CAPITALISM SATISFACTION BAROMETER

Gauging America's views on capitalism to forecast its future.

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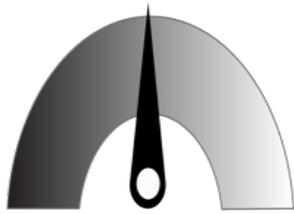Center for the Study of Capitalism at Wake Forest University

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WAKE FOREST UNIVERSITY

CENTER *for the* STUDY *of* CAPITALISM

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Current reading. At -29, most Americans are having a negative experience, and many want more free markets.

What we did. To gauge ideas about how well capitalism is currently working, we asked a nationally representative sample of 1,600 Americans aged 18 and older "On a scale of 1 to 10, how likely are you to support capitalism as the best economic system for this country?" Based on their support, each respondent is categorized as a Promoter (scores of 9 and 10), Passive (scores of 7 and 8), or Detractor (scores of 1-6). Our approach is modeled on the Net Promoter Score (NPS). In marketing lingo, Promoters are having a positive experience and are likely to recommend a company, product, or service to others while Passives and Detractors are having a negative experience and may be looking to make a change. We asked a series of follow-up questions to understand what kind of change, if any, respondents wanted to make. Does the current system need to become more free-market or more state-directed? If so, in which areas of the economy? What core features do Americans expect from an economic system and what behaviors are important to them?

What we found. The Capitalism Satisfaction Barometer currently sits at -29. This score means most Americans are Passives or Detractors, suggesting they are having a negative experience. Promoters of capitalism are much more likely to feel confident explaining its benefits than Passives and Detractors are in explaining its drawbacks. Additionally, Passives and Detractors do not necessarily support another economic system. In short, they are not looking to make a change from capitalism but changes to capitalism. About half of the survey respondents believe that America's economy should become more free-market-oriented. Many believe the government should focus its efforts on health care, education, housing, and social services and not on areas such as technological development. Demographics influence who is a Promoter or Detractor of capitalism.

Key Data Points

Who is a Promoter? Who is a Detractor?

- Overall, 23% of respondents are Promoters, 25% are Passives, and 52% are Detractors. Older generations are significantly more likely to be Promoters: 33% of Gen X and older generations are Promoters compared to just 14% of millennials and Gen Z.
- We asked Promoters and Detractors if they felt confident explaining the benefits or drawbacks of capitalism. Among Promoters, 85% feel confident explaining its benefits. Among Detractors, only 56% feel confident explaining its drawbacks.
- Male, white, highly educated, married, Republican, registered voters, non-religious and older Americans are significantly more likely to be Promoters of capitalism. Women, people with low levels of political interest, and church attendees are significantly more likely to be Detractors of capitalism.

Who supports the economy becoming more free market in orientation?

- There are age-related shifts in support for a more free market economy: 51% of Gen X and older generations, 47% of millennials, and 42% of Gen X believe the economic system should become more free market-oriented, especially in certain sectors such as technology development.
- Even Detractors of capitalism embrace free-market principles. As individuals and as business owners, the core economic characteristics they demand include a right to pursue profit, access credit, and participate in a market driven by supply and demand.

Overall, are Americans likely to support capitalism?

- Overall, 65% said they were likely to support capitalism. Support increases significantly with age. As shown in the table below, boomers and older generations are thirteen percentage points more likely to support capitalism than millennials.
- For comparison, data from a survey taken in 1996 determined that about 56% of boomers (the oldest of whom were about 51) and 47% of Gen X (the oldest of whom were about 32) said the economic system was good or OK as opposed to needing fundamental changes or replacement.

Generation	**Likely to support capitalism in 2022**	Unlikely to support capitalism in 2022
Gen Z	61%	39%
Millennial	58%	42%
Gen X	66%	34%
Boomer and older generations	74%	26%

Select Survey Questions

The most significant differences are driven by age. Here we classify Americans into two broad age groups. When we collected these data in November of 2022, older Americans belonging to Gen X, boomer, and silent generations were aged 42 and older. Younger Americans belonging to the millennial and Gen Z (or I Gen) generations were aged 18-41. Note we only collect data on people aged 18 age and older, which excluded some of the younger members of Gen Z.

How well is America's economic system working?
About 20% of Americans say the economic system is working well. Half of older Americans think it's not working well. Among younger generations, 43% think it's working well.

Figure 1. How well is America's economic system working?	Age 18-41	Age 42 and older
Not well	43%	50%
Average	35%	31%
Well	22%	19%

Given a choice between a more free market and a more state-directed economy, in which direction do you think the economy should go?
51% of Americans aged 42 and older and 45% aged 18-41 believe the economy should shift toward more free markets. Among the younger generations, the breakdown is 47% of millennials and 42% of Gen Z.

Figure 2. Given a choice between a more free market and a more state-directed economy, in which direction do you think the economy should go?	Age 18-41	Age 42 and older
Free market	45%	51%
State-directed	31%	23%
Leave the same	25%	26%

Do we currently have the right mix of government and markets in certain sectors?
Figures 3a and 3b show older Americans favor more government in health care are social services. They are split on education and energy production. They favor more free markets in banking and finance, housing, international trade, and technological development. Almost half of them support more free markets in technological development. Younger Americans, in contrast, favor more government in every category except for technology development. Education (48%), health care (51%), and social services (48%) especially elicited strong support for more government.

Figure 3a. Do we currently have the right mix of government and markets in education, health care, housing, and social services?	Age 18-41	Age 42 and older
Education		
more private enterprise	22%	37%
more government	48%	37%
same	16%	22%
don't know	14%	9%
Health care		
more private enterprise	23%	35%
more government	51%	46%
same	12%	11%
don't know	14%	8%
Housing		
more private enterprise	28%	39%
more government	40%	30%
same	17%	20%
don't know	15%	11%
Social services		
more private enterprise	24%	28%
more government	48%	44%
same	14%	18%
don't know	14%	10%

Figure 3b. Do we currently have the right mix of government and markets in banking and finance, energy production, international trade, and technological development?	Age 18-41	Age 42 and older
Banking and finance		
more private enterprise	30%	38%
more government	36%	23%
same	18%	27%
don't know	16%	12%
Energy production		
more private enterprise	25%	39%
more government	42%	38%
same	17%	13%
don't know	16%	10%
International trade		
more private enterprise	25%	32%
more government	36%	27%
same	19%	25%
don't know	20%	16%
Technological development		
more private enterprise	34%	48%
more government	28%	16%
same	22%	24%
don't know	17%	12%

How important it is to allow individuals and businesses to make these choices?
We investigated support for market economies by asking about the core characteristics of capitalism. As shown in Figures 4 and 5, a large majority of all Americans surveyed said these items are important to them as part of an economic system. Support is similar for all demographic categories.

Figure 4. Individual Choices
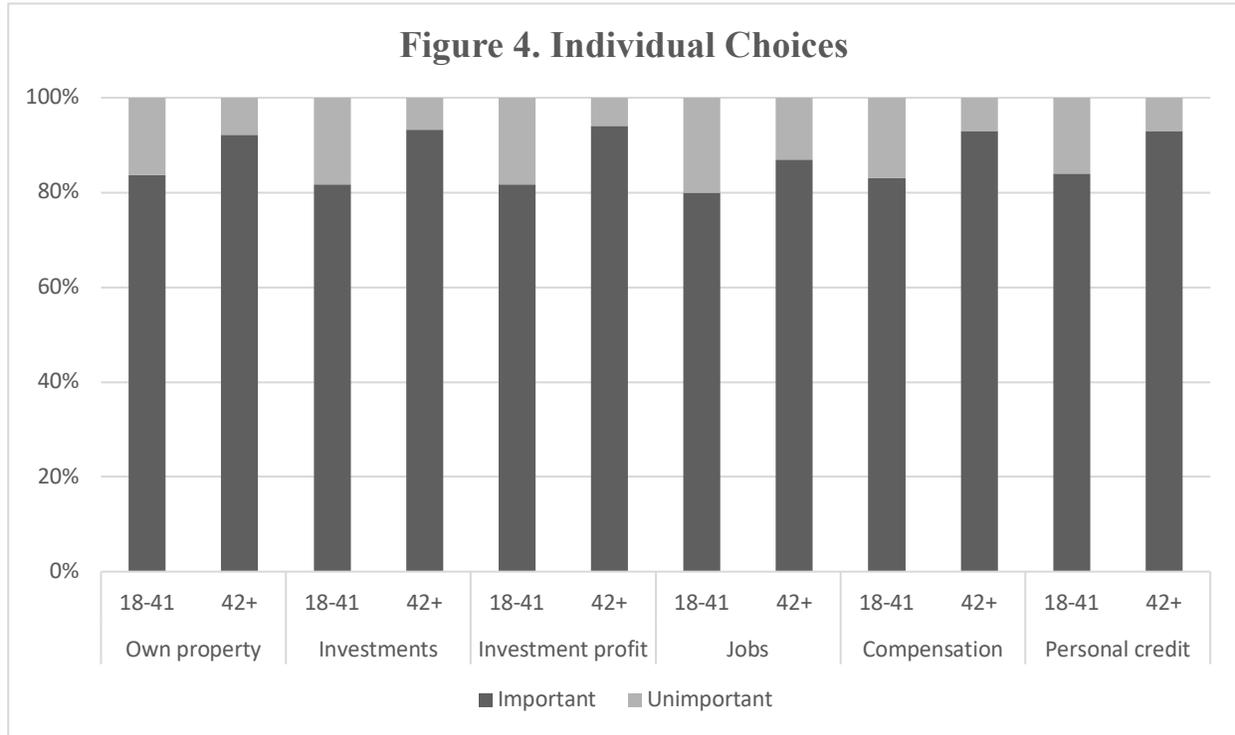
How important is it to allow individuals to…
**Own property**. Own property.
Investments. Make investments with the goal of earning a profit.
Investment Profit. Decide what to do with profits from investments.
Jobs. Move from one job to another.
Compensation. Bargain for compensation based on skill level and profession.
Personal Credit. Access credit for personal needs, such as buying a house.

Figure 5. Business Choices
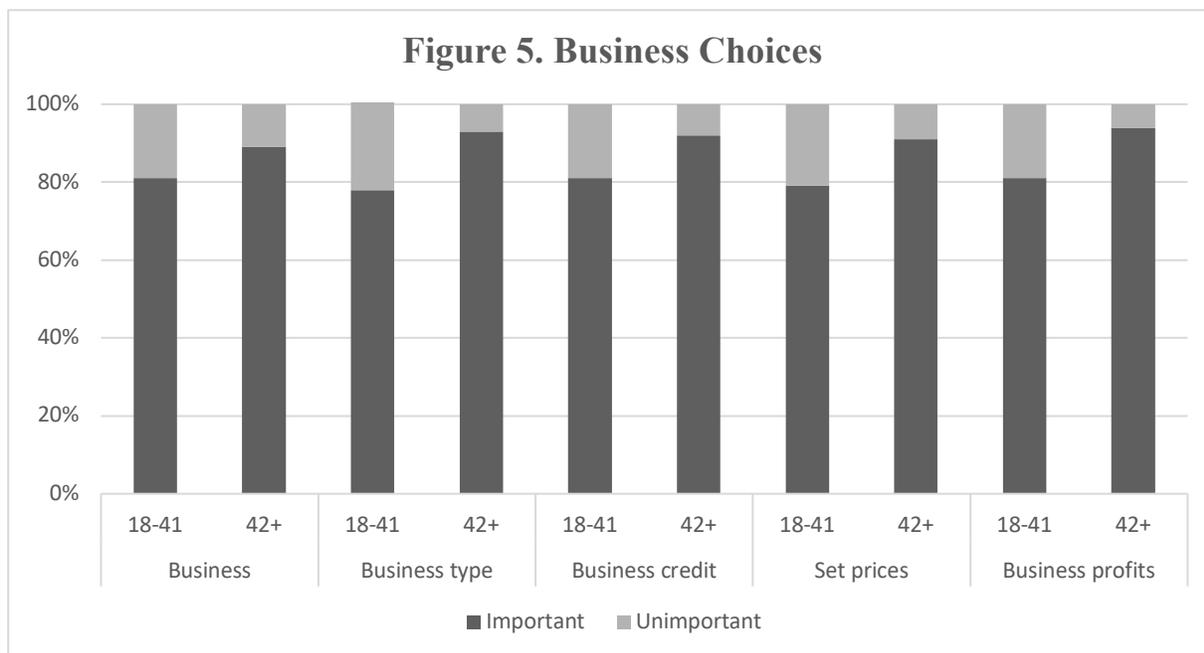
How important is it to allow businesses to…
Business. Start and own a business.
Business Type. Decide what kind of business to create.
Business Credit. Access credit for business investments.
Set Prices. Set prices for goods and services based on supply and demand.
Business Profits. Decide what to do with profits from the business.

About the Capitalism Satisfaction Barometer

The Center for the Study of Capitalism at Wake Forest University will release the Capitalism Satisfaction Barometer regularly to explore current views of capitalism.

We collected these data a few weeks after the November 2022 mid-term elections. At that time, inflation was around 7%. A Pew Research Center poll released before the 2022 midterm elections ranked the top five issues as 1) the economy, 2) the future of democracy, 3) education, 4) health care, and 5) energy policy.

The Capitalism Satisfaction Barometer is directed by Dr. Christina Elson and Dr. Kylie King and supported by the Billy D. and Deborah Prim Research Fund. The data is collected by YouGov, a global public opinion and data company. For more information contact Dr. Christina Elson at elsonc@wfu.edu.

Scoring and Survey Methodology

The Capitalism Satisfaction Barometer is modeled on the Net Promoter Score (NPS). Based on their support for capitalism as the best economic system for America, each respondent is categorized as a Promoter (scores of 9 and 10), Passive (scores of 7 and 8), or Detractor (scores of 1-6). This scoring methodology produces an overall score of between -100 and 100 which is generally interpreted as:
- -100-0: Most people are having a negative experience and are Passives or Detractors.
- 1-30: Slightly more people are having a positive experience than a negative one.
- 31-50: Most people are having a positive experience and there is a solid group of Promoters.
- 50-70: Most people are having a positive experience and there is a larger-than-average group of Promoters.
- 71-100: Most people are having a positive experience and are active Promoters.

Like any company, product, or service, capitalism has an overall brand appeal and possesses certain distinguishing features that can be evaluated. Promoters are happy with current features and are likely to recommend the brand to others while Passives and Detractors may be looking to make a change. The Capitalism Satisfaction Barometer tells us something about whether Americans see capitalism as appealing and well-functioning. The metric is best understood with contextual information. What features does the brand possess? Do customers want more or less of these features or something else entirely?

Our data were collected in two batches by YouGov. Between November 22 and December 3, 2022, YouGov interviewed 807 18-41-year-old respondents, who were then matched down to a

sample of 800 respondents equally split into 3 age groups (18 to 25, 26 to 32, and 33 to 41) to produce the final dataset. The margin of error for this data set is +/-4.2 %.

YouGov also interviewed 939 respondents that were at least 42 years old, who were then matched down to a sample of 800 respondents equally split into 3 age groups (42 to 53, 54 to 64, and 65+) to produce the final dataset. The margin of error for this data set is +/-3.99 %

The respondents of each age group were matched to their own sampling frame on gender, age, race, and education. All frames used were constructed by stratified sampling from the 2019 American Community Survey (ACS) 1-year sample, with selection within strata by weighted sampling with replacements (using the person weights on the public use file).

The matched cases were combined and then weighted to another sampling frame using propensity scores. The matched cases and the frame were combined, and a logistic regression was estimated for inclusion in the frame. The propensity score function included age, gender, race/ethnicity, years of education, and region. The propensity scores were grouped into deciles of the estimated propensity score in the frame, and post-stratified according to these deciles.

The weights were then post-stratified on a four-way stratification of gender, age (3-categories), race (4-categories), and education (4-categories) to produce the final weight.