The Social Characterization of Price: Professor Wherry

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Introduction

Professor Frederick Wherry is an Assistant Professor of Sociology at the University of Michigan. He received his Bachelor's degree in Public Policy Analysis and Creative Writing from the University of North Carolina – Chapel Hill in 1996,his Master's in Public Affairs and PhD in Sociology from Princeton University in 2004. He is currently serving as a faculty associate for the Center for Southeast Asian Studies and faculty fellow at the Yale Center for Cultural Sociology. Professor Wherry's research interests include economic and cultural sociology, using qualitative methods and comparative approaches to study market interactions, consumption, global flows, and production processes.

Professor Wherry has recently published a research article titled "The Social Characterizations of Price: The Fool, the Faithful, the Frivolous, and the Frugal" in Sociological Theory. In the publication, he suggests that prices are not culturally neutral, rather they are set as comparative standards for the purchasers of different products, and he further discusses the various social classifications based on price that differently situated people pay. The "differently situated" refers to the fact that people occupy a different status in society based on their socio-economic status and on their race or ethnicity as well as their gender. Consequently, equal prices may evoke different evaluations of the differently situated people, resulting in the diverse ways that individuals and groups are characterized in market situations.

These characterizations are, as the title of the article indicates, the fool, the faithful, the frivolous, and the frugal. These are based on a person's reaction to price which, to a certain extent, seems to speak of the person's inherent attributes. Wherry assigns the term "calculating" to those who "may accept prices for individual gain or for transcendental ends" and "noncalculating" to those who accept prices due to habituation or yielding to urges. According to his classifications, the fool is noncalculating and makes purchases when one can barely afford it, the frivolous is also noncalculating but has the means to afford it, the frugal is calculating and wishes to save as much as possible, while the faithful is calculating and aims for transcendental ends.

What led you to conduct research on this subject?

I had been reading a lot of ethnographic studies and I noticed that people would often talk about price and it struck me as odd how price suggested people's value and how prices made generalizations about people and society. To be sure, I started to look for other instances where people talked about price and those discussions also included narratives about character and that is what eventually began to emerge. I started digging in the direction of price and its social significance within society. I wanted to make sure that I was not reinventing the wheel and was taking advantage of existing theory in the field.

Did it have anything to do with the current financial crisis?

I actually started drafting the article a couple of years ago and I did my final edits last spring. In 2006 it was already under review, which was before the housing meltdown. After the housing meltdown happened, it struck me that the implications of my findings were dependent on whether homebuyers were characterized as foolish or whether these people were simply victims of larger market forces. Part of what I anticipated in that paper was the notion that we are often not making judgments on whether that was the right price or the right interest rate but it depends, in part, on the judgments made by people in mainstream society about the types of people who would make a decision such as that. So you may have one group that makes a foolish (non-calculating) decision, but relative to the social position he's in, it is not characterized as foolish. Your social position has a lot to do with the way you are being judged.

Do you mean that people of different social classifications may be judged differently even if they spend money the same way?

Yes. Someone spending money on something that is considered to be a very bad investment is going to be judged differently if they are in a higher income, well-educated group than a less educated one. That way, we establish social position using more objective indicators. How they react to prices compared to their mainstream counterparts says a lot about their character in terms of calculating and non-calculating. I even came across in Georg Simmel's *The Philosophy of Money* this notion that the candidates for the head of state should be people who are "rational" with money. A lot of our evaluations of individuals are based on how they deal with money and the prices they pay. Money is considered neutral. It has no race, class, color, ethnicity. Therefore, we use price and money as a neutral arbiter to assess character, but this hides the rather non-neutral basis to which the judgments of price are being put.

How did you determine the four general classifications for consumers?

The classifications came about from an emergent process. I had forty narratives and historical excerpts of people talking about money. I studied these and used qualitative data analysis to group the words and phrases into clusters according to similar meanings such as rational and irrational calculations. Some of these clusters fell off because there were key words that did not seem to fit anywhere, but I kept adjusting until I had four major groups. I did it this way so that others could check the clusters and bring up new ideas as well as how one might better organize them.

Did you use any quantitative data for your research?

No. All of it was based on qualitative data. I used this program called HypeResearch and it has a function called Hypothesis Tester so once I decided that certain key words would cluster together, I would test the coherence of these clusters across my cases.

I understand that quantitative data might be difficult to obtain with this study. How would quantitative data be helpful?

I think at this stage of the research, qualitative data are more appropriate. For a second phase, what one could do is use some excerpts from actual testimonies and study how people respond to different scenarios of particular purchases and let them describe these transactions. Once we have an idea of the characteristics and reactions of an average person, then we could come up with a set of scenarios and do a widespread testing of that. Gathering qualitative data is good for building and generating testable hypotheses. I hope that there are researchers out there interested in testing this. Knowledge is meant to build, and our conclusions are tentative, but to the extent that my approach is transparent enough so that other researchers can test my theories, I have contributed to the scientific enterprise.

How do you think the mainstream behavior is changing as a result of the economic crisis?

That is a good question and I am always reluctant to make predictions because what I think would be useful to do is to look at discussions people have about making purchases, such as holiday shopping. Behavior may have changed a little as shoppers are more calculating, trying to be more aware of the current crisis regardless of the immediate impact of the crisis on them. This is due to the social reference group to which people want to feel a part of.

Do you have any words of advice or encouragement for undergraduate research?

The best way to learn about research is to go in and get your hands dirty. The beauty of it is to see the pitfalls of doing research and its restrictions because once it arrives in print, it looks pretty straightforward, but often times, research is not. This experience helps you gain more comfort with ambiguity and setbacks. For undergraduate research, the most important thing is to get a feel for the craft of research and learning by doing is always the best. There are many researchers here who are happy to have students come and help. Do it often. Every time you do it you will learn a little.