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Income Inequality and Status Seeking: A Study Using Large-Scale Human Mobility Data

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Abstract

Utilizing a large-scale human mobility dataset, this study explores the influence of income inequality on status-seeking behaviour. Existing research suggests that income disparity, typically measured using the Gini coefficient, leads to increased status enhancement tendencies. Our study advocates the use of alternative multi-parameter metrics that capture inequality concentrated within specific income distribution segments. The findings of this analysis, based on foot traffic information from approximately 24,000 clothing stores, suggest that income inequality at both the lower and top ends of the income distribution promotes people's status-seeking behaviour, with lower-concentrated inequality exhibiting a larger effect. Furthermore, our data reveal a negative correlation between visits to "high-status" brands and an important element of social capital – civic engagement, indicating community participation could potentially counterbalance the need for status enhancement through consumption. Thus, this research provides a nuanced lens on the complex dynamics between income inequality, status-seeking behaviour, and social capital.