Moral Equilibrium
Questions for classroom discussions

1) Can you explain how the two aspects of moral equilibrium—moral compensation and moral licensing—work?

2) Do you keep a running scoreboard in your head in which you keep track of what sort of a person you are being? Do you notice when you are not living up to your own ethical standards?

3) Can you think of any examples from your life where you engaged in either moral compensation or moral licensing?

4) Oral Suer, the former CEO of the Washington D.C.-area United Way was a tireless worker who raised more than $1 billion for charities over a 30-year career. However, he secretly funneled several hundred thousand dollars of funds raised for other purposes into this own pocket to ‘reward’ himself for all the hard work he had done. What label would you put on Suer’s thinking that led him to decide to act in this way?

5) When are you most vulnerable to moral licensing? How can you guard against being a victim of moral licensing in your own thinking?

6) How can charitable organizations guard against being victimized by moral licensing engaged in by their employees?
Additional Teaching Note

This video introduces students to concepts explored in more detail in several other “Concepts Unwrapped” videos on the Ethics Unwrapped website, as well as in the documentary “In It to Win: The Jack Abramoff Story” and its accompanying short videos. Anyone who watches all or even a good part of these videos will have a pretty solid introduction to the concept of behavioral ethics.

Behavioral ethics is a new field drawing on behavioral psychology, cognitive science and related fields to determine why people make the ethical decisions, both good and bad, that they do. Much behavioral ethics research addresses the question of why good people do bad things.

Behavioral ethics may be the “next big thing” in ethics education. N.Y.U. recently asked Prof. Jonathan Haidt, whose research is a major part of the new learning in behavioral ethics, to create a behavioral ethics course there. And John Walsh, who helped create the Office of Compliance Inspections and Examinations at the SEC, recently wrote in Corporate Counsel that the “ultimate promise of behavioral ethics...is that it provides pragmatic tools that have been demonstrated to work.”

A detailed article with extensive resources for teaching behavioral ethics is Prentice, Robert. 2014. “Teaching Behavioral Ethics.” Journal of Legal Studies Education 31 (2): 325-365; and may be downloaded here:


Additional Resources


Transcript of Narration
Written by Professor Robert Prentice

Over the years we've all seen high-profile televangelists and “family values” politicians involved in sex scandals. You might have also noticed numerous cases of embezzlement by employees of charitable organizations. How is it that seemingly good people can act so unethically?

One factor is a psychological phenomenon known as moral equilibrium. The basic idea is that most of us want and indeed need to think of ourselves as good people. We keep a sort of running scoreboard in our heads, comparing our mental image of ourselves as good people to our actual behavior.

When we act in ways that don't live up to our own ethical standards, we tend to feel bad and look for ways to make up for it. So we might do good deeds in order to restore balance to our internal scoreboard. This is called moral compensation.

On the flip side, when we do something good, we add points to the plus side of our mental scoreboard, and we then may give ourselves permission to fail to meet our own ethical standards. This is called moral licensing.
Moral compensation and moral license are the two components of moral equilibrium. Moral licensing is the scary one. It allows TV evangelists, family values politicians, and people who work for charities to start telling themselves how wonderful they are, and then to give themselves permission to depart from their own ethical standards. Importantly, these people don't even realize how their past actions are affecting their current decisions.

One study asked two groups of people to write about themselves. The first group wrote about something they did that they were NOT proud of, and the second group wrote about something they did that they WERE proud of. Afterwards, both groups were asked to donate to charity or to volunteer.

The first group donated more to charity and volunteered more than the second group. The first group – bad deeds fresh in their mind – was engaged in moral compensation. The second group – focused on their own goodness – was practicing moral license.

There are many more studies on moral equilibrium, and they all make the same point: don't get cocky! Just when you're feeling especially good about yourself, you're most in danger of giving yourself license to screw up.