

## **N-Equality: More People, Less Equality**

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Despite the self-evident truth that “all men are created equal,” we know from experience that the distribution of resources is not always equal, nor is there a single agreed-upon basis for distributing resources in society. For example, wealth can be distributed on the basis of effort, need, skill, luck, or simply privilege, and thus social inequality is common and pervasive. Research shows, moreover, that income inequality is increasing in the United States (Economic Policy Institute, 2011), with recent reports suggesting that income inequality is particularly pervasive in densely populated cities (Morrill, 2013).

While broader demographic, economic, and sociological factors undoubtedly contribute to inequality, we aim to explore an important and ubiquitous psychological factor that may affect individuals’ perceptions, increasing their tolerance for inequality. Specifically, we examine whether people’s willingness to tolerate inequality depends in part on the number of recipients to which wealth, goods, or opportunities are allocated, all else being equal. Our earlier research on the N-Effect showed how social comparison and competitive motivation decrease as the number of competitors increases (Garcia & Tor, 2009; Garcia, Tor, & Schiff, 2013; Tor & Garcia, 2010). Building on these findings, we hypothesize that social comparison-based concerns about relative outcomes also diminish as the number of recipients of a given allocation increases, thereby increasing the tolerance for and incidence of inequality.

Utilizing faculty salary data across an entire state university system, Study 1 tested the prediction that variance in faculty salaries (e.g., wider distribution of salaries) would be greater in larger departments than smaller ones. Results were consistent with this prediction. Study 2 tested the prediction that people would be more willing to maximize unequal but more profitable payoffs over lower but equal payoffs in a real behavior paradigm. Results showed that participants were more likely to maximize joint gains when the size of the allocation pool comprised 30 recipients compared to 8 recipients. Study 3 tested and found support for the prediction that people would actually perceive an identical unequal distribution as being “more equal” when the number of recipients was large (i.e., 1000) than when it was small (i.e., 10), even in a well-informed within subjects setting. Finally, probing the social comparison mechanism, Study 4 found that as the number of recipients increases, the concern for social comparison decreases.