

Does a feeling of meaning and purpose in life affect views toward capitalism?

RESEARCH BRIEF

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The Sheila and Robert Challey Institute for Global Innovation and Growth aims to advance understanding in the areas of innovation, trade and institutions to identify policies and solutions that enhance economic growth and opportunity.

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Introduction

The Sheila and Robert Challey Institute for Global Innovation and Growth recently conducted a survey to explore American beliefs on capitalism, socialism, and entrepreneurship. The survey of more than 1,200 Americans reveals that existential health (meaning in life, existential agency, meaningful social bonds, religious faith) has a strong association with people's views on capitalism, socialism, entrepreneurship, and their abilities to solve important problems. This research brief focusses on our findings related to capitalism and capitalist solutions.

Research in the field of empirical existential psychology has revealed how important our perceptions of meaning are to human flourishing, strongly influencing both physical and mental wellbeing. People who believe they have meaningful roles to play in their families and communities are better able to deal with uncertainties, resist unhealthy temptations, persevere under hardship, and work towards difficult goals.

Despite the growing recognition that meaning helps people thrive, there has been little attention given to the way the need for meaning connects to people's broader economic views and aspirations.

Survey

While our survey of 1,269 U.S. adults shows that 40%, 46%, and 14% of respondents have positive, neutral, and negative views of capitalism, respectively, it also shows important differences in existential health and other characteristics of those who have positive and negative views of capitalism (**see Figure 1**).

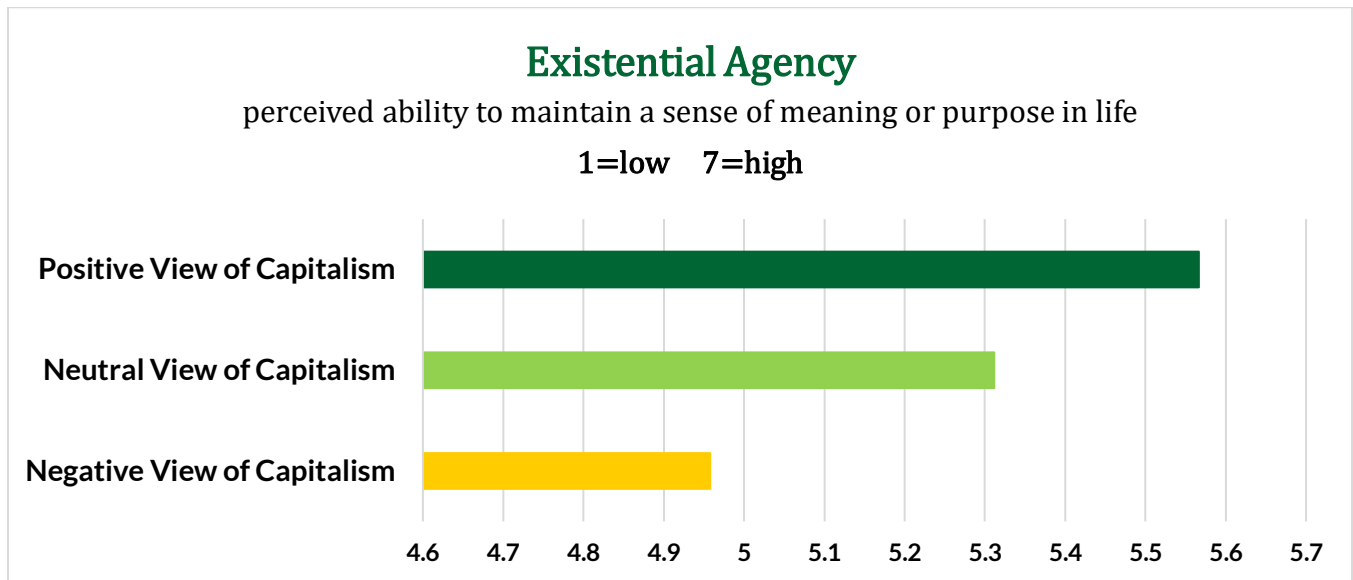
Support for capitalism. Predictably, those who support capitalism have higher incomes, are older, and are more conservative politically in comparison to those who have neutral or negative views of capitalism. More interesting, however, is that those who have a positive view of capitalism are also more existentially healthy in comparison to those who have neutral or negative views toward capitalism. Specifically, those who have positive views toward capitalism have higher levels of existential agency (perceived ability to maintain a sense of meaning or purpose in life), higher levels of perceived meaning, higher levels of family and friend social support, and more religious faith in comparison to those with neutral or negative views of capitalism.

Support for capitalist solutions. In addition, these same differences in characteristics occur when examining beliefs about whether capitalism can help solve major challenges such as climate change, automation, and poverty. Those who somewhat agree, agree, or strongly agree that capitalism can help solve such challenges have higher levels of existential health than those who are neutral, somewhat disagree, disagree, or strongly disagree that capitalism can help solve such problems. More specifically, individuals who believe in capitalist solutions to these problems have statistically higher levels of existential agency, perceived meaning, family and friend social support, and religious faith in comparison to those who are neutral or don't believe in capitalist solutions to these problems.¹

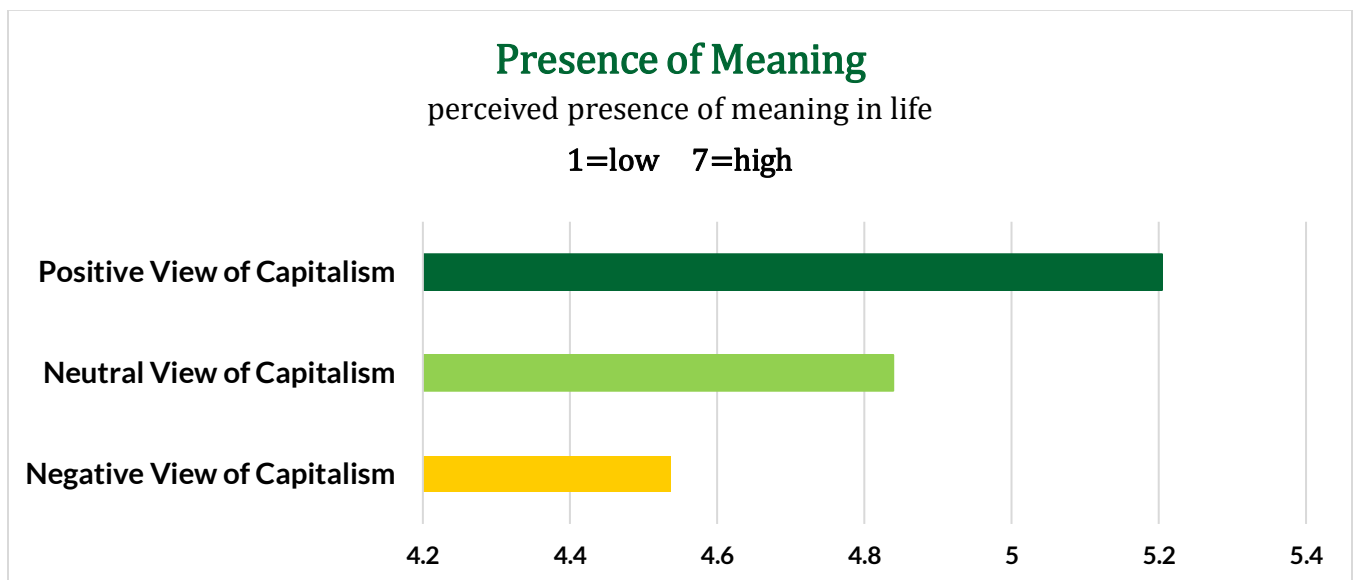
¹ These differences are all statistically significant at $p < .01$.

Moreover, individuals who believe in capitalist solutions are older, have more income, and are more politically conservative in comparison to those who have neutral or negative views toward capitalist solutions to these problems.

Figure 1: How do the characteristics of those with positive and negative views of capitalism compare?



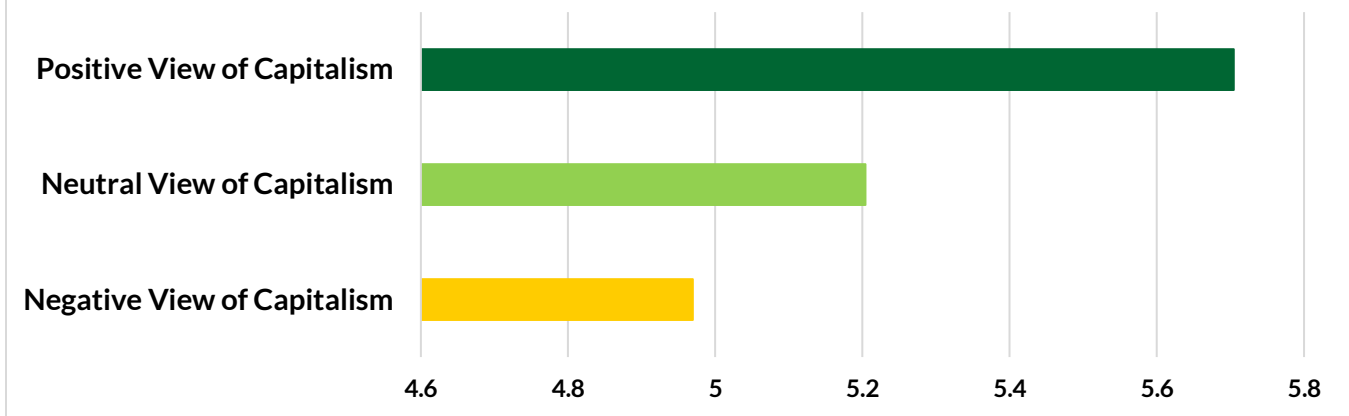
Differences between those with positive, neutral, and negative views are all statistically significant at $p < .0001$.



Presence of meaning is statistically significantly higher for those with a positive view of capitalism than those with neutral or negative views of capitalism at $p < .0001$. Those with a neutral view of capitalism have a statistically significantly higher presence of meaning than those with a negative view of capitalism at $p < .01$.

Family Social Support

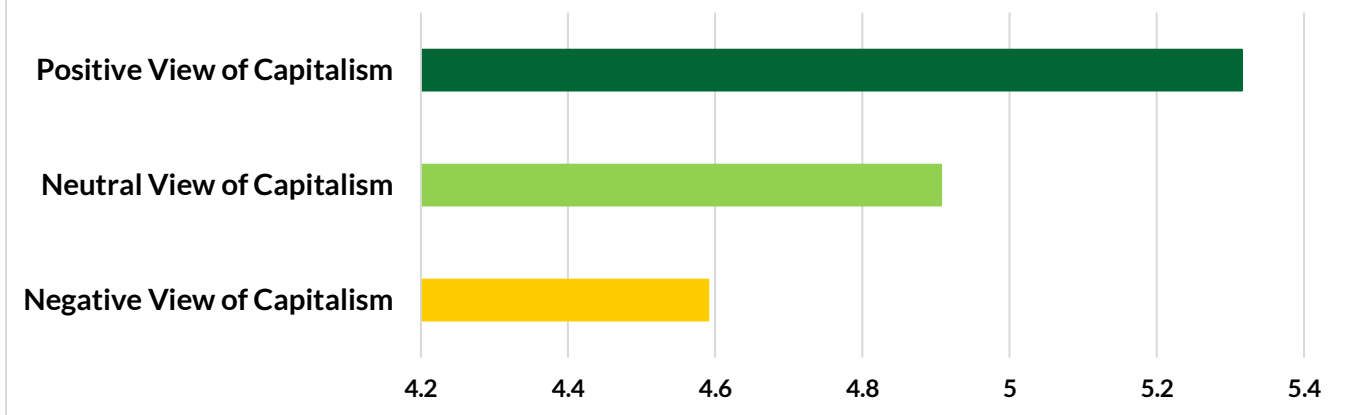
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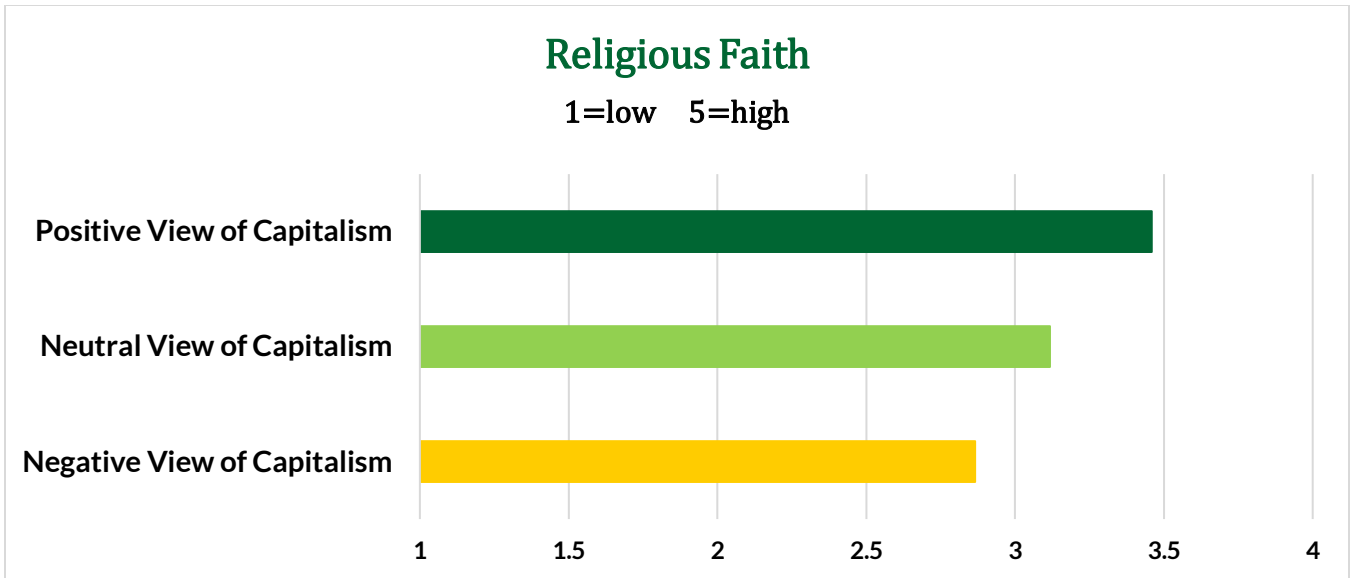
Family social support is statistically significantly higher for those with a positive view of capitalism than those with neutral or negative views of capitalism at $p < .0001$. Those with a neutral view of capitalism do not have statistically significantly higher family social support than those with a negative view of capitalism.

Friend Social Support

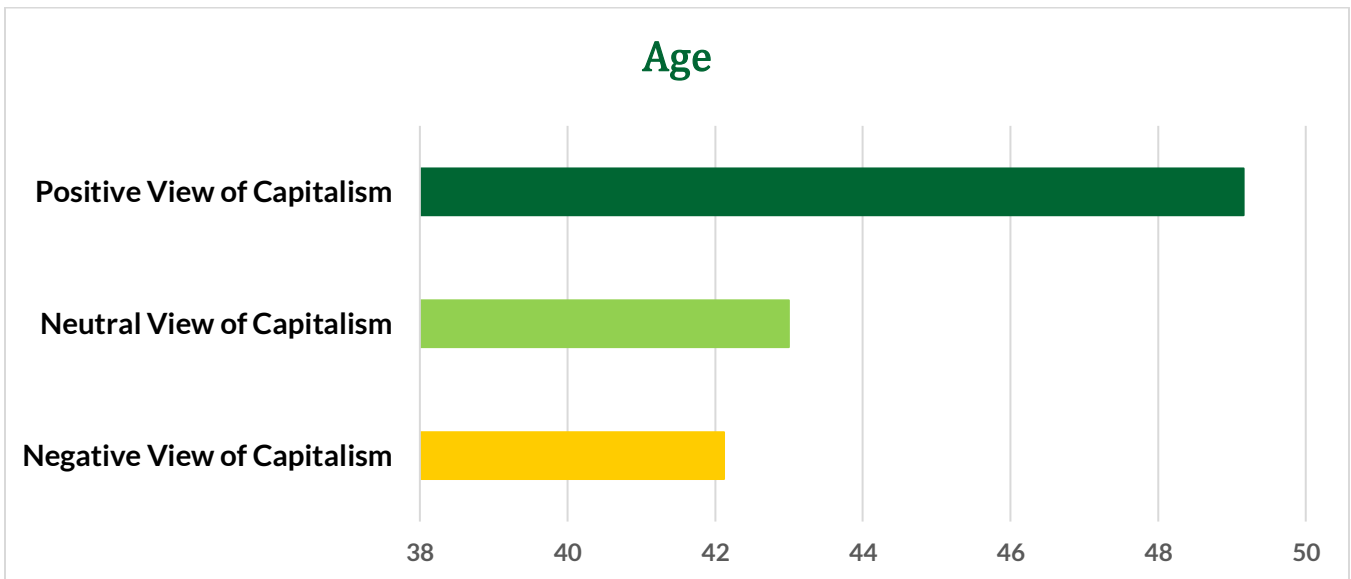
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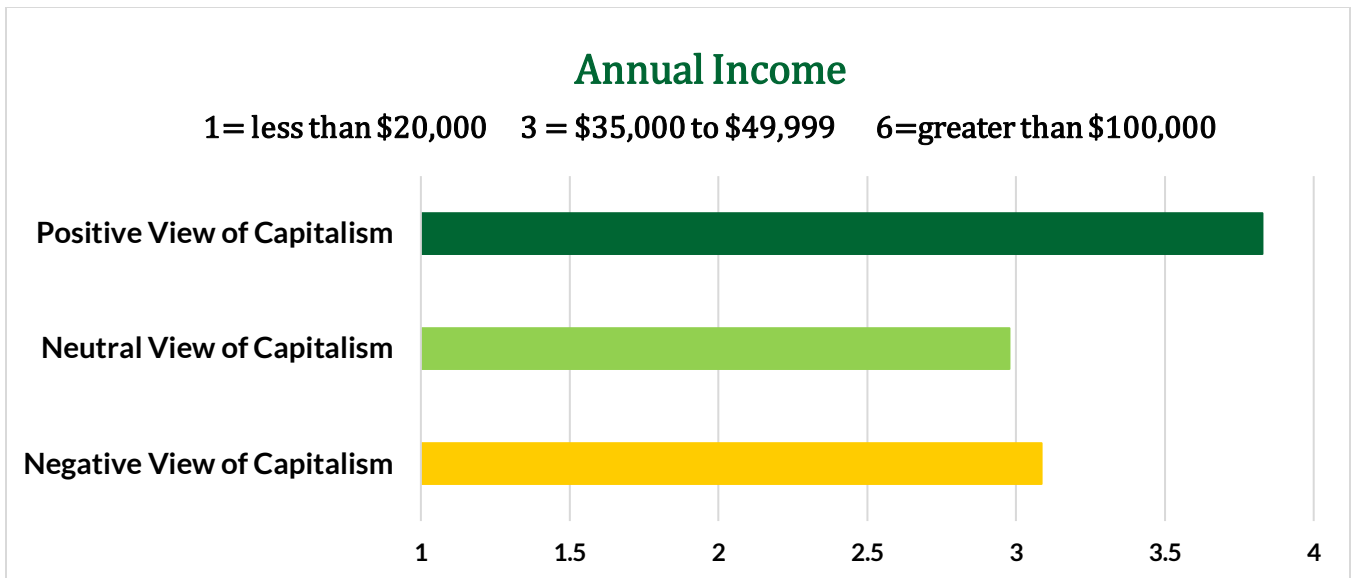
Friend social support is statistically significantly higher for those with a positive view of capitalism than those with neutral or negative views of capitalism at $p < .0001$. Those with a neutral view of capitalism have statistically significantly higher friend social support than those with a negative view of capitalism at $p < .05$.



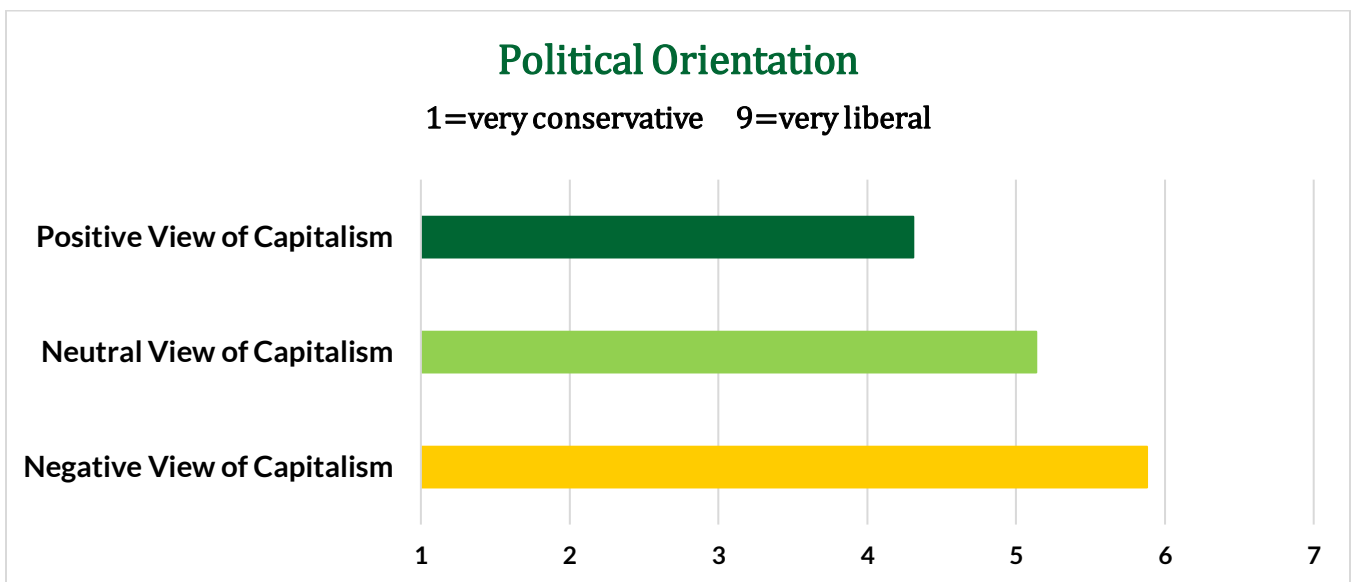
Based on the Duke University Religion Index, religious faith is statistically significantly higher for those with a positive view of capitalism than those with neutral or negative views of capitalism at $p < .0001$. Those with a neutral view of capitalism have statistically significantly higher religious faith than those with a negative view of capitalism at $p < .05$.



Age is statistically significantly higher for those with a positive view of capitalism than those with neutral or negative views of capitalism at $p < .0001$. Those with a neutral view of capitalism do not have a statistically significantly higher age than those with a negative view of capitalism.



Income is statistically significantly higher for those with a positive view of capitalism than those with neutral or negative views of capitalism at $p < .0001$. There is no statistically significant difference in incomes between those with a neutral view and those negative view of capitalism.



Based on the question: What is your political orientation? (1 = very conservative to 9 = very liberal) There are statistically significant differences between those with positive views of capitalism and those with neutral or negative views of capitalism at $p < .0001$. The difference between those with a neutral and negative view of capitalism is also significant at $p < .0002$.

Although it is interesting to compare the average characteristics of those who believe that capitalism can help solve major challenges with those who do not, the effects of individual characteristics on belief in capitalist solutions can only be ascertained by controlling for other characteristics.

For example, if those who believe in capitalist solutions have higher existential agency and higher incomes than those who do not believe in capitalist solutions, how do we know whether the belief in capitalist solutions comes from higher income, more existential agency, or both?

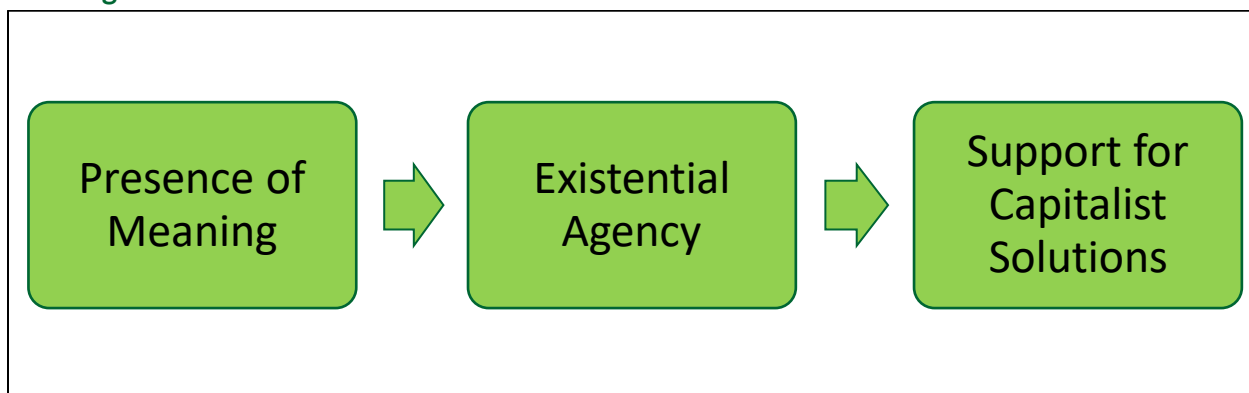
We tested the influence of existential health and other individual characteristics on belief in capitalist solutions using a statistical technique known as regression analysis. This analysis allows for a determination of which variables uniquely contribute to belief in capitalistic solutions (after controlling for the influences of other variables). We find that existential agency, religious faith, income, and political orientation all uniquely and significantly influence the belief that capitalism can help solve major challenges.²

While the findings that income and political orientation affect beliefs in capitalism and capitalist solutions are nothing new, the findings related to existential health (and existential agency in particular), are novel and important. In a separate analysis, we find that existential agency and religious faith are also statistically important predictors of entrepreneurial motivation for those who plan to start their own businesses. A future report will provide further details of those findings.

Further Exploring the Nature of Existential Health

In the above analysis, the presence of meaning in life was not a significant predictor of belief in capitalist solutions when existential agency was included in the regression analysis. However, that analysis doesn't tell the whole story. In another analysis, we observed that this absence of an effect appears because the presence of meaning influences support for capitalist solutions through its impact on existential agency. That is, a higher presence of meaning leads to a stronger belief in one's ability to maintain meaning or purpose (existential agency). This, in turn, leads to more support for capitalist solutions. **Figure 2** shows these statistically significant relationships. In other words, having a strong sense of meaning in life is important to belief in capitalist solutions because meaning facilitates existential agency.

Figure 2: How does the presence of meaning connect to support for capitalist solutions to major challenges?



² Based on using a significance level of .05 or less.

It is also worth noting that the relationships between age and social support from friends with belief in capitalistic solutions are partially explained (mediated) by their relationship with existential agency. That is, older people and those who feel supported by friends are more likely to believe in capitalistic solutions to major problems, in part, because these individuals enjoy greater existential agency.

Our results are consistent with laboratory experimental research on the power of meaning.³ Studies find that when people are prompted to reflect on life experiences that have made them feel meaningful, they are more confident in their own abilities, they are more driven to pursue their most important goals, and they are more optimistic about the future. These are the types of psychological states that help people thrive in a free society and give them the boldness and motivation needed to pursue uncertain entrepreneurial ventures. In short, the presence of meaning promotes agency, which in turn promotes freedom and flourishing.

Conclusion

There is growing concern that many Americans, especially younger adults, are losing faith in the ideas and institutions that support freedom and prosperity. Perhaps part of the problem is they are losing faith in their ability to live meaningful lives. Since meaning energizes and inspires people, we shouldn't be surprised that those who feel the most able to realize a meaningful life are the most supportive of economic freedom.

Champions of free markets regularly point out that capitalism has made life easier, safer, and longer. This is true and worthy of celebration. But if we want America to continue to be the land of opportunity, we would be wise to pay more attention to the fact that humans are an existential species. Of course we need to fill our bellies and have a safe place to live, and we are happy to have cheaper and better consumer goods, but we are also driven by the need for meaning. We don't just want to live. We want our lives to matter. The more Americans believe they can achieve a life of meaning, the more they will believe in economic freedom and be inspired by the entrepreneurial spirit that has helped our nation flourish.

³ Although it is possible that a belief in capitalist solutions is what causes people to believe they can maintain meaning in their lives, and not the other way around, past research on the motivational power of meaning supports our interpretation.