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Does Capitalism Have a Prayer?

Economic Ideology, Religiosity, and Satisfaction with Life

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This article examines the relationship between an individual's satisfaction with life and latent character traits such as economic ideology, religiosity, and political ideology. To conduct the analysis, the authors use original survey data gathered from Amazon's Mechanical Turk, which results suggest that religious respondents are significantly more satisfied with their lives, while individuals with a less-capitalist economic orientation are significantly less satisfied than the mean respondent. The most satisfied individuals are those that have a high level of religiosity and a more-capitalist economic ideology. These results suggest that religious beliefs and economic ideology may be complementary traits for one's satisfaction with life.

Introduction

Karl Marx famously claimed, "Religion is the sigh of the oppressed creature, the heart of a heartless world, and the soul of soulless conditions. It is the opium of the people."[1] Marx's view of religion is bleak, equating it to a drug and, thus, something that numbs the pain of living in a harsh reality. In other writings, Marx argues that religion is a construct of man that helps make sense of current socioeconomic hierarchy and the suffering faced by man. He goes on to argue that religion would cease to exist if the right set of economic circumstances existed.[2] However, our work suggests that religion and economic systems are complements rather than substitutes and that a combination of religiosity and capitalist economic ideology is associated with high levels of an individual's perceived life satisfaction.

Besides Marx, other economists have mused on what leads to life satisfaction. According to John Maynard Keynes, material wealth is a precondition of a good life.[3] Until basic necessities are satisfied in day-to-day life, individuals cannot focus on finding happiness. In 1930, Keynes prognosticated that "the *economic problem* may be solved, or be at least within sight of solution, within a hundred years" and while society has yet to fully solve the economic problem, considerable progress has been made in the nearly one hundred years since Keynes' prognostication.[4] In accordance with Keynes' outlook, economics has begun to examine issues other than material scarcity, as evidenced by Thomas Piketty's work on income inequality and Raj Chetty's Equality of Opportunity Project.[5] Our work contributes to this expanded research by examining the intersection of religion, economic ideology, and subjective well-being. Much as Keynes suggested, we find the relationship to be multifaceted, and individuals who report high levels of religiosity and a more-capitalist ideology tend to be the most satisfied.

Background

Research in subjective well-being has evolved considerably since the 1960s, when studies showed elevated levels of happiness to be associated with certain demographics, such as being young, healthy, educated, rich, outgoing, religious, and married. In the mid-1980s, Ed Diener, a pioneer in the field of subjective well-being, found that psychological factors also play a major role in happiness, including goal setting, having coping strategies, and one's disposition. Only by combining demographics and psychological factors, can researchers accurately explain a person's satisfaction with life.[6]

There are two frames of reference apparent in the subjective well-being literature: the bottom-up approach and the top-down approach. The bottom-up approach suggests that basic needs must be met to achieve happiness whereas the top-down approach states that internal factors determine happiness. Keith Magnus and Ed Diener find that a baseline happiness exists in every individual.[7] This finding is supported by David Lykken and Auke Tellegen, who find that up to 80 percent of subjective well-being can stem from hereditary causes.[8] Lykken and Tellegen help to explain the baseline level of happiness and provide support for the top-down approach. Circumstances may alter happiness temporarily, but as time goes on, all individuals return to their "baseline norm."[9] Demographics can account for up to 20 percent of the variance found in subjective well-being.[10] In our study, we recognize the importance of both the top-down as well as the bottom-up approach when studying subjective well-being by combining demographics with political, religious, and economic viewpoints.

The extant literature on life satisfaction has examined the role that religion plays in feelings of satisfaction, but these studies are silent on economic ideology. For instance, research finds that members of a faith community, regardless of affiliation, tend to be more satisfied with their lives.[11] Christopher G. Ellison finds that firm religious beliefs and certainty enhances life satisfaction.[12] He argues that church attendance and faith networks increase individuals' satisfaction by reinforcing their beliefs; life satisfaction follows strength of faith. Ellison suggests "strong faith makes traumatic events easier to bear," while life satisfaction of an individual with weak faith is at greater risk of being negatively altered by a traumatic event. Ellison's results suggest religion may contribute to higher levels of Magnus and Diener's baseline happiness level.[13]

Chaeyoon Lim and Robert D. Putnam also find religious people have higher life-satisfaction than nonreligious people but find no convincing evidence that mere religiosity improves well-being.[14] Lim and Putnam suggest regular attendance, strong religious identity, and strong friendships within congregations augment the relationship between religiosity and satisfaction with life. An individual with a strong religious identity, understandably, connects with peers who share their ideals. Lim and Putnam argue that being religious alone does not increase life satisfaction. Adding support to Lim and Putnam's argument, Sinnewe, Kortt, and Dollery use the German Socioeconomic Panel and find evidence of a positive effect from religious attendance and social networks.[15] Our study investigates a third option: that religion may interact with other beliefs; in our case, religion complements a more-capitalist economic ideology.

In addition to looking at the role that religion plays in life satisfaction, researchers have also considered political ideology. There is now a sizeable literature that considers political ideology and satisfaction with life; however, these studies do not fully consider the role that economic ideology or religion plays.[16] For example, Barry R. Schlenker, John R. Chambers, and Bonnie M. Le find that political conservatives are "happier than liberals" because they tend to have personality qualities and coping strategies that allow for positive adjustment of mental health.[17] However, Becky L. Choma, Michael A. Busseri, and Stanley W. Sadava argue that strength of political ideology (either strongly liberal or strongly conservative) is positively correlated with life satisfaction.[18] The two studies differ in how the ideologies are related to happiness. Schlenker, Chambers, and Le suggest political conservatives have more agency and a positive outlook while Choma, Busseri, and Saddava suggest liberalism tends to have more frequent positive effects on life satisfaction, while conservatism has infrequent negative effects. Our work suggests economic ideology is important and that less-capitalist individuals, compared to more-capitalist individuals, tend to be less satisfied with

life. Our results are consistent with Schlenker, Chambers, and Le as individuals with more agency, assumed to view markets more favorably, tend to be more satisfied with life.[19]

Research considering economic ideology has largely focused on macro-economic conditions and not individual level beliefs. For example, Lelkes finds a relationship between economic conditions and a varying effect of economic transitions on happiness, but does not examine the effect of individual economic ideology.[20] Furthermore, Alexander C. Pasek and Benjamin Radcliff suggest the structure of economic systems influence subjective well-being at the macro level, and Christian Bjørnskov, Axel Dreher, and Justina A. V. Fischer suggest that high levels of government consumption decrease life satisfaction.[21]

Considering the substantial volume of research investigating the development of personality, subjective well-being, ethics, and so on, it is surprising that such little work has been done considering the interaction of these different dimensions of an individual's belief system. The combination of forces at play during one's formative years are certain to interact with each other. For example, Putnam suggests that differences in religious organizations' structures affect social interactions and cultural norms, such as trust.[22] Putnam suggests vertically oriented religions such as Roman Catholicism do not foster the same level of trust and cooperation as more horizontally organized religions. Thus, such differences may influence an individual's views toward economic interactions. This article does not delve into the differences between individual religions but aims to identify some of the interrelationships between the intensity of religious beliefs, economic ideology, and subjective well-being. Just as the structure and teaching of religion is likely to affect formation of trust, religiosity is likely to reinforce more individualist-oriented economic beliefs. While Lauren E. Coursey, Jared B. Kenworthy, and Jennifer R. Jones suggest that the relationship between religiosity and locus of control is ambiguous, their meta-analysis finds a weakly positive relationship between religiosity and an internal locus of control.[23] Regardless, the mere existence of an effect at the personal level is likely conducive to a more-capitalist ideology as a reinforcement of an internal locus of control will favor an individualist economic system and religiosity's interaction with an external locus of control may attenuate concerns of cheating by individuals through a belief in external karma. A theoretical discussion of the psychological interactions of different dimensions of personality should be the subject of future research.

Finally, in addition to the ideological stances of individuals, the literature has noted several demographic and economic variables associated with subjective well-being. The literature on income and demographic effects on subjective well-

being is vast, with a full review being beyond the scope of this article.[24] In general, higher income and being married are positively related to life satisfaction, with the effects of gender and the interaction of gender and marital status yielding mixed results. While youth is often correlated with satisfaction, the results attenuate, if not disappear completely, when controlling for income, marital status, and other demographic factors. Finally, unemployed individuals tend to be less satisfied than employed individuals even after controlling for income. Diener et al. provide a good summary of the early demographic literature.[25]

This study contributes to the literature by examining the association of economic ideology, religiosity, and their complementarities with life satisfaction. To our knowledge, we are the first to characterize individuals along these spectrums in the same study. Importantly, this study also examines how individuals rate life satisfaction when they self-identify into various combinations of beliefs. For example, we examine how a person who identifies as more capitalistic and more religious compares to the other classifications such as less capitalist and less religious, and so on.

Data

Individual level data were collected through an online survey using Amazon's Mechanical Turk platform in December of 2015 and the summer of 2016. Amazon Mechanical Turk is an online labor market for micro-tasks where users, known as "Turkers," around the globe are offered compensation for completing various tasks, including completing surveys. Prior research suggests that Amazon Mechanical Turk allows for greater subject pool access and diversity than would be possible by way of other convenient survey methods.[26] For our survey, we limited access to Turkers in the United States. For a complete survey, respondents received 75 cents as compensation, and each respondent could only respond once.

Participants were asked to respond to several statements regarding satisfaction with life, demographics, spirituality, and ideology including economic, religious, and political views. Data from the responses are supplemented with community data (by matching zip code and county identifiers) including rate of religious attendance (church membership at the county level from the Association of Religion Data Archives full-county database), regional political leaning (county-level 2012 Presidential election results), and economic ideology (state-level Economic Freedom Index from the Cato Institute).[27] Participants were dropped if their responses were incomplete, failed an attention check, or could not be matched with the supplemental data. Ultimately, our dataset included 2,347 geographically dispersed responses.

To measure respondents' latent satisfaction levels, economic ideology, and religious intensity, a series of scales are developed using respondents' Likert type responses. The statements and scales are presented in table 1. Subjective well-being is quantified through use of the Satisfaction with Life Scale (hereafter, SWLS) from Diener et al.[28] SWLS is constructed from responses to five statements, and is a commonly used measure of satisfaction with life.[29] The scale is calculated by aggregating the Likert responses to the five statements regarding life satisfaction, ranging from 1 to 7, with 7 being the most satisfied.

Table 1
Economic and Religiosity Statements

This table shows the statements and scales presented in the survey to measure respondents' satisfaction with life, economic ideology, and religious intensity.

SATISFACTION WITH LIFE SCALE

Scale: 1 = Strongly disagree to 7 = Strongly agree

1. In most ways, my life is close to my ideal.
2. The conditions of my life are excellent.
3. I am satisfied with my life.
4. So far, I have gotten the important things I want in life.
5. If I could live my life over, I would change almost nothing.

CAPITALISM INDEX

Scale: 1 = Strongly disagree to 7 = strongly agree

1. If people are poor, it is mostly because of their own actions.
2. *The price of pharmaceutical drugs should be regulated by the government.
3. Within the US, at birth, everyone has an opportunity to become rich.
4. Tax money should NOT be used to subsidize the development of technologies designed to be environmentally friendly.
5. *People with high incomes and wealth should be heavily taxed.
6. *The government should ensure that all people are provided with basic housing.
7. *The government should provide benefits and training to help the unemployed get back on their feet.
8. *The government should help the poor.
9. *Healthcare is a basic human right that must be guaranteed by the government.
10. *High levels of income inequality are bad for society.

RELIGIOSITY INDEX

Scale for statements 1–6 is: 1 = Strongly disagree to 7 = Strongly agree

1. I believe in God.§
2. I believe in an afterlife.§
3. I believe that some persons will go to an unpleasant afterlife (i.e. hell, Hades, etc)§
4. I make an effort to apply my spiritual/religious beliefs to the way I live my life.§
5. I attempt to persuade others to share my spiritual/religious views.
6. It would be better if more people with my spiritual/relig. beliefs held public office.

Scales for statements 7–8 are specific to each statement.

7. How often you spend time in individual prayer. §

   Scale: 0 = Never to 5 = Every Day
8. How often you read (outside of church) the holy books or writings associated with your spiritual or religious beliefs.§

   Scale: 0 = Never to 5 = Every Day

* Indicates the statement was reverse coded before adding to the index.

§ Indicates statement used in the Religiosity index.

All eight statements were included in the survey. Subsequent analysis kept seven statements as comprising the Religiosity Index based on high item-to-total correlation and minimum increase in Cronbach's alpha if deleted.

Economic ideology and intensity of religious belief or practice (religiosity) scales are created in a similar fashion to SWLS. Like before, we use a Likert scale, ranging from 1 to 7 and sum the responses to form the appropriate index.[30] Three of the ten economic ideology statements are worded such that an "agree" response is consistent with a favorable view of free markets and laissez faire policies. The other seven economic ideology statements are worded such that a "disagree response" would be consistent with an economic ideology supportive of free markets, these statements are reverse coded before being summed with the other three statements. As such, we refer to the economic ideology index as the capitalism index (CI) and the CI has a potential range of 10–70.

The index of intensity of religious belief and actions combines responses to statements about beliefs, such as "I believe in God" and "It would be better if more people with my spiritual beliefs held public office," and frequency of actions such as "How often you spend time in individual prayer." Statement responses are coded such that a larger sum of responses indicates a more religious set of beliefs and actions. The index represents a measure of "intensity" of religious beliefs or "religiosity," regardless of affiliation, and here forward is referred to as the religiosity index (RI) and has a range of 6–52.

To confirm the reliability of our measures, we use Crombach's Alpha. Chronbach's Alpha for the satisfaction with life scale is 0.9244; the capitalism index is 0.8543; and the religiosity index is 0.9016, all well above the commonly accepted 0.7 critical value suggesting the indices are internally consistent. A list of variables including indices and other control variables used in the following analysis can be found in table 2 and sample statistics can be found in table 3.

Table 2
Variable Definitions

This table shows the name, type (index, binary, integer), and definition for each variable in our dataset.

Variable	Type	Definition
Satisfaction with Life Scale	Index	Sum of Likert responses to five statements. Higher values indicate more satisfaction. See Diener (1985)
Capitalism Index	Index	Sum of Likert responses to ten statements.Larger values consistent with more Laissez-Faire and free market views. See Hadsell et. al. (2013)
More Capitalist	Binary	Capitalism Index score more than one standard deviation above the CI score mean.
Less Capitalist	Binary	Capitalism Index score more than one standard deviation below the CI score mean.
Economic Minority	Binary	Respondent capitalism index score more than one standard deviation above the mean and state of residence Economic Freedom Index more than one standard deviation below the mean and vice-versa
Religiosity Index	Index	Sum of Likert responses to statements about religious beliefs and frequency of religious practices actions. Larger values indicate more intense religious beliefs, "religiosity." See Jones et. al. (2019)
More Religious	Binary	Religiosity index score more than one standard deviation above the RI mean.
Less Religious	Binary	Religiosity index score more than one standard deviation below the RI mean.

Religious Minority	Binary	Respondent religiosity index score more than one standard deviation above the sample mean and church membership rate for county of residence is more than one standard deviation below the mean of all counties, and vice versa.
Conservative	Binary	Indicates respondent considers their political views “Very Conservative,” “Conservative,” or “Slightly Conservative.”
Approximate Income	Integer	Income in thousands of dollars
Age	Integer	Age of respondent
Female	Binary	Equals 1 if respondent identifies as female
Self Employed	Binary	Equals 1 if respondent considers themselves self employed
Unemployed	Binary	Equals 1 if respondent considers themselves unemployed
Single	Binary	Equals 1 if respondent considers themselves single
Divorced	Binary	Equals 1 if respondent is divorced
Religious Rate	Rate	Church attendance rate in county of residence
Percent Democrat	Percent	Percent in county voting Democrat in 2012 election
Economic Freedom Index	Index	Economic Freedom index for state of residence

Table 3
Summary Statistics

This table shows the sample mean, standard deviation, minimum value, and maximum value for our data set. Variable types and definitions are provided in table 2. The sample consists of 2,347 survey responses.

Variable	Mean	Std. Dev.	Min	Max
Satisfaction with Life Scale	21.968	7.505	5	35
Capitalism Index	29.294	11.117	10	69
More Capitalist	0.15	0.357	0	1
Less Capitalist	0.135	0.341	0	1
Religiosity index	26.166	12.17	6	52
Religious	0.196	0.397	0	1
Non-Religious	0.178	0.383	0	1
Conservative	0.258	0.438	0	1
Approximate income	56.124	36.059	0	150
Age	34.876	16.272	18	97
Female	0.4942	0.5	0	1
Self Employed	0.187	0.39	0	1
Unemployed	0.094	0.292	0	1
Single	0.514	0.5	0	1
Divorced	0.072	0.259	0	1
Religious Rate	0.482	0.122	0.138	1.925
Percent Democrat	0.506	0.166	0.0013	0.914
Economic Freedom Index	-0.116	0.328	-1.003	0.348

To quickly see variation in SWLS across different dimensions, table 4 presents SWLS by subgroup for CI, RI, and political ideology. Respondents are categorized into subgroups along each dimension of CI and RI. Respondents with a CI score more than one standard deviation below or above the mean are categorized as "less capitalist" or "more capitalist," respectively, and respondents with a RI score more than a standard deviation below or above the mean RI score are categorized as "less religious" or "more religious." Respondents are grouped along the political dimension as "liberal" if they categorized their political views as "very liberal," "liberal," or "slightly liberal" with respondents being grouped as "conservative" if they categorized their political views as "very conservative," "conservative," or "slightly conservative" and those indicating neutral political views are grouped as neutral.[31] Table 4 presents the conditional

mean of respondents' raw SWLS scores for ideological subgroups. An initial examination of these conditional means suggests, at a 95 percent confidence level, that life satisfaction is higher for an individual characterized as *more capitalist* (as opposed to *less capitalist*) and *more religious* (as opposed to *less religious*). Additionally, political conservatives tend to be more satisfied than a neutral or politically liberal respondent; a result consistent with Cansu Berivan Ozmen, Gina M. Brelsford, and Caili R. Danieu.[32] However, a more rigorous analysis of these relationships is warranted and presented below.

Table 4
Cross Group Comparisons

This figure shows the conditional average SWLS for the different subgroups across three dimensions: economic ideology (as measured by the *Capitalism Index*), religious ideology (as measured by the *Religious Index*), and political ideology (as measured by *Liberal-Neutral-Conservative identification*). The respective sample size of each subgroup is presented in parenthesis under each conditional average. In arrows between groups we show the respective *t*-stat for a difference-in-means test between those two groups.

Satisfaction With Life Scale (Means)

Capitalism Index	**Less Capitalist** 19.08 (*n=316*)	←3.126***→	**Centrist** 22.20 (*n=1,680*)	←1.234***→	**More Capitalist** 23.44 (*n=351*)
Religiosity Index	**Less Religious** 20.99 (*n=418*)	←0.504→	**Moderately Religious** 21.50 (n=1,469)	←2.864***→	**More Religious** 24.36 (*n=460*)
Political Ideology	**Liberal** 21.38 (*n=1283*)	←0.538→	**Neutral** 21.92 (*n=391*)	←1.388***→	**Conservative** 23.31 (n=606)

* $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$

Models and Results

While the subgroup analysis presented in table 4 suggests that ideology and life satisfaction are co-variables, we estimate several more detailed models to control for other factors. We start by running multiple regression analysis to include control variables and verify the pattern revealed in table 4, next we consider potential nonlinearities in the relationships, and finally, we drill down with a more detailed subgroup analysis including a robustness check for a reference point bias.

Ideology and Life Satisfaction

To identify the relationship between latent ideologies and satisfaction, we start by modeling the relationship as a linear relation between satisfaction with life, economic ideology, and religiosity; and we estimate the following regression model, equation (1), using OLS:

$$SWLS_i = \beta_0 + \beta_1 CI_i + \beta_2 RI_i + \delta' X_i + \eta' Z_i + \mu_i \quad (1)$$

Where subscript i indicates the individual survey respondent. $SWLS_i$ is the Satisfaction With Life Scale created from respondents' responses to statements on the survey as explained above and in table 1. We run two versions of equation (1) using the level of $SWLS_i$ as the dependent variable in one and the natural log of in a second regression for ease of interpreting estimation results. CI_i is the Capitalism Index and RI_i is the Religiosity Index, which are also calculated from the survey responses as described previously. Other respondent level control variables, X_i, such as political views, demographics, income, age, etc., and environmental variables, such as state level economic freedom and county level religious attendance as defined in table 2. We estimate equation (1) via Ordinary Least Squares (OLS) with robust standard errors.

The results of estimating equation (1) are presented in table 5.[33] In the table, we present two specifications. In the first column of results, we use the level of SWLS, and in the second column, we use the natural log of SWLS as the dependent variable, which eases the interpretation of the model coefficients. We find a positive and strongly significant relationship, at the 99 percent confidence level, between the CI and SWLS. Thus, as respondents move toward the more-capitalist end of the spectrum, they report more life satisfaction. Using the log-linear version of the model in the second column for ease of interpretation, a one standard deviation increase in one's CI score (11.1 pts) corresponds to a SWLS that is roughly four percent higher. Teasing out the reasons for this relationship are beyond the scope of this paper and dataset, but the positive relationship may reflect a more

independent mindset among those respondents and an emotional freedom and confidence to pursue their own economic success and satisfaction. In addition, we find a positive and significant relationship between RI (the Religiosity Index) and Life Satisfaction. Respondents who report higher levels of religiosity are more satisfied with life. The magnitude of the relationship is only slightly larger than the relationship between CI and SWLS. Extant literature suggests there are two channels through which religiosity may affect SWLS: a spiritual belief and a social network effect through participation in religious activities.

Table 5
Ideology and Satisfaction

This table presents the results of estimating equation (1) by OLS with robust standard errors. In the first model (1), the dependent variable is the raw *Satisfaction with Life Scale* in levels (*SWLS*), while the dependent variable in the second model (2) is the natural logarithm of *SWLS* (*Log SWLS*). *Capitalism index and religiosity index* are constructed from our survey results. Demographic controls come from our survey with conservative indicating some degree of *conservative* political ideology. *Age* and *approximate income* (000s) are integers while *female*, *self-employed*, *unemployed*, *single*, and *divorced* are binary with *male*, *traditional employment*, and *married* being the reference groups. Environmental variables include *religious (attendance) rate* from the Association of Religious Data Archives, *percent Democrat* is the county level, percentage vote for Democratic party presidential candidate and *Economic Freedom Index* is gathered from the Cato Institute.

	(1)	(2)
	SWLS	Log SWLS
Capitalism Index	0.0553***	0.00364***
	(3.71)	(4.21)
Religiosity Index^2	0.0673***	0.00368***
	(5.11)	(5.02)
Conservative	-0.480	-0.0383*
	(-1.28)	(-1.84)
Approximate Income (000s)	0.0439***	0.00240***
	(10.82)	(10.98)
Age	-0.0360**	-0.00206***
	(-2.54)	(-2.65)
Female	0.994***	0.0555***
	(3.42)	(3.36)

Self-Employed	-1.404***	-0.0820***
	(-3.61)	(-3.63)
Unemployed	-3.217***	-0.190***
	(-6.48)	(-6.03)
Single	-2.838***	-0.148***
	(-8.32)	(-8.05)
Divorced	-3.477***	-0.191***
	(-5.59)	(-5.17)
Religious Rate	-1.044	-0.0732
	(-0.89)	(-1.10)
Percent Democrat	-1.957**	-0.0941*
	(-2.12)	(-1.81)
Economic Freedom Index	-0.708	-0.0431*
	(-1.52)	(-1.66)
Constant	20.70***	2.932***
	(18.69)	(46.06)
N	2347	2347
R^2	0.192	0.185

t statistics in parentheses

* $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$

Interestingly, previous literature has often found a positive relationship between conservative political views and SWLS, our results suggest the relationship between conservative political ideology and SWLS, as measured by the binary term *conservative*, is mildly negative.[34] As a consistency check, we estimated a version of equation (1) omitting the CI and RI variables and the coefficient on conservative political ideology was positive and significant, consistent with previous literature. The differing result of our richer model suggests that ideologies are multidimensional and that previous literature on conservative political ideology may be picking up economic ideology.[35] Our results suggest broad political ideology variables of the extant literature may be capturing subtler nuances, in our case, economic ideology.

We also note significance for several of our control variables that are consistent with prior literature. For instance, previous literature finds little difference in male and female life satisfaction, but when a difference is found, females typically have higher subjective well-being; we find, with 99 percent confidence,

women to be slightly more satisfied.[36] In addition, our results suggest that both single and divorced individuals are less satisfied, by 15 percent and 20 percent respectively, compared to married individuals, also consistent with existing literature. Additionally, we find that employment (the omitted baseline category) and more income are positively correlated with life satisfaction, consistent with the findings of Liliana Winkleman and Rainer Winkleman.[37] Finally, examining environmental variables we note a pattern consistent with risk aversion and prospect theory as respondents living in regions with higher percent democrat vote and economic freedom index score exhibit lower SWLS, potentially a reflection of a desire for a larger economic and social safety net, a result consistent with Lester Hadsell and Adam T. Jones.[38] Interestingly, despite religiosity being correlated with SWLS at the individual level, the religious (attendance) rate is not correlated at the community level, evidence that the transmission channel for religion to SWLS may be through individual spirituality rather than the social network effect as suggested by Lim and Putnam.[39]

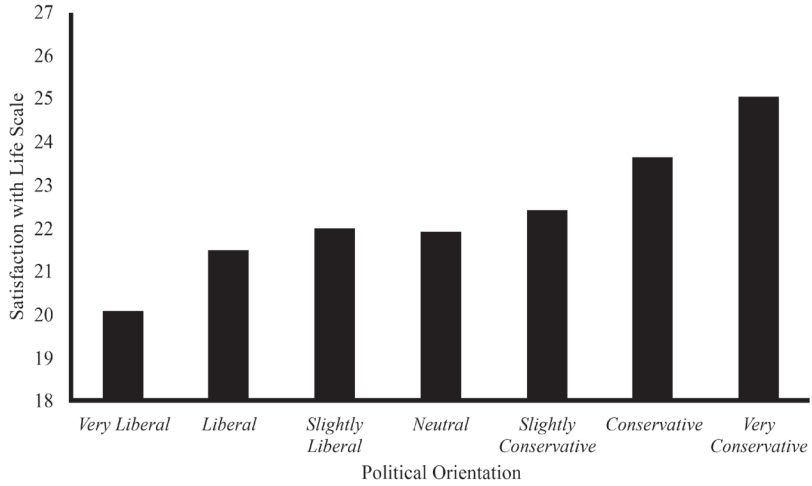
The Nonlinearity of Ideology

The linear model in the previous section only allows for life satisfaction to be increasing or decreasing with respect to ideology. However, the change in life satisfaction due to a change in ideology could certainly depend upon a person's current level of ideology. For example, as you go from less capitalist to more capitalist, life satisfaction goes up, but if you are in the extreme the effect may attenuate, and actually decrease satisfaction. In other words, there may be a "sweet spot" in the economic or religious ideological spectrum that the linear model cannot capture.

Alternatively, life satisfaction may be highest in an extreme of the ideological spectrum and decrease with more moderate views. Luigi Curini, Willy Jou, and Vinceno Memoli find self-identified radicals on both ends of the political spectrum to be more satisfied than those in the middle.[40] Alternatively, our data, shown in figure 1, suggests more of an S-curve relationship between political views and SWLS, consistent with Napier and Jost.[41] The nonlinear pattern of Curini and Choma, combined with our results of the averages for each subgroup (as in fig. 1), suggests that the relationship between ideology and satisfaction may be nonlinear and warrants investigation.[42]

Figure 1. SWLS Subgroup Means by Political Orientation

This figure shows the average satisfaction with life (SWLS) for each subgroup of political ideology. Political ideology of individual respondents was determined by asking respondents to choose one of the subgroups, while SWLS is determined by the survey questions presented in table 1.



To examine the potential of a nonlinear relationship between ideologies, CI and RI, and SWLS, we add quadratic terms for CI and RI to equation (1).[43] Thus, we specify the following model as shown in equation (2) which we estimate via OLS.

$$SWLS_i = \beta_0 + \beta_1 CI_i + \beta_2 CI_i^2 + \beta_3 RI_i + \beta_4 RI_i^2 + \delta' X_i + \eta' Z_i + \mu_i \quad (2)$$

The model in equation (2) sacrifices some degree of parsimony in order to test for a number of interesting nuances in the relationship between life satisfaction and ideology. In economic terms, equation (2) allows us to test for increasing or decreasing marginal returns of ideology on life satisfaction, thereby capturing potentially differing effects of a change in ideology on life satisfaction across the ideological spectrum.

Variables are the same as defined previously, except for the addition of quadratic economic ideology terms. The results of estimating equation 2 can be found in table 6. For both the capitalism index and the religiosity index, the quadratic term is statistically significant, implying the existence of a nonlinear relationship. Since the marginal effect of ideology now depends upon the initial value of ideology, we opt to present predicted values of life satisfaction for different values of ideology. Figure 2 presents a visual representation of the estimated

nonlinear relationship between CI and SWLS while figure 3 presents the visual for RI and SWLS. Interestingly, the curves are not strictly increasing or decreasing and actually take opposite shapes, which has important implications for which ideological views maximize SWLS based on our data.

Table 6
Nonlinearity of Ideology

This table presents the results of estimating equation 2 by OLS with robust standard errors. In the first model (1), the dependent variable is the raw *Satisfaction with Life Scale* in levels (*SWLS*), while the dependent variable in the second model (2) is the natural logarithm of *SWLS (Log SWLS)*. *Capitalism index and religiosity index* are constructed from our survey results. Demographic controls come from our survey with *conservative* indicating some degree of conservative political ideology. *Age and approximate income* (000s) are integers while *female*, *self-employed*, *unemployed*, *single*, and *divorced* are binary with *male*, *traditional employment*, and *married* being the reference groups. Environmental variables include *religious (attendance) rate* from the Association of Religious Data Archives, *percent Democrat* is the county level, percentage vote for Democratic party presidential candidate and *Economic Freedom Index* is gathered from the Cato Institute.

	(1)	(2)
	SWLS	Log SWLS
Capitalism Index	0.260***	0.0184***
	(4.44)	(5.33)
Capitalism Index^2	-0.00311***	-0.000225***
	(-3.69)	(-4.60)
Religiosity Index	-0.0926*	-0.00273
	(-1.71)	(-0.89)
Religiosity Index^2	0.00294***	0.000116**
	(2.99)	(2.13)
Conservative	-0.609	-0.0419**
	(-1.61)	(-1.98)
Approximate Income	0.0434***	0.00236***
	(10.74)	(10.87)
Age	-0.0345**	-0.00195***
	(-2.53)	(-2.70)
Female	1.000***	0.0554***
	(3.45)	(3.38)
Self-Employed	-1.324***	-0.0769***
	(-3.41)	(-3.41)
Unemployed	-3.240***	-0.192***
	(-6.53)	(-6.12)

Single	-2.809***	-0.147***
	(-8.29)	(-8.04)
Divorced	-3.416***	-0.190***
	(-5.49)	(-5.13)
Religious Rate	-1.360	-0.0905
	(-1.17)	(-1.36)
Percent Democrat	-1.864**	-0.0912*
	(-2.03)	(-1.76)
Economic Freedom Index	-0.653	-0.0394
	(-1.41)	(-1.52)
Constant	19.59***	2.796***
	(13.37)	(32.59)
N	2347	2347
	0.200	0.194
R^2		

t statistics in parentheses

* $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$

Figure 2 shows the fitted curve of SWLS for the domain of values for CI in our sample. Starting from the lowest value of CI (i.e., the least capitalist individual), an increase in CI increases life satisfaction at a decreasing rate until reaching a maximum level of SWLS at CI = 42. For context, the average CI is approximately 29, implying that the average individual in our sample would experience an increase in SWLS with a moderate increase in CI. However, after reaching a certain level of ideology (i.e., CI = 42) further increases in capitalist views actually decrease life satisfaction at an (absolute) increasing rate. So the concavity of the fitted curve is consistent with the conjecture that there may be a "sweet spot" in the spectrum of economic ideology and individuals with extreme economic ideals may be less satisfied than their counterparts with more moderate views. One potential explanation for this deterioration of satisfaction at the CI extreme may be a larger mismatch of their ideology and policies under which they live as suggested by Curini, Jou, and Memoli and Hadsell and Jones.[44]

Figure 2. Capitalism and Life Satisfaction

This figure shows the predicted values for satisfaction with life (SWLS) for differing values of *Capitalism Index* based on the nonlinear model presented in equation 2. This model includes both linear and quadratic terms for *Capitalism Index* and *Religiosity Index* in addition to a set of control variables. The model is estimated via OLS with robust standard errors. The dashed line shows the predicted values from the model while the vertical solid line shows the sample average for the *Capitalism Index*.

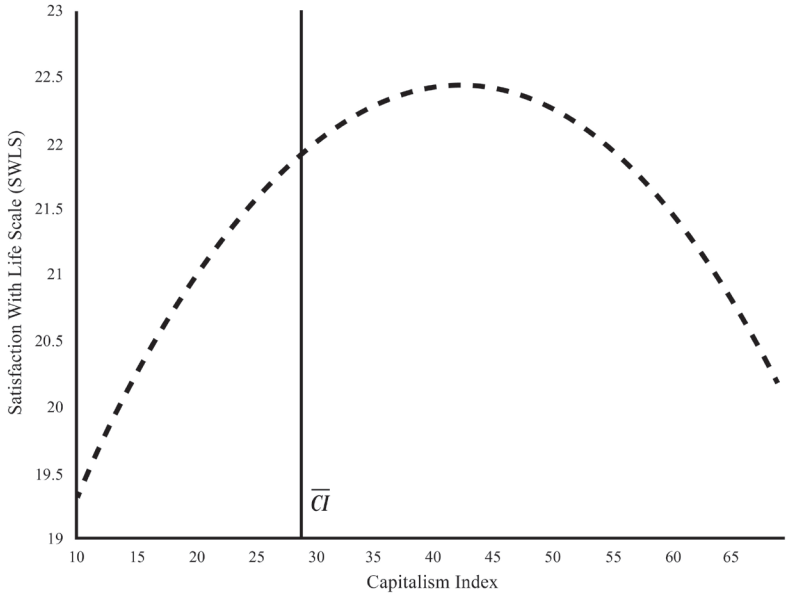
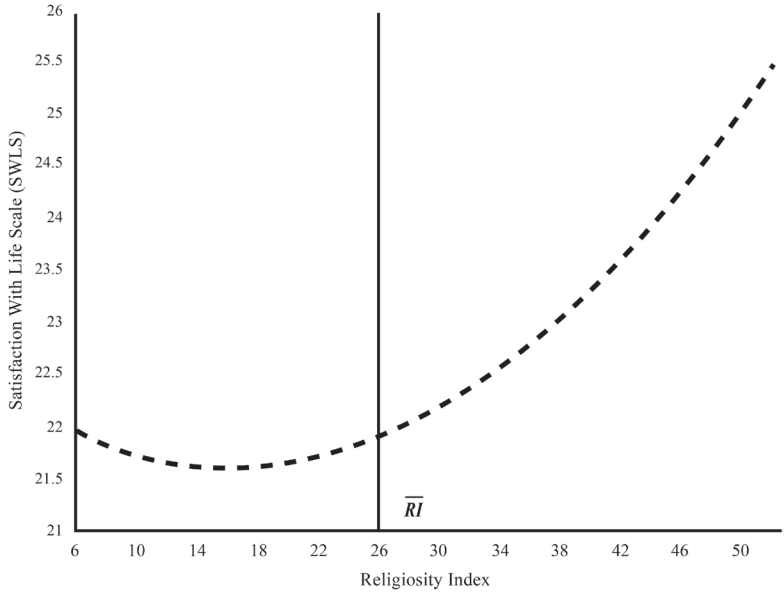


Figure 3 plots an analogous graph to Figure 2 but for the nonlinear relationship between religious ideology (RI) and SWLS. Remarkably, the story switches as those at the religious extremes (i.e., far end of less-religious or more-religious) are relatively more satisfied than those with moderate religious views. For most individuals in our sample, the quadratic model implies that increases in religious ideals would increase SWLS at an increasing rate. However, individuals at the more-religious religiosity extreme are more satisfied than those at the less-religious religiosity extreme, which explains our finding of a positive relationship in the simple linear framework. This result of increasing SWLS with increasing RI may add credibility to Lim and Putnam's finding that SWLS increases with social networks built through religious attendance but contingent upon a strong religious identity.[45] Figure 3 suggests a similar result but in an exponential way rather than through the use of interactions as in Lim and Putnam.

Figure 3. Religiosity and Life Satisfaction

This figure shows the predicted values for satisfaction with life (SWLS) for differing values of *Religiosity Index* based on the nonlinear model presented in equation 2. This model includes both linear and quadratic terms for *Capitalism Index* and *Religiosity Index* in addition to a set of control variables. The model is estimated via OLS with robust standard errors. The dashed line shows the predicted values from the model while the vertical solid line shows the sample average for the *Religiosity Index*.



Subgroup Analysis

Having established that the relationship between Life Satisfaction and latent ideologies (including economic and religious ideologies) is nonlinear, we explore the idea further through an examination of SWLS by subgroup. To this end, we classify respondents into categories of "more capitalist," "centrist," or "less capitalist," along the Economic Ideology Index spectrum. Respondents with CI more than one standard deviation below the mean are categorized as "less capitalist" and those with a CI one standard deviation above the mean are categorized as "more capitalist," while the rest are categorized as "centrist." Likewise, we classify respondents along the religiosity spectrum as "more religious," "moderately religious," or "less religious," using the mean and standard

deviation from the RI. For the subgroup analysis, the following model, equation (3), is estimated via OLS.

$$SWLS_i = \beta_0 + \beta_1 More\,Capitalist_i + \beta_2 Less\,Capitalist_i + \beta_3 More\,Religious_i + \beta_4 Less\,Religious_i + \delta' X_i + \eta' Z_i + \mu_i \quad (3)$$

The results of estimating equation (3) are found in the first two columns of results in table 7. As noted in our variable definition table, *more capitalist* is an indicator variable if their capitalism index score is at least one standard deviation higher than the mean capitalism index of our sample, and zero otherwise. Likewise, *less capitalist* is an indicator variable if the respondent's capitalism index score is at least one standard deviation lower than the mean capitalism index, and zero otherwise. The coefficients on *more capitalist* and *less capitalist* should be interpreted as relative to the omitted group, *centrist*. In all of our model specifications, we find no evidence that someone who is *more capitalist* is more or less satisfied with life than their *centrist* or *less capitalist* counterparts. This result corresponds to the curve in figure 2 more than one standard deviation beyond the *CI* reference line. While SWLS appears to drop beyond this point it is still high relative to the average respondent, $\bar{X}$, who would be part of the centrist group. However, when we consider respondents who are *Less Capitalist*, our results suggest that they are less satisfied with life than *centrists*. Analogously, *more religious* and *less religious* indicate religiosity scores more than a standard deviation from the mean of the religiosity index, respectively. Thus, *more religious* is relative to *moderately religious*. While the positive relation between CI and SWLS was driven largely by the lower levels of SWLS for those in the *less capitalist* group, the positive relationship between RI and SWLS appears to be driven by the elevated levels of SWLS for respondents in the *more religious* subgroup—respondents on different ends of the spectrum are driving the results. However, these results examine the differing relationships across subgroups on a single ideological dimension, either CI or RI, but it is likely these dimensions overlap and, thus, an examination of multidimensional subgroups is likely a worthwhile exercise.

Table 7
Extreme Ideologies, Satisfaction, and Their Interactions

This table presents the results of estimating equations (3) and (4). In the first (1) and third (3) models, the dependent variable is the raw *Satisfaction With Life Scale* in levels (*SWLS*), while the dependent variable in the second (2) and fourth (4) models is the natural logarithm of *SWLS (Log SWLS)*. *More(less) capitalist* and *more(less) religious* are binary variables representing a respondent with a *capitalism index or religiosity index* score more than one standard deviation above(below) the sample mean. The *CI* and *RI* are constructed from our survey results. Demographic controls come from our survey with *conservative* indicating some degree of conservative political ideology. *Age* and *approximate income*(000s) are integers while *female*, *self-employed*, *unemployed*, *single*, and *divorced* are binary with *male*, *traditional employment*, and *married* being the reference groups. Environmental variables include *religious (attendance) rate* from the Association of Religious Data Archives, *percent Democrat* is the county level, percentage vote for Democratic party presidential candidate and *Economic Freedom Index* is gathered from the Cato Institute.

	Equation 3		**Equation 4**	
	(1)	**(2)**	**(3)**	**(4)**
	SWLS	**Log SWLS**	**SWLS**	**Log SWLS**
More Capitalist	0.119	-0.00104	-0.535	-0.0401
	(0.28)	(-0.05)	(-0.94)	(-1.24)
Less Capitalist	-2.234***	-0.155***	-1.480**	-0.114***
	(-4.80)	(-5.40)	(-2.52)	(-3.18)
More Religious	1.829***	0.0849***	1.699***	0.0712***
	(4.64)	(3.96)	(3.61)	(2.77)
Less Religious	-0.226	-0.0171	0.0361	0.000973
	(-0.60)	(-0.78)	(0.08)	(0.04)
More Capitalist X *More Religious*			1.618*	0.0960**
			(1.90)	(2.08)
More Capitalist X *Less Religious*			0.823	0.0575
			(0.65)	(0.85)
Less Capitalist X *More Religious*			-2.635*	-0.0766
			(-1.92)	(-1.01)
Less Capitalist X Less Religious			-1.976*	-0.131*
			(-1.86)	(-1.92)
Conservative	-0.164	-0.0126	-0.147	-0.0104
	(-0.45)	(-0.62)	(-0.40)	(-0.51)

Approximate Income	0.0445***	0.00244***	0.0448***	0.00245***
	(11.00)	(11.21)	(11.11)	(11.27)
Age	-0.0345***	-0.00195***	-0.0346***	-0.00196***
	(-2.60)	(-2.78)	(-2.59)	(-2.77)
Female	0.990***	0.0555***	1.013***	0.0571***
	(3.43)	(3.38)	(3.52)	(3.49)
Self-Employed	-1.353***	-0.0788***	-1.348***	-0.0788***
	(-3.48)	(-3.48)	(-3.47)	(-3.48)
Unemployed	-3.235***	-0.191***	-3.228***	-0.190***
	(-6.51)	(-6.08)	(-6.48)	(-6.03)
Single	-2.883***	-0.151***	-2.871***	-0.151***
	(-8.56)	(-8.32)	(-8.51)	(-8.32)
Divorced	-3.340***	-0.185***	-3.316***	-0.185***
	(-5.32)	(-4.94)	(-5.30)	(-4.96)
Religious Rate	-0.956	-0.0674	-1.031	-0.0696
	(-0.82)	(-1.01)	(-0.89)	(-1.06)
Percent Democrat	-1.878**	-0.0923*	-1.950**	-0.0964*
	(-2.05)	(-1.79)	(-2.13)	(-1.87)
Economic Freedom Index	-0.624	-0.0378	-0.653	-0.0394
	(-1.33)	(-1.45)	(-1.40)	(-1.51)
Constant	23.81***	3.126***	23.82***	3.127***
	(24.00)	(55.94)	(24.05)	(56.15)
N	2347	2347	2347	2347
R^2	0.195	0.189	0.199	0.193
t statistics in parentheses				

* $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$

To examine the subgroup relationships across multiple dimensions, interactions terms between the *more capitalist* and *less capitalist* groups with the *more religious* and *less religious* groups are added to equation (3) to yield equation (4) which allows us to examine multidimensional subgroups:

$$SWLS_i = \beta_0 + \beta_1\, MoreCapitalist_i + \beta_2 LessCapitalist_i + \beta_3 More\,Religious_i + \beta_4 Less\ Religious_i + \beta_5 More\ Capitalist\ *\ More\ Religious_i +$$

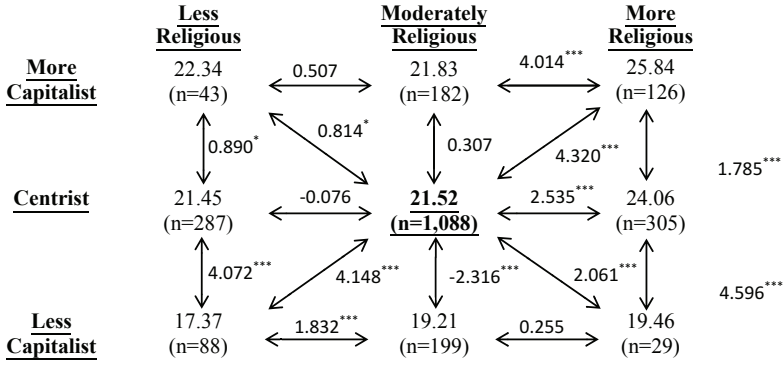
$$\beta_6 More\ Capitalist\ *\ Less\ Religious_i + \beta_7 Less\ Capitalist\ *\ More\ Religious_i + \beta_8 Less\ Capitalist\ *\ Less\ Religious_i + \delta' X_i + \eta' Z_i + \mu_i \quad (4)$$

The results of estimating equation (4) are shown in the third and fourth columns of estimation results in table 7. The significant interaction terms suggest the relationship between CI, RI, and SWLS is more complicated as religiosity and economic ideology may be complementary to some extent. For example, the insignificant effect of *more capitalist* becomes significant when combined with *more religious. More capitalist* and *more religious* respondents are approximately 10 percent more satisfied than their *more capitalist* and *moderately religious* counter parts. While being *less capitalist* reduces satisfaction for *less religious* by approximately 13 percent versus *less capitalist* and *moderately religious*. The complexity of the relationships makes interpreting coefficients in the last two columns of table 7 difficult.

To conceptualize the coefficients presented in table 7, fitted values of the SWLS are shown by subgroup in figure 4. The fitted values should be thought of as the conditional mean SWLS for a subgroup, holding the other demographic and environmental controls at their sample average (i.e., *ceteris paribus*). Said another way, controlling for respondents' individual demographics and location-specific environmental variables makes the fitted SWLS for each subgroup comparable with other subgroups. In the center of figure 4 is the fitted SWLS for economic and religious moderates. The arrows connecting these moderates to the other subgroups are accompanied by the absolute value of the difference between the respective subgroup's fitted SWLS and asterisks indicating statistical significance at various confidence levels.

Figure 4. Fitted SWLS by Economic Ideology and Religiosity

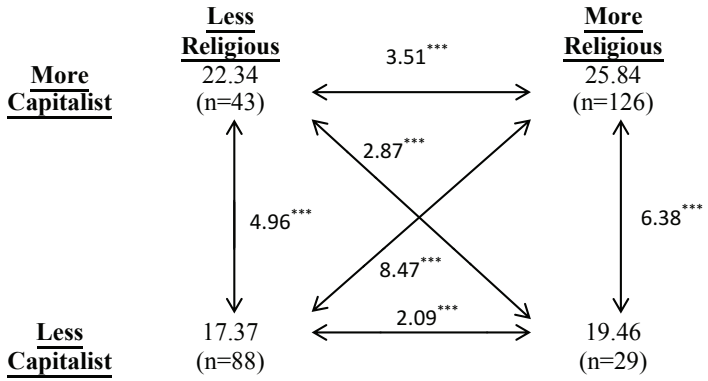
This figure shows the conditional average SWLS for various subgroups based on the estimated model presented in equation 4, holding all other variables at their sample average. The vertical axis shows various groups based on *Capitalist Ideology*, while the horizontal axis shows various groups based on *Religiosity Index*. The respective sample size of each subgroup is presented in parenthesis under each conditional average. Above each arrow between groups we show the respective t-stat for a difference-in-means test between those two groups.



A cursory examination of figure 4 shows a pattern of increasing satisfaction levels when moving up (increasingly capitalist) and to the right (increasingly religious). This pattern is consistent with the regression estimates presented above that show increased support for capitalism and higher levels of religiosity correspond to higher levels of satisfaction. The movement is most obvious when comparing the corners, as presented in figure 5. Moving from *less capitalist* and *less religious*, in the lower left, to *more capitalist* and *more religious*, in the upper right, is associated with a nearly 50 percent increase in SWLS levels.

Figure 5. Extremes of Economics and Religion

This figure shows the conditional average SWLS for extreme subgroups based on the estimated model presented in equation 4, holding all other variables at their sample average. The vertical axis shows the two extreme groups based on *Capitalist Ideology*, while the horizontal axis shows the two extreme groups based on *Religiosity Index*. The respective sample size of each subgroup is presented in parenthesis under each conditional average. Above each arrow between groups we show the respective *t*-stat for a difference-in-means test between those two groups.



Returning to figure 4, of particular interest is the difference between economic ideologies when moving across the diagram of increasing religiosity levels. Moving from *less religious* to *moderately religious* does not have a significant effect for *more capitalist* individuals while it has a positive and sizeable (greater than 10 percent increase) effect on *less capitalist* individuals. Conversely, when moving from *moderately religious* to *more religious*, satisfaction increases by a sizeable amount for *more capitalist* individuals (almost 20 percent) while for *less capitalist* individuals the effect is negligible. This suggests that the movement from *moderately religious* to *more religious* is more impactful when combined with a more capitalist ideology. In addition, moving from *less capitalist* to *centrist* increases SWLS sizably for both *less religious* and *more religious* groups but moving from *centrist* to *more capitalist* increases satisfaction for *more religious* individuals by nearly twice as much as for *less religious* individuals. These results suggest that stronger religious affiliation and stronger free-market views are complementary in increasing satisfaction.

One potential explanation of complementarities between the capitalist index and religiosity is that religious individuals who believe there exists a system

of justice in the world are more accepting of capitalism, especially those who believe in hell as a process of retribution.[46] This acceptance or belief in a final justice balance allows them to emotionally accept the capitalist system and economic freedom, which in turn, allows for their individual pursuit of happiness and satisfaction. Conversely, a *less capitalist* and *less religious* individual's satisfaction increases as they become more accepting of capitalist ideology or religious ideology, but they do not attain the highest levels of satisfaction unless they accept both complementary sets of ideals.

Checking for a Reference Point Bias

We acknowledge there may be concerns of a reference point bias in the study as our sample is composed of respondents within the United States. Since the United States is a largely capitalist society and its citizens tend to identify as religious, the concern arises that our results may reflect that people feel a satisfaction with life because they are in the majority and feel a sense of inclusion. To address this concern, we take advantage of county-level variation to identify whether a respondent is in the minority with regards religious or economic ideologies.

To capture the effect of being a religious or economic minority, we created indicator variables for a respondent in an "economic minority" (think of a more capitalist respondent living in a less capitalist state) or a respondent in a "religiosity minority" (think very religious in community with low worship attendance). To create the variables, each state was identified as "more capitalist," "less capitalist," or "centrist" based on their state's rankings in the *Economic Freedom Index*. A state was defined as "less capitalist" if its Economic Freedom Index was more than one standard deviation below the mean of all EFI's. Likewise, a state was defined as "more capitalist" if its EFI was more than one standard deviation above the mean. A respondent was categorized as an *economic minority* (set = 1) if the respondent was in the *more capitalist* subgroup but living in a *less capitalist* state or vice versa.

To determine *religious minority* status, a county was determined to be "more religious," "less religious," or "moderately religious" based on church membership rates. Religious adherence was gathered from *The Association of Religion Data Archives* for 2010. If church membership in a county was greater than one standard deviation above the mean of all the counties, then the county was defined as a "more religious" county, and if church membership was more than one standard deviation below the mean, then the county was defined as a "less religious" county. If a respondent was categorized as *more religious* and living in a *nonreligious county*, the respondent is labeled a *religious minority* and vice versa.

To check for a reference point bias, whether being in an economic or religious minority is driving the results, we estimate a model similar to equation (1), but include terms capturing economic or religious minority status. In addition, we also include a term to relate religiosity with *religious minority* to see if being in the minority changes the relationship between religiosity and satisfaction. For example, is an intensely religious person still satisfied even if they are living in a community of nonbelievers? In addition, we also include an interaction term to see if the relationship between CI and SWLS holds up when a respondent is in the economic minority. In other words, is someone with a higher CI still more satisfied even if their state's policies reflect others who have a lower CI? Thus, we specify the following model, equation (5), and estimate it via OLS.

$$SWLS_i = \beta_0 + \beta_1 CI_i + \beta_2 * Economic\ Minority_i + \beta_3 CI * Economic\ Minority_i + \beta_4 Religiosity_i + \beta_5 Religiosity\ Minority_i + \beta_6 RI * Religiosity\ Minority_i + \delta' X_i + \eta' Z_i + \mu_i \quad (5)$$

Estimation results are shown in table 8. We note that the coefficients on the *Capitalism Index* variable and the *Religiosity Index* variable are both still positive and significant as in earlier models, suggesting that earlier results are robust to controlling for economic or religious minority status. As shown in the first column of table 8, respondents who are an economic minority are less satisfied, as indicated by the negative and significant coefficient on *Economic Minority.* This result is consistent with prior literature on minority status and satisfaction.[47] These results provide some evidence that being in an economic minority may depress the level of satisfaction but not the marginal effect of being more accepting of capitalism or more capitalist, as illustrated by the lack of significance on the interaction term between *capitalism index* and *economic minority*. Being in a religiosity minority appears to have no relationship with SWLS and suggests it is the beliefs that matter most, more so than sharing those beliefs with others.

Table 8
Ideological Minorities and Satisfaction

This table presents the results of estimating equation (5) by OLS. In the first model (1), the dependent variable is the raw Satisfaction With Life Scale in levels (SWLS), while the dependent variable in the second model (2) is the natural logarithm of SWLS (Log SWLS). Capitalism index and religiosity index are constructed from our survey results. Economic minority represents an individual with a high CI living in a state with a low Economic Freedom Index (and vice versa) and religiosity minority indicates an intensely religious individual living in a county with low church attendance rates (and vice versa). Demographic controls come from our survey with conservative indicating some degree of conservative political ideology. Age and approximate income(000s) are integers while female, self-employed, unemployed, single, and divorced are binary with male, traditional employment, and married being the reference groups. Environmental variables include religious (attendance) rate from the Association of Religious Data Archives, percent Democrat is the county level, percentage vote for Democratic party presidential candidate and Economic Freedom Index is gathered from the Cato Institute.

	(1)	(2)
	SWLS	**Ln(SWLS)**
Capitalism Index	0.0595***	0.0618***
	(3.93)	(3.95)
Economic Minority	-1.343*	0.317
	(-1.77)	(0.13)
Cap. Index x Econ Minority		-0.0406
		(-0.72)
Religiosity	0.0660***	0.0663***
	(4.98)	(4.99)
Religiosity Minority	0.808	15.96
	(0.59)	(0.91)
Religiosity x Religiosity Minority		-0.346
		(-0.86)
Conservative	-0.465	-0.456
	(-1.24)	(-1.22)
Approximate Income	0.0443***	0.0444***
	(10.87)	(10.88)
Age	-0.0363**	-0.0365**
	(-2.52)	(-2.50)
Female	0.983***	0.986***
	(3.38)	(3.39)
Self-Employed	-1.372***	-1.372***
	(-3.52)	(-3.52)

Unemployed	-3.244***	-3.240***
	(-6.53)	(-6.51)
Single	-2.837***	-2.836***
	(-8.31)	(-8.30)
Divorced	-3.432***	-3.443***
	(-5.51)	(-5.52)
Religious Rate	-0.879	-0.932
	(-0.74)	(-0.78)
Percent Democrat	-2.015**	-2.052**
	(-2.18)	(-2.22)
Economic Freedom Index	-0.887*	-0.946*
	(-1.84)	(-1.92)
N	2347	2347
R2	0.193	0.194

t statistics in parentheses
* $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$

Conclusion

In this article, we survey Americans to capture their economic ideologies and intensity of religious beliefs along with their satisfaction with life, captured by the widely used Diener et al.[48] measure. We then examine associations between ideology and life satisfaction. Our results indicate that religiosity and capitalist ideology are complementary and increase a respondent's satisfaction with life. Religious individuals are more satisfied while less capitalist individuals tend to be less satisfied with their lives. These results are robust to the inclusion of several other variables previously shown to be important contributors to life satisfaction such as income, marital status, and employment status. Our findings on these variables are consistent with previous findings. Additionally, we find that there are nonlinarites in the relationship, and a subgroup analysis finds that more religious people tend to be more satisfied and less capitalist people tend to be less satisfied with life. Our results do not appear to be affected by a reference point bias where lower levels of satisfaction are due to being a minority on an ideological spectrum. Although, admittedly, more research is needed, such as an examination of other countries, possibly China, where significantly lower levels of religiosity and different economic orientations may provide insights as to whether it is the level of an individual's beliefs or conflict between beliefs and existing systems that drive satisfaction.

As for the United States, our results paired with a couple of trends may have implications for our society. First, Bailey and Pew report a decline in religiosity.[49] Second, the results of Jones, Hadsell, and Burrus suggest the decline in formal religion may have adverse consequences for the capitalist system.[50] Declining openness to capitalism and economic freedom combined with declines in religious attendance suggest future generations, while likely more prosperous than previous generations, may find less satisfaction in their lives. Lower levels of satisfaction can lead to a number of negative effects on society, including political division, increased violence, and higher rates of drug use.[51] Thus, if "capitalism has a prayer," it is that capitalist views in conjunction with high rates of religiosity are strongly correlated with high levels of life satisfaction.

Notes

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1. Karl Marx, *Critique of Hegel's "Philosophy of Right"* (New York: Cambridge University Press, 1970), 131.
2. See Karl Marx, *Theses on Feuerbach* [1845], in Robert C. Tucker, ed., *The Marx-Engels Reader*, 2nd ed. (New York; London: Norton & Company, 1978), 143–45.
3. See Anna Carabelli and Mario Cedrini, "The Economic Problem of Happiness: Keynes on Happiness and Economics," *Forum for Social Economics* 40, no. 3 (2011): 335–59.
4. John Maynard Keynes, "Economic Possibilities for Our Grandchildren (1930)," in idem, *Essays in Persuasion* (New York: Harcourt Brace, 1932), 366.
5. See Thomas Piketty, *Capital in the Twenty-First Century* (Cambridge: Belknap Press of Harvard University Press, 2014); Raj Chetty et al., "Where Is the Land of Opportunity? The Geography of Intergenerational Mobility in the United States," *The Quarterly Journal of Economics* 129, no. 4 (2014): 1553–1623.
6. See Ed Diener et al., "The Satisfaction With Life Scale," *Journal of Personality Assessment* 49, no. 1 (1985): 71–75.
7. See Keith Magnus and Ed Diener, "A Longitudinal Analysis of Personality, Life Events, and Subjective Well-Being," Paper presented at the 63rd Annual Meeting of the Midwestern Psychological Association (Chicago: 1991).
8. See David Lykken and Auke Tellegen, "Happiness Is a Stochastic Phenomenon," *Psychological Science* 7, no. 3 (1996): 186–89.
9. See Magnus and Diener, "A Longitudinal Analysis."
10. See Angus Campbell, Philip E. Converse, and Willard L. Rodgers, *The Quality of American Life* (New York: Russell Sage Foundation, 1976).
11. See Ed Diener et al., "Subjective Well-Being: Three Decades of Progress," *Psychological Bulletin* 125, no. 2 (1999): 276–302.
12. See Christopher G. Ellison, "Religious Involvement and Subjective Well-Being," *Journal of Health and Social Behavior* 32, no. 1 (1991): 80–99.
13. See Magnus and Diener, "A Longitudinal Analysis."
14. See Chaeyoon Lim and Robert D. Putnam, "Religion, Social Networks, and Life Satisfaction," *American Sociological Review* 75, no. 6 (2010): 914–33, https://doi.org/10.1177/0003122410386686.

15. See Chaeyoon Lim and Robert D. Putnam, "Religion and Life Satisfaction: Evidence from Germany," *Social Indicators Research* 123, no. 3 (2015): 837–55.

16. We recognize that economic and political ideology are often intertwined. A "political liberal" is likely to be associated with the less-capitalist end of the spectrum, with more favorable views of economic planning and regulation, while a "political conservative" tends to be associated with the more-capitalist end of the spectrum, with a more favorable view of free markets. However, since our survey asks questions that distinguish between economic and political ideologies, we treat them as separate factors.

17. See Barry R. Schlenker, John R. Chambers, and Bonnie M. Le, "Conservatives Are Happier than Liberals, but Why? Political Ideology, Personality, and Life Satisfaction," *Journal of Research in Personality* 46, no. 2 (2012): 127–46.

18. See Becky L. Choma, Michael A. Busseri, and Stanley W. Sadava, "Liberal and Conservative Political Ideologies: Different Routes to Happiness?," *Journal of Research in Personality* 43, no. 3 (2009): 502–5.

19. Wojcik et al. suggest some of the happiness gap in the research may be a result of measurement techniques. See Sean P. Wojcik et al., "Conservatives Report, but Liberals Display, Greater Happiness," *Science* 347, no. 6227 (2015): 1243–46.

20. See Orsolya Lelkes, "Tasting Freedom: Happiness, Religion and Economic Transition," *Journal of Economic Behavior and Organization* 59, no. 2 (2006): 173–94.

21. See Alexander C. Pasek and Benjamin Radcliff, "Welfare Policy and Subjective Well-Being across Nations: An Individual-Level Assessment," *Social Indicators Research* 89 (2007): 179–91; Christian Bjørnskov, Axel Dreher, and Justina A. V. Fischer, "The Bigger the Better? Evidence of the Effect of Government Size on Life Satisfaction around the World," *Public Choice* 130, no. 3–4 (2007): 267–92, https://doi.org/10.1007/s11127-006-9081-5.

22. See Robert D. Putnam, *Making Democracy Work: Civic Traditions in Modern Italy* (Princeton: Princeton University Press, 1993).

23. See Lauren E. Coursey, Jared B. Kenworthy, and Jennifer R. Jones, "A Meta-Analysis of the Relationship between Intrinsic Religiosity and Locus of Control," *Archive for the Psychology of Religion* 35, no. 3 (2013): 347–68.

24. For a survey of the economics-related literature, see Paul Dolan, Tessa Peasgood, and Mathew White, "Do We Really Know What Makes Us Happy? A Review of the Economic Literature on the Factors Associated with Subjective Well-Being," *Journal of Economic Psychology* 29, no. 1 (2008): 94–122.

25. See Diener et al., "Subjective Well-Being."

26. See Winter Mason and Siddharth Suri, "Conducting Behavioral Research on Amazon's Mechanical Turk," *Behavior Research Methods* 44, no. 1 (2012): 1–23. A copy of the survey instrument is available from the authors upon request.

27. For election data see "US 2012 Election Data," as compiled by Rogers and Cage at https://www.theguardian.com/news/datablog/2012/nov/07/us-2012-election-county-results-download. For economic freedom index data, see William P. Ruger and Jason Sorens, *Freedom in the Fifty States: An Index of Personal and Economic Freedom* (Washington, DC: Cato Institute, 2016).

28. See Diener et al., "The Satisfaction With Life Scale."

29. See William Pavot and Ed Diener, "Review of the Satisfaction With Life Scale," *Psychological Assessment* 5, no. 2 (1993): 164–72.

30. There are two exceptions (questions 7 and 8 of the Religiosity questions) to the 7-point Likert Scale, where we use a 5-point scale as noted in the table.

31. Respondents identifying as libertarian or other are omitted from the table 4 comparison.

32. See Cansu Berivan Ozmen, Gina M. Brelsford, and Caili R. Danieu, "Political Affiliation, Spirituality, and Religiosity: Links to Emerging Adults' Life Satisfaction and Optimism," *Journal of Religion and Health* 57, no. 2 (2018): 622–35.

33. In this section we are considering individual's capitalist views on a continuous basis. Later we will use the continuous variable to break down the analysis by subgroup.

34. See Schlenker, Chambers, and Le, "Conservatives Are Happier."

35. Variance inflation factors suggest that multicollinearity is not a problem.

36. See Dolan, Peasgood, and White, "Do We Really Know."

37. See Liliana Winkleman and Rainer Winkleman, "Why Are the Unemployed So Unhappy? Evidence from Panel Data," *Economica* 65, no. 257 (1998): 1–15. For an overview of the economic literature on subjective well-being, see also Dolan, Peasgood, and White, "Do We Really Know."

38. See Lester Hadsell and Adam T. Jones, "The Company You Keep: Satisfaction with Life, Economic Freedom, and Preference-Policy Mismatch," *Journal of Comparative Economics* 48, no. 3 (2020): 642–57. See also Daniel Kahneman and Amos Tversky, "Prospect Theory: An Analysis of Decision under Risk," *Econometrica* 47, no. 2 (1979): 263–92.

39. See Lim and Putnam, "Religion, Social Networks, and Life Satisfaction."

40. See Luigi Curini, Willy Jou, and Vinceno Memoli, "How Moderates and Extremists Find Happiness: Ideological Orientation, Citizen-Government Proximity, and Life Satisfaction," *International Political Science Review* 35, no. 2 (2014): 129–52.

41. See Jaime L. Napier and John T. Jost, "Why Are Conservatives Happier than Liberals?," *Psychological Science* 19, no. 6 (2008): 565–72.

42. See Curini, Jou, and Memoli, "How Moderates and Extremists Find Happiness"; Choma, Busseri, and Sadava, "Liberal and Conservative Political Ideologies."

43. We focus our analysis of nonlinear effects on Economic Ideology and Religious Ideology since they are continuous variables. The binary nature of our measure of political ideology (conservative) precludes us from examining the nonlinearity of this dimension.

44. See Curini, Jou, and Memoli, "How Moderates and Extremists Find Happiness"; Hadsell and Jones, "The Company You Keep."

45. See Lim and Putnam, "Religion, Social Networks, and Life Satisfaction."

46. See Adam T. Jones, Lester Hadsell, and Robert T. Burrus, "Capitalist Views and Religion," *Eastern Economic Journal* 45, no. 3 (2019): 384–414.

47. See Curini, Jou, and Memoli, "How Moderates and Extremists Find Happiness"; Hadsell and Jones, "The Company You Keep."

48. See Diener et al., "The Satisfaction With Life Scale."

49. See Sarah Pulliam Bailey, "Christianity Faces Sharp Decline as Americans Are Becoming Even Less Affiliated with Religion," *Washington Post*, May 12, 2015; Alan Cooperman, Gregory Smith, and Katherine Ritchey, "America's Changing Religious Landscape," *Pew Research*, May 12, 2015.

50. See Jones, Hadsell, and Burrus, "Capitalist Views and Religion."

51. See Jason Luty and Sujaa Mary Rajagopal Arokiadass, "Satisfaction with Life and Opiod Dependence," *Substance Abuse Treatment, Prevention, and Policy* 12 (2008): 1–4; Patrick R. Clifford et al., "Drug Use and Life Satisfaction Among College Students," *International Journal of the Addictions* 26, no. 1 (1991): 45–53.