

How Meaning Affects Views toward Capitalism, Entrepreneurship and Entrepreneurial Motivation

RESEARCH BRIEF

Executive Summary

The Sheila and Robert Challey Institute for Global Innovation and Growth conducted a survey to explore American beliefs on capitalism 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, entrepreneurship, and the ability of these economic systems to solve important problems.

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 toward 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.

Our survey asked 1,269 U.S. adults a series of questions to assess: (1) their beliefs about whether capitalism can solve major challenges such as climate change, automation, and poverty; (2) their beliefs on whether entrepreneurship can solve important societal problems; and (3) their entrepreneurial aspirations. We find that supporters of capitalist and entrepreneurial solutions to societal problems are more existentially healthy than those who do not believe in capitalist and entrepreneurial solutions. Specifically, those who think capitalism and entrepreneurship can solve societal problems 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 who do not believe capitalism and entrepreneurship can solve societal problems. We also find similar differences in these existential health variables when comparing those who are highly entrepreneurially motivated to those who are less entrepreneurially motivated.

Regression analysis is used to test for the characteristics of individuals that uniquely contribute to belief in capitalist and entrepreneurial solutions and entrepreneurial motivation. We find that existential health variables are statistically important determinants of all of these.

These results show the powerful role meaning plays in valuing economic freedom and motivating entrepreneurship. 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. 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. We are driven by the need for meaning. We don't just want to live. We want our lives to matter.

Beyond the obvious role meaning plays in promoting physical and mental wellbeing, a focus on meaning may be important to speeding up an economic recovery from the COVID-19 pandemic and the economic damage it has caused, including disproportionate impacts on black entrepreneurs. People who believe they can maintain meaning in their lives are more likely to believe in entrepreneurial solutions to society's problems, and they are more likely to have aspirations of becoming entrepreneurs themselves. These results hold for the entire sample, as well as for black and white subsamples. Evaluations of policies must consider their impacts on meaning and the resulting impacts on the support for private sector innovations and opportunities upon which the recovery depends.

Read the research brief "Does a feeling of meaning and purpose in life affect views toward capitalism?" for our findings related to views on capitalism and capitalist solutions.

Read the research brief "How are attitudes toward entrepreneurship and entrepreneurial motivation affected by meaning?" for our findings related to views on entrepreneurship's role in solving societal problems and people's motivation to be entrepreneurs.