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# A scarcity mindset does not influence economic cheating across or between social classes

Christian Elbaek<sup>\*1</sup>, Lene Aarøe<sup>2</sup>, Tobias Otterbring<sup>3</sup>, Guy Hochman<sup>4</sup>, Aleksandrs Baskakovs<sup>5</sup>, and Panagiotis Mitkidis<sup>6</sup>

<sup>1</sup>Department of Management, Aarhus University – Fuglesangs Alle 4, 8210 Aarhus V, Denmark

<sup>2</sup>Department of Political Science, Aarhus University – Denmark

<sup>3</sup>Department of Management, University of Agder – Norway

<sup>4</sup>Baruch Ivcher School of Psychology, Reichman University – Israel

<sup>5</sup>Department of Management, Aarhus University – Denmark

<sup>6</sup>Department of Management, Aarhus University – Denmark

## Abstract

Experiencing a lack of resources necessary to fulfill one's needs (i.e., perceptions of "not having enough") exerts a powerful influence on judgment and decision-making. A multitude of studies have suggested that facing resource scarcity can induce a *scarcity mindset*, acutely constraining cognitive functioning and increasing reliance on risky, short-sighted decision strategies at the expense of more prospective long-term outcomes (de Bruijn & Antonides, 2021; Mani et al., 2013).

Prompted by this, a growing body of research has started to study how real or perceived experiences of scarcity might influence people's propensity to engage in unethical and dishonest economic behaviors (Aksoy & Palma, 2019; Elbæk et al., 2021, 2022). A recent meta-analysis suggests that acute financial scarcity can increase people's propensity to engage in economic dishonesty independent of their financial background, whereas a more chronic form of scarcity – direct experiences of low socioeconomic status (SES) – does not yield such effects (Elbæk et al., 2021). These findings underscore the importance of differentiating between a scarcity mindset induced by acute experiences of deprivation and more chronic forms of scarcity, such as low SES, when studying the associations with economic cheating behavior. At the same time, these findings also prompt the question of whether the impact of the scarcity mindset resulting from an acute experience of resource scarcity on economic cheating differs for individuals who already face a chronic state of a relative lack of resources (i.e., low SES) compared to individuals who do not face such chronic scarcity (i.e., higher SES individuals).

Consequently, the current work seeks to address two central questions. First, does the experience of a financial scarcity mindset make individuals more or less inclined to engage in economic dishonesty? Second, might this potential effect be moderated by experiences of chronic resource scarcity as indexed by subjective SES?

To investigate these questions, we designed a high-powered (> 95%) cross-cultural between-subjects experiment with nationally representative samples from four countries ( $N = 2764$ ; *Israel, India, Denmark, and the UK*), with distinctively different income distributions and

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\*Speaker

poverty rates. Here, we employed a robust and validated experimental treatment for inducing a financial scarcity (vs. abundance) mindset, previously used in both lab and field studies (Burlacu et al., 2021). After the treatment, participants were asked to partake in a sequential economic game that allowed for dishonest reporting to gain greater economic utility.

Following recent meta-analytic estimates (Elbæk et al., 2021), we expected that under a scarcity mindset, individuals will become more risk-seeking and hence value short-term economic outcomes over long-term economic gains, which will lead to a greater propensity to cheat for monetary gains. Importantly, extending past research, we predicted that this relationship should be moderated by experiences of chronic scarcity as indexed by low subjective SES. We hypothesized that the effect of acute scarcity on economic dishonesty should be stronger for low (vs. high) SES individuals, as the magnitude of financial worries is presumed to be greater among low SES individuals relative to their high SES counterparts, making them more predisposed to respond strongly when a scarcity mindset has been activated (Burlacu et al., 2021).

First, across countries, we found that our treatment significantly increased financial worries and thus successfully induced a scarcity mindset. Furthermore, as predicted, financial worries were generally larger in magnitude among low SES individuals than among high SES individuals.

Next, we tested our first, pre-registered, main prediction that the experience of a scarcity mindset increases cheating for monetary gains. Here, we tested the effect of our treatment on overreporting in the economic game (i.e., economic cheating) by using a mixed-effect model approach. Results showed no significant difference in cheating behavior across the experimental conditions.

To test the second main prediction that individual-level subjective SES moderates the relationship between the scarcity mindset and cheating behavior, we formulated another mixed-model, where we included individual-level subjective SES as a moderator to the constitutive terms. Across countries, we found that subjective SES did not moderate economic cheating. We replicated this with an objective measure of household income (vs. subjective SES), but found that household income did not moderate economic cheating behavior between treatments.

In sum our findings show that albeit people were significantly more worried about their financial resources in the scarcity treatment, supporting a general cross-cultural trend in activations of a scarcity mindset in response to impressions of acute financial scarcity, contrary to our pre-registered predictions we did not find any evidence suggesting that cheating rates were significantly affected by the experience of a scarcity mindset nor that this relationship was moderated by subjective SES.

These findings directly advance the current state-of-the-art in two central ways: First, our results provide a preliminary effort of how generalizable a scarcity mindset is across societies with different economic circumstances.

Second, the current results advance knowledge on how scarcity might influence moral judgment and decision-making. While recent meta-analytic evidence has proposed that experiences of acute financial scarcity (e.g., in the form of a scarcity mindset) are associated with an increased propensity to engage in economic dishonesty across social classes (Elbæk et al., 2021), no prior work has investigated how such an effect might, or might not, be exacerbated by more chronic resource deprivation such as low SES.

The current findings have important societal implications considering the prevalence of negative stereotypes and prejudice surrounding individuals who live with less available resources (Lindqvist et al., 2017; Tanjitpiyanond et al., 2022), which often portray such individuals as greedy and immoral (Lindqvist et al., 2017). Our results go against these dystopic stereotypes by showing that in the financial domain, acute experiences of scarcity do not increase economic cheating, either for low SES individuals or their high SES counterparts. Conse-

quently, this research highlights that while experiences of scarcity can strongly influence a wide variety of decision-making strategies, producing destructive outcomes for individuals experiencing such scarcity (de Bruijn & Antonides, 2021; Mani et al., 2013; Mullainathan & Shafir, 2014; Shah et al., 2012), there are also boundaries as to whether and when scarcity will distort behavior, with moral behavior appearing to be one example.

**Keywords:** scarcity, social class, economic dishonesty, cheating, economic inequality