)
T1_peer * Low self-esteem								0.049
								(0.056)
T2_celeb * High self-esteem								-0.035
								(0.055)
T2_celeb * Low self-esteem								-0.033
								(0.053)
High self-esteem								0.025
								(0.053)
T1_peer * High conf. on dec.								0.031
								(0.055)
T1_peer * Low conf. on dec.								0.024
								(0.059)
T2_celeb * High conf. on dec.								-0.071
								(0.050)
T2_celeb * Low conf. on dec.								0.012
								(0.059)
High conf. on dec.								0.074
								(0.053)
T1_peer * High conf. on expen.								0.076
								(0.062)
T1_peer * Low conf. on expen.								-0.013
								(0.053)
T2_celeb * High conf. on expen.								0.022
								(0.059)
T2_celeb * Low conf. on expen.								-0.078
								(0.051)
High conf. on expen.								-0.022
								(0.053)
Demographic controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Behavioral controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	895	895	895	895	895	895	895	895

Standard errors in parentheses

\*\*\* p&lt;0.01, \*\* p&lt;0.05, \* p&lt;0.1

**APPENDIX 24: Probability of consuming more with CC: Credit card status treatment  
interacted with behavioral variables**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Dependent variable	Probability of consuming more with credit card						
Interaction variable	Financial literate	Happy	Risky	High SSNN usage	High self- esteem	High confidence on dec.	High conf. on expen.
T3_ccstatus * Fin. Literate	-0.068 (0.043)						
T3_ccstatus * Not Fin. Literate	-0.012 (0.050)						
Fin. Literate	0.032 (0.047)						
T3_ccstatus * Happy		-0.105* (0.055)					
T3_ccstatus * Not happy		-0.013 (0.040)					
Happy		0.102** (0.049)					
T3_ccstatus * Risky			-0.022 (0.044)				
T3_ccstatus * Not risky			-0.072 (0.048)				
Risky			0.004 (0.047)				
T3_ccstatus * High SSNN usage				-0.020 (0.059)			
T3_ccstatus * Low SSNN usage				-0.056 (0.039)			
High SSNN usage				0.092* (0.050)			
T3_ccstatus * High self-esteem					-0.058 (0.047)		
T3_ccstatus * Low self-esteem					-0.033 (0.045)		
High self-esteem					0.025 (0.047)		
T3_ccstatus * High conf. on dec.						-0.077* (0.044)	
T3_ccstatus * Low conf. on dec.						-0.009 (0.049)	
High conf. on dec.						0.082* (0.046)	
T3_ccstatus * High conf. on expen.							-0.093* (0.050)
T3_ccstatus * Low conf. on expen.							-0.014 (0.043)
High conf. on expen.							0.083* (0.048)

Demographic controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Behavioral controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	895	895	895	895	895	895	895
Standard errors in parentheses *** p<0.01, ** p<0.05, * p<0.1							