Conflict Analysis of Economic Perceptions and Misperceptions
in the United States

by

Miryam Lindberg

Acknowledgments

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Abstract

Economics plays a vital role in people's lives and societal development. Research shows

a prevalence of large deficits in economic literacy among the U.S. population, which may

help perpetuate misperceptions about how economic systems operate and why they

render specific results. The issue of human nature and how it influences policy design is

explored. The purpose of this study is to explore Americans' perceptions and

misperceptions regarding three economic systems—capitalism, socialism, and

communism—to determine if there is a generational gap. Furthermore, this research

explores how people acquire their epistemological assumptions on economics in the era

of Internet; and how perceptions and misperceptions about these three economic systems

and economic literacy may play an important role in macro-conflict formation. This

dissertation identifies specific conditions, factors, and characteristics driving this conflict-

saturated social trend. It leverages a thirty-five question survey, designed for this research

and administered among U.S. residents, as a method of inquiry to provide a quantitative

description from the lens of macro conflict. This study also analyzes some of the effects

of the tech revolution by executing data about how people are currently getting their

impressions about economic systems and the primary sources and experiences that

inform them. This research argues that endogenizing economic knowledge can have far-

reaching repercussions in the prevention and avoidance of macro conflict. It also

recommends the use of non-Marxist theoretical frameworks to analyze conflict.

Chapter 1: Introduction

Background of the Study

In spite of living in the most prosperous era ever experienced in human history (McCloskey, 2016; Roser, 2016), American public sentiment has been reflecting high levels of pessimism for our current and future economic circumstances. People feel angry and betrayed by the governing elites, including the media and public officials. As a result, Americans seem to be looking for alternative solutions, even violent, to their perceived misfortunes. From the Battle for Seattle, to the Occupy Wall Street movement, to the rise of Bernie Sanders and Donald Trump, there is a palpable level of dissatisfaction with the *status quo* (Flynn, 2016; Pew, 2015). Some contend that the Millennials' adoration for the self-declared socialist Bernie Sanders is a clear example of the broken education system that failed to teach basic history, government, and economics (Deming, 2016). Others say that, on the contrary, it was about time to have a dedicated effort to present alternative solutions to replace the current 'failed' system (Brodwin, 2014). Regardless of our economic perspectives, there are social, economic, and political consequences when the public fails to adequately identify how economic models operate and why they render certain specific results.

Conflict is an enduring manifestation of human struggle, and humans have been observing, experiencing, and learning about conflict ever since their origins as species, e.g., Darwin proposed the idea that human evolution arose from conflicts with their environment (Wehr, 1998). Human interaction is the key feature of conflict regardless of the type of conflict (Folger, Poole, & Stutman, 2001). In broad terms, conflict arises

when there is the perception and/or the existence of incompatible goals, needs, and interests (Pruitt, Kim, & Rubin, 2004) between interdependent parties (Wilmot & Hocker, 1985). The organization of any economic, social, or political system requires a specific ontology of human nature and its normative approach generally leads to conflict. Social scientists have not been able to agree if human nature is fixed or perfectible. While this fracture pervades the analyses in social sciences and its younger discipline, conflict analysis, there is nonetheless an almost axiomatic tendency in academia to rely on Marxist-inspired solutions based on the perfectibility of man. As a consequence, this lens also affects its prescriptions. This study analyzes the philosophical side of this issue and its repercussions beyond economic systems.

In order to analyze the perception of current economic conflict in America that has been sending people out on the streets to protest, one should examine how the American framers established this republic. The role of government, as designed by the Founding Fathers, started changing more markedly since the New Deal in the 1930s and has given way to what today is generally denominated as the 'Welfare State' (Trattner, 2007). The extent of what services the government should offer has been expanding ever since and, consequently, its power over the citizens. America's economic system has remained decidedly capitalist throughout the years in spite of growing government interventionism in the economy. The focus has steered away from the framers' vision of human nature and many of our policy- and decision-makers have produced prescriptions that conflict with America's design of government. By the end of the twentieth century, with China's turn to capitalistic reforms starting in 1978 and the fall of the Soviet Union

in 1991, capitalism emerged as the prevalent economic system in the world and the United States as its most visible representative. However, the collapse of the Soviet Union and its Marxist paradigm has not deterred voices calling for socialist-based solutions in the United States.

This study attempts to understand factors that influence public sentiment, opinion, and knowledge regarding three economic systems—capitalism, socialism, and communism. In attempts to dissect the research question, this study hopes to identify the generational differences contributing to the perception and misperceptions of the three economic models; how actors gather their sources of information regarding the three models in the Internet age; and whether pre-existing and counter-attitudinal information influence the perception of economic policies.

Statement of the Problem

The field of economics belongs to the realm of social sciences. "Economics is the study of how societies use scarce resources to produce valuable goods and services and distribute them among different individuals" (Samuelson & Nordhaus, 2010, p. 4). The task of the economist is to explain economic phenomena about human action using theories. Capitalism, socialism, and communism have been the three prevalent economic systems in the world during the twentieth century. Philosophers Adam Smith and Karl Marx developed these theoretical frameworks based on their interpretations of human nature at the core of their analyses to offer their recipes on conflict. It is of the utmost importance to emphasize that the repercussions of their conceptualizations reverberate to our days. Although communism was considered a part of this study since this research

attempted to gauge people's perceptions and misperceptions of these three systems, the two dominating economic systems are actually capitalism and socialism—even if their praxis has never been entirely applied in pure, unadulterated forms. Capitalism factors in man's imperfections for its processes to address conflict without hopes of perfection, but of persuasion via incentives due to human self-interest. Socialism is based on the right socialization efforts, even forcefully, to reach the perfectibility of man in a classless, egalitarian society where there will be no more conflict. Capitalism and socialism are ideological rivals because both conceptualize humans in divergent ways and often prescribe antagonistic solutions to human problems. However, that has not stopped people from trying to blend them, often with dismal results.

The generational aspect is part of the problem studied in this research. Not only generational experiences matter. Other factors, such as levels of economic standing, political affiliation, and sources of information, can influence perceptions and misperceptions about economic systems. The United States may be undergoing a generational shift in affinity in favor of socialism, particularly among some of the Millennial generation. According to the U.S. Census Bureau (2015), Millennials are already the largest living generation and will remain the largest voting block for decades. It was a real shock to the country to see on TV the glowing faces of Millennials cheering enthusiastically for the socialist recipes of presidential candidate Bernie Sanders. That snapshot was a wake-up call for American society and the harbinger of a probable generational change in favor of larger socialist solutions in America. The growing distaste for the capitalist system among the younger may be a reflection of poor

economic education. Millennials are the richest generation in history reaping the benefits of capitalism in the most prosperous era that mankind has ever known. However, there seems to be a strong disconnect among the younger in the United States of where the things they cherish most come from.

As aforementioned, one aspect of the problem has to do with epistemological considerations. For example, most Americans are not proficient in economic literacy (Lusardi & Mitchell, 2014; Salemi, 2005; Walstad & Larsen, 1992). Therefore, if people do not know how the economy works, then they must be influenced by other factors in their epistemological assumptions. This research explores some of the variables affecting this behavior. However, the problem is not always a lack of information or knowledge, but a chosen ideological preference that favors concepts and ideas, which reinforce already-existing views, and resists any counter-attitudinal information (Edwards & Smith, 1996; Lord, Ross, & Lepper, 1979; Kuklinski & Quirk, 2000; Munro & Ditto, 1997; Taber & Lodge, 2006). Over recent decades, the compartmentalization of information has been greatly facilitated by technological means, enabling people to actively select information that confirm and further perpetuate their personal biases and to leave out uncomfortable facts. When presented with these facts, some people refuse to accept this factual information and remain steadfast to their preconceived beliefs up to the point that they will support their original opinion even more decidedly (Nyhan & Reifler, 2010).

In sum, humans are complex beings influenced by various internal and external forces, leading them to act in divergent and often unpredictable ways. Nonetheless, the

literature reveals that certain external factors can lead people to behave and feel in a certain way, particularly relating to their perception of the economic systems. This study collects data to understand the factors that influence sentiment, opinion, and knowledge regarding economic systems.

Research Questions

The purpose of this study is to explore Americans' perceptions and misperceptions regarding three economic systems—capitalism, socialism, and communism—to determine if there is a generational gap. Furthermore, this research seeks to explore how people acquire their epistemological assumptions of capitalism, socialism, and communism in the era of Internet and how perceptions and misperceptions about these three economic systems may play an important role in macro-conflict formation and prevention. This study is also interested in understanding the role of economic literacy in macro conflict, which may impact on the function of American society and influence governance for future generations. This study executes quantitative research methods in order to determine the following research questions:

1. Is there a generational gap in perceptions and misperceptions about economic systems?

2. Are Americans apathetic towards the capitalist system?

3. Is higher household income more likely to positively affect sentiment about capitalism?

4. Which American generation is more likely to rely on traditional or new media for gathering information about capitalism, communism, and socialism? Is there a generational difference in the preference of sources of information?

Significance of the Study

This scientific study explores opinion and sentiment formation as well as economic literacy in the American population regarding capitalism, communism, and socialism. Furthermore, it delves into how perceptions and misperceptions of the systems can yield macro conflict, especially in an era of influential social media and 24-hour news coverage. This academic study offers a window to analyze current trends and its conclusions may shed light on specific conditions, factors, and characteristics driving societal conflict relating to the perception of the three economic systems. It may inspire future research to explore how these powerful variables have an effect on preventing, assuaging, and addressing macro-conflict formation.

This study also attempts to deconstruct the process of endogenizing. In this case, endogenizing refers to the process by which people internalize the various economic models such as capitalism, communism, and socialism. Economic understanding is of the utmost importance in democracies since it impacts the extent to which citizens will contribute, support, and play a role within the larger democratic process (Friedman, 1982; Graber, 2002, Stigler, 1970; Walstad, 1998). For instance, governments need voter support in order to enact policies and legitimize their actions – otherwise, civil unrest, protests, and conflict may arise (Gompert & Gordon, 2008). Endogenizing economic knowledge can have far-reaching repercussions in the prevention and avoidance of macro

conflict. This can be critical for the democratic system to function properly. Our economic information usually comes from the news industry, but without formal instruction and explanation, the information is difficult to grasp and becomes meaningless (Walstad et al., 1992). As such, this study will explore the efficacy of knowledge about the news as it relates to economic literacy.

While knowledge of the various economic systems and its outcomes may be important, knowledge in and of itself does not warrant an acceptance of the particular outcome, especially when the person already has a predisposition of the particular economic system (Walstad, 1998). As such, this study makes a cross-tabulation of participants' responses and opinions in order to gauge economic literacy and to identify whether economic reasoning influences positively or negatively on the acceptance of a specific economic model. The collected data provides a clearer understanding of how economic perceptions and misperceptions are created in the Internet era and the contribution of factors such as the sources of information in opinion formation of economic models. This research employs data to interpret societal behavior through an economic lens in an integrative effort to fuse economics and conflict analysis.

Need for the Study

Few studies have explored the underlying causes for the generational phenomenon and the role played by economic perceptions and misperceptions in this trend. In the literature, there is a rich empirical and theoretical body of work on economics. However, far less attention has been given to the question of if and how

people acquire and apply economic literacy and how influential this knowledge is in macro-conflict prevention.

This research leverages data to analyze the statistical significance of different variables in conflict formation, bridging economics and conflict analysis as a contribution to the field. This study also renders valuable information about current social processes, generational trends, the growing importance of economics for peaceful resolution, why people differ in their externalization of the economic systems, and knowledge acquisition in the twenty-first century to address—and even prevent—conflict situations. The study also analyzes how views on human nature can affect policy and the operational results of economic systems, particularly in the United States. The results of this study can help the field of conflict analysis to identify risk factors for macro-conflict causation and to develop targeted solutions and conflict-prevention strategies to difficult social problems.

Summary of Methodology

This study executes quantitative methods. The aim of the research is to identify if there is a generational gap in perceptions regarding capitalism, communism, and socialism. It also analyzes specific conditions, factors, and characteristics in Americans' acquisition of epistemological assumptions in the Internet age about economics. More specifically, the research is interested in exploring the following questions:

1. Is there a generational gap in perceptions and misperceptions about economic systems?

2. Are Americans apathetic towards the capitalist system?

3. Is higher household income more likely to positively affect sentiment about capitalism?

4. Which American generation is more likely to rely on traditional or new media for gathering information about capitalism, communism, and socialism? Is there a generational difference in the preference of sources of information?

This study leverages a cross-sectional, thirty-five-question online survey, specifically designed for this research, as a method of inquiry to provide a quantitative description of the phenomenon. The survey includes demographic questions (state of residency, age, gender, race, education, household income, discretionary income, and debt); levels of consumer sentiment, economic literacy, economic outlook, and social awareness; types of sources of information; and knowledge of economic systems. The survey starts by gauging the participants' level of economic literacy with a series of questions targeting understanding and knowledge of economics and three specific economic systems. The survey also measures respondents' current sentiment about personal and national economic circumstances and asks participants about their personal opinions regarding the three economic systems. This research also analyzes some of the effects of the tech revolution by leveraging data about primary sources and experiences that inform people on economics. The survey concludes with a series of demographic questions to categorize participants in different groups and to determine if there are statistical correlations among the variables. This instrument collected data of current trends by studying a sample of the population of the United States. The aim is to

generalize from sample to population in order to infer attitudes or behaviors of the general population (Babbie, 1990; Creswell 2009).

The target was to obtain a sample of up to 1,001 anonymous participants from the fifty states of the U.S. population, including the District of Columbia. This sample population consists of adults from 18 years of age or older from various socio-economic demographics. Data analysis was conducted using IBM's Statistical Package for Social Science (SPSS) to compute descriptive statistics (frequency data, charts, tables) and inferential statistics (cross-tabulation, correlation, etc.). SPSS was used to explore these relationships.

Limitations

Studies are mostly limited to the use of small subsets of the population to generalize findings (Babbie, 1990; Creswell, 2009). Quantitative instruments, such as the survey of this study, facilitate that task. The sample population target of this study was 1,001 participants living in the United States and the District of Columbia. The survey ultimately closed with 549 respondents.

This instrument was an online survey, which limits participation to people with Internet and access to computers, tablets, or smartphones. Therefore, people without Internet access could not participate and be included in the study. It was also limited to domestic participation, since international IPs were not allowed to access the survey. However, with the use of VPN systems, there might have been some people who participated anyway without our knowledge.

The survey was lengthy and consisted of thirty-five questions, many of them gauging knowledge and understanding of economic concepts. Certain participants may have felt the survey was simply too long or too complicated for them and abandoned the effort. Latent is also the factor that "people will state an opinion about an economic issue despite having no knowledge of the topic" (Walstad et al., 1992, p. 1230).

One common problem with survey instruments is that participants are sometimes reluctant to reveal their real opinions and make up answers instead. That aspect might have been somehow mitigated since this survey was not executed with face-to-face interviewers, but anonymously via the Internet. However, the surveyees might have googled some answer instead of deploying their actual knowledge. It may also be difficult to gauge someone's grasp and knowledge of economics with just some questions (Dahl, 1998). Nonetheless, Walstad (1997) argued that,

> economic knowledge, whether measured by an overall score or by knowledge of a specific question, may be the most critical factor determining public opinion on economic issues, perhaps more important and more consistently influential than other personal characteristics such as age, sex, race, education, income, or political party. (p. 203)

Definition of Terms

Conflict. The perception and/or the existence of incompatible goals between two or more parties (Pruitt et al., 2004). Although conflict can be a positive or negative occurrence, it is always used in a negative context throughout this study, unless stated otherwise.

Capitalism. "The term perhaps eludes a universal or essentialist definition, but it is invariably associated with ownership of private property, capital accumulation, wage labor, competitive markets, legally binding contracts in relation to services, and agreements concerning prices" (Williams, 2015, p. 3).

Communism. "A political theory derived from Karl Marx, advocating class war and leading to a society in which all property is publicly owned and each person works and is paid according to their abilities and needs" (Kramer, 2015, p. 40).

Economics. "Study of how societies use scarce resources to produce valuable goods and services and distribute them among different individuals" (Samuelson et al., 2010, p. 4).

Economic literacy. "The competence in identifying and evaluating economic concepts as it relates to personal finance, the economy, and political systems" (Johnson, 2013, para. 3). People "attain economic literacy if they can apply basic economic concepts years later, in situations relevant to their lives and different from those encountered in the classroom" (Salemi, 2005, p. 47) as students.

Human nature. "Fundamental dispositions and traits of humans" (Britannica, 2016).

Misperception. "Case in which people's beliefs about factual matters are not supported by clear evidence and expert opinion – a definition that includes both false and unsubstantiated beliefs about the world" (Nyham et al., 2010, p. 305).

Perception. "In humans, it is the process whereby sensory stimulation is translated into organized experience" (Britannica, 2016). Mental process "influenced and shaped by learning, memory, expectation, and attention" (Mann, 2016, p. 34).

Socialism. "Socialism is an economic system characterized by state or collective ownership of the means of production, land, and capital" (Rosser & Barkley, 2003, p. 53). "This system emphasizes equality rather than achievement and values workers by the amount of time they put in rather than by the amount of value they produce" (Investopedia, 2016).

Chapter 2: Literature Review

The literature review explored the issue of how our conceptualizations of human

nature shape the theoretical frameworks used to analyze conflict. This dissertation is

based on a specific anthropology about human nature to interpret conflict: At the heart of

every social, political, and economic system, there is a particular ontology of human

nature defining it (Ficarrotta, 1988; Madison, 1788; Sowell, 1987; Wehner & Brooks,

2011). The interpretation and the way this ontology develops "will determine the lives we

lead, the institutions we build, and the civilizations we create. They are the foundation

stone" (Wehner et al., 2011, p.1). Thus, people have created structures, such as

governments, to address macro conflict; therefore, the policies chosen by our

governments based on a specific idea about human nature have ripple effects throughout

society across the years, or even across generations or centuries (Sowell, 1987). The case

example of the United States as a model of this conceptualization was reviewed. The

literature review also reported on the theoretical frameworks, on which the three

economic systems rest, since they are based on a precise understanding of human nature.

Philosophers Adam Smith and Karl Marx developed theoretical frameworks with their

interpretations of human nature at the core of their analyses. This literature review

explored the intellectual history of three main current economic systems: capitalism,

socialism, and communism by broadly presenting the main tenets inherent to each

system. It also covered briefly the development of these conceptualizations and the links

to their considerations of human nature. This literature review also reported on why the

field of economics and its conceptualizations of human nature are interconnected in

economic prescriptions and analyses. Economic data require theoretical interpretation. Economics is a science that studies and seeks to interpret often unpredictable human behavior with incomplete information and fallible theories about mankind. Another aspect also reviewed in this study was the psychological aspects of perceptions and misperceptions in public opinion formation and the role that economic literacy may play in shaping personal opinions about economics. The literature review concluded reporting about the powerful role of certain actors, e.g., the media, in educating the public as well as in covering the importance of explaining how the democratic process operates and the acquisition of economic knowledge in conflict prevention and resolution. Finally, the study explored the sources people use for economic information and epistemological assumptions in the era of Internet.

Conflict and Human Nature: Three Theoretical Approaches

Conflict is an enduring manifestation of human struggle and humans have been observing, experiencing, and learning about conflict ever since their origins as a species, e.g., Darwin proposed the idea that human evolution arose from conflicts with their environment (Wehr, 1998). Human interaction is the key feature of conflict regardless of the type of conflict (Folger et al., 2001). In broad terms, conflict arises when there is the perception and/or the existence of incompatible goals, needs, and interests (Pruitt et al., 2004) between interdependent parties (Wilmot et al., 1985). Conflict is not necessarily a negative occurrence since it can be both constructive and destructive (Coser, 1958; Folger et al., 2001). Competing interests can yield constructive outcomes, e.g., market competition spurring innovation, or peaceful opposition to produce societal change. Since

not all conflict is negative, societies can benefit from conflict if they learn how to enhance its positive traits (Folger et al., 2001; Ritzer & Stepnisky, 2013; Schellenberg, 1996). Compared to other scientific disciplines, the systematic study of conflict is a novel field that is constantly striving to be recognized in its own right with the bulk of its work being produced during the last half of the twentieth century (Schellenberg, 1996). In spite of the rich literature generated by this epistemological endeavor, scholars still have not been able to produce a holistic view about the etiology of conflict. Given the complexity of man, that objective may be unattainable.

Some of the most prominent intellectual figures across human history have differed as how they define, perceive, and envision the functionality of conflict: Plato and Aristotle and their idea of the need for order in society to reduce conflict; social contract theorists Thomas Hobbes, John Locke, and Jean-Jacques Rousseau postulating the control of conflict through governments; Adam Smith and his capitalistic theory of self-interest to assuage conflict through trade; Georg Hegel and his functional view of conflict through dialectics; Karl Marx, who used Hegel's dialectic notion to describe conflict as a matter of class struggle due to economic determinism; Charles Darwin and his seminal theory of man's evolution as his response to conflict with the environment; Georg Simmel describing conflict as essential for proper group functioning; Emile Durkheim's macro-level approach, mostly known as functionalism, which emphasizes the need for mechanisms of cohesion and solidarity in society to attenuate the likelihood of conflict; Sigmund Freud's innate aggression theoretical approach on social conflict; and Max

Weber and his model of legal-rational-bureaucratic authority to organize societies as a means to reduce conflict (Rahim, 2001).

The concept of what constitutes human nature has been debated for centuries, and it is central to the history of Western philosophy. Human nature is generally described as a set of "fundamental dispositions and traits of humans" (Britannica, 2016). Theoretically speaking, the taxonomy of human nature has two polar positions, fixed or perfectible. In between the two poles, there is an impressive array of opinions. In addition, there is also the concept that there is no human nature at all. The issue of our humanity has been debated for centuries by important figures such as Socrates, Plato, Aristotle, Descartes, Kant, Locke, Hume, Smith, Rousseau, Hegel, Marx, Darwin, Freud and others. Although the etiological considerations of "nature" vs. "nurture" reverberate to our days, when we consider normative approaches for societal development, reform, or change, our presuppositions about human nature are critical, especially in issues such as public policy and social change (Amato, 2002; Ficarrotta, 1988; Pinker, 2002; Sowell, 1987; Wehner et al., 2011). Our conceptualizations impose specific approaches and yield certain specific results. Three significant ontological assumptions have emerged from the frameworks:

1. Humans are inherently flawed due to their fixed nature.

2. Humans are flawed, but perfectible.

3. Although humans are inherently flawed and not perfectible, they are amenable to persuasion via incentives.

The first vision viewed the human race as inherently flawed due to its fixed nature. English philosopher Thomas Hobbes (1588-1679), the main figure of this

conceptualization, described in his book *Leviathan* (1651) that the state of nature has "every man at war against every man" and where the life of man is "solitary, poor, nasty, brutish, and short" (p. 99). According to the Hobbesian version of the social contract, human nature is fixed and the source of conflict; therefore, it requires a central power—the sovereign—to keep it under control. As such, a covenant between the State and its citizens is necessary in order to regulate people's tendency to engage in conflict. Citizens sacrifice their natural liberty to an authoritarian, centralized entity that would, in turn, impose a moral order; the sovereign then becomes the conduit of security, justice, and peace (Hobbes, 1651; Mace, 1979; Rogers, 2006; Shand, 2005; Tuck, 1989).

The second vision viewed human nature as flawed, but perfectible. This conceptualization flourished during the French Age of Enlightenment pioneered by Jean-Jacques Rousseau. According to Rousseau (1762), human nature is perfectible through socialization since it is malleable and, depending on the social circumstances, it can be either "corruptible or redeemable" (p. 10). Rousseau believed that humans could improve and change but with the help of proper social structures and the application of reason. Humans are good at heart, according to Rousseau, but the institutions of civilization corrupt us. His prescription was based on the idea of collectivism, "transforming each individual…into a part of a larger whole" (p. 20). This collectivist interpretation inspired other theories and revolutionary movements with the final objective of producing the 'New Man', e.g., Karl Marx's influential theories about humans and a classless society, achievable only through violent means to destroy the capitalist system, had enormous repercussions in the history and sciences of the twentieth century (Hobden & Jones,

2001; Lynch, 2004; Ritzer & Smart, 2003). It is worth noting that Hobbes and Rousseau, although they part from two opposing views on human nature, prescribe the same sort of solution to human conflict: Authoritarian government—Hobbes to avoid anarchy and Rousseau to forge better men (Shand, 2005).

The third vision considered humans as flawed and not perfectible, but amenable to persuasion via incentives. Adam Smith (1776), the leading figure of this conceptualization, believed that, while human nature is not perfectible, humans are not hopelessly corrupt beings. Despite believing that humans are not capable of creating any perfect society or institution due to their natural imperfections, Smith identified one main motivator that could better society and lead us into prosperity: Self-interest. Without any grandiose hopes of perfection, Smith recognized that human beings could defuse a negative trait, such as selfishness, and harness it into a more nuanced version, such as self-interest, as the grand motivator of human action. He believed that humans should understand it, accept it, and harness it accordingly. What makes Smith's approach remarkable is the way he foresaw the potential repercussions of human behavior. Smith did not pretend to change or re-program human nature. His acceptance of human shortcomings transpired in his theory, which became more of a description about how humans operate than a prescription on how to behave. In his groundbreaking book *An Inquiry into the Nature and Causes of the Wealth of Nations,* Smith (1776) advanced this theory;

> Every man, as long as he does not violate the laws of justice, is left perfectly free
>
> to pursue his own interest his own way, and to bring both his industry and capital

into competition with those of any other man. (Ch. IV, 9.51)

For Smith, the ripple effects of human action can yield positive outcomes for the general welfare: "It is not from the benevolence of the butcher, the brewer, or the baker that we expect our dinner, but from their regard to their own interest" (Ch. I, 2.2). His example illustrates that the pursuit of one's self-interest can *inadvertently* result in promoting the public good. Smith warned that "by pursuing his own interest, he frequently promotes that of the society more effectually than when he really intends to promote it" (Ch. IV, 2.9). Smith explained that we must work with what we have, without hopes of ostentatious or forced generosity. His rationale remains in stark contrast with the vision about the goodness and perfectibility of the human condition. Smith's self-interest theory is "the basis of the economic order and the main psychological factor in industrial prosperity" (Morrow, 1927, p. 326). A relatively unknown Smith wrote *Wealth of Nations* as a critique to mercantilism and presented a descriptive theory about economics as related to human nature, which we know today as capitalism (Butler, 2011). Smith's *Wealth of Nations* was a daring intellectual exercise for the eighteenth century when mercantilism reigned supreme. The groundwork for *Wealth of Nations* is found in Smith's previous book *The Theory of Moral Sentiments,* the indispensable companion to *Wealth of Nations* in order to understand Smith's philosophical framework.

Economics and Human Nature: Historical Context

Economics is the study of "how societies use scarce resources to produce valuable goods and services and distribute them among different individuals" (Samuelson et al., 2010, p. 4). According to Menger (1871), the empirical method of economics entails

to reduce complex phenomena of human economic activity to the simplest elements that can still be subjected to accurate observation, to apply to these elements the measure corresponding to their nature, and constantly adhering to this measure, to investigate the manner in which the more complex economic phenomena evolve from their elements according to definite principles (p. 46).

The literature has long recognized that economics depends on its understanding of human nature to advance its theoretical propositions (Kirzner, 2000; Mises, 1945; Robbins, 1932; Sowell, 1987). Regarding the science of economics, Menger (1871) argued that, "economic theory is related to the practical activities of economizing men in much the same way that chemistry is related to the operations of the practical chemist" (p. 49). Economic theory is based not only on observation, but also on a distinct interpretation of the human condition. Different appreciations of human nature inform economic systems and these complex systems operate under certain premises that produce certain outcomes. However, the fallacy in the science of economics assumes that individuals have exact knowledge of all the factors in decision-making (Hayek, 1945), but "error is inseparable from all human knowledge" (Menger, 1871, p. 148). Economic data require theoretical interpretation; this field has a plethora of theoretical frameworks from which to choose. An explanation of the Great Depression of 1929 requires an economic theory and depending on that theoretical choice—Keynesian, monetarist, Austrian, Marxist, or other—a different interpretation and conclusion of the same event will emerge.

There are limits to economic knowledge since economics is a science that studies and seeks to interpret often unpredictable human behavior with incomplete information and fallible theories about mankind. However, this is a controversial concept in the economics profession. In economics, nothing is actually settled and everything is controversial, even its most basic tenets, because it analyzes human action and seeks to predict it. To be an economic expert requires a balancing act: On the one hand, to understand that the same issue can be interpreted with different theories in a variety of ways and, on the other hand, the need to exercise some "'epistemic humility'—a willingness to admit how little we know" (Horwitz, 2016, para. 15) in our endeavors trying to understand something as complex as an economy.

Smith and Capitalism

Modern capitalism, Adam Smith's conceptual child, is the economic system based on self-interest as the main motivator of human action. Private property, free trade, free markets, and private enterprise driven by profit and lending are the main pillars of this economic system. Its foundations rest on individual freedom to choose within the constraints of the law. Contrary to the idea that "gain and profit made on exchange never before played an important part in human economy" (Polanyi, 1947, p. 52) until Smith presented his economic theory in 1776, capitalism did not start with Smith. Market activity has existed long before the rise of the Westphalian State. Trade is an ancient custom of humanity consisting in the exchange of goods or services. Since the prehistoric days of our distant ancestors until today with all our modern paraphernalia, trade has been at the heart of human action throughout history and it is recognized as one of the

oldest social institutions on the planet. Entire civilizations rose around its practices becoming very famous centers of trade, e.g. Sumer, Crete, Egypt, Phoenicia, and others. Trade has been the engine of economic growth in human history and social philosophers, such as Smith and Hayek, have considered the capitalist free-market system as the natural model of society. Capitalism bases its explanations on the idea that a spontaneous order emerges as the result of human action, not of human design—an idea close to Smith's invisible hand and later central to Menger, Mises, and Hayek's theses.

The human desire to obtain new kinds of goods has been the leitmotif behind trade and the marketplace has facilitated this particular economic endeavor. From primitive beginnings, the expansion of logistical networks to provide the exchange of goods and services just went on enriching the countries at their path, not only in economic terms, but also with cultural interactions, the sharing of new technologies, and the promotion of the spirit of adventure in search of the last frontier. For instance, Adam Smith referenced his native country of Scotland as an example on how access to world markets through free trade can help poor nations become rich (Sorman, 2008).

Free trade requires free markets. According to Rothbard (1993), *"free market* is a summary term for an array of exchanges that take place in society" (para. 1). Trade happens precisely "because both parties benefit: if they did not expect to gain, they would not agree to the exchange" (Rothbard, 1993, para. 2). The free-market system requires a free-price system. Prices, set by supply and demand, are signals for the proper allocation of resources (Sowell, 2007). In his book *Principles of Economics* (1871), Menger explained in his theory of value that things as such as worthless; their value stems from

the capacity to satisfy a certain need and pioneered the idea that "not only the nature but also the measure of value is subjective. Goods always have value to certain economizing individuals and this value is also determined only by these individuals" (p. 146). Therefore, taken all this into consideration and based on the fundamental economic principle of scarcity, only the market should determine the right price of goods for proper functioning (Sowell, 2007).

Hayek (1945) indicated that the price system's real function is "to communicate information….The most significant fact about this system is the economy of knowledge with which it operates, or how little the individual participants need to know in order to be able to take the right action" (p. 526). Just a price-coordinated economy is efficient enough to link successfully the myriad of those dispersed tiny pieces of knowledge to convey in summary and compelling form what innumerable people want (Sowell, 2007). All these economic concepts constitute the nucleus of free-market, capitalist economics. Human interactions, led by an 'invisible hand', promote an end, which is not a part of man's *conscious* intention (Smith, 1776). Due to his ideas on human nature, Smith believed that the common good of society is better served by unintended individual action rather than by programmed collective effort. It is important to emphasize that Smith's theory is more descriptive than prescriptive. Harking back to his celebrated example aforementioned, Smith was not telling the butcher, the brewer, and the baker what to do. He simply observed and described human action at work and decided to write down the process and results of such transactions.

Smith's ideas influenced the politicians of his time, changing history and leading

to trade agreements, the lifting of tariffs and subsidies, and the reform of taxation (Butler, 2011). These changes also enabled Britain to transition into the first industrial society of the nineteenth century, which paved the way for the Industrial Revolution, a major turning point in human history (Fulcher, 2004). Not only the policy changes helped, the Enlightenment also contributed to the intellectual framework and served as the breeding ground for this development in history. The scope of this change was felt first in Britain, spreading afterwards to continental Europe, the United States, and the rest of the world. Incredible inventions transformed the manufacturing, transportation and agricultural sectors; it was a shift that set the stage for a massive expansion in economic activity (Brown, 2001). Freedom-based ideas also flourished during this period and were reflected in new constitutions guaranteeing basic rights, the rule of law, property rights, and free trade. The days of political absolutism and the divine right of kings were losing ground and giving way to the expansion of the democratic system. In addition, Europe grew interdependent and its peoples could move freely looking for better life conditions.

Smith's ideas paved the way for the Industrial Revolution, which represented a tectonic shift. "The changes it ushered were not only industrial, but social and intellectual" as well (Ashton, 1948, p. 2). An event of such proportions could not happen without affecting some people and industries negatively. Some saw these obstacles and changes as insurmountable. Machines became the enemy of man; the hostility to the Industrial Revolution, expressed in the culture by the Romantic Movement and the press, amplified the negatives sides of the process. It was fertile ground for Karl Marx and his new theory about history and man based on economic determinism—a scathing critique

of the capitalist system.

Marx: Socialism and/or Communism

Socialism is an economic system "characterized by state or collective ownership of the means of production, land, and capital" (Rosser et al., 2003, p. 53). This system emphasizes equality rather than achievement and values workers by the amount of time they put in rather than by the amount of value they produce (Investopedia, 2016). Socialism's most fundamental tenet is the creation of an egalitarian society based on solidarity and cooperation (Newman, 2005). Socialism has been "the most influential secular movement of the twentieth century, worldwide" (Kurian, 2012, p. 1554). Among the different traditions of socialism emerging "as dominant by the early 1920s were social democracy and communism" (Newman, 2005, p. 5). The idea of an egalitarian society can be traced back to Ancient Greece (Pipes, 2001), but modern communism was born when the Bolsheviks assumed power in Russia in 1917 (Newman, 2005).

Karl Marx was the leading philosopher behind the socialist/communist conceptualization. In Marxian terms, socialism was the stage in the transition between capitalism and communism. Marx's ideas were based on the image of a future perfect mankind that had successfully destroyed the economic structures of the capitalist society and can then live in a stateless and classless society where conflict will cease to exist— thus attaining the "end of history" (Clarke, 1971; Ritzer et al., 2013; P. Singer, 1980). It is challenging to try to separate Marx from political thinking; his theoretical framework is all inclusive since he intended to present "a connected whole to show the relationship between the parts" (Marx, 1844, p. 14). By the end of the nineteenth century, *socialism*

was the preferred term among Marxists over *communism* because the latter was considered old fashioned and with the same meaning as socialism (Steele, 1992). While there is a sense that communism entails a more revolutionary approach to change, there has not been a clear distinction between communism and socialism for most of the twentieth century leading to confusion; the terms have been often used interchangeably and it harkens back to how inconsistent Karl Marx and Friedrich Engels were in their application of these terms (Newman, 2005). Marx and Engels published the *Communist Manifesto* in 1848 stating; "The history of all hitherto existing society is the history of class struggle" (p. 9). This pamphlet challenged the capitalist form of socioeconomic organization and called for a violent revolution of the proletariat as the only way to get rid of the structures holding the capitalist system in place. Marx's theoretical framework was based on his appreciation of human freedom and his take on the capitalist system. Marx thought that, for man to be free, no capitalism could exist. He described capitalism as a mode of production in which capital is the principal means of production and private property is the root of all evil. Marx not only criticized capitalism, he also made a prediction of its demise "based on the separation that market exchange creates between the production of goods and their use" (Roberts, 2004, p. 588).

Marx's most popular theories are exploitation, class struggle, historic materialism, and alienation.

- Exploitation theory: Based on Marx's interpretation of the value of labor, workers' wages never reflect the full value of their work because the capitalist keeps that difference—surplus value—as profit, becoming rich at his workers'

expense. Marx called it 'capitalist exploitation'—a notion that, although debunked by the Subjectivist Revolution, still reverberates to our days with his allegoric representation of capitalism as a vampire sucking the living labor.

- Class struggle: Through his materialistic conceptualization of history, class struggle—seen as membership in an economic class according to how one relates to the means of production—becomes the driving force of historical changes and it is one of the cornerstones of Marx's philosophy.

- Alienation theory: Feuerbach's thesis lays the basis of Marx's alienation theory, which describes Divine creation as wrongly designed because it produces diversity and individuality. As a result, the human being becomes "alienated" from God, from nature, from other people, from everything since humans become individuals. He presented communism as a way to solve this alleged conflict. With Earth as common property, communism would transform all humans into one group of equal beings by erasing all differences with the compulsory need of imposing this vision to all in order to reach oneness. This new society would design its own material forces of production. Then humans will have reached the end of history by finally replacing God as the Creator and engendering heaven on Earth.

- Historic materialism: Marx thought that human economic classes evolved to human wealth through the Hegelian dialectic process: Thesis-Antithesis-Synthesis. Combining the notion of class divisions and dialectic materialism

as the guarantor of progressive economic evolution, Marx created historical

materialism, his materialistic conception of history, which is Marxism's

intellectual basis. His process of dialectic materialism features six specific

phases of human economic history: Primitive communism, the slave system,

feudalism, capitalism, socialism, and eventually communism (Lynch, 2004;

Newman, 2005; Ritzer et al., 2013).

The economic restructuring of a socialist/communist society cannot be separated

from politics since social life is tied to the rationale of man's perfectibility at its core.

Marx thought of human nature as perfectible, changeable, depending on the created

economic conditions in society. Furthermore, the economic transformation from

capitalism to socialism and finally to communism would ultimately eliminate our worst

traits and transform society (P. Singer, 1980) into one harmonious community without

conflict. Marx thought that humans only had liberal rights in a capitalistic society because

those were needed to grease the wheels of a free-market economy rather than out of

genuine moral conviction (Orend, 2002). Devoid of liberal rights, Marx presented

communism as the alternative: An economy with no private property, centrally planned

and organized to produce for direct use, in which "every product would have a

predetermined use and market exchange would not be involved either in the organization

of production or in the distribution of products to consumers" (Roberts, 2004, p. 588).

Marx deplored classical economics because of its tenets: competition, private

property, profit, the market, liberal rights, the division of labor, etc. since, according to

Marx, these tenets constituted the alienation phase that humans needed to transcend in

order to be free (P. Singer, 1980). His rejection of classical economics led him to believe in the feasibility of a centrally-planned economy. However, in his book *Socialism*, Mises (1922) warned almost 100 years ago about the impossibility of a successful centrally-planned economy: "Where there is no market, there is no price system and where there is no price system, there can be no economic calculation" (p. 131). In contrast, the apparently-messy capitalist economic system works producing economic prosperity because it is based on market prices that make possible "understanding, calculation and subsequent human action" (Wubben, 1995, p. 116).

Which system is best?

The heated debate about which system is 'best', 'moral', or 'humane' has produced very determined defenders and detractors. Scholars do not seem to agree on anything these days; however, if a simple examination of the rich literature this issue has been producing is a good predictor, we will continue discussing the issue unabatedly in the near future. Although the systems conceptualized by Smith and Marx have never been reified in their pure, unadulterated forms, different versions of the systems have emerged in countries around the world. They have produced an array of results that have shaped the history of the last three centuries. The choice of economic system to govern nations still remains a contentious exercise and the source of conflict, at times violent, because it is intimately intertwined with politics, governance, ideology, emotions, and human welfare. Capitalism, socialism, and communism have a rich intellectual history, full of analyses, off-shoots, and their respective share of friends and foes. Adding to the quandary is the fact that even the meaning of what constitutes capitalism, socialism, and

communism will depend on a mix of information and personal experiences. In addition,
there is not 'one capitalism', or 'one socialism'. These systems have come in different
varieties, interpretations, and intensities.

The twentieth century was an extremely bloody era in human history with wars
and upheavals in the struggle for the organizational system of choice that ultimately
resulted in the death of over 200 million people worldwide (Bassouni, 1996; Brzezinski,
1993). As Kaplan (2001) has argued; "the problem with the twentieth century was the
way that liberalizing ideals and utopian ideals chain reacted with the Industrial
Revolution to produce incredibly bad ideologies in a number of states" (p. 5). By the end
of the twentieth century, with China's turn to capitalistic reforms starting in 1978 and the
fall of the Soviet Union in 1991, capitalism emerged as the prevailing economic system
in the world and the United States as its most visible representative. The Reagan
Revolution of the 1980s—with his policies favoring capitalist tenets such as
liberalization, free trade, and free-market policies—accelerated the pace of globalization
and marked the beginning of the Second Industrial Revolution with its two most visible
effects currently in display: The emergence of new technology and global trade. The tech
revolution ushered in cheap communications and tools that made possible the emergence
of the World Wide Web for mass use in the 1990s (Aronson, 2006). It marked a before
and after in human history because it has affected how people interact as a society in
personal, national, and international terms.

The collapse of the Soviet Union—along with its Marxist paradigm—has not
diluted the appeal of socialism in some quarters. American society seemed to be trending,

once again, towards more European-style socialist recipes. Different instruments measuring public opinion had apparently revealed that large portions of the Millennial Generation increasingly favor socialism in the United States (Flynn, 2016; Pew, 2015). A significant push towards that direction can affect the role of government and what citizens expect in government performance.

Friedman and Friedman (1989) identified three tides relating to the proclivity towards and against capitalism and socialism since the eighteenth century. First, the rise of *laissez-faire* capitalism, 'The Adam Smith tide'; second, the rise of the Welfare State, 'The Fabian tide'; and the third rise is the resurgence of free markets, 'The Hayek tide' (p. 135). Each tide lasts between 50 to 100 years. With the advent of the communications revolution, people's new access to knowledge and information, and the explosion of social media, the time span of the tides may be shortening to just decades as the election of Barack Obama and Donald Trump seem to indicate.

The United States: Framework and Human Nature

The eighteenth century was a significant historical period filled with watershed events such as the Age of Enlightenment, the birth of the United States, the publication of Adam Smith's *Wealth of Nations*, and the onset of the Industrial Revolution. The year 1776 is particularly symbolic because of two events happening on that year that profoundly affected the course of history: The establishment of a new polity with the independence of the United States and the publication of Smith's book *Wealth of Nations* that revolutionized the way the world viewed economics. Both of these events laid the

foundations for the modern world and influenced the ways in which America has been impacting the world stage.

The American experiment was sketched out from a few simple but unprecedented and revolutionary principles. The ideas on which the nation was founded sprang from the pages of some controversial books, far removed from the status of 'authoritative sources' in those days. The application of those ideas to governance is what makes the United States different from other democracies (Kaplan, 2001; Wehner et al., 2011; Wilson, DiIulio, Bose, & Levendusky, 2015). The American framers were convinced that the foundation of the country should rely upon a new form of polity in which legitimacy rested on the sovereignty of the people. The framers argued that human nature was sufficiently good to possibly "have a decent government based on popular consent, but…not good enough to be inevitable" (Wilson et al., 2015, p. 33). If Descartes saw men as angels, the Founding Fathers did not. They believed that human nature was flawed but amenable to persuasion with the right incentives and constraints (Madison, 1788; Wehner et al., 2011). One of the framers' main concerns was the need to limit power. The Founders' reading marked the conceptualization difference on government and human nature between the American Revolution and the French Revolution—and their divergent results (Kaplan, 2001). The Founding Fathers felt that no person should be trusted with absolute power. Their rationale had to do with their conceptualization of human nature that Lord Acton (1887) summarized best a century later writing that, "Power tends to corrupt and absolute power corrupts absolutely. Great men are almost always bad men" (para. 3). The *Federalist Papers*, written by James Madison, Alexander Hamilton, and

John Jay, contained the clearest expression of the framers' view about human nature as being driven by self-interest (Bianco et al., 2015; Wilson et al., 2015). Madison argued that, with the right constitutional arrangements, the very self-interest that led people toward factionalism and tyranny could be properly harnessed. The framers felt that no person should be trusted with absolute power. Therefore, their conceptualization of the "separation of powers would work, not in spite of the imperfections of human nature, but because of them" (Wilson et al., 2015, p. 34).

Almost seven decades before Marx's criticism of philosophers only interpreting the world, but not changing it (Marx, 1845), the framers of the American republic were putting into practice the philosophical assumptions of Smith, Locke, and other like-minded thinkers. This praxis did change history and the world. For example, the new application of the American-style sovereignty concept—that sovereignty was based upon the principle of consent—forever shaped the way people considered their relationship in self-governing democracies. It was the basic premise of the revolutionary American system of government and it was the first attempt that put these individual freedom-based, radical untested ideas into practice, marking the birth of liberal democracy:

> Government was no longer something that happened to people. In America it now became something the people – by their consent and volition – brought into being. The people gave their consent through their conduct and their active participation reinforcing the message that the people were America's new sovereign. (Fritz, 2008, p. 1)

Sovereignty is "the bedrock upon which America's democracy and self-government are built" (Rivkin and Casey, 2001, p. 7). This means that the ultimate authority is in the hands of the people (Lutz, 1980). In the case of America, the establishment of a new form of polity in which legitimacy rested on the sovereignty of the people was unprecedented. The formulation "*We, the People of the United States*" is not just another rhetorical phrase; it clearly specifies who grants the enumerated powers detailed in a landmark political agreement—the U.S. Constitution. The effect of this covenant entails that elected officials who obtain this legitimate authority to govern are accountable to those who granted it. Constitutions establish the location of a government's legitimate political authority and the rules inform the exercise and limits of political power (McGrew, 2006). Article VI (2) declares the U.S. Constitution as the supreme law of the land. America's constitutionalism started its official journey in 1787 with the Philadelphia Convention and continues its growth and development to these days. The Founding Fathers knew that other constitutions had failed in their efforts to curtail power and protect individual liberties. The framers' explanation to that malfunction was to be found in human nature. Therefore, it is crucial to understand that the U.S. Constitution is not an abstract philosophical piece, but the expression of a concerted effort to solve conflict using a very specific view of human nature (Bianco et al., 2015; Madison, 1788; Sowell, 1987, Wilson et al., 2015). Madison eloquently explained this rationale in *The Federalist Papers,* Nº 51;

> The interest of the man must be connected with the constitutional rights of the place. It may be a reflection on human nature, that such devices should be

necessary to control the abuses of government. But what is government itself, but the greatest of all reflections on human nature? If men were angels, no government would be necessary. If angels were to govern men, neither external nor internal controls on government would be necessary. In framing a government which is to be administered by men over men, the great difficulty lies in this: You must first enable the government to control the governed; and in the next place oblige it to control itself. A dependence on the people is, no doubt, the primary control on the government; but experience has taught mankind the necessity of auxiliary precautions. (Madison, 1788, para. 4)

The U.S. Constitution's final purpose is not to detail how to run the government; it just provides the general framework and America's officials fill in the blanks in order to do the people's bidding. It has never been a struggle-free endeavor, and Americans have argued since the revolutionary days about the different rules and norms that should constitute their government's framework. When discrepancy arises, it is resolved hermeneutically, i.e., the Constitution must be interpreted to reflect what the framers intended, but taking into consideration the circumstances. The U.S. Supreme Court has the final word on these issues and its binding decisions and rulings formulate constitutional law.

Based on Montesquieu's model, the framers designed a system to disperse power in order to avoid its concentration. The separation of powers is an enduring principle about the division of legislative, executive, and judicial branches of government. Their duties and enumerated powers are established in Articles I, II and III of the Constitution

respectively. One more way conceived to abridge power was the system of checks and balances to prevent that any of the branches can violate America's *trias politica* by becoming more powerful than the others. As a result, these branches are constantly constraining each other's power through legal mechanisms. Federalism is the other major component of power dispersal that specifies how to structure America's system of government. Federalism describes how the political entities of the republic relate in a hierarchical way—federal, state, and local—and join in as pieces of a puzzle to constitute the full picture of the American polity's organization. The U.S. motto *E Pluribus Unum* (One out of many) may best express the federalist intent of integration. Designed to protect civil liberties, federalism limits government power by dividing it into federal and state powers rather than having one sole central authority exerting its overwhelming might over the citizens.

What closes this virtuous circle is its emphasis on the individual. The framers insisted on curtailing the arbitrary power that government could exert over its citizens and they saw the need to normatively guarantee individual freedoms. The Declaration of Independence, the Constitution, and the protection of civil liberties enshrined in the Bill of Rights are a vivid reflection of Lockean thinking with his focus on liberty and individualism. These documents are also a careful cogitation of the role of human nature in government. Individualism is deeply rooted in the American ethos as part of the Anglo-American approach in which individuals take precedence over the interest of groups and reject government interventionism.

The role of government, as designed by the framers, started changing drastically ever since the implementation of Franklin Delano Roosevelt's New Deal in the 1930s (Trattner, 2007). America was born a capitalist country with a specific structure of government based on a particular view of human nature; this foundation changed dramatically with the introduction of the 'Welfare State'. In the debate between capitalism versus the Welfare State, capitalism lost in the 1930s (Fine, 1956; Hofstadter, 1955; Kloppenberg, 1944). The extent to which services the government should offer has also been expanding—and thus its power over its citizens. The focus has steered away from the framers' vision of human nature and many of our policy- and decision-makers had produced prescriptions that conflict with America's design of government. If capitalism is based on self-interest and socialism is based on egalitarianism, then there would appear basic irreconcilable differences and normative approaches between the two economic philosophies. Trying to mix structurally-conflicting approaches has been an exercise long practiced, especially in Europe, but not without upheavals, failures, and human suffering. In Europe as well as in the United States, one of the results that this conceptualization mix has produced, exclusively in economic terms, is unfathomable national debt burdens that, even the most optimists admit, will be impossible to repay. The Europeans have a protracted history with socialist ideas embedded in their institutions and a marked inclination for statist, collectivist policies based on the idea of the perfectibility of man. The debate about wanting to "change" America and "make it more like Europe" has to do with the way the United States was designed and its belief about human nature for policy prescriptions, which is different from the Rousseauian

European approach. Part of the American ethos is to believe that the country is a meritocracy; success is there for those who work hard. This conceptualization can "help explain why the United States is the only large industrial democracy without a significant socialist party and why the nation has been slow to adopt certain welfare programs" (Wilson et al., 2015, p. 87).

The Marxist concept of class may be foreign to American society, but it is essential to understand Marxism and the importance of pitting one group against another for policy prescriptions. According to Marx, class defines one's place in society, and this taxonomy produces conflict. In Marxian terms, the stratification of a capitalist society is organized in several layers, but conflict primarily stems from the relationship between the proletariat (the working class) and the bourgeoisie (the owners of the means of production). Marx also considered exploitation a matter of class and inherent to capitalism with the rich exploiting the poor to become richer and keep them poor. Without any allocation to Marxist thinking, this idea is constantly heard on the news to explain the nature of business and in the discourse of many politicians seeking to earn votes and keep constituencies with the promise of redistributing wealth.

Marxism as a paradigm of critical thinking has a very prominent role in the analysis of human affairs in social sciences. Marx's materialistic conceptions of man, class struggle and economic inequality are found as key tenets of preponderant theoretical approaches of conflict studies. The Marxist idea that eliminating socio-economic differences will eradicate or minimize conflict is pervasive in social theory. In fact, leading scholars of conflict analysis have posited theories that are offshoots of Marxist

thinking, for example: Critical theory, feminist theory, post-structural theory, postcolonial theory, queer theory, world-systems theory, race conflict theory, human needs theory, relative deprivation theory, social constructionism, or structural violence theory—the list is not exhaustive.

Two Marxian concepts are ingrained in contemporary social analysis: 1) social change comes through social conflict; and 2) the structure of society makes social conflict inevitable (Schellenberg, 1996). Marx prescribed revolution as the normative approach to effect structural change. The organization of societies is important to study societal change. In conflict analysis, social structural theories pay particular attention to the structure and organization of societies. Based on Marxian thinking, the social structural approach requires social reform "so the primary points of tension are eliminated" (Schellenberg, 1996, p. 14). Marx is perhaps the thinker who most clearly advocated societal change through violent means and whose theories have had profound influence in social theorization and, surprisingly, in *peaceful* conflict resolution. Marx's theories of changing human nature via economics in order to transform society are so pervasive and practically undisputed that, today "a return to a pre-Marxist conception of human nature is unthinkable" (P. Singer, 1980, p. 94). Today there are complete fields in social sciences, including conflict analysis, that incorporate *de facto* Marxist theory as the basic assumption of social processes in society, widely disregarding alternative conceptualizations. "Marx's thought and his methods have become so axiomatic that their origin is no longer remembered" (Arendt, 2002, p. 274). This axiomatic status, especially in academic analyses, is so overwhelming that scholars do not seem to be able to analyze

with alternative lenses. There is little emphasis to address issues without the perfectibility lens. Marx's false view of human nature (P. Singer, 1980) has been percolating American society to a point that the general public remains unaware that the vision of the Founders is radically different from Marx's ideas and that most of the academic concepts promoted today in the marketplace of ideas are based on his egalitarian and anti-capitalist structural analyses. According to Hobden and Jones (2001), Marxist theorist Antonio Gramsci believed that, "dominant ideologies become sedimented in society to the extent that they take on the status of unquestioned 'common sense'" (p. 236) as they spread through the institutions of civil society, e.g., the media, the education system, the culture, and other organizations. As Peter Singer (1980) famously stated, "We are all Marxists now" (p. 3), even if we are not fully aware of it and what it entails.

Perceptions, Misperceptions, and Plain Ignorance

The psychological aspects. In humans, perception is the process whereby sensory stimulation is translated into organized experiences (Britannica, 2016). Philosophers have tried for centuries to explain what constitutes perception and the mechanics of the process, but it has been as contentious as trying to explain the fundamentals of our ontologies and epistemologies (Rummel, 1979). Knowledge is central to perception because all our empirical knowledge is based on how we sense the world around us (O'Brien, 2015).

Perceptions make reality. People tend to believe that they are not interpreting the world, that they act objectively; this tendency is called naïve realism: How one sees the world is really the way it is, and if others do not come to the same conclusion, then there

is something wrong with them rather than with oneself (Ross & Ward, 1996). In addition, humans tend to believe that their perceptions are free of bias and untainted by factors such as preference or preconceived notions (Segall, Campbell, & Herskovitz, 1966). Also playing a role in how we build our opinions are our misperceptions, which can be defined as "cases in which people's beliefs about factual matters are not supported by clear evidence and expert opinion – a definition that includes both false and unsubstantiated beliefs about the world" (Nyham et al., 2010, p. 305). The literature has documented extensively that Americans of all generations have low factual knowledge of government, politics (Delli Carpini & Keeter, 1996; Gilens, 2001; Kuklinski, Quirk, Jerit, Schweider, & Rich, 2000; Stigler, 1970) and in particular, about economics (Dahl, 1998; Markow & Bagnaschi, 2005; Stigler, 1970; Walstad et al., 1992; Walstad, 1998). Consequently, this illiteracy affects how they shape their opinions (Althaus, 1998) and their understanding of economics and financial literacy (Lusardi et al., 2014; Salemi, 2005; Sowell, 2007; Walstad et al., 1992). Determining the reasons behind this epistemological deficit is important for social science (Nyhan et al., 2016).

Misperceptions contribute to the distortion of public debate and warp how people collect their information and form their opinions; as a result, voters end up not only supporting conflicting policies but vote for candidates who do not support these voters' preferred policies (Bartels, 2002; Gilens, 2001; Kull, Ramsay, & Lewis, 2003; Nyhan et al., 2010). The continued prevalence of political misperceptions reveals a deficit in information; it may be due perhaps to lack of interest or knowledge in politics (Delli Carpini 2005; Nyhan et al., 2016).

Another contributor to this prevalence may be the effect of "confirmation bias", which describes how humans tend to look for the evidence that matches their personal views while at the same time reject, dismiss, or choose to be selective with information against held beliefs (Garb, 1998; Kida, 2006; Tavris & Aronson, 2007). Some people may show "bias blindspot" by detecting other people's biases while not detecting their own (Pronin, Lin, & Ross, 2004). Others may exhibit "belief perseverance" by clinging to discredited beliefs (Anderson, Lepper, & Ross, 1980; Ross, Lepper, & Hubbard, 1975) and, in a recent discovery, not only clinging to their discredited original opinion, but expressing them *a posteriori* with even more conviction when challenged, producing a "backfire effect" (Nyhan et al. 2010).

There is a distinction between being informed, being uninformed, and being misinformed. Informed individuals are people who hold factual and accurate beliefs; to be uninformed means one does not have factual beliefs; and the misinformed are those who hold counterfactual beliefs (Kuklinsky et al., 2000a; Nyhan et al., 2010). In a democracy, citizens need ready-available factual information to evaluate policy and then use these facts to inform their personal leanings (Kuklinski et al., 2000b). The format this information is presented also plays a decisive role in debunking misinformation and misperceptions (Nyhan et al., 2016). Information plays a vital role in opinion formation and new information can contribute to alter people's beliefs and policy preferences (Gilens, 2001; Kuklinski et al. 2000b; Page & Shapiro, 1992).

Public opinion and information. People form their opinions based on certain considerations, such as, political and religious beliefs, party identification, economic

status, personal experiences, and other factors; if considerations change, they may also effect change in people's opinions since most opinion is usually latent and not necessarily fixed (Bianco et al., 2015). According to Lippmann (1922), the pictures inside our heads about the world and ourselves constitute public opinion. V.O. Key (1961) defined public opinion as: "Opinions held by private persons which governments find it prudent to heed" (p. 14). While a constrained definition may be "citizens' views on politics and government actions" (Bianco et al., 2015, p. 160), public opinion is not limited to politics since it also influences areas such as economics, culture, art, and other walks of life. James Madison (1791) introduced the concept of public opinion to the United States as the belief that an educated citizenry is necessary for the survival of the newly-minted democracy: "Public opinion sets bounds to every government and is the real sovereign in every free one" (para. 1). Since America is governed by the consent of the governed, policy should reflect that fact as the basis of government decision-making (Page et al., 1992; Wehner et al., 2011). In America, there is considerable evidence that government policies have reflected the preferences of public opinion as choices are shaped by the public mood, not by the choices of politicians (Bianco et al., 2015; Jacobs & Shapiro, 2000; Kastellec, Lax, & Phillips, 2010; Kuklinski et al. 2000b; Page et al., 1992). Great changes and reforms are generally feasible if they are backed by a majority of the public (Bianco et al., 2015; Graber, 2002; Page et al., 1992).

People collect information that shapes their opinions from different sources and agents of socialization. Family is recognized as a primary agent as children are influenced by their parents and other family members' teachings, opinions, and attitudes (Glass,

Bengtson, & Dunham, 1986). Political affiliation starts in childhood at home and generally remains stable until the onset of the voting age (Campbell, Converse, Miller, & Stokes, 1960; Hyman, 1957; Hess & Torney, 1967). In adulthood, people expand their social networks and engage in conversations about politics, economics, and society not only with family members but with friends, peers, and others. This interaction contributes to dissemination, interpretation, refinement of their information (Glass et al., 1986; Graber, 2002; Page et al., 1992) and of the pictures inside their heads (Lippmann, 1922).

Opinions and affiliations are not etched in stone; they are malleable and influenced, among others, by teachers, educational and religious institutions, and trends in society (Abramowitz, 1983; Bianco et al., 2015; Glass et al., 1986; Graber, 2002; Koenig, 1982; Minns & Williams, 1989). While family is important in shaping our opinions, young adults can rebel and be influenced by college experiences or adopt divergent viewpoints (Abramowitz, 1983; Koenig, 1982). Nonetheless, in adulthood, most orientations and opinions acquired in a lifetime are ultimately shaped by the information furnished via the mass media—print and online newspapers and magazines, television, radio, and websites—as nearly all modern research reveals (Bianco et al., 2015; Graber, 2002). The media are the main contributors to the formation of our collective imagination since we do not have access to first-hand accounts of events (Happer & Philo, 2013).

Before the era of Internet, traditional media were hegemonic in the flow of the information released to the public. In turn, this process garnered the media enormous clout and influence in civil society and government. In the United States, the media are

famously referred to as the "Fourth Estate" (Carlyle, 1841, p. 392), in reference to its role in society, so powerful that rises to the level of the three branches of government: Executive, Legislative, and Judicial. It is the only business explicitly protected in the Bill of Rights under the First Amendment. The media's powerful role as guardians in a democracy serves to expose government misconduct and to keep the institution accountable (Graber, 2002; Soroka & McAdams, 2012).

The control of knowledge and information has historically been the province of a privileged few and the weapon of choice of governments and elites to keep them in power. Since the days of Gutenberg and his revolutionary printing press to the present, many technological developments gave rise to the empire of the written media and to the spread of knowledge and information. In the twentieth century, beyond the printed media, radio and television forever changed the way the people got informed. The advent of Internet, with all its related gadgets, has facilitated access to a much greater flow and amount of information available. It is popularly said that Internet has democratized the access to information with its new ways to inform and get informed. Thus, "the power of [media] gatekeepers seems to diminish in a modern information society" (J. Singer, 2006, p. 265). The power that traditional media wield may be dwindling, but it is still enormous.

According to McCombs and Shaw (1972), the mass media set the agenda for the public. The media "cull and craft countless bits of information into the limited number of messages" (Shoemaker & Vos, 2009, p. 1) that ultimately reach the public. Thus, the media may not only tell us what to think with their coverage (McCombs et al., 1972), but

also how to think about the issues (Cohen, 1963). As Lippmann (1922) warned, American public opinion is a reflection of the world the media depict, which does not necessarily mean it is an accurate picture of reality, and may create a "pseudo-environment" (p. 12). This was patently in display after the "surprising" election of Donald Trump, who, according to the media, never had a chance to win the presidency. Fortunately in a free society, people do not assimilate media reporting uncritically (Philo, Miller, & Happer, 2015). Yet the media's power is still unrivaled when driving the public's interest on issues and events.

The media can influence and change societal attitudes and trends via the depictions they offer to the public (McCombs et al., 1972)—after all, they are the gatekeepers "determining what becomes a person's social reality and a particular view of the world" (Shoemaker et al., 2009, p. 3). Thus, the media also educate the public about political and economic issues; not only they drive the conversation towards the topics of their choice, but limit the range of topics driving public opinion (Happer et al., 2013; McCombs et al., 1972). Issues and events left out become non-existent in most people's worldviews (Shoemaker et al., 2009). The media are central in informing what goes on, especially for those with no direct knowledge or experience of issues and events who and depend on media outlets to fill in the information gaps (Happer et al., 2013). Low levels of satisfaction with government have been expressed in surveys and studies of American society. The media have also sunk to those same levels of mistrust, even before their election debacle of 2016. Both institutions, mass media and government, are near record lows in public trust, sinking year after year (AP-NORC, 2014; Gallup, 2015; Pew, 2015).

Hibbing and Theiss-Morse (2002) argued that, "dissatisfaction with government can be dangerous" (p. 1) because it may lead to violent conflict. The political process in a democracy is difficult and conflictual, but it is the peaceful mechanism to address and resolve conflict (Bianco et al., 2015; Madison, 1787; Wehner et al., 2011). Politics is conflict because people need to agree on issues and reach consensus in order to carry out policies. Conflict is inevitable in life and politics is a part of life. The public seems to hate the bickering that the process ineluctably yields, but debate is after all a healthy manifestation in a democracy. It is extremely difficult to agree on policy with so many parties involved with competing interests and needs; however, this natural procedural difficulty is hardly ever highlighted and the political process is regularly criticized instead (Graber, 2002; Theiss-Morse & Hibbing., 2005; Walker 2002). The media tend to negatively magnify the process with their predilection for reporting negative news (Haskins, 1981; Soroka et al., 2012; Stafford, 2014). After all, bad news sell more than good news (Allport & Milton, 1943; Soroka et al., 2012).

American institutions use the democratic process "to find ways to bring competing needs to the table and make difficult decisions about the allocation of resources and the production of values" (Walker 2002, p. 187). Governance is a conflict-saturated process, but the overestimation of the need for consensus is creating new problems: If people do not understand the mechanics of the democratic process specifically designed to resolve conflict and therefore reject the idea of legitimate conflict in the name of consensus, then they see the entire democratic process as faulty and unnecessary (Hibbing et al., 2002). In general terms, the public needs information about

the initiatives that their democratic governments and institutions undertake and the goals they want to achieve. Otherwise, policies will not be sustainable in the long run and lose legitimacy. In statecraft, the struggle for legitimacy involves both performance and perception (Gompert et al., 2008). People need to know if, what, and how it has been done or what worked and what did not work. Not only the media, but leaders can make a difference and help the public to understand politics (Page et al., 1992). It is important that the public becomes aware that the painful process is also a protection mechanism for individual liberties. If it were that simple, politicians could pass all kinds of laws and impose them as easily on the people. The American Founders designed the system precisely to make it difficult for politicians to steamroll the people's will and created institutions to filter and temper the hotheaded wants of the moment. With the media overblowing the negative side of the process and repeating that the system is 'broken' because there is 'no consensus', citizens do not know how "to tolerate conflict in a highly diverse, complex, modern, democratic political system" (Hibbing et al., 2002, p. 162). The current overemphasis on that "consensus and harmony are good whereas conflict and disagreements are bad undermines what democracy is all about" (Theiss-Morse et al., 2005, p. 237). The same can be said about a country's economic system since politics and economics go hand in hand. Negative news content is overrepresented in the media (Soroka et al., 2012; Letamendi, 2014). Magnifying the negative side of issues sells, but also makes emotions run amok and gives a distorted picture of reality since it leaves out the greater good the economy produces. The state of the economy has enormous influence on the people, directly affecting how public opinion judges the political system

and how people vote (De Boef & Kellstedt, 2004) as well as how people spend their money. It is only logical to correlate that if the people are happy with how things are run in the country, they will want to keep in place the general system. The current mood of the country has long been negative about the state of the economy (Gallup's Economic Confidence Index, 2016). This perception directly impacts other social or economic behaviors, as a consequence (Letamendi, 2014). The emergence of the Donald Trump and Bernie Sanders candidacies in 2015 were in part a reflection of the people's unhappiness with the *status quo*. In the 2016 election, millions of people went to the polls in records numbers of participation because they wanted to communicate their anger and frustration against the political establishment, the *status quo*, and the elites' 'rigged' system.

Economic systems and economic literacy. While there is a need for citizens to be aware that "democracy is supposed to be messy, conflictual, and difficult" (Walker, 2002, p. 187) in order to "better appreciate the usefulness of institutional arrangements" (Hibbing & et al., 2002, p. 162), they also need to raise their dismal level of economic literacy to understand how economic systems work and why certain policies produce certain results. Few are those within our own economy that actually understand what the economy is and how it operates (Letamendi, 2014). Economic endogenizing has effects on economic behaviors and voter support of government policies; economic literacy is the most consistently influential variable regarding policy preferences (Burstein 2003; Evans, 2015; Walstad, 1997; Walstad & Rebeck, 2002). Further research indicates that when people are taught about economic principles, there is a significant increase in

knowledge and practical application of this knowledge (Walstad, Rebeck, & MacDonald, 2010) and in macroeconomic policy preferences (Allgood, Bosshardt, van der Klaauw, & Watts, 2010). Economic illiteracy can potentially yield economic misperceptions in the public and pave the way for policies that could produce negative or perverse effects on the economy and on our economic institutions (Walstad et al., 1992). Politicians feel the pressure and may not have the fortitude, the vision, or even the economic literacy to resist the short-term political gains of giving in to voters' ill-informed concerns and desires. Endogenizing economic knowledge can have far-reaching repercussions in the prevention and avoidance of macro conflict. This is critical for the democratic system to function properly. Economics is important since it informs debate about crucial day-to-day issues (Salemi, 2005). Dahl (1998) argued that "the essence of economics is understanding the choices, or trade-offs, arising from allocating scarce resources" (para. 1). Our economic information usually comes from the news industry, but without formal instruction and explanation, the information is difficult to grasp and becomes meaningless (Walstad et al., 1992).

The study of economics should begin in the school and be part of the curriculum early in life—even young children can learn to grasp basic economic concepts—because the best chances to have a good foundation are planted before high school (Walstad, 1998). Americans in general, including students, exhibit important gaps in economic knowledge and awareness (Markow et al., 2005; Walstad et al., 2002). Other surveys evidence that even when people may recognize some economic principles, most are not able to deploy this knowledge in important real-life situations (Lusardi et al., 2014;

Markow et al., 2005; Salemi, 2005; Walstad et al., 1992). A classic example of this dilemma was found in a study gauging economic literacy. The question was measuring understanding of supply and demand and the price system. Sixty-four percent of adult respondents and 79 percent of college seniors answered that prices are determined by supply and demand in the free market. However, when asked if a crisis would reduce the supply of oil and cause a price rise, rather than letting the market operate, 65 percent of the adult respondents and 45 percent of the college seniors wanted the government to intervene and stop the price rise (Walstad et al., 1992). These respondents looking to the government to stop the price rise did not correlate that the cap in prices would create less supply in the form of long queues and black markets to satisfy the demand (Salemi, 2005; Sowell, 2007). A real-life current example of the price-cap effect is seen daily in socialist Venezuela where the government puts price caps to a variety of goods, which simply disappear off the shelves, but people can find some of them in the black market at sky-high prices. The same had repeatedly happened in the Soviet Union and other socialist/communist countries with price controls and no market economies.

Nonetheless, ignorance about economics does not stop people from having and voicing strong opinions about economic issues (Walstad et al., 1999; Horwitz, 2016). Economic ignorance comes in an array of forms, but the worst kind of all is ignorance about one's own economic ignorance (Horwitz, 2016). People forget that economic data require theoretical interpretation; therefore, there are different explanations and prescriptions for the same event. That is why we need to be familiar with basic economics so that we can better understand the different sides of policy issues. For

example, some want the government to order a raise of the minimum wage to $15 to help low-income workers and stimulate economic activity while others say that the raise will hurt precisely those same low-income workers because it produces layoffs and a contraction in job availability. Some will come up with data backing one side while others will come with another set of data backing the other side. It is human nature after all. There are different explanations and prescriptions to the same event because we use different conceptualizations of man to analyze data. One important factor to have present in our analyses should be that we do not have all the information since there are so many factors influencing human activity that predictability may never be feasible. Human action is not as replicating a scientific experiment in a controlled lab—humans are unpredictable.

Capitalism vs. Socialism in America today. Scarcity defines economics and societies have different answers in response to coping with economic phenomena. Some countries have chosen markets to solve their needs; others have chosen the State to do the job; some look to implement the best of both systems. In all cases, governments have played a role in trying to solve or assuage conflict. The great difference between the systems is the degree of State intervention in the lives of citizens. In socialism, the central power is the government and it is the main provider, supplier, and organizer. In American capitalism, the system was designed to keep government's power limited and to let individuals decide via free markets. European leaders have sought a blend of both systems. In economic terms, this mix has yielded a pronounced dependency factor and staggering debt. These contrasting visions are still at the center of the debate about the

role of government. While few dispute the need of a government, the main issue is to what degree people want government intervention to solve conflict, including the conflict of society's economic needs. A look at socialist Venezuela with all those empty shelves and people queuing endlessly for goods are a reflection of how macro conflict can arise due to wrong government policies.

In spite of living in the most prosperous era ever experienced in human history (McCloskey, 2016; Roser, 2016), American public sentiment has been reflecting high levels of pessimism for our current and future economic circumstances. People feel angry and betrayed by the governing elites, including the media and public officials. As a result, Americans seem to be looking for alternative solutions, even violent, to their perceived misfortunes. From the Battle for Seattle, to the Occupy Wall Street movement, to the rise of Bernie Sanders and Donald Trump, there is a palpable level of dissatisfaction with the *status quo* (Flynn, 2016; Pew, 2015). Different reports and polls have informed that America may be undergoing a generational shift in affinity in favor of socialism, particularly among some of the Millennial generation. According to the U.S. Census Bureau (2015), Millennials are already the largest living generation and will remain the largest voting block for decades. In the spirit of the tides about which Friedman and Friedman (1985) hypothesized, the pendulum seemed to be moving once more towards socialism at the beginning of this new century until popular revolt brought Brexit to the European Union and the election of Donald Trump to the United States.

Chapter 3: Research Method

This study executed quantitative methods. The purpose of this study was to explore Americans' perceptions and misperceptions regarding three economic systems—capitalism, socialism, and communism—to determine if there is a generational gap. Furthermore, this research sought to explore how people acquire their epistemological assumptions of capitalism, socialism, and communism in the era of Internet and how perceptions and misperceptions about these three economic systems and economic literacy may play an important role in macro-conflict formation.

Research Questions

Research Question One (RQ1). Is there a generational gap in the perceptions and misperceptions about three economic systems in the population of the United States?

Null hypothesis one (H$_o$1). There is no generational gap in the perceptions and misperceptions about the three economic systems in the population of the United States.

Alternate hypothesis one (H$_1$). Millennials are more likely to favor socialism and have greater levels of misperceptions of the three economic systems than other generations in the population of the United States.

Research Question Two (RQ2). Are Americans apathetic towards the capitalist system?

Null hypothesis one (H$_o$2). Americans are not apathetic towards the capitalist system.

Alternate hypothesis one (H$_2$). Millennials are more apathetic towards the capitalist system.

Research Question Three (RQ3). Is higher household income more likely to positively affect sentiment about capitalism?

Null hypothesis one (H_o3). Higher household income is more likely to positively affect sentiment about capitalism.

Alternate hypothesis one (H3). Higher household income does not positively affect sentiment about capitalism.

Research Question Four (RQ4). Which American generation is more likely to rely on traditional or new media for gathering information about capitalism, communism, and socialism? Is there a generational difference in the preference of sources of information?

Null hypothesis one (H_o4). Americans are more likely to equally rely on newspaper, blogs, and news media for gathering information on capitalism, communism, and socialism. There are no generational differences in the preference of particular sources of information.

Alternate hypothesis one (H4). Americans differ in how they gather information on capitalism, communism, and socialism. Baby Boomers are more likely to mostly rely on traditional media. GenXers are more likely to rely on a mix of traditional and new media. Millennials are more likely to mainly rely on new media. There is a generational difference in the preference of particular sources of information.

Sample

The sample population for this study includes data for respondents across all 50 states of the United States. The target was to obtain a sample of at least 1,001 anonymous

participants from the United States population, including the District of Columbia. This sample population had adults from 18 years of age or older across all demographics and socio-economic statuses. The aim is to generalize from sample to population as to infer attitudes or behaviors of the general population (Babbie, 1990; Creswell 2009).

Instrument

The instrument employed in this study is a cross-sectional survey, designed for this research, as a method of inquiry. This instrument collects data of current trends by studying a sample of the population of the United States. The instrument is an online survey. Only respondents with access to Internet and computers, tablets, or smart phones can participate and be included in this study.

The first eight questions (1-8) of this survey come from Economic Literacy Quiz elaborated by the Council for Economic Education to gauge adult literacy in economics across the nation. These eight questions are specifically included in this survey because they measure knowledge about basic micro and macro economic issues.

The next five questions (9-13) come from The University of Michigan Survey Research Center's *Index of Consumer Sentiment*. As the name of the *Index* indicates, it measures consumer sentiment about the economy of the United States. It deploys five specific questions gauging economic outlook and awareness about the state of the economy, how respondents feel about their personal current and future economic fortunes, and if now it is the right time for the participant to buy a major household appliance. The responses to these five questions can be positive, negative, or neutral. The responses receive a relative score of 200, 0, or 100, respectively in its calculation. As

aforementioned, the five questions of the *Index of Consumer Sentiment* are part of the instrument used in this study and render valuable insight about how people currently feel about the economy and its future prospects.

The University of Michigan's *Index of Consumer Sentiment* uses a formula to calculate respondents' sentiment, in which the component questions are found below:

The relative scores of the five component questions are used in the equation and are defined as the percent giving favorable replies minus the percent giving unfavorable replies, plus 100. Each relative score is rounded to the nearest whole number. The denominator of the formula is the 1966 base period total of 6.7558, and added constant (*n*) is to correct for sample design changes from the 1950s. Prior to December 1981, $n = 2.7$; for December 1981 and after, $n = 2.0$" (as cited by Letamendi, 2014, pp. 94-95).

The *Index of Consumer Sentiment* executes the following formula;

$$ICS = \frac{X_1 + X_2 + X_3 + X_4 + X_5}{6.7558} + n$$

The numerator in this formula corresponds to the following questions;

- "We are interested in how people are getting along financially these days. Would you say that you (And your family living there) are <u>better off</u> or <u>worse off</u> financially than you were <u>a year ago</u>?"

- "Now looking ahead -- do you think that <u>a year from now</u> you (and your family living there) will be <u>better off</u> financially, or <u>worse off</u>, or just about the same as now?"

- "Now turning to business conditions in the country as a whole -- do you think that during the <u>next twelve months</u> we'll have <u>good</u> times financially, or <u>bad</u> times, or what?"

- "Looking ahead, which would you say is more likely -- that in the country as a whole we'll have continuous good times during the <u>next five years</u> or so, or that we will have periods of widespread <u>un</u>employment or depression, or what?"

- "About the big things people buy for their homes -- such as furniture, a refrigerator, stove, television, and things like that. Generally speaking, do you think now is a <u>good</u> or <u>bad</u> time for people to buy major household items?"

The rest of the questions found on this survey (14-35) were specifically created for this survey to measure participants' levels of consumer sentiment, economic literacy, economic outlook, and social awareness; knowledge of economic systems; types of sources of information; and demographic information.

Survey

The survey of this study contains thirty-five questions relating to demographic information, economic literacy, consumer sentiment, economic outlook, social awareness, sources of information, and epistemological assumptions of the three economic systems studied in this research—capitalism, communism, and socialism. Questions 1 to 8 are from the Council for Economic Education. Questions 9 to 13 are from the University of Michigan's *Index of Consumer Sentiment*. Questions 14 to 35 were specifically designed for this survey. Most of the answers in this instrument are

delivered in multiple-choice style while other answers have Likert-type scales. Since the survey seeks to gauge personal opinion, it also executes in some instances of the survey open-ended questions in which the participants will type their responses.

1. A large increase in the number of fast-food restaurants in a community is most likely to result in:

   Rationale: This is the first out of eight questions chosen for this survey from the Council for Economic Education's 20-question economic literacy quiz for adults. Since the United States' economic system is capitalist in nature, Americans should know how the system works. The answers measure respondents' knowledge regarding basic economic issues in a capitalist society. This question covers cause and effect in supply-and-demand situations. Participants select one answer from the following menu: Lower prices and higher quality; Lower prices and lower quality; Higher prices and higher quality; Don't Know.

2. A person who starts a business to produce a new product in the marketplace is known as:

   Rationale: This is the second out of eight questions chosen for this survey from the Council for Economic Education's 20-question economic literacy quiz for adults. The answers measure respondents' knowledge regarding basic economic issues in a capitalist society such as this one. This specific question gauges knowledge about definitions and roles in a capitalist society.

Participants select one answer from the following menu: A manager; A bureaucrat; An entrepreneur; Don't Know.

3. An increase from 5% to 8% in the interest rates charged by banks would most likely encourage:

Rationale: This is the third out of eight questions chosen for this survey from the Council for Economic Education's 20-question economic literacy quiz for adults. The answers measure respondents' knowledge regarding basic economic issues. This question covers cause and effect in the money supply regarding interest rates. Participants select one answer from the following menu: Businesses to invest; People to purchase housing; People to save money; Don't Know.

4. If your city government sets a maximum amount that landlords can charge in rent, what is the most likely result?

Rationale: This is the fourth out of eight questions chosen for this survey from the Council for Economic Education's 20-question economic literacy quiz for adults. The answers measure respondents' knowledge regarding basic economic issues. This question covers cause and effect in supply-and-demand situations. Participants select one answer from the following menu: There will be more apartments available than people want to rent; There will be fewer apartments available than people want to rent; The number of apartments available will be equal to the number of people that want to rent; Don't Know.

5. When the federal government's expenditures for a year are greater than its

   revenue for that year, the difference is known as…

   Rationale: This is the fifth out of eight questions chosen for this survey from

   the Council for Economic Education's 20-question economic literacy quiz for

   adults. The answers measure respondents' knowledge regarding

   macroeconomic issues. This question gauges the participants' grasp defining

   three different situations in an economy. Participants select one answer from

   the following menu: The national debt; A budget deficit; A budget surplus;

   Don't Know.

6. Mexico grows fruits and vegetables and Argentina produces beef. If Mexico

   voluntarily trades fruits and vegetables in exchange for Argentinean beef…

   Rationale: This is the sixth out of eight questions chosen for this survey from

   the Council for Economic Education's 20-question economic literacy quiz for

   adults. The answers measure respondents' knowledge regarding basic

   economic issues. This question touches the issue of trade and its effects.

   Participants select one answer from the following menu: Both Mexico and

   Argentina benefit from the trade; Both Mexico and Argentina lose from the

   trade; Mexico benefits and Argentina loses from the trade; Don't Know.

7. If the real gross domestic product (GDP) of the United States has increased,

   but the production of goods has remained the same, then the production of

   services has…

Rationale: This is the seventh out of eight questions chosen for this survey from the Council for Economic Education's 20-question economic literacy quiz for adults. The answers measure respondents' knowledge regarding macroeconomic question gauges the participants' understanding of how a capitalistic economy operates and their grasp of macro-economic definitions. Participants select one answer from the following menu: Increased; Decreased; Remained the same; Don't know.

8. The stock market is an example of an institution within our economy that exists to help people achieve their economic goals. The existence of this institution…

    Rationale: This is the eighth out of eight questions chosen for this survey from the Council for Economic Education's 20-question economic literacy quiz for adults. This question gauges the participants' knowledge of the market system and the role of one of its most established institutions. Participants select one answer from the following menu: Results in an increase in the price of stocks; Brings people who want to buy stocks together with those who want to sell stocks; Helps predict stock earnings; Don't Know.

9. We are interested in how people are getting along financially these days? Would you say that you (and your family living there) are <u>better off</u> or <u>worse off</u> financially than you were <u>a year ago</u>?

    Rationale: This is the first out of five questions included in the University of Michigan's *Index of Consumer Sentiment*. It is forbidden to alter the wording

or the underlining. The answers measure respondents' current perceptions on economic outlook and personal circumstances. Participants select one answer from the following menu: Better off; Worse off; About the same.

10. Now looking ahead -- do you think that <u>a year from now </u>you (and your family living there) will be <u>better off</u> financially, or <u>worse off</u>, or just about the same as now?

     Rationale: This is the second out of five questions included in the University of Michigan's *Index of Consumer Sentiment*. It is forbidden to alter the wording or the underlining. The answers measure respondents' short-term expectations on economic outlook and personal future circumstances. Participants select one answer from the following menu: Better off; Worse off; About the same.

11. Now turning to business conditions in the country as a whole -- do you think that during the <u>next twelve months</u> we'll have <u>good</u> times financially, or <u>bad</u> times, or what?

     Rationale: This is the third out of five questions included in the University of Michigan's *Index of Consumer Sentiment*. It is forbidden to alter the wording or the underlining. The answers measure respondents' short-term expectations on the country's economic outlook and the performance of its economic system. Participants select one answer from the following menu: Good times financially; Bad times financially; About the same.

12. Looking ahead, which would you say is more likely -- that in the country as a whole we'll have continuous good times during the <u>next five years</u> or so, or that we will have periods of widespread <u>un</u>employment or depression, or what?

    Rationale: This is the fourth out of five questions included in the University of Michigan's *Index of Consumer Sentiment*. It is forbidden to alter the wording or the underlining. The answers measure respondents' long-term expectations on the country's economic outlook and the performance of its economic system in the future. Participants select one answer from the following menu: Good times financially; Bad times financially; About the same.

13. About the big things people buy for their homes -- such as furniture, a refrigerator, stove, television, and things like that. Generally speaking, do you think now is a <u>good</u> or <u>bad</u> time for people to buy major household items?"

    Rationale: This is the fifth and final question of the University of Michigan's *Index of Consumer Sentiment*. It is forbidden to alter the wording or the underlining. The answers measure respondents' long-term expectations on the country's economic outlook and the performance of its economic system in the future. Participants select one answer from the following menu: Good times financially; Bad times financially; About the same.

14. In this economic system, private property is a fundamental component. Please, select your answer(s):

Rationale: The purpose of this question is to measure participants' level of literacy about economics and the basic principles governing economic systems. This question covers one of the main tenets of capitalism. Participants select their answer(s) from the following menu: Capitalism; Socialism; Communism; Neither; Don't know.

15. In this economic system, the government is the main employer and can order hiring employees, even if not needed. Please, select your answer(s):

Rationale: The purpose of this question is to measure participants' level of literacy about economics and the basic principles governing economic systems. This question covers one of the main tenets of socialism. Participants select their answer(s) from the following menu: Capitalism; Socialism; Communism; Neither; Don't know.

16. Please, select your answer(s): The free-market system is equivalent to…

Rationale: This question addresses people's awareness of the interchangeable nature of the term *free-market* with *capitalism* today and seeks to gauge how people relate to these terms. Participants select their answer(s) from the following menu: Capitalism; Socialism; Communism; Neither; Don't know.

17. In this economic system, prices are set by government planners and government makes most of the economic decisions. Please, select your answer(s):

Rationale: The purpose of this question is to measure participants' level of literacy about economics and the different tenets of economic systems. This

question covers one of the main tenets of socialism. Participants select their answer(s) from the following menu: Capitalism; Socialism; Communism; Neither; Don't know.

18. Pick one word to describe each of these systems: Capitalism, Socialism, Communism: Very Good, Good, Neither Good nor Bad, Bad, Very Bad.

    Rationale: The purpose of this question is to measure the *sentiment* these words evoke in the participants regarding the three main economic systems. For this question, the survey uses a Likert-type scale.

19. In your opinion, in the last five decades, world poverty has…

    Rationale: This question addresses people's awareness, perceptions, and knowledge about economic systems and the empirical data on poverty and human progress. Participants select one answer from the following menu*:* Increased; Decreased; Remained the same; Don't know.

20. In your opinion, compared to one another, which economic system has rendered more economic prosperity in the last century?

    Rationale: This question addresses people's awareness, perceptions, and knowledge about economic systems and the empirical data on poverty and human progress. Participants select their answer from the following menu: Capitalism; Socialism; Communism; Neither; Don't know.

21. In a few words, what should the government do for you? And for society?

    Rationale: The purpose of this question is to find out respondents' expectations of the role of government in their lives and in society as a whole.

This survey seeks to quantify their responses since they may reveal a pattern in people's opinions about government. Participants type in their responses.

22. In a few words, what does "capitalism", "socialism", and "communism" mean to you?

Rationale: The purpose of this question is to find out what these words mean to the respondents. The question seeks that participants reveal what they think when they hear or read this word and the relations they associate to the word. It may not necessarily gauge knowledge, but perceptions and emotions. This survey seeks to quantify their responses since they may reveal a pattern in people's opinions about the terms and/or if their meaning is evolving into a new definition. Participants type in their responses.

23. For acquiring your education about economics, how important were the following sources? High school education, College courses, College reading materials, Family and/or friends, The Internet.

Rationale: This section of the questionnaire seeks to measure how influential certain sources are at acquiring perceptions and knowledge about economics from an early age to adulthood. General economic literacy has proven to be an important factor in later economic decisions affecting people's welfare. For this question, the survey uses a Likert-type scale to measure the most influential types of sources for the respondents. Participants allocate one response to each source from the following menu: Not Important At All, Of

Little Importance, Of Average Importance, Very Important, Absolutely

Essential.

24. For acquiring current <u>information</u> about economics, how important are the

following sources to you?

- Cable news (CNN, Fox, MSNBC, etc)

- TV networks (ABC, CBS, NBC, PBS, etc.)

- Talk radio (Syndicated radio talk shows: Alan Colmes, Rush

  Limbaugh, etc.)

- Print newspapers and magazines (*Wall Street Journal*, *New York

  Times*, *Washington Post, Time, Newsweek*, etc.)

- Online newspapers and magazines

- Social Media (Facebook, Instagram, Twitter, etc.)

- Social Feeds (Buzzfeed, Flipboard, etc.)

- Alternative Internet news sources (*Drudge Report, Politico,

  Huffington Post, Daily Beast,* etc.)

- Wikipedia, online educational resources

- Family and/or friends

- Books

Rationale: This survey includes this question because, with the incursion of

Internet, people are now creating their perceptions and awareness in multi-

facetious ways. Nowadays there is much more information available from

alternative, non-traditional sources. The question seeks to measure the

relevance of sources in creating perceptions and informing the public. For this question, the survey uses a Likert-type scale for each medium type to measure preference and importance. Participants allocate one response to each source from the following menu: Not Important At All, Of Little Importance, Of Average Importance, Very Important, Absolutely Essential.

25. Please type the name of at least three of your favorite news media sources.

    Rationale: The purpose of this question is to measure participants' personal media choices for their information. This survey seeks to quantify their responses since they may reveal a pattern in people's choice of media to see if they compartmentalize their information and only hear according to personal beliefs. Participants type in their responses.

26. Indicate your current U.S. state of residence

    Rationale: This survey seeks to analyze perceptions and economic literacy at the national level. This study may find state satisfaction or dissatisfaction as well as economic motives behind the participants' perception on their state's taxation, government, and local development, which might influence consumer sentiment. The data may reflect states' differences when compared. Participants type in their responses.

27. What is your gender?

    Rationale: Gender information is important in a survey since it seeks to get a representative sample of a population. It may offer insights about perceptions that could render statistical differences among different subgroups. This

instrument goes beyond traditional gender identities, such as male or female. It includes options such as transgender, I decline to respond and Other/Please type your response. Participants type in their responses.

28. How old are you?

    Rationale: This survey asks participants to type in their age so that the data can rank them accordingly. By applying this system, the study can render more specific statistics of the respondents since each one can get a value. With this value, age can be used as a continuous variable throughout the analysis. Age is an important factor since perceptions and worldviews generally evolve with the passage of time. Participants type in their responses.

29. Would you describe yourself as…?

    Rationale: This question asks participants to inform about personal identity. Since race and ethnicity generally influence perceptions due to different life experiences, it is a question regularly found on surveys to get actionable information. Participants select one answer from the following menu: White, Hispanic/Latino, Black/African-American, Native American, Asian, Pacific Islander. Respondents also have the choice to type in an alternative response to those the menu suggests: Other (Please, specify). Participants can type in their responses.

30. What is your political affiliation?

    Rationale: The question on political affiliation seeks to measure psychological identification with specific sets of beliefs, which may be generally found

represented under certain party labels – or none. These beliefs tend to guide

people's preferences on economic systems and policy choices. Participants

select one answer from the following menu: Republican, Democrat,

Independent, Libertarian, No Party Affiliation, I decline to respond.

Respondents also have the choice to type in an alternative response to those

the menu suggests: Other (Please, specify). Participants can choose from

menu or type in alternative responses.

31. What is your highest level of education completed?

Rationale: Education is an important socio-demographic question in surveys

to determine factors that influence the respondents' perceptions and opinions.

This survey is also measuring if economic literacy affects the perceptions and

sentiment of respondents. The survey includes the following choices: Less

than high school education, high school, GED, some college, Associates

college degree/2-year degree, Bachelors college degree/4-year degree,

Master's degree, Doctoral degree, Professional degree (JD, DDS, DO, MD,

OD, etc.). Participants can only select one of the aforementioned choices.

32. What is your employment status?

Rationale: The employment status question is usually limited to two

responses: Employed or unemployed. However, this sort of dichotomous scale

leaves other common circumstances unanswered. This survey extends the

possible choices in order to get a more detailed picture of the participants'

situation since it can influence their perceptions on the economic system and

their personal fortunes. Participants select one answer from the following

menu: Employed, Self-Employed, Unemployed, Welfare recipient, Student,

Homemaker, Retired.

33. What is your total household income before taxes? Please round to the nearest

thousand.

Rationale: Income influences personal economic perspectives and sentiment.

This survey asks participants to type in their income to the nearest thousand so

that the data can give them a value and rank them accordingly. This question

allows for the analysis of correlations with income, economic perceptions,

social awareness of economic issues and other factors. Participants type in

their responses.

34. What is your discretionary income per month to the nearest whole number?

Discretionary income is the money you have left over, after all household

expenses and bills have been paid.

Rationale: This survey asks participants to type in their discretionary income

to the nearest thousand. This question measures the respondents' affordability

to buy additional goods and services, which may influence perceptions and

economic outlooks. Participants type in their responses.

35. Are you in debt? How much debt do you owe to the nearest thousand

(including student loan, credit cards, car loan, home mortgage, etc.)?

Rationale: This survey asks participants to type in their accumulated debt

rounding to the nearest thousand. In this manner, the data can give a value and

be ranked accordingly. Many people in the United States dedicate a significant part of their income to paying down debt. The debt problem is viewed as a major obstacle to healthy finances and a positive economic outlook. Consequently, debt plays a role in people's perceptions about economics and personal fortunes. Participants type in their responses.

The responses helped identify specific conditions, factors, and characteristics of the generational and epistemological phenomena. The survey responses helped deliver a quantitative description of the problem.

Research Design

The aim of the survey was to better understand human action, how people see these economic systems, and to explore how people acquire their epistemological assumptions in the Internet age. The survey had ten demographic variables to categorize participants in different groups and to determine if there were statistical correlations among the variables. They were: State of residency, gender, age, race, political affiliation, highest level of education, employment status, income, discretionary income, and debt status.

The study explored how certain variables influence people's perceptions and misperceptions about the economic systems, what sources of information they prefer and if there was a particular generational preference of sources. This study also gauged social awareness of economic issues. Economic literacy was measured to explore if there was a correlation between an economics-informed public and preference of economic system. Not only knowledge was measured, but sentiment about systems as well as sentiment for

current and future outlooks due to the knowledge of the systems or the lack of it. Within

economic literacy, the questions also measured micro and macro economic definitions.

Strategy and Measurement

The analysis was conducted with SPSS to compute descriptive statistics

(frequency data, charts, tables) and inferential statistics (crosstabulation, correlation,

etc.). The researcher ran statistical analyses in order to detect a generational gap in

perceptions and misperceptions about economic systems; how people perceive and

acquire their epistemological assumptions of economic systems; if economic hardship,

economic literacy, sources of information, and the compartmentalization of these sources

impact the ways in which people differ in their externalization of economic systems; and

finally identified if the role of economic perceptions and misperceptions of economic

systems play a role in macro-conflict causation.

Descriptive statistics (frequency and descriptive tables) were used to determine

the relationship between Millennials, Baby Boomers, and GenXers on their sentiments

and perceptions of capitalism, communism, and socialism. Several analyses of variance

(ANOVAs) were used to determine and measure the impact of household income

disparity, discretionary income, and debt owed on sentiments towards the three economic

models on perceptions and sentiment.

The Pearson (product-moment) correlation coefficient, often referred to as

Pearson's *r*, is "the most popular in behavioral sciences and measures the direction and

strength of the linear relationship of two factors on an interval or ratio scale of

measurement" (Privitera, 2012, p. 477). The Spearman's *rho* (rank-order) correlation

coefficient measure is used to "determine direction and strength of the linear relationship of two ranked factors on an ordinal scale of measurement" (Privitera, 2012, p. 491). These correlation coefficients were used accordingly to identify relationships between variables. They were also used to determine some relationships between age, income, race, political affiliation, gender, sources of information, and other factors on the social awareness of economic issues and consumer sentiment regarding the three economic models. Some of the questions in the survey were open ended and the participants had to type in their responses. In that case, the written answers of the survey were collected and coded for data analysis.

Chapter 4: Results

Introduction

This study executed quantitative methods and employed a 35-question survey. This instrument collected general demographic information, personal income and debt information through a ten-question quiz, employed an eight-question quiz to gauge participants' economic literacy, a five-question quiz designed by the University of the Michigan Survey Research Center's *Index of Consumer Sentiment* to gauge economic sentiment, and a twelve-question quiz to measure knowledge and perception of the three economic systems analyzed in this study and the sources respondents use for their economic endogenizing. The survey was taken online from November 9 until November 23, 2016 when it was officially closed.

Descriptive Statistics

Current U.S. State of Residence

The instrument's target was to obtain a sample of up to 1,001 anonymous participants from the 50 states of the United States, including Washington D.C., with a minimum requirement of 501 respondents for statistical significance. The survey was launched online and was available during 14 days to any U.S. resident. Participants were encouraged to share the survey link with friends, family and in social media. A total of 549 participants took the survey and most of them answered it in its entirety. It is a nationally representative sample of the country since all the states are represented with the exception of Arkansas, North Dakota, Vermont, and Wyoming. Since the respondents had to type in their responses, 14 of them either declined to respond or wrote 'United

States'. The state with the highest number of respondents was California (55), followed

by Texas (38), and New York (34). The following states were in the 21-to-30 participant

range: Florida (24), Illinois and Massachusetts (22), Ohio (27), and Pennsylvania (23).

The following states were in the 11-to-20 participant range: Arizona (12), Connecticut

(14), Georgia (15), Indiana (14), Kentucky (11), Maryland (12), Michigan (14), New

Jersey (11), North Carolina (14), Tennessee (13), Virginia (18), Washington (14), and

Wisconsin (11). The following states were in the 1-to-10 participant range: Alabama (8),

Alaska (2), Colorado (8), Delaware (4), District of Columbia (2), Hawaii (2), Idaho (4),

Iowa (4), Kansas (3), Louisiana (8), Maine (5), Minnesota (8), Mississippi (4), Missouri

(10), Montana (1), Nebraska (1), Nevada (4), New Hampshire (2), New Mexico (3),

Oklahoma (4), Oregon (9), Rhode Island (1), South Carolina (7), South Dakota (3), Utah

(4), and West Virginia (6) (see Figure 1).
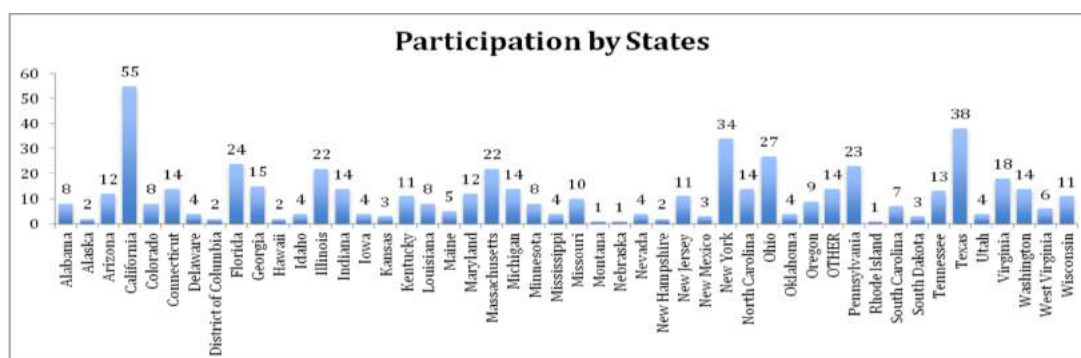
Figure 1. Participants' U.S. state of residence. *Note*. The number of participants for each state is shown above each bar.

Gender

The survey's respondents had to type in their answers and the survey also offered

different choices beyond the usual binary 'Male' or 'Female' option. Thus, participants

also had the following choices: I decline to respond, Transgender, and 'Other.' Out of the

549 respondents, 54.5 percent identify as male, 42.3 percent as female, 1.3 percent as

transgender, 0.7 percent declined to respond, and 1.3 percent went for the 'Other' option.

This option asked respondents to specify their gender preferences and the seven answers

typed in were: One Queer, Nonbinary, Transgender man, Genderfluid, Male Apache
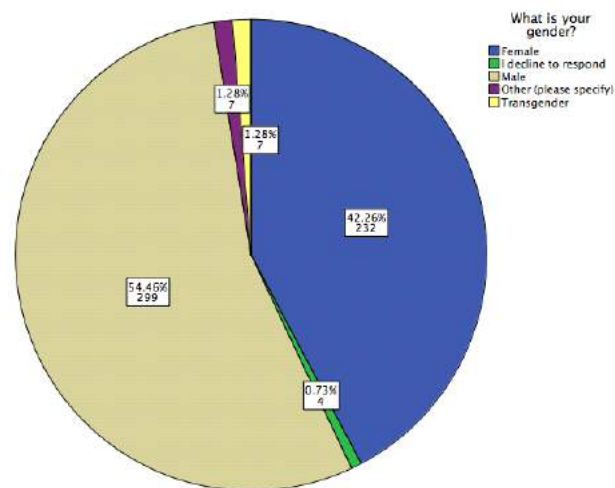
Attack Helicopter, and two Agender (see Figure 2).

Figure 2. Gender identity of participants.

Age

The survey participants had to type in age in contrast with the typical age range

answer of other instruments. The type-in style for this survey can render a more exact

relationship between sentiment and age. Out of the 549 respondents, only two declined to

enter an age. A look at the histogram shows that the median age of the respondents was

around 33 years old (*M* = 32.56) with a standard deviation of 12.709. Most of these

participants were between 23 and 38 years old, which it may have to do with the fact that

this survey was administered just online and younger generations are more engaged in the

use of Internet (see Figure 3).

Histogram

Mean = 32.56
Std. Dev. = 12.709
N = 547
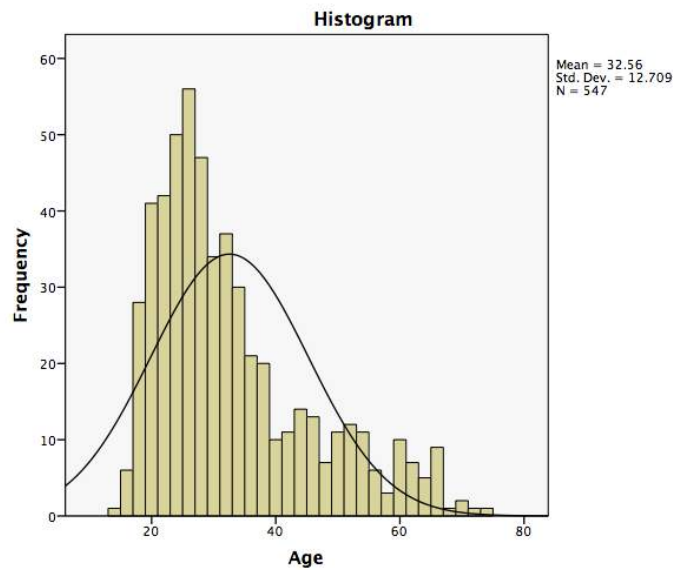
Figure 3. Distribution of participants' ages.

Race

The question of race and/or ethnicity in social sciences is an evolving issue. This survey sought to reflect the diverse views people have about their own anthropological ontologies and allowed this question to have either a fixed or an open-ended response. Participants either chose from the options given or typed in the word that best described them. The choices to select were: Asian, Black/African-American, Hispanic/Latino, Native American, White, and Other. If the respondent preferred 'Other', the answer had to be typed in. Out of the 549 respondents, 78.5 percent identify as White, 6.4 percent as Black/African-American, 5.6 percent as Hispanic/Latino, 5.3 percent as Asian, and 1.3 percent as Native American. The category 'Other' reached 2.9 percent, or 16 responses, with a high prevalence of the phrase 'Mixed ethnicity', mentioned 11 times. The other typed-in alternatives were White-Indian, White-Asian, Jewish, European, and one 'I

decline to respond' (see Figure 4).
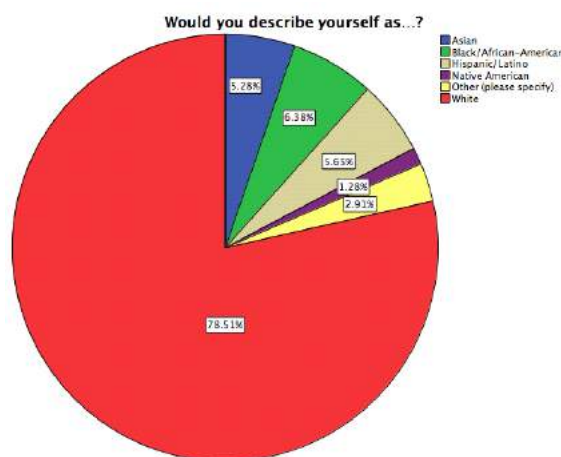
Figure 4. Race identity of participants.

Political Affiliation

The survey's respondents were asked to inform about their political affiliations. The classification choice by party the survey included was as follows: Democrat, Independent, Libertarian, No Party Affiliation, Republican, I decline to respond, and Other. Besides this classification, respondents who felt the choices offered did not cover their preference, had the chance to type in the response that best fit their personal political affiliation. Out of the 549 respondents, 33.3 percent identified themselves as Democrats, 20 percent as Republicans, 18.9 percent as Independents, 6.2 percent as Libertarians, while 18.8 percent selected No Party Affiliation. There were participants who declined to respond this question and they constituted 1.1 percent of the sample population. There was also 1.6 percent who selected the option 'Other' and these participants gave the following answers: 1 Green Party, 3 Socialist Party, 1 Communist Party, 1 American Solidarity Party, 1 progressive, 1 'Vote mostly democrat, but shopping around,' and 1

'Politics is something we have to overcome' (see Figure 5).
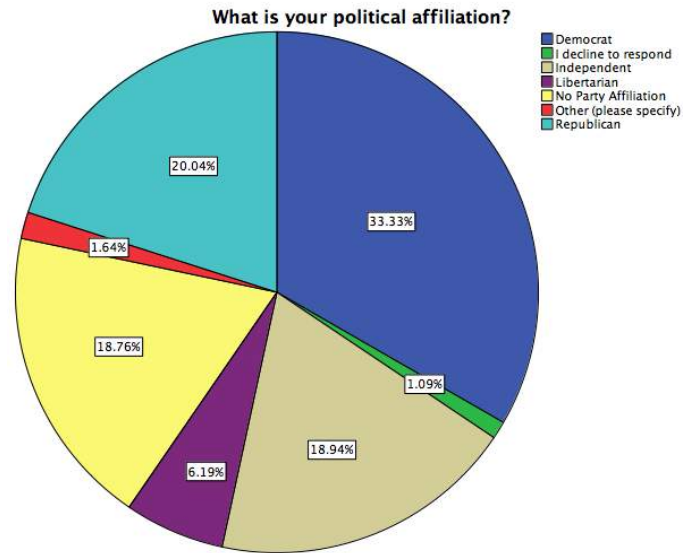
Figure 5. Political affiliation of participants.

Education

In this section, the survey's respondents had to indicate their highest level of education completed. The question offered a matrix with the following possible selections: Less than high-school education, GED, High school, Some college education, Associate college degree/2-year degree, Bachelor's college degree/4-year degree, Master's degree, Professional degree (for example, JD, DDS, DO, MD, OD, etc.), and Doctoral degree. Out of the 549 respondents, 35.5 percent of the participants held a Bachelor's college degree as their highest level of education. 25 percent indicated that they had some college, 12.9 percent had a Master's degree, 10 percent had attained an Associate college degree, 9.3 percent only had a high school education, 2.6 percent had a doctoral degree, 1.8 percent had less than a high-school education, 1.6 percent had a GED, and 1.3 percent selected a professional degree. This is a sample population with a

majority of respondents holding college degrees (see Figure 6).
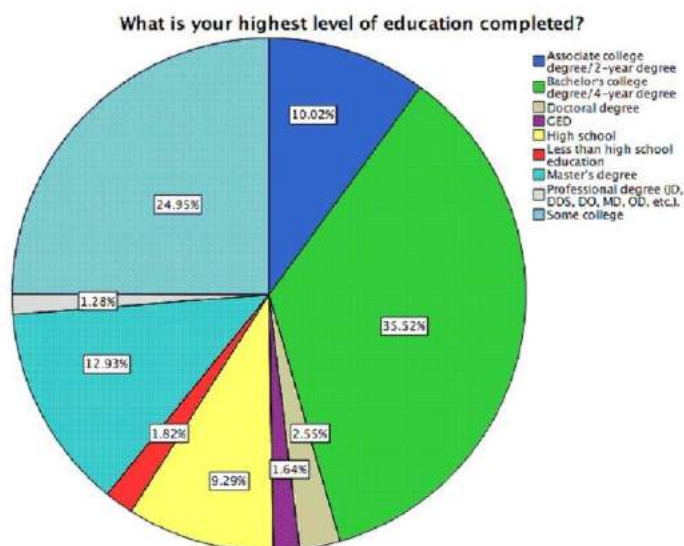
Figure 6. Levels of education of participants.

Employment

This instrument gauged the respondents' employment status beyond the commonly found binary choice of 'employed' or 'unemployed'. The survey sought to to better understand their current situation in America's economy. When it comes to economic situations, there are diverse factors affecting the employment circumstances of a person, for example, bad or good financial times, scholarships, parental circumstances, local availability of job opportunities, personal choice, age, etc. The survey offered participants the following options: Employed, Self-Employed, Unemployed, Welfare recipient, Student, Homemaker, and Retired. Out of the 549 respondents, 59.2 percent were employed and 7.7 percent were self-employed; 7.3 percent answered that they were unemployed while students accounted for 19.9 percent of the sample. Homemakers and retirees also participated in the survey reaching 3.8 percent and 1.8 percent respectively.

There were only 2 welfare recipients among the respondents, which accounted for just 0.4 percent (see Figure 7).
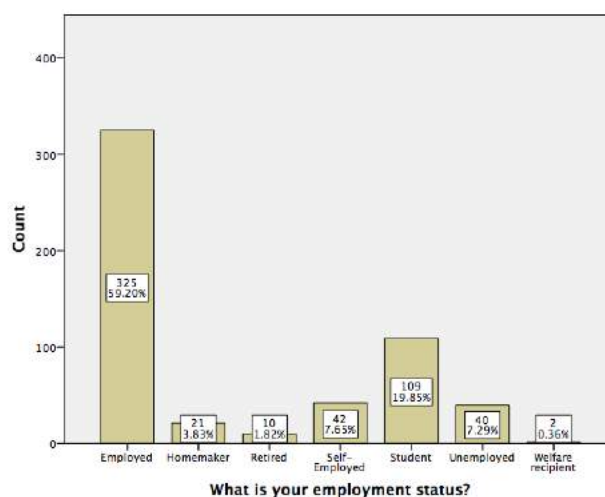
Figure 7. Employment status of participants.

Income

Income influences personal economic perspectives and sentiment. Instead of using a fixed income range, this survey asked participants to type in their household income to the nearest thousand so that the data can give them a value and rank them accordingly. This question allowed for the analysis of correlations with income, economic perceptions, social awareness of economic issues and other factors. Out of the 549 respondents, 48 declined to respond, accounting for almost 9 percent of respondents refusing to give out that information and leaving the study with 501 valid responses. Money continues to be a touchy issue for people and not everyone is eager to answer questions about income or debt. There is also the issue of embellishing or hiding personal economic circumstances that could skew the results. With that in mind, out of the 501 answers, the minimum income was $250 and the maximum was $880,000 per year before

taxes. The normal distribution shows a mean of $70,987.38 with a standard deviation of 76246.82. In the lower quartile are respondents with households making up to $26,000. In the median quartile are those households with up to $50,000 while in the upper quartile are participants with household incomes of up to $93,000 (see Figure 8).
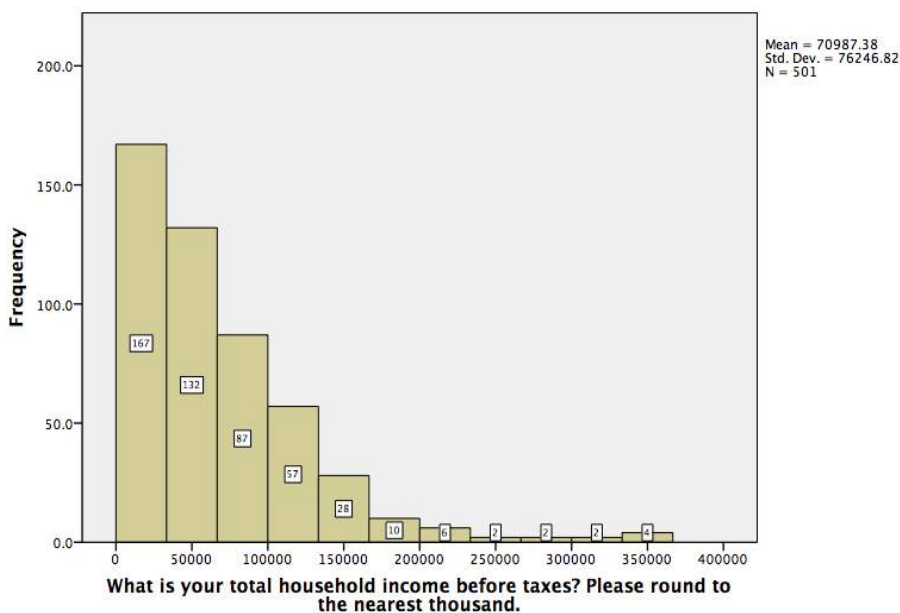

Figure 8. Distribution of household income among participants.

Discretionary income

This instrument also gauged participants' discretionary income. The definition of discretionary income was included in the question: "Discretionary income is the money you have left over after all your monthly household expenses and bills have been paid." This question measured the participants' affordability to buy additional goods and services, which may influence sentiment, perceptions and economic outlooks. Out of the 549 respondents, 56 declined to respond. People are not always eager to say how much they really have and it reflected in the survey, with more than 10 percent of respondents

refusing to answer this question, even if it was under anonymous circumstances. The research could employ 493 valid responses for its analysis. Out of these 493 answers, 69 percent of the respondents informed about having a discretionary monthly income of $1,000 or less. 57 respondents, or 11.6 percent of the sample, indicated they had $0 in discretionary income after paying their bills while 30 percent of respondents only had up to $230 left per month. The normal distribution show a mean of around $2,800 ($M =$ 2801.49) with a standard deviation of 10570.237 (see Figure 9).
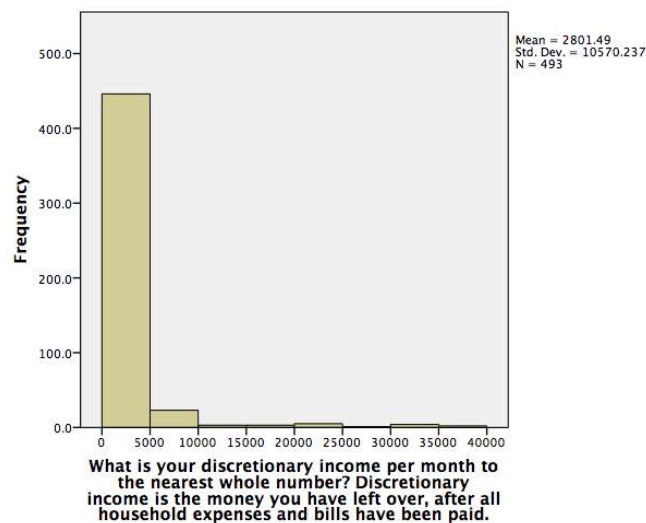
Figure 9. Discretionary income of participants.

Debt

This instrument also measured the level of debt among respondents. They had to type in their accumulated debt rounding to the nearest thousand. In this manner, the data can give a value and be ranked accordingly. Many people in the United States dedicate a significant part of their income to paying down debt. The debt problem is viewed as a major obstacle to healthy finances and a positive economic outlook. Consequently, debt plays a role in people's perceptions about economics and personal fortunes. Out of the

549 respondents asked about their personal debt (including student loans, credit cards, car loans, home mortgages, etc.) 107 participants declined to respond, constituting 19.5 percent of all respondents. By this standard, talking about personal debt seems to be even more problematic than talking about income. The *n* for this question ultimately was 442. Out of these 442 answers, 95 respondents, or 21.5 percent, indicated having $0 debt. The normal distribution shows a mean of $73,623.86 with a standard deviation of 313098.05. In the lower quartile are respondents with up to $1,500 in debt. In the median quartile are participants with up to $15,000 in debt. In the upper quartile are participants with up to $59,250 in debt (see Figure 10).
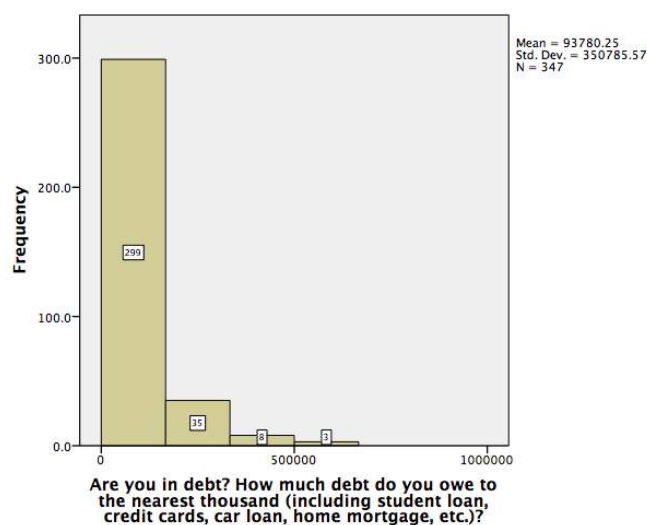
Figure 10. Levels of debt among participants.

Economic Literacy

The first eight questions (1-8) of this instrument are part of the "Economic Literacy Quiz" designed by the Council for Economic Education to measure adult literacy in economics across the United States. Since the United States' economic system

is capitalist in nature, Americans should know how the system works. The answers of this section measured respondents' knowledge regarding basic economic issues in a capitalist society. The eight questions chosen were specifically included in this survey because they gauge knowledge about basic micro and macro economic concepts and definitions applied to different situations. The respondents' answers were added and divided by 8 to get the number of total correct answers and to analyze and cross-tabulate the respondents' economic literacy with other variables.

Question 1 covered a cause and effect in supply-and-demand situations. The language of the first question and the correct answer were: "*A large increase in the number of fast-food restaurants in a community is most likely to result in: Lower prices and higher quality.*" Question 2 measured knowledge about definitions and roles in a capitalist society. The language of the second question and the correct answer were: "*A person who starts a business to produce a new product in the marketplace is known as: An entrepreneur.*" Question 3 covered cause and effect in the money supply regarding interest rates. The language of the third question and the correct answer were: "*An increase from 5% to 8% in the interest rates charged by banks would most likely encourage: People to save money.*" Question 4 also tested a real-life issue and how cause and effect work in supply-and-demand situations. The language of the fourth question and the correct answer were: "*If your city government sets a maximum amount that landlords can charge in rent, what is the most likely result?: There will be fewer apartments available than people want to rent.*" Question 5 measured knowledge about respondents' knowledge regarding macroeconomic issues. It gauged their grasp defining

three different situations in an economy with terms such as expenditure, revenue, debt, deficit and surplus at the national level. The language of the fifth question and the correct answer were: "*When the federal government's expenditures for a year are greater than its revenue for that year, the difference is known as: A budget deficit.*" Question 6 measured knowledge about the issue of trade and its studied effects. The language of the sixth question and the correct answer were: "*Mexico grows fruits and vegetables and Argentina produces beef. If Mexico voluntarily trades fruits and vegetables in exchange for Argentinean beef: Both Mexico and Argentina benefit from the trade.*" Question 7 measured understanding of how a capitalistic economy operates and respondents' grasp of macro-economic definitions such as Gross Domestic Product (GDP), production, goods, and services. The language of the seventh question and the correct answer were: "*If the real gross domestic product (GDP) of the United States has increased, but the production of goods has remained the same, then the production of services has: Increased.*" Question 8 was the last one of the economic quiz and tested the participants' knowledge of the market system and the role of one of its most established institutions. The language of the eighth question and the correct answer were: "*The stock market is an example of an institution within our economy that exists to help people achieve their economic goals. The existence of this institution: Brings people who want to buy stocks together with those who want to sell stocks.*"

Each participant had a score ranging from 0 percent to 100 percent. Out of the 549 respondents, 114 answered the eight questions correctly, accounting for 20.8 percent of the total, while 359 respondents attained scores of 75 percent or more. In contrast, only 4

respondents could not answer any of the questions correctly and accounted for just 0.7 percent of the sample. The normal distribution revealed that the average score was about 75 percent. The highest frequency was 124 earning a score of 87.5 percent and accounted for 22.6 percent of the sample. More than 65 percent of this sample population passed the quiz showing grasp of most economic issues presented in the survey and that they could deploy this economic knowledge in certain real-life situations (see Figure 11).
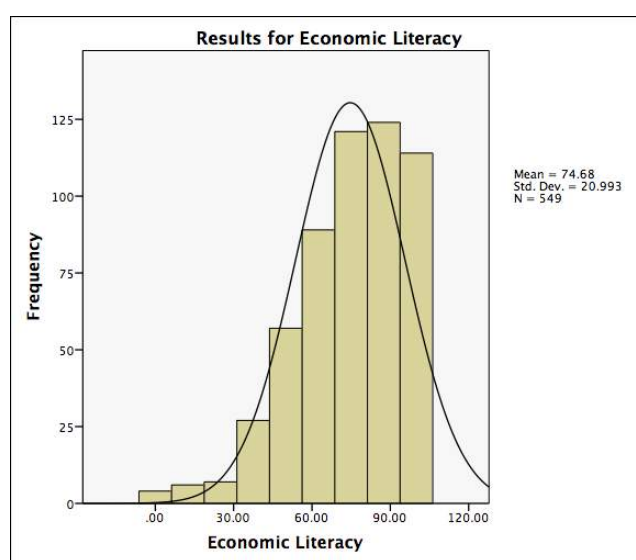

Figure 11. Levels of economic literacy among participants.

Consumer Sentiment and Economic Perception

The next five questions of the instrument (9-13) are from the University of Michigan Survey Research Center's *Index of Consumer Sentiment*. As the name of the *Index* indicates, it measures consumer sentiment about the economy of the United States. It deployed five specific questions gauging economic outlook and awareness about the state of the economy, how respondents feel about their personal current and future economic fortunes, and if now it is the right time for the participant to buy a major

household appliance. The *Index*'s more than 50-year history as a proven measuring tool

helped this study to better understand the chosen options of respondents about saving and

spending. The responses to the five questions can be positive, negative, or neutral and

receive a relative score of 200, 0, or 100, respectively in its calculation. The University of

Michigan Survey Research Center adds the five scores, divides them by 6.7558 and

finally adds 2 as a constant to correct sample design changes (Letamendi, 2014). The

Index measures how optimistic or pessimistic surveyees feel regarding the economy and

their personal outlooks. The range applied (from 2 to 150) goes from the most pessimistic

to the most optimistic levels. The three highest scores fell between 61.21 and 90.81

corresponding to 234 participants, which accounted for 12.8 percent, 13.28 percent, and

16 percent or 42.08 percent of the total sample. The most optimistic respondents were 28

persons who reached the '150' score and accounted for 5.1 percent of this sample

population. There were 23 respondents with the most pessimistic outlook, (the '2' score)

of the sample and represented 4.2 percent of the total. The normal distribution shows that

the mean was 79.06 with a standard deviation of 37.726 (see Figure 12).
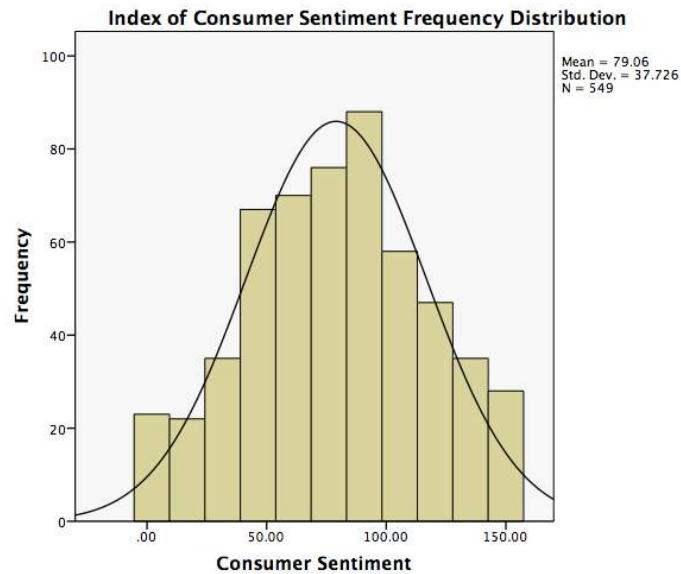
Figure 12. Levels of consumer sentiment among participants.

Knowledge of Communism, Capitalism, and Socialism

Questions 14 to 20 were specifically created for this survey to measure participants' knowledge and perceptions of the three economic systems analyzed in this study. It was a mix of multiple choice questions. The right answers generated 1 point while the incorrect answers generated 0 points. The *n* was 549 respondents. From a range of correct answers going from 0 to 100 percent, 21 respondents did not respond correctly any of the questions and constitute 3.8 percent of the sample population while 231 participants obtained a score of 100 percent constituting 38.8 percent of the population. The normal distribution shows a mean of 76 percent with a standard deviation of .261. 215 respondents had the highest frequency, which represents 39.2 percent of the total sample (see Figure 13).
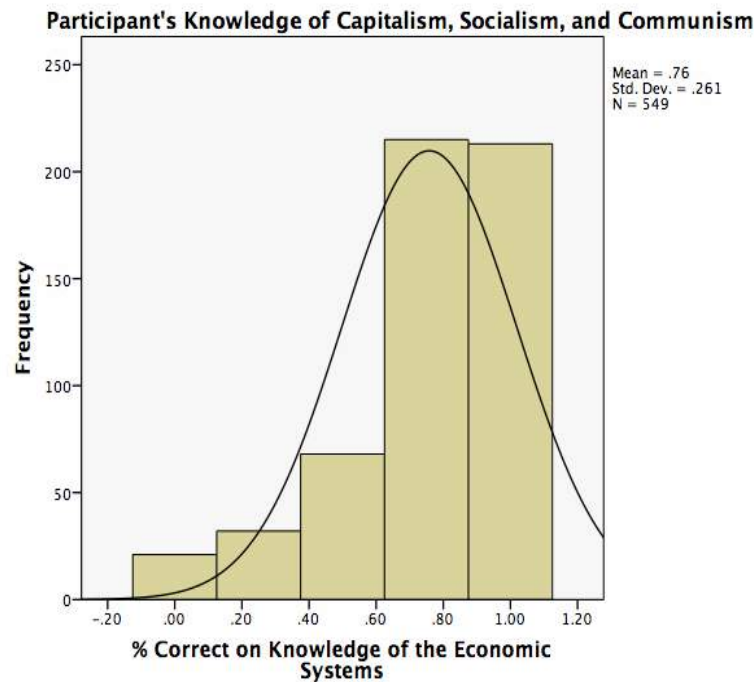
Figure 13. Knowledge of communism, capitalism, and socialism among participants.

Sources for Economic Education

Questions 23, 24, and 25 explored the sources that respondents use to learn and understand about economics. Question 23 explored how influential certain sources are at acquiring perceptions and knowledge about economics from an early age to adulthood. General economic literacy has proven to be an important factor in later economic decisions affecting people's welfare. For this question, the survey used a Likert-type scale to measure the most influential types of sources for the respondents with choices ranging from 1 (Not Important At All) to 5 (Absolutely Essential) (see Figure 14).
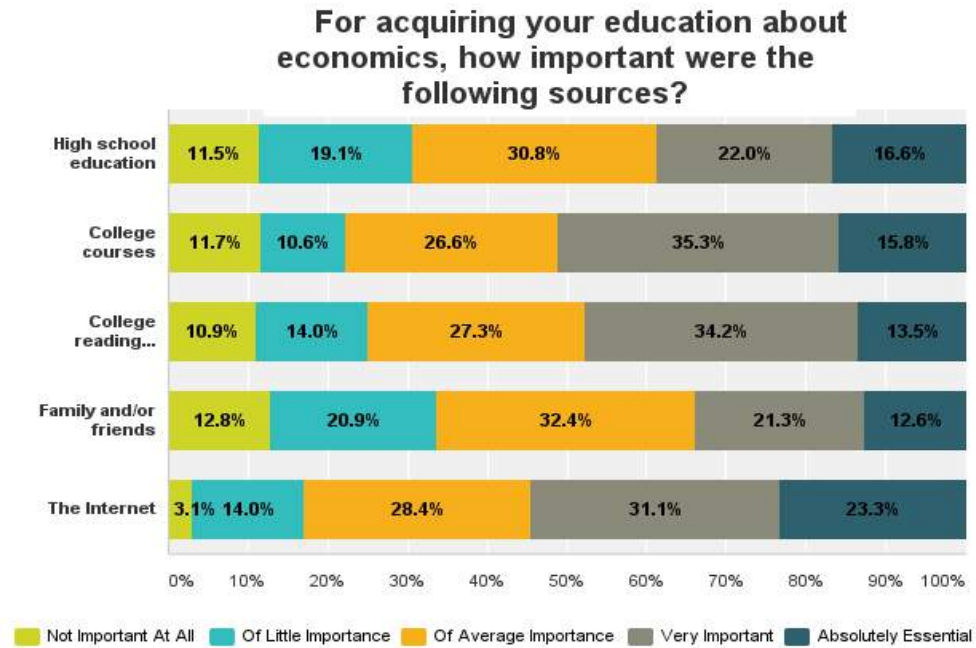
Figure 14. Sources for acquiring education about economics.

High school was 'of average importance' for 30.8 percent of the sample while it was 'absolutely essential' for 16.6 percent of the respondents; however, 11.5 percent found it to be 'not important at all.' The normal distribution shows a mean of 3.13 with a standard deviation of 1.233 (see Figure 15).
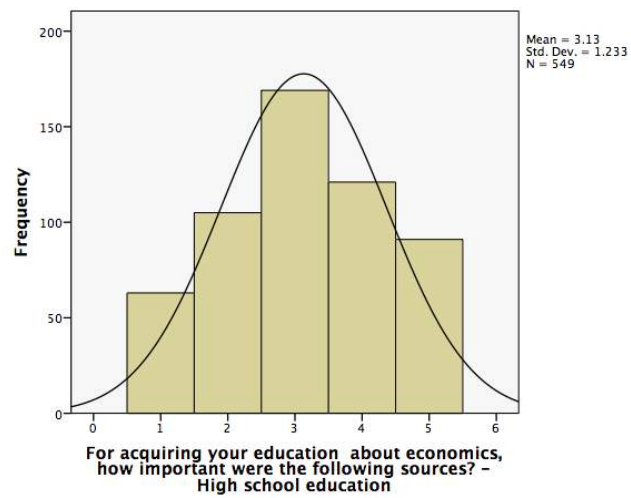
Figure 15. Sources for acquiring education about economics: High school.

College courses were 'very important' for 35.3 percent and 'absolutely essential' for 15.8 percent of respondents to acquire economic knowledge, accounting for 51.1 percent of the sample. On the other side, 22.2 percent of participants reported that it was 'not important at all' or 'of little importance.' The normal distribution shows a mean of 3.33 with a standard deviation of 1.205 (see Figure 16).
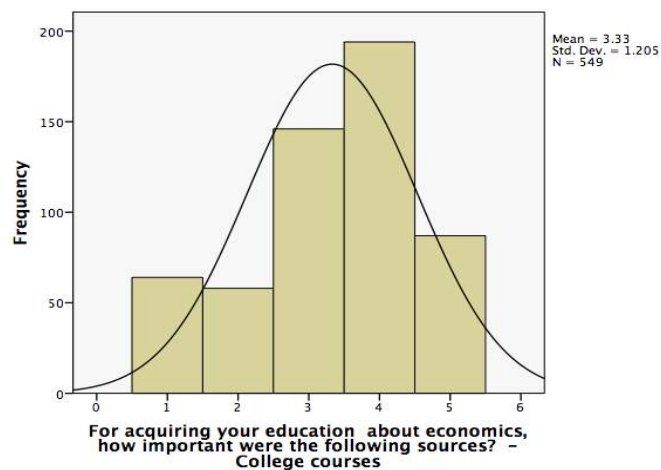
Figure 16. Sources for acquiring education about economics: College courses.

Many participants, 34.2 percent, found college reading materials important for their education; 27.3 percent valued them as having average importance; and 10.9 percent of participants considered them not important at all. The normal distribution shows a mean of 3.25 with a standard deviation of 1.182 (see Figure 17).
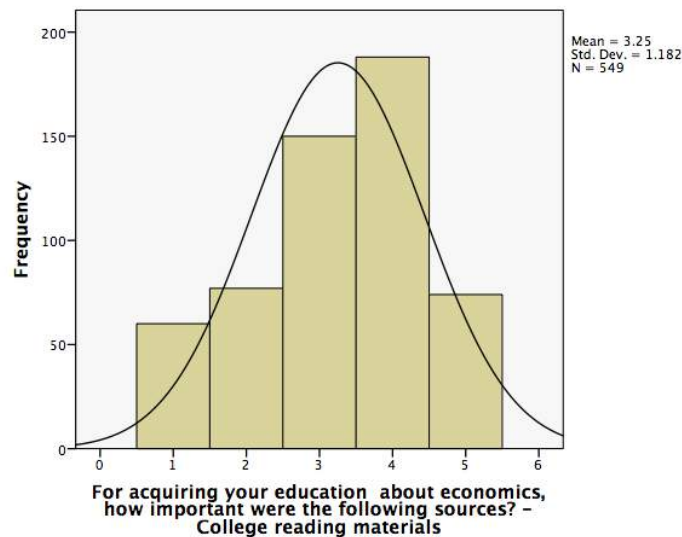

Figure 17. Sources for acquiring education about economics: College reading materials.

Our closeness and constant contact with family and friends usually counts as a strong influence in our lives for opinion formation and knowledge acquisition. In this sample population, 32.4 percent of respondents said that it was of average importance. This answer yielded the highest frequency, closely followed by 'very important' with 21.3 percent and 'of little importance' with 20.9 percent. The two extremes choices, 'Not important at all' and 'absolutely essential', had a very close frequency with 12.8 percent and 12.6 percent respectively. The normal distribution shows a mean of 3 with a standard deviation of 1.199 (see Figure 18).
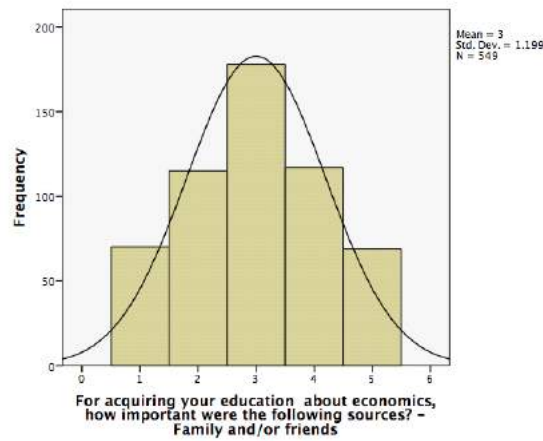
Figure 18. Sources for acquiring education about economics: Family and friends.

For the acquisition of economic knowledge, Internet is considered 'very important' by 31.1 percent of respondents and 'absolutely essential' by 23.3 percent. These two brackets amount for 54.4 percent of the total sample. Only 3.1 percent answered that Internet was not important for them. The great majority of respondents, 82.8 percent, considered Internet important or more. The normal distribution shows a mean of 3.58 with a standard deviation of 1.086 (see Figure 19).
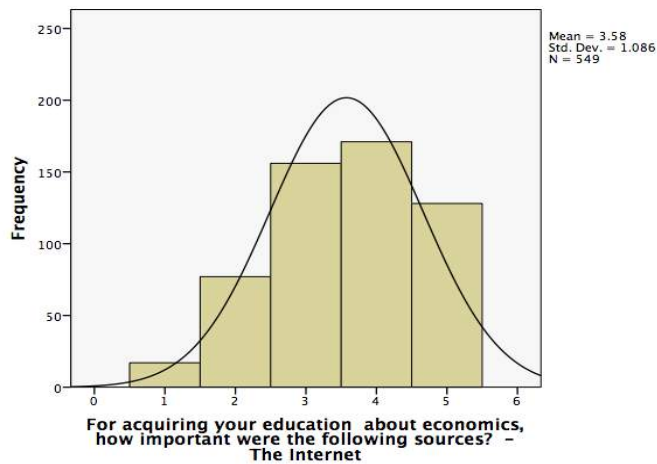

Figure 19. Sources for acquiring education about economics: The Internet.

Sources for Current Economic Information

With the advent of the Internet, people have more access to information and more platforms from alternative, non-traditional sources to access this information. One of the effects of this trend has been that people are acquiring knowledge and creating their perceptions and awareness in different ways. Question 24 sought to measure the relevance of sources in creating perceptions and informing the public. For this question, the survey executed a Likert-type scale for each medium type to measure preference and importance (see Figure 20 and 21).
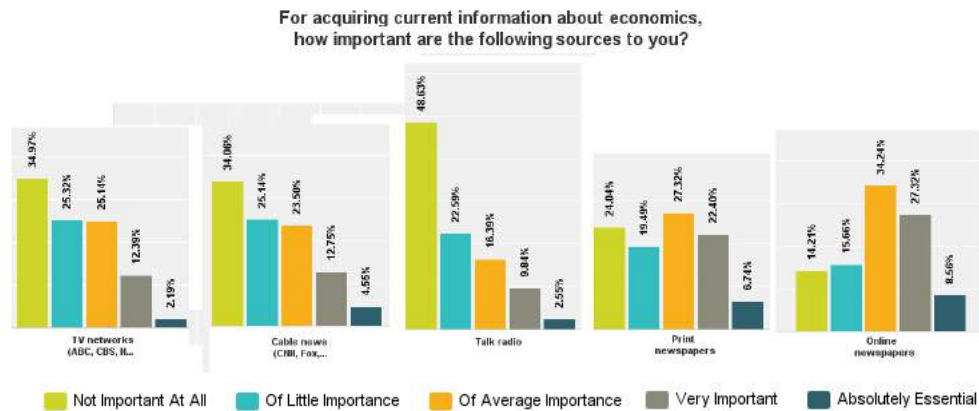

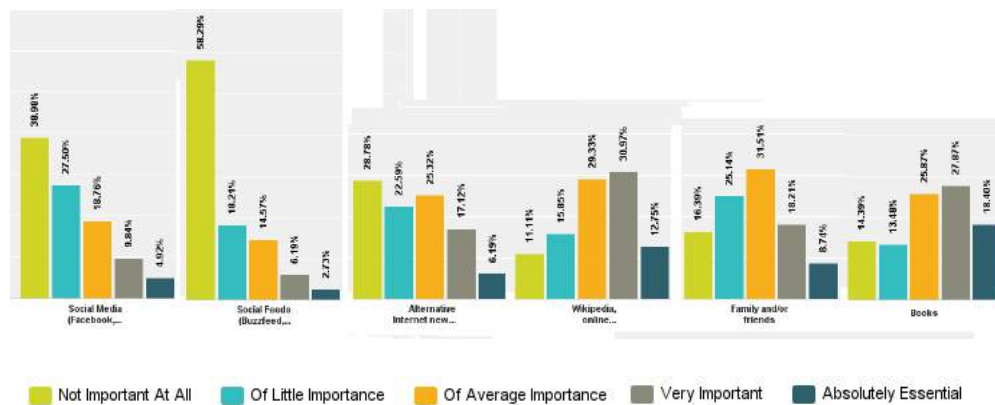*Figure 20.* Sources for current information about economics I.

Figure 21. Sources for current information about economics II.

TV networks once ruled supreme in American media and their reign lasted for decades. In the era of Internet, TV networks now struggle to remain relevant. Only 2.2 percent of the respondents found TV networks 'absolutely essential' while 35 percent describe them as 'not important at all.' The cumulative percent of 'not important at all' and 'of little importance' reached 60.3 percent. The normal distribution shows a mean of 2.21 with a standard deviation of 1.118 (see Figure 22).
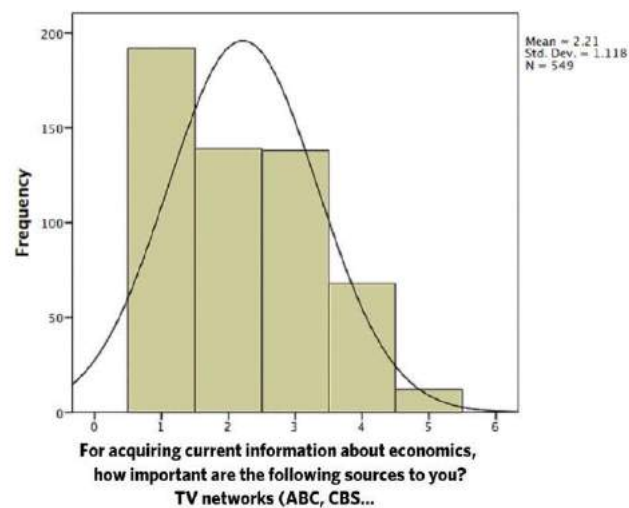

Figure 22. Sources for current information about economics: TV networks.

Cable news is a staple in American media today. However, in this survey, the cable news organizations did not fare better than TV networks. Just 4.6 percent of the participants reported cable news channels as 'absolutely essential' while 34.1 percent describe them as 'not important at all.' As in the case of TV networks, the cumulative percent of 'not important at all' and 'of little importance' almost mirrored those results, reaching 59.2 percent. The normal distribution shows a mean of 2.29 with a standard deviation of 1.19 (see Figure 23).
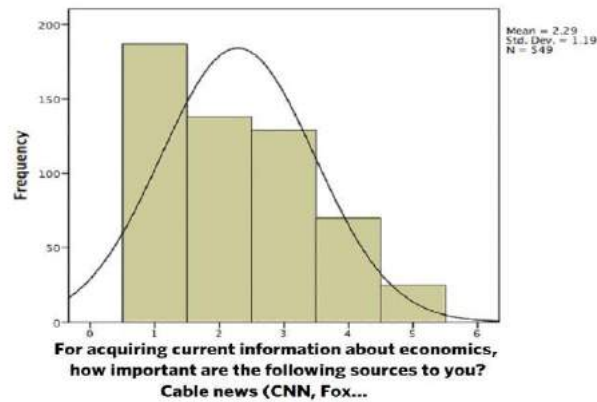
Figure 23. Sources for current information about economics: Cable news.

Talk radio was included in the survey since talk radio programs constantly comment on economic issues. However, in this survey, only 2.6 percent of the participants reported talk radio as 'absolutely essential'. Almost half of the respondents in this sample population, 48.6 percent, reported it as 'not important at all'. The cumulative percent of 'not important at all' and 'of little importance' reached 71.2 percent. Just 16.4 percent of these participants considered talk radio as a medium of 'average importance' to obtain current economic information. The normal distribution shows a mean of 1.95 with a standard deviation of 1.128 (see Figure 24).
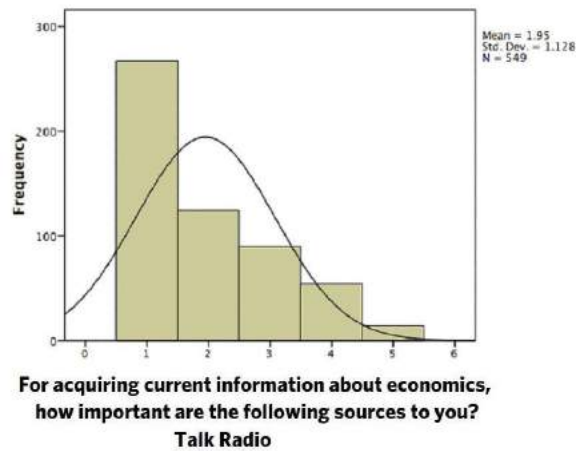
Figure 24. Sources for current information about economics: Talk radio.

The next source of current information about economics, the traditional printed media, fared better than the previously-analyzed sources. While 6.7 percent of the participants reported print newspapers and magazines as 'absolutely essential, 27.3 percent found them 'of average importance' and 'very important' for 22.4 percent of the sample. The normal distribution shows a mean of 2.68 with a standard deviation of 1.246 (see Figure 25).
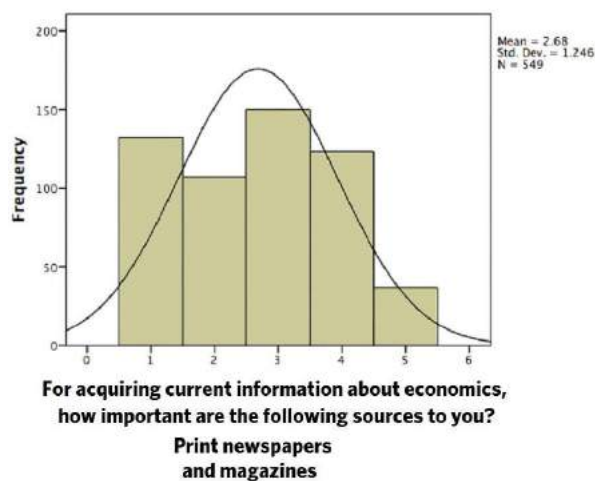

Figure 25. Sources for current information about economics: Print newspapers and magazines.

Online newspapers and magazines operate somewhat differently than print media. Most major printed newspapers and magazines usually require payment or subscription for the public to access their information. Many of the traditional printed media also must have an online presence today in order to remain as relevant sources of information. Some of these traditional outlets have stopped their printed editions and today only offer online versions. Although some of the online newspapers and magazines are behind a paywall, most users have grown used to expect access to this content at no monetary expense. A large majority of respondents reported online newspapers and magazines as 'of average importance', 34.2 percent, 'very important', 27.3 percent, and 'absolutely essential', 8.6 percent. The cumulative percent of these 3 brackets amount to 70.1 percent of the sample. The normal distribution shows a mean of 3 with a standard deviation of 1.159 (see Figure 26).
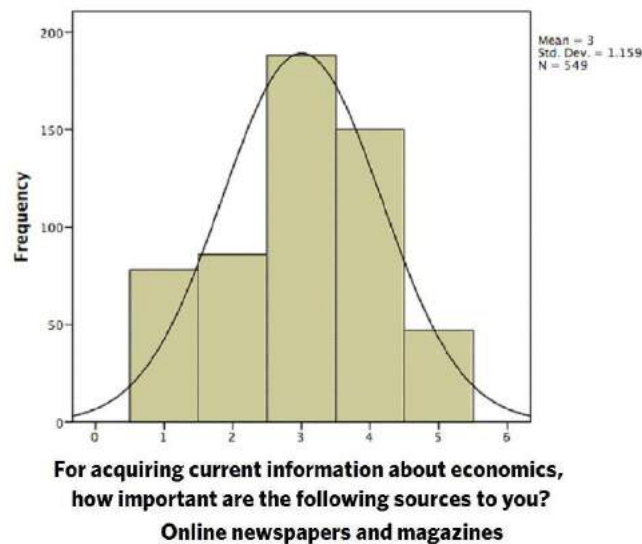

Figure 26. Sources for current information about economics: Online newspapers and magazines.

Social media is a term that describes a series of computer-interconnected platforms to share information with virtual communities. Some of the most popular social media are Facebook, Twitter, Snapchat, Instagram, etc. Much of the success of this new form of communication is its immediacy and ease of access to information. Yet, as a medium to acquire current information about economics, the respondents of this survey report social media overwhelmingly as 'not important at all', 39 percent, or 'of little importance', 27.5 percent with a cumulative percent of 66.5%. The normal distribution shows a mean of 2.14 with a standard deviation of 1.181 (see Figure 27).
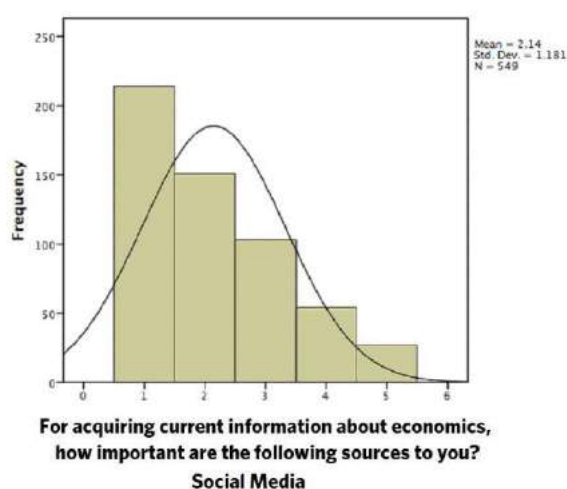

Figure 27. Sources for current information about economics: Social media.

Social feeds are usually news aggregators without original content that link to third-party content. The participants show little interest for this medium to acquire current economic information. 58.3 percent see it as 'not important at all.' Less than 9 percent considered social feeds as 'very important' or 'absolutely essential.' The normal distribution shows a mean of 1.77 with a standard deviation of 1.082 (see Figure 28).
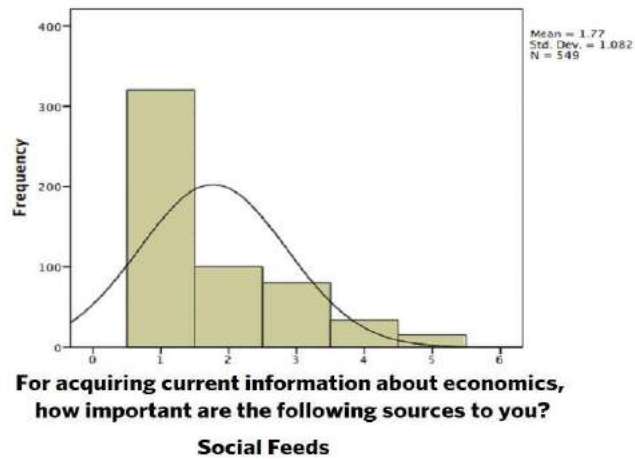
Figure 28. Sources for current information about economics: Social feeds.

Wikipedia and other online educational resources such as dictionaries or academic journals have become very popular tools in the last decade. People can have easy access to these instruments of education from the comfort of their own homes. Out of the 549 respondents, 31 percent of the surveyees considered them as 'very important' and 29.3 percent see them as "of average importance.' Only 11.1 percent see these resources as 'not important at all.' The normal distribution shows a mean of 3.18 with a standard deviation of 1.18 (see Figure 29).
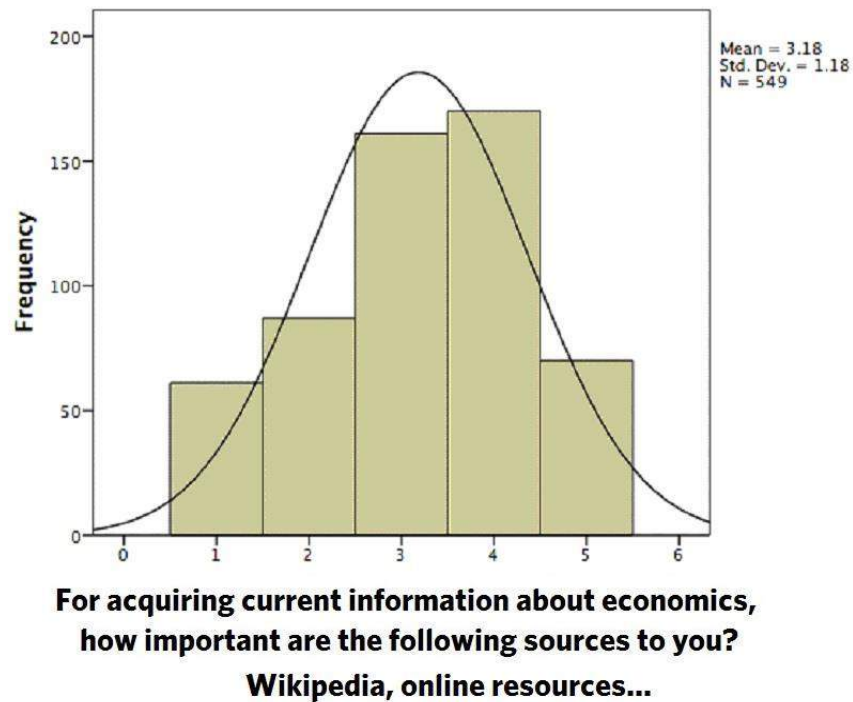
Figure 29. Sources for current information about economics: Wikipedia and online resources.

The traditional book format obtained the highest 'absolutely essential' score of all the analyzed sources of this survey reaching 18.4 percent. Books were 'very important' for 27.9 percent of respondents and 'of average importance' for 25.9 percent. The cumulative percent of the three aforementioned brackets reached 72.2 percent. It is very interesting to see that books continue to be an important source for the respondents to acquire knowledge about economics. The normal distribution shows a mean of 3.22 with a standard deviation of 1.295 (see Figure 30).
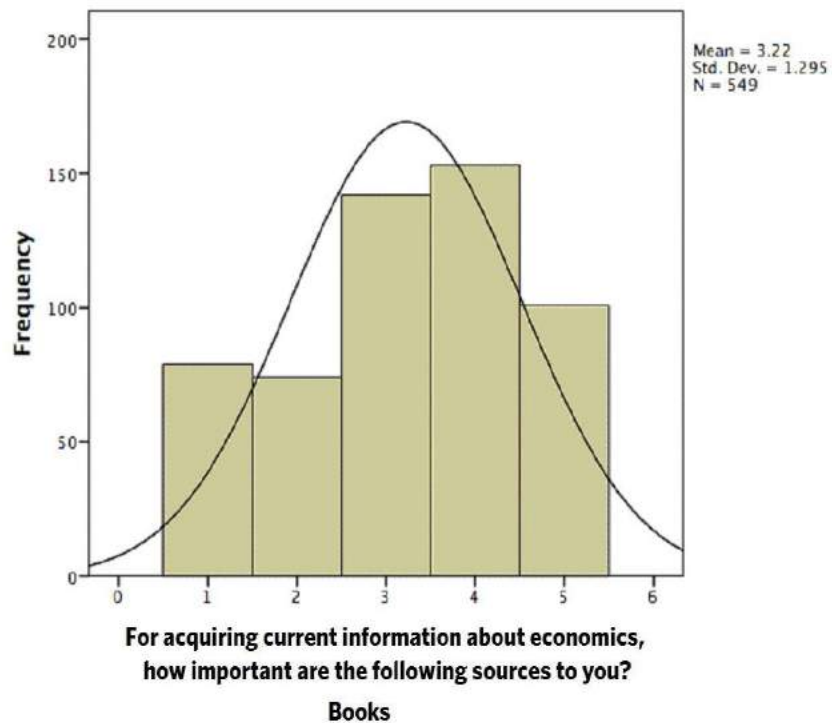
Figure 30. Sources for current information about economics: Books.

Inferential Statistics

ANOVAs: Race by knowledge of economic systems, race by economic literacy, and race by consumer sentiment. A one-way between-subjects ANOVA was conducted to compare race by knowledge of the economic systems. The analysis was significant for knowledge of the economic systems, $F(5,543) = 3.08$, $p < .01$. With regard to knowledge of the economic systems, a post-hoc Tukey revealed that there was a statistically significant difference between Whites ($M = 77.78$, $SD = 24.9$) and African Americans *(M = 62.85, SD = 30.54)* by 14.92 points ($p = .014$). However, there was no statistical significance between African Americans and Asians ($p = .508$), Hispanics ($p = .988$), or

Native Americans (p = .967). Interestingly, there were no statistically significant results

among the other races. The null hypothesis is rejected (see Table 1).

Table 1

ANOVA between race by knowledge of economic systems, race by economic literacy, and

race by consumer sentiment.

		Sum of Squares	*df*	Mean Square	*F*	Sig.
Knowledge of Economic Systems	Between Groups	1.030	5	.206	3.080	.009
	Within Groups	36.308	543	.067		
	Total	37.338	548			
Economic Literacy	Between Groups	11170.548	5	2234.110	5.267	.000
	Within Groups	230336.169	543	424.192		
	Total	241506.717	548			
Index of Consumer Sentiment	Between Groups	10021.546	5	2004.309	1.414	.218
	Within Groups	769925.064	543	1417.910		
	Total	779946.610	548			

A cross-sectional analysis comparing mean knowledge of the economic systems

scores by race further highlights the differences among the races. For example, African

Americans scored the lowest in mean score at 62.86 in knowledge of the economic

systems when compared to Whites (M = 77.78), Asians *(M = 74.14)*, Hispanics (M =

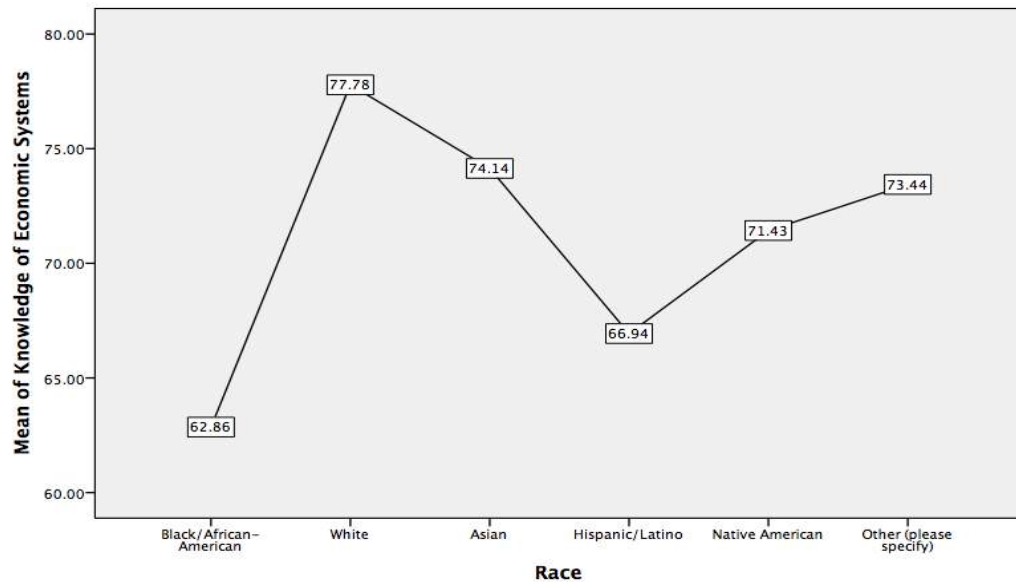66.94), and Native Americans (M = 71.43) (see Figure 31).

Figure 31. Mean of knowledge of the economic systems by race.

A one-way between-subjects ANOVA was conducted to compare race and economic literacy (see above Table 1). The analysis was significant for knowledge of the economic systems, $F(5, 543) = 5.267$, $p < .00$. With regard to economic literacy, a post-hoc Tukey test revealed that there was a statistically significant difference between Whites ($M = 76.24$, $SD = 20.44$) and African Americans ($M = 62.14$, $SD = 21.54$) by 14.10 points ($p = .00$). There was also a statistical significant difference between Whites and Native Americans ($M = 53.57$, $SD = 21.30$) as well by 22.29 points ($p = .046$). Interestingly, there were no statistically significant results among the other races. The null hypothesis is rejected.

A cross-sectional analysis comparing mean economic literacy scores by race further highlights the differences among the races. For example, Native Americans scored the lowest in mean score at 52.57 in economic literacy when compared to Whites

(76.25), Asians (75.86), Hispanics (68.55), and African Americans (62.14) (see Figure
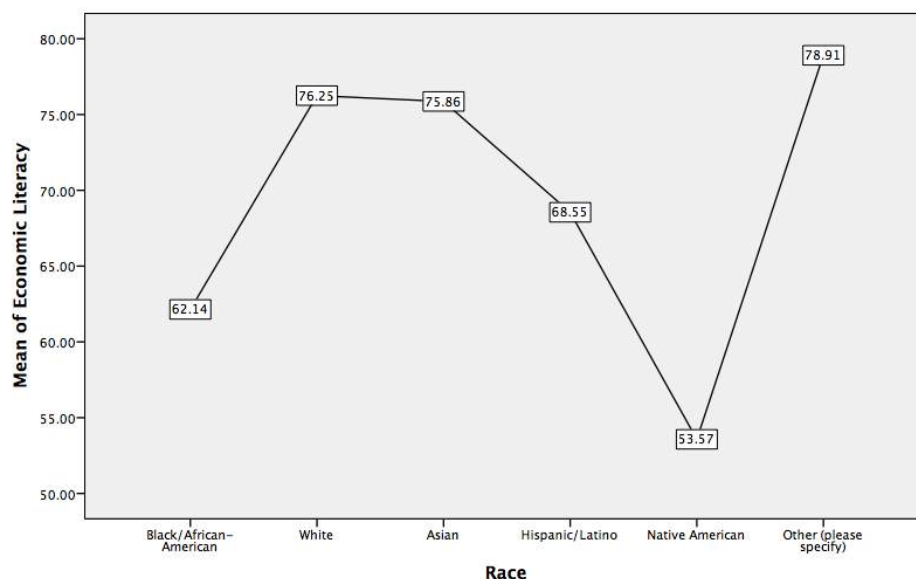
32).

Figure 32. Mean of economic literacy by race.

A one-way between-subjects ANOVA conducted to compare race and consumer

sentiment did not reveal a statistical significance in consumer sentiment, $F(5, 543)=$

1.414, p = .218. Consumer sentiment among the races revealed no statistical significance

of economic conditions. The null hypothesis is accepted (see above Table 1).

Correlations

Age by Economic Literacy

A Pearson correlation analysis was conducted to examine the relationship

between economic literacy by participants' age. Results indicated that there was no

statistically significant relationship between age and economic literacy, r (547) = .718, p

> .05. Age does not correlate with economic literacy. The null hypothesis was accepted

(see Table 2).

Table 2

Pearson correlation between age by economic literacy.

		How old are you?	Economic Literacy
How old are you?	Pearson Correlation	1	-.015
	Sig. (2-tailed)		.718
	N	547	547
Economic Literacy	Pearson Correlation	-.015	1
	Sig. (2-tailed)	.718	
	N	547	549

Age by Knowledge of the Economic Systems

A Pearson correlation analysis was conducted to examine the relationship between knowledge of the economic systems by participants' age. Results indicated that there was no statistically significant relationship between age and knowledge of the economic systems, r (547) = .91, p > .05. A cross-sectional analysis examining knowledge of economic systems by age cohort found a similar conclusion (see Table 3).

Table 3

Pearson correlation between age by knowledge of economic systems.

		How old are you?	Knowledge of the Economic Systems
How old are you?	Pearson Correlation	1	.005
	Sig. (2-tailed)		.909
	N	547	547
Knowledge of the Economic Systems	Pearson Correlation	.005	1
	Sig. (2-tailed)	.909	
	N	547	549

Millennials, GenXers, and Baby Boomers reported similar knowledge of the economic systems at an accuracy of 75 percent, 78 percent, and 76 percent, respectively. Analysis of data from this sample population shows that there is no statistical significance among the generations and knowledge of the three economic systems. The null hypothesis is accepted. For the most part and regardless of age, participants of this study have a good grasp of capitalism, communism, and socialism (see Figure 33).
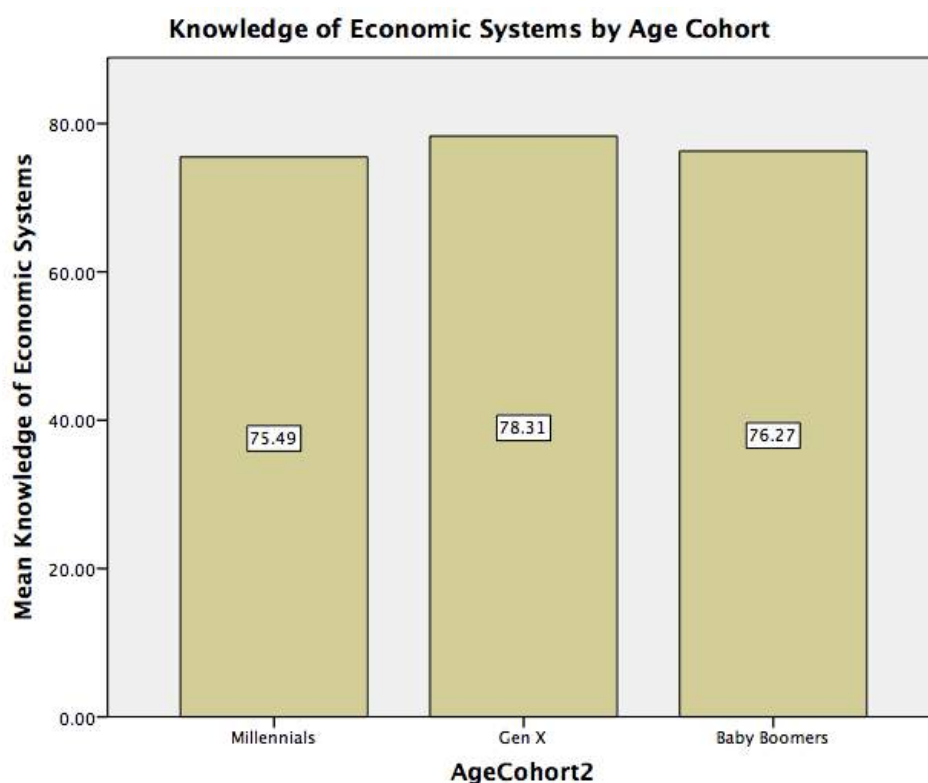

Figure 33. Mean of knowledge of economic systems by age.

Age by Consumer Sentiment

A Pearson correlation analysis was conducted to determine the impact of age by consumer sentiment. Results indicated that there was no relationship between age and consumer sentiment, $r(547) = -.00$, $p > .05$. A closer analysis revealed that increase in

age did not correlate to increase in consumer sentiment. (see Table 4).

Table 4

Pearson correlation between age by consumer sentiment.

		How old are you?	Consumer sentiment
How old are you?	Pearson Correlation	1	-.001
	Sig. (2-tailed)		.974
	N	547	547
Consumer Sentiment	Pearson Correlation	-.001	1
	Sig. (2-tailed)	.974	
	N	547	549

A cross-sectional analysis using the average of consumer sentiment by age revealed that participants were evenly divided in consumer sentiment scores, regardless of age, suggesting that age did not determine consumer sentiment. On average, consumer sentiment is relatively high with a mean score of 79.05 (*SD* = 37.73). The null hypothesis is accepted (see Figure 34).
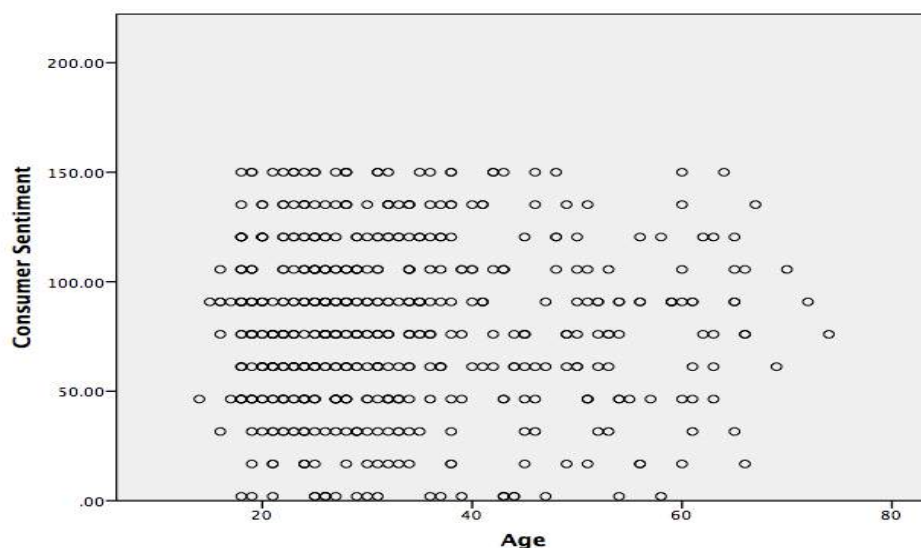
Figure 34. Scatter plot. Mean scores of consumer sentiment by age.

A cross tabulation of consumer sentiment scores by age cohort revealed that there are virtually no differences among Millennials (*M* = 79.73, *SD* = 37.57), Gen X (*M* = 78.84, *SD* = 42.51), and Baby Boomers (76.26, *SD* = 36.10) regarding their consumer sentiment scores. While the scores slightly varied among the generations, it was not statistically significant (see Figure 35).
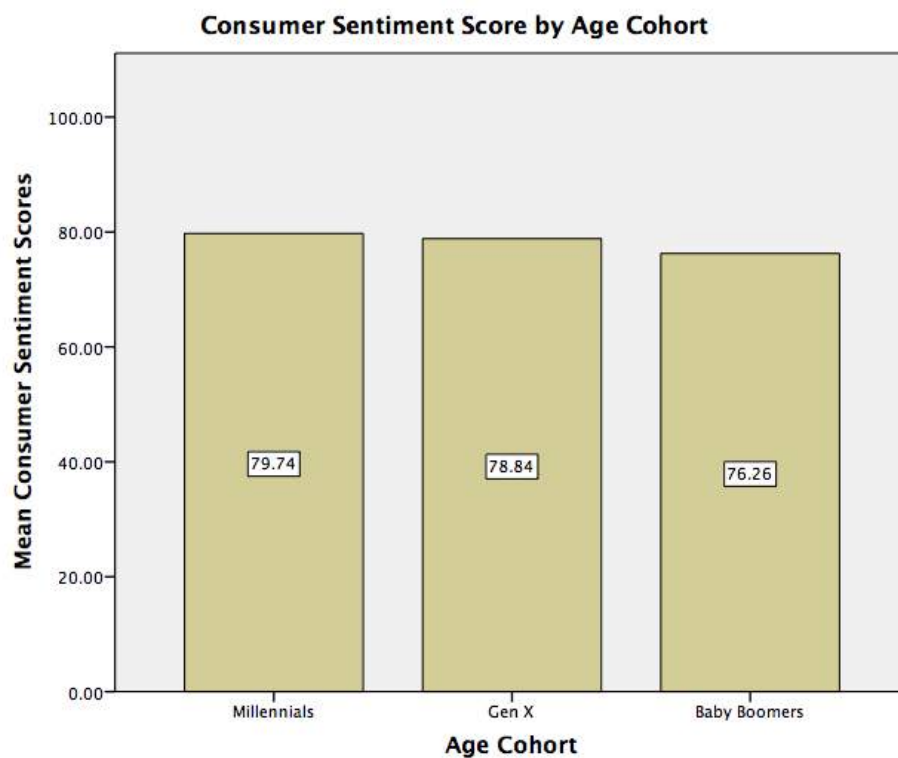
Figure 35. Mean scores of consumer sentiment by age cohort.

Age by Preference for Capitalism

A Spearman's rho analysis was conducted to determine the relationship between age by preference for the capitalistic system. Participants were asked to use a 5-point Likert scale to determine whether they considered capitalism as 'very bad', 'bad', 'neither good nor bad', 'good', or 'very good'. Results indicated a significant but weak

correlation between age and preference for capitalism, r_s (546) = 0.141, $p < .01$. The null

hypothesis is rejected (see Table 5).

Table 5

Spearman's rho correlation between age by preference for capitalism

			How old are you?	Pick one word to describe this system: Capitalism
Spearman's rho	How old are you?	Correlation Coefficient	1.000	.141[**]
		Sig. (2-tailed)	.	.001
		N	547	546
	Pick one word to describe this system: Capitalism	Correlation Coefficient	.141[**]	1.000
		Sig. (2-tailed)	.001	.
		N	546	548

**. Correlation is significant at the 0.01 level (2-tailed).

Upon closer examination, a cross-sectional analysis of age by sentiment towards

capitalism found an upward positive trend related to increases in age. In other words,

increase in age was positively correlated with more positive feelings towards capitalism,

albeit a weak correlation at 0.141. From a visual perspective, there seems to be a slight

linear relationship between age and preference for the capitalist economic system as

demonstrated by the line graph. Millennials were less likely to view capitalism as

favorably as their counterparts, GenXers and Baby Boomers. It was hypothesized that

Millennials were more apathetic towards the capitalist economic system compared to

their cohorts, and, as such, the null hypothesis is rejected. It is important to note that while Millennials differed in their degree of sentiment towards the capitalist economic system, all three groups scored relatively high in their appreciation towards capitalism (see Figure 36).
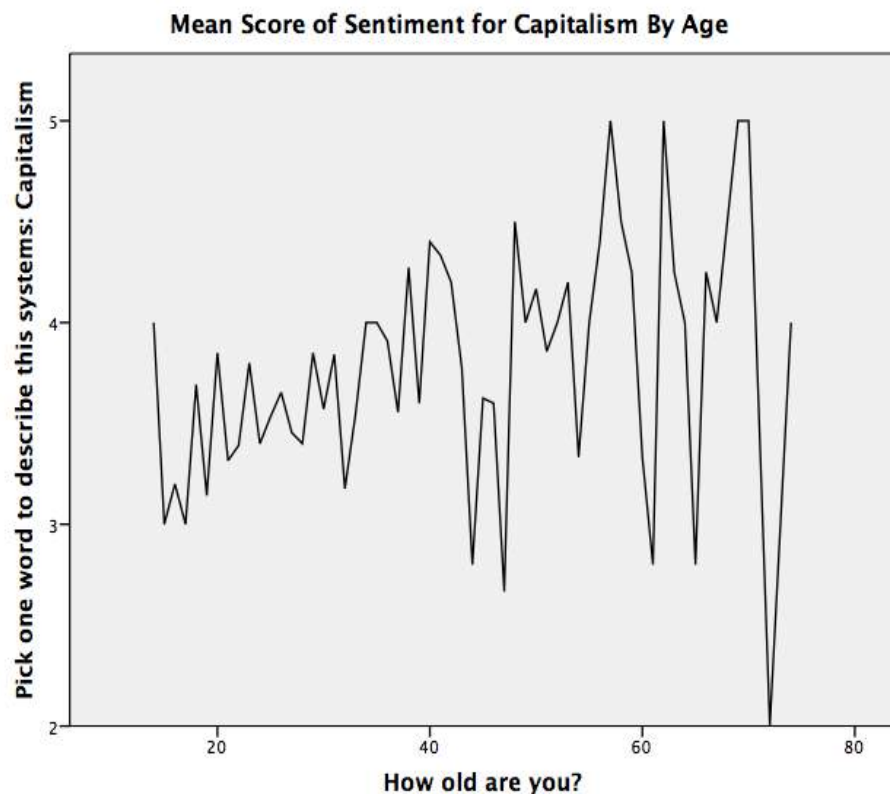
Figure 36. Mean scores of sentiment for capitalism by age.

The Millennial generation had the lowest mean score for preference of capitalism among the three predominant generations in the sample (*M* = 3.60, *SD* = 1.054). The Silent Generation was left out of the calculation due to a low level of participation in the survey. For example, Gen X (*M* = 3.85, *SD* = 1.123) and Baby Boomers (*M* = 3.86, *SD* = -1.09) scored relatively high in their favorability towards capitalism. It is interesting to

note that while Millennials ranked capitalism lower than their counterparts, all three

cohorts still viewed the capitalist economic system anyway within the range of 'good'

(see Figure 37).

Mean Score Sentiment of Capitalism by Age Cohort
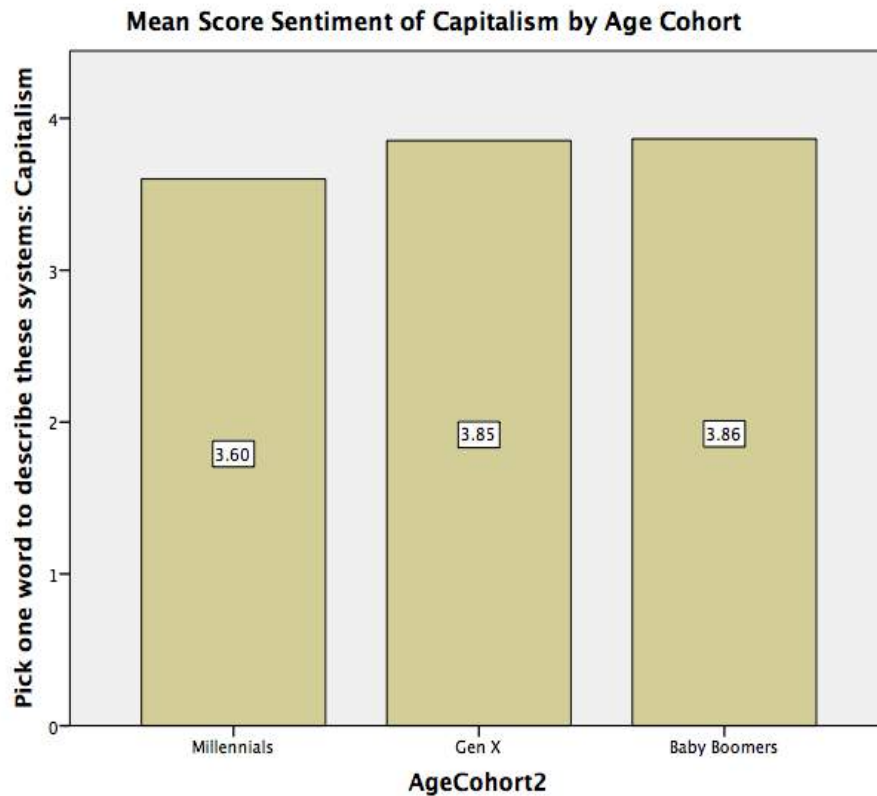
Figure 37. Mean scores of sentiment for capitalism by age cohort.

Age by Preference for Socialism

A Spearman's rho analysis was conducted to determine the relationship between

age by preference for the socialist economic system. Participants were asked to use a 5-

point Likert scale to determine whether they considered socialism as 'very bad', 'bad',

'neither good nor bad', 'good', or 'very good'. Results indicated a significant, but

moderate, correlation between age and preference for socialism, r_s (549) = -.199, $p < .01$.

The null hypothesis is rejected (see Table 6).

Table 6

Spearman's rho correlation between age by preference for socialism.

			How old are you?	Pick one word to describe this system: Socialism
Spearman's rho	How old are you?	Correlation Coefficient	1.000	-.199[**]
		Sig. (2-tailed)	.	.000
		N	547	547
	Pick one word to describe these systems: Capitalism, socialism, and communism – Socialism	Correlation Coefficient	-.199[**]	1.000
		Sig. (2-tailed)	.000	.
		N	547	549

**. Correlation is significant at the 0.01 level (2-tailed).

A cross-sectional analysis of age by sentiment towards socialism found a negative trend. That is, increase in age was negatively correlated to sentiment towards socialism, albeit modest at -.199. From a visual perspective, it appears again that there is a slight linear relationship between age and preference for the socialist system. Millennials were more likely to view socialism more favorably when compared to Gen X and Baby Boomers. Furthermore, the older the person was, the more likely he or she was to report a more negative viewpoint of socialism. The original research question was to determine if

there is a generational gap in perceptions about the three economic systems in the population of the United States. As such, the null hypothesis is rejected. Millennials are more likely to favor socialism than other generations in the population of the United States. While Millennials display appreciation for capitalism, it is nonetheless at the lowest level among age cohorts. (see Figure 38).
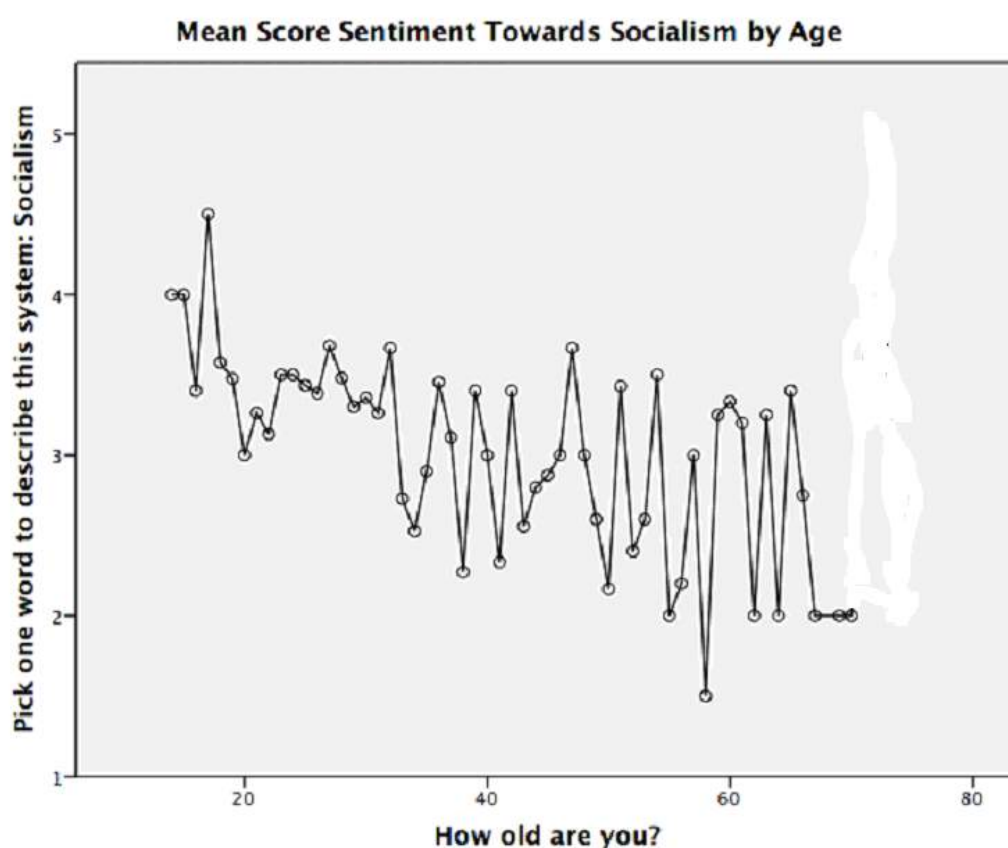
Figure 38. Mean scores of sentiment for socialism by age.

The generational differences in regard to socialism can be seen in the cross-tabulation table among generational cohorts and their preferences towards socialism. Compared to their cohorts, Millennials ranked highest in terms of positive disposition towards socialism with the mean score of 3.30 (*SD* = 1.14). However, GenXers (*M* =

2.85, $SD = 1.07$) and Baby Boomers ($M = 2.83$, $SD = 1.13$) were quite similar in their lower opinions towards socialism. Both, GenXers and Baby Boomers were more likely to view socialism negatively. There is an inverse relationship regarding sentiment towards capitalism and socialism. Whereas Millennials scored the lowest in positive sentiment towards capitalism compared to GenXers and Baby Boomers who scored the highest, Millennials viewed socialism comparatively more favorable compared to GenXers and Baby Boomers. This sample population confirms a generational gap in the appreciation of the three economic systems (see Figure 39).

Mean Score Sentiment Towards Socialism by Age Cohort
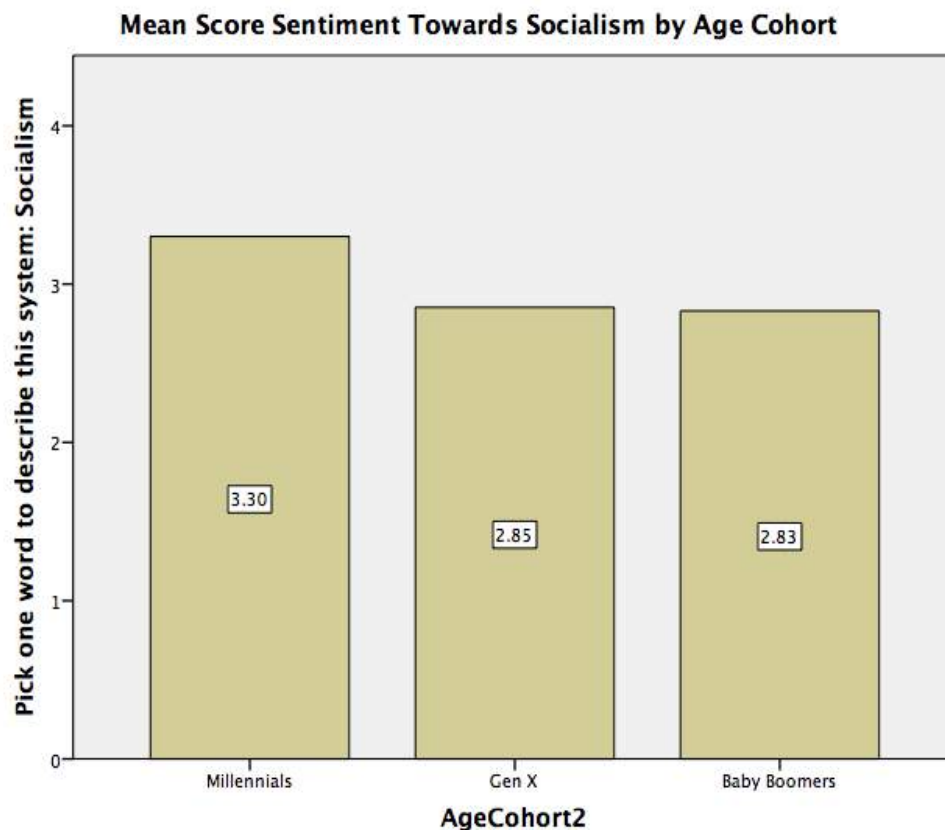
Figure 39. Mean scores of sentiment for socialism by age cohort.

Age by Preference for Communism

A Spearman's rho analysis was conducted to determine the relationship between age by preference for the communist system. Participants were asked to use a 5-point Likert scale to determine whether they considered communism as 'very bad', 'bad', 'neither good nor bad', 'good', or 'very good'. Results indicated a significant but moderate correlation between age and preference for communism, r_s (547) = -.227, $p <$ .01. The null hypothesis is rejected (see Table 7).

Table 7

Spearman's rho correlation between age by preference for communism

			How old are you?	Pick one word to describe this systems: Communism
Spearman's rho	How old are you?	Correlation Coefficient	1.000	-.227[**]
		Sig. (2-tailed)	.	.000
		N	547	547
	Pick one word to describe this system: Communism	Correlation Coefficient	-.227[**]	1.000
		Sig. (2-tailed)	.000	.
		N	547	549

**. Correlation is significant at the 0.01 level (2-tailed).

A cross-sectional analysis of age by sentiment towards communism found a negative trend. That is, increase in age was negatively correlated to sentiment towards communism, albeit a modest correlation at -.227, which suggests clear generational

differences regarding communism. From a visual perspective, it appears that there is a slight linear relationship between age and preference for the communist system. Millennials were more likely to view communism more favorably when compared to Gen X and Baby Boomers. Furthermore, the older the person was, the more likely he or she was to report a more negative viewpoint of communism. As such, the null hypothesis is rejected. It is interesting to highlight that the cumulative score towards communism is significantly lower than towards socialism and capitalism; nonetheless, Millennials still differ when compared to their cohorts (see Figure 40).
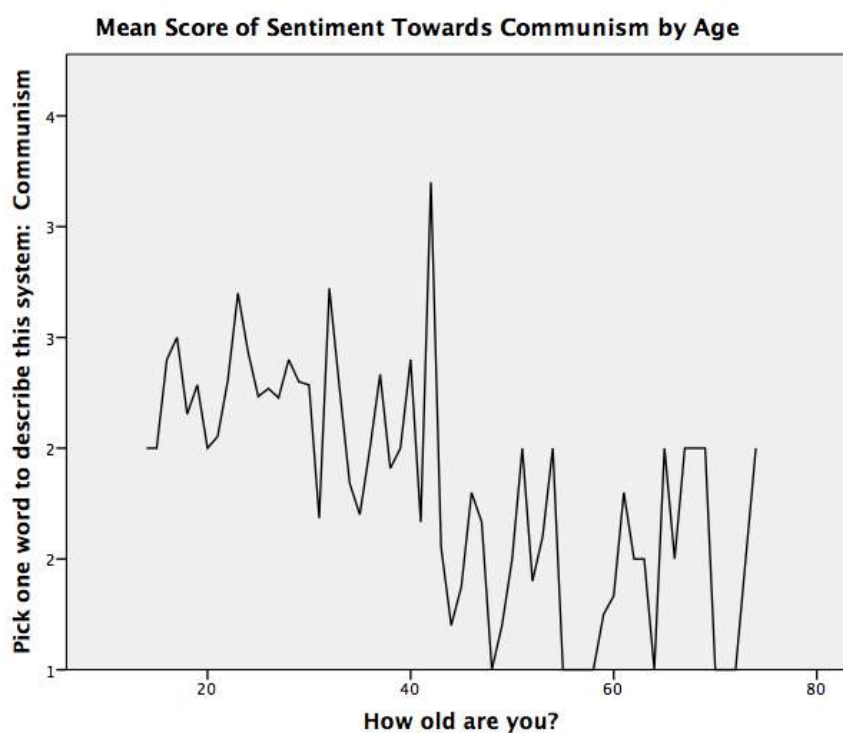
Figure 40. Mean score of sentiment for communism by age.

The generational differences regarding communism can be seen in the cross-tabulation chart between the generational cohorts and their preferences towards

communism. Compared to their cohorts, Millennials ranked highest in terms of sentiment towards communism with the mean score of 2.22 (*SD* = 1.14). However, Gen X (*M* = 2.85, *SD* = 1.07) and Baby Boomers (*M* = 2.83, *SD* = 1.13) were similar in their perspectives towards communism and more likely to view communism negatively. There is an inverse relationship regarding sentiment towards capitalism and communism. Whereas Millennials scored the lowest in sentiment towards capitalism compared to Gen X and Baby Boomers, Millennials viewed communism comparatively more favorably than Gen X and Baby Boomers. It is important to note that all three cohorts viewed communism as "bad", though Millennials were comparatively higher in appreciation than GenXers and Baby Boomers. This confirms the generational gap aforementioned (see Figure 41).
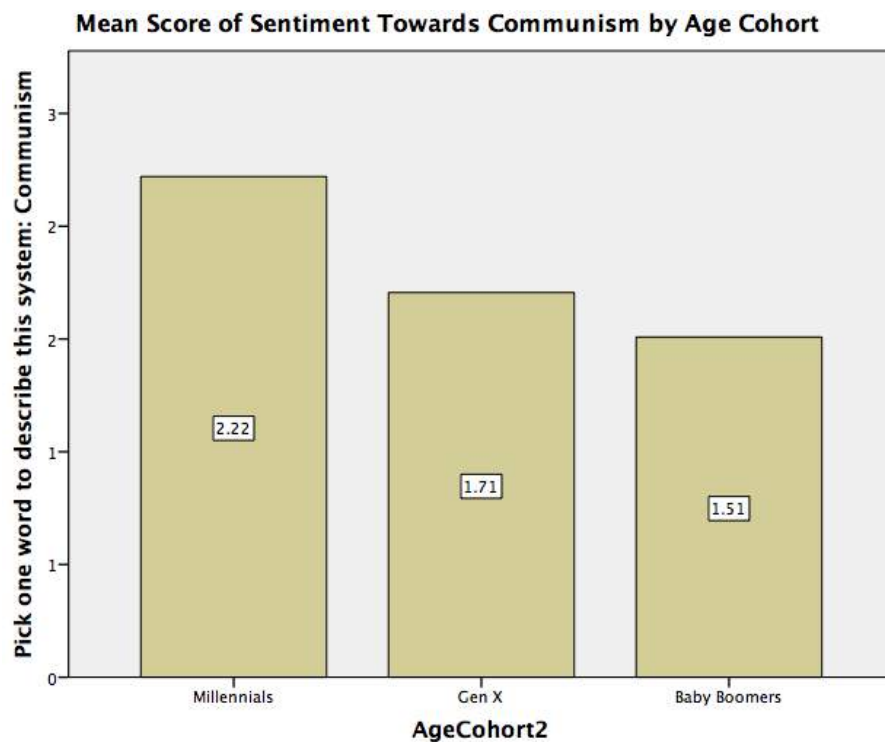
Figure 41. Mean score of sentiment for communism by age cohort.

Income by Preference for Capitalism

A Spearman's rho analysis was conducted to determine the relationship between income by preference for the capitalist system. Participants used a 5-point Likert scale to give their opinion about whether they considered capitalism as 'very bad', 'bad', 'neither good nor bad', 'good', or 'very good'. In one of the demographic questions of the instrument, participants had to type in their annual household income before tax. Results indicated a significant but moderate correlation between income and preference for capitalism, r_s (501) = .209, p < .01. The null hypothesis is rejected (see Table 8).

Table 8

Spearman's rho correlation between household income by preference for capitalism.

			Pick one word to describe this system: Capitalism	What is your total household income before taxes?
Spearman's rho	Pick one word to describe this system: Capitalism	Correlation Coefficient	1.000	.209[**]
		Sig. (2-tailed)	.	.000
		N	548	500
	What is your total household income before taxes?	Correlation Coefficient	.209[**]	1.000
		Sig. (2-tailed)	.000	.
		N	500	501

**. Correlation is significant at the 0.01 level (2-tailed).

A cross-sectional analysis of mean household income by preference for capitalism also found a positive relationship. That is, increase in income was positively correlated with positive attitudes towards capitalism, albeit a moderate correlation at 0.209. The visual chart below demonstrates, those who view capitalism as 'very bad' and 'bad' reported a mean household income of $45,000 and $49,990 respectively. Conversely, those who reported capitalism as 'good' or 'very good' reported a mean household income of $79,039 and $79,889 respectively. This may suggest a threshold income of $79,000 or more may reflect a more favorable viewpoint of capitalism with those more likely to view capitalism as 'good' or 'very good' (see Figure 42).

Figure 42. Mean score of household income by preference for capitalism.

Income by Preference for Socialism

A Spearman's rho analysis was conducted to determine the relationship between income by preference for the socialist system. Participants were asked to use a 5-point Likert scale to determine whether they considered socialism as 'very bad', 'bad', 'neither good nor bad', 'good', or 'very good'. Participants were also asked to provide their annual household income before tax. Results indicated a significant but weak correlation between income and preference for socialism, r_s (501) = -.124, p < .01. The null hypothesis is rejected (see Table 9).

Table 9

Spearman's rho correlation between household income by preference for socialism.

			What is your total household income before taxes?	Pick one word to describe this system: Socialism
Spearman's rho	What is your total household income before taxes?	Correlation Coefficient	1.000	-.124[**]
		Sig. (2-tailed)	.	.005
		N	501	501
	Pick one word to describe this system: Socialism	Correlation Coefficient	-.124[**]	1.000
		Sig. (2-tailed)	.005	.
		N	501	549

**. Correlation is significant at the 0.01 level (2-tailed).

A cross-sectional analysis of mean income by sentiment towards socialism also found a negative relationship. That is, increase in income was negatively correlated with attitudes towards socialism, albeit a weak correlation at -.124. The visual chart below demonstrates that those who view socialism as 'very bad' and 'bad' reported a mean income of $80,110 and $79,935 respectively. Conversely, those who reported socialism as 'good' or 'very good' also reported a mean income of $63,537 and $71,806 respectively. This is an inverse relationship with regards to sentiments towards capitalism with positive attitudes relating to higher incomes. Though it is important to highlight that the mean income for those who considered socialism as 'very good' also reported higher mean income than those reporting socialism as 'good' and 'neither good nor bad'. In sum, increase in income is more likely to result in a decrease in positive attitudes towards socialism (see Figure 43).
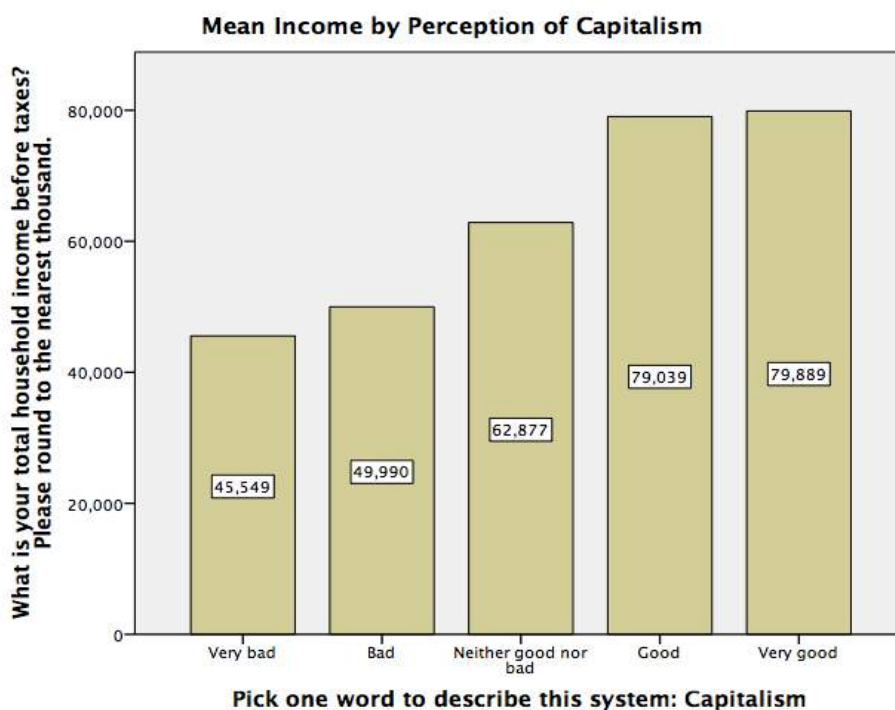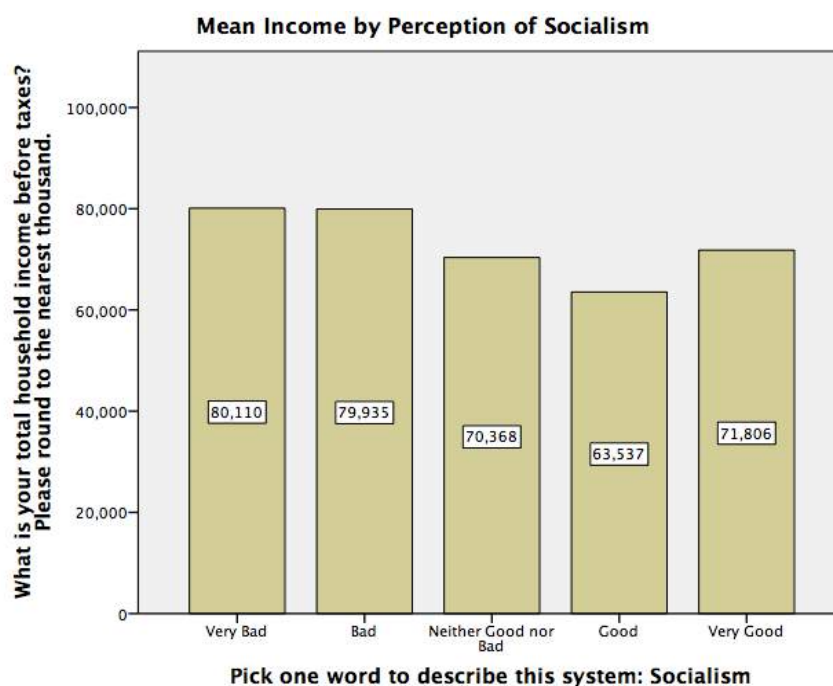

Figure 43. Mean score of household income by preference for socialism.

Income and Preference for Communism

A Spearman's rho analysis was conducted to determine the relationship between income by preference for the communist system. Participants were asked to use a 5-point scale to determine whether they considered communism as 'very bad', 'bad', 'neither good nor bad', 'good', or 'very good'. Participants were also asked to provide their annual household income before tax. Results indicated a significant but weak correlation between income and preference for communism, r_s (501) = -.140, p < .01. The null hypothesis is rejected (see Table 10).

Table 10

Spearman's rho correlation between household income and preference for communism.

			What is your total household income before taxes?	Pick one word to describe this system: Communism
Spearman's rho	What is your total household income before taxes?	Correlation Coefficient	1.000	-.140[**]
		Sig. (2-tailed)	.	.002
		N	501	501
	Pick one word to describe this system: Communism	Correlation Coefficient	-.140[**]	1.000
		Sig. (2-tailed)	.002	.
		N	501	549

**. Correlation is significant at the 0.01 level (2-tailed).

A cross-sectional analysis of mean income by sentiment towards communism also found a negative relationship. That is, increase in income was negatively correlated with attitudes towards communism, albeit a weak correlation at -.140. The visual chart below demonstrates this relationship; those who view communism as 'very bad' and 'bad' reported a mean income of $83,213 and $67,558 respectively. Conversely, those who reported communism as 'good' or 'very good' also reported a mean income of $54,457 and $41,362 respectively. Thus, the more the person makes, the less likely he or she is to view communism positively (see Figure 44).
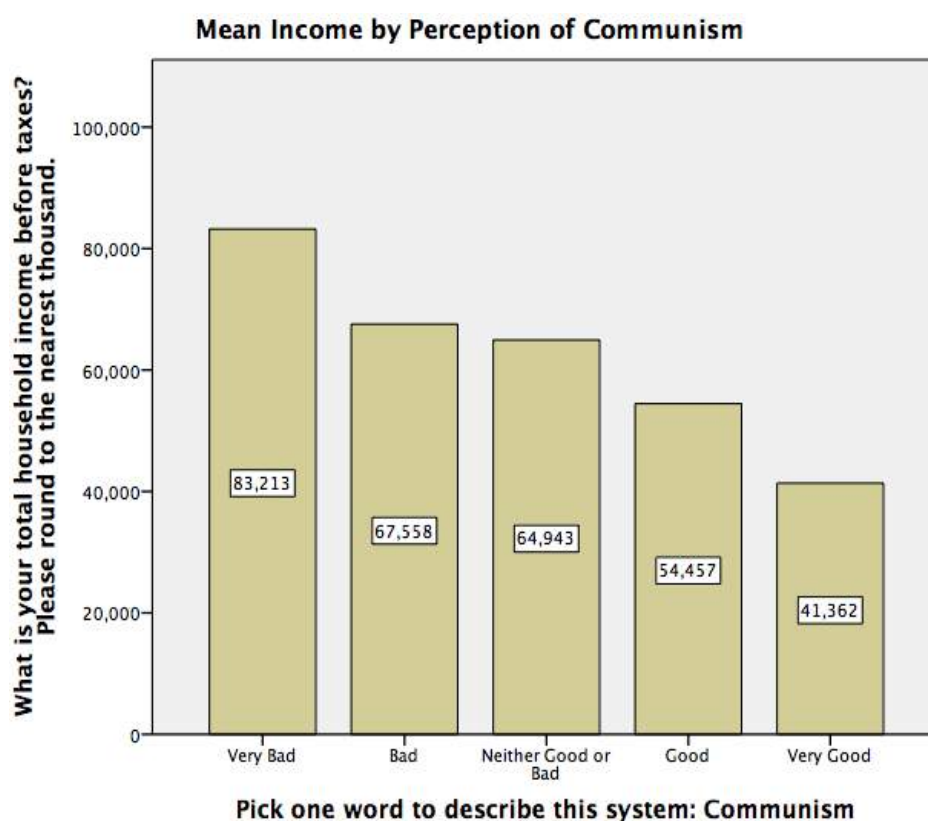
Figure 44. Mean score of household income by preference for communism.

Income by Economic Literacy

A Pearson correlation analysis was conducted to examine the relationship

between income by economic literacy. Results indicated that there was a statistical but weak significant relationship between income and economic literacy, r (501) = .169, $p <$ .00. The read of these results can be interpreted as follow: Income positively correlated with economic literacy. In other words, the higher the respondents' household income was, the higher their economic literacy level was. As such, the null hypothesis was accepted (see Table 11).

Table 11

Pearson correlation between economic literacy by household income.

		Economic Literacy	What is your total household income before taxes?
Economic Literacy	Pearson Correlation	1	.169[**]
	Sig. (2-tailed)		.000
	N	549	501
What is your total household income before taxes?	Pearson Correlation	.169[**]	1
	Sig. (2-tailed)	.000	
	N	501	501

**. Correlation is significant at the 0.01 level (2-tailed).

One more Pearson correlation analysis was conducted to examine the relationship between income by economic literacy in the same sample population, but removing some outliers. The research found that three participants had reported an annual salary of $500,000 or higher, and when these outliers were removed from the sample analysis, the

correlation coefficient was even stronger than the previous one (Table 11), going from a weak to moderate correlation of .260 ($p < .00$). These data suggest that increase in income also correlated to increase in working knowledge of economic literacy (see Table 12).

Table 12

Pearson correlation between economic literacy by household income without outliers.

		Economic Literacy	What is your total household income before taxes?
Economic Literacy	Pearson Correlation	1	.260[**]
	Sig. (2-tailed)		.000
	N	549	498
What is your total household income before taxes?	Pearson Correlation	.260[**]	1
	Sig. (2-tailed)	.000	
	N	498	498

**. Correlation is significant at the 0.01 level (2-tailed).

This study also executed a post-hoc analysis employing a cross-sectional analysis of income by economic literacy. It also found a positive relationship, which could be interpreted as follows: increase in income was positively correlated with increased economic literacy, albeit a moderate correlation at 0.169. As the following visual chart demonstrated, those below in the lowest quintile and second quintile also reported the

lowest mean score in economic literacy at 69.68 percent and 68.90 percent respectively. Conversely those at the fourth quintile and highest quintile reported a mean score of 76.41 percent and 84.01 percent in economic literacy. The read of these results indicated that the higher the income of the respondents, the higher their results in economic literacy (see Figure 45).
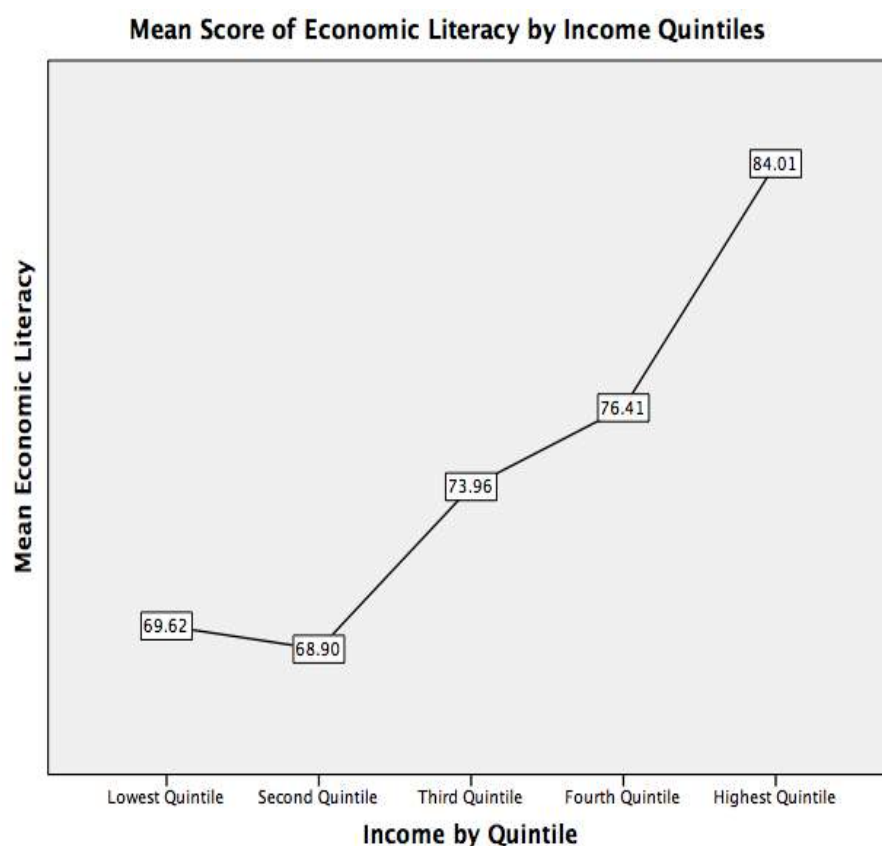
Figure 45. Mean score of economic literacy by household income quintile.

Income by Knowledge of the Economic Systems

A Pearson correlation analysis was conducted to examine the relationship between income by knowledge of the three economic systems analyzed in this study. Results indicated that there was a statistically significant, but weak, relationship between

income by knowledge of the economic systems, r (501) = .116, $p < .05$. The research also found that household income positively correlated with the participants' knowledge of the economic systems. Not surprisingly, the read of these results indicated that the higher the household income of the respondents, the higher their results in regards to knowledge of the economic systems. In other words, increase in income also related to increase in knowledge of the economic systems. As such, the null hypothesis was rejected (see Table 13).

Table 13

Pearson correlation between knowledge of economic systems by household income.

		Knowledge of the Economic Systems	What is your total household income before taxes?
Knowledge of the Economic Systems	Pearson Correlation	1	.116[**]
	Sig. (2-tailed)		.010
	N	549	501
What is your total household income before taxes?	Pearson Correlation	.116[**]	1
	Sig. (2-tailed)	.010	
	N	501	501

**. Correlation is significant at the 0.01 level (2-tailed).

One more Pearson correlation analysis was conducted to examine the relationship between income by economic literacy in the same sample population, but removing some outliers. The research found that three participants had reported an annual salary of

$500,000 or higher, and when these outliers were removed from the sample analysis, the correlation coefficient was even stronger than the previous one (Table 12), going from a weak to moderate correlation of .227 ($p < .00$). These data suggest that increase in household income also correlated to increase in working knowledge of the economic systems (see Table 14).

Table 14

Spearman's rho correlation between knowledge of economic systems by household income without outliers.

			Knowledge of the Economic Systems	What is your total household income before taxes?
Spearman's rho	Knowledge of Economic Systems	Correlation Coefficient	1.000	.227**
		Sig. (2-tailed)	.	.000
		N	549	501
	What is your total household income before taxes?	Correlation Coefficient	.227**	1.000
		Sig. (2-tailed)	.000	.
		N	501	501

**. Correlation is significant at the 0.01 level (2-tailed).

A post-hoc analysis employing a cross-sectional analysis of household income by knowledge of the economic systems also found a positive relationship. That is, increase in income was positively correlated with increased knowledge of the economic systems, albeit a moderate correlation at 0.169. As the visual chart below demonstrates, those

below in the lowest quintile and second quintile also reported the lowest mean score of

knowledge of the economic systems at 69.35 percent and 69.51 percent respectively.

Those at the fourth and highest quintile reported a mean score of 81.09 percent and 85.47

percent respectively (see Figure 46).
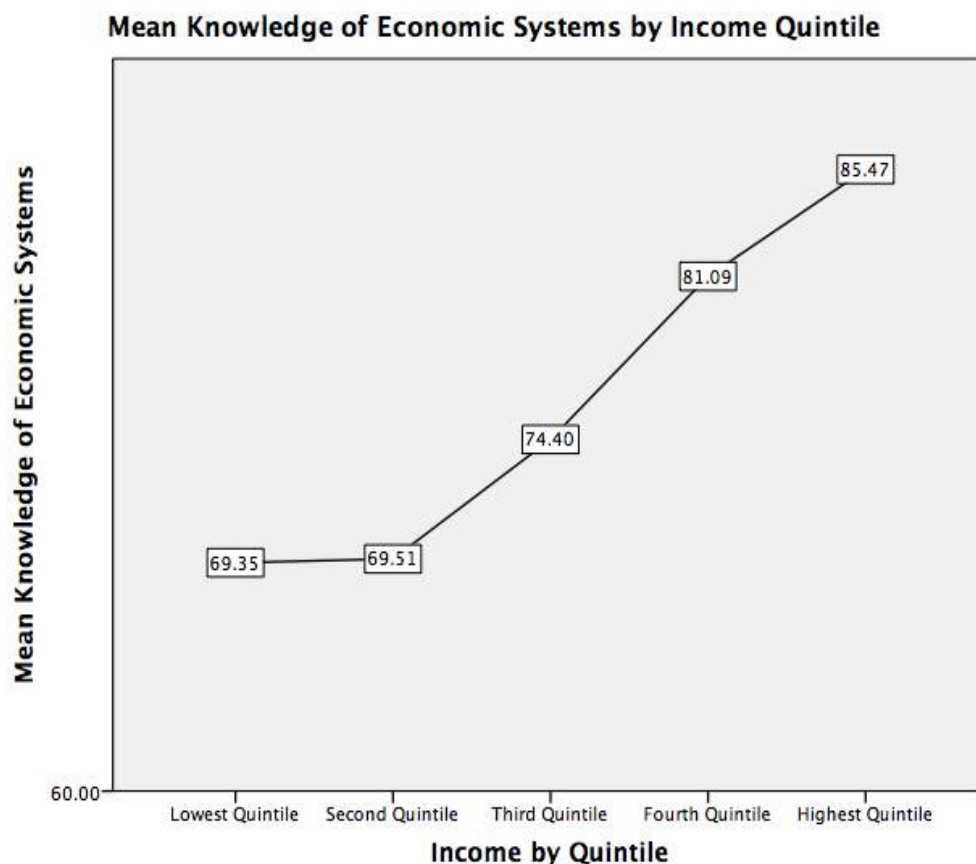
Figure 46. Mean score of knowledge of the economic systems by household income
quintile.

Income by *Index of Consumer Sentiment*

A Pearson correlation analysis was conducted to examine the relationship

between income by sentiment as measured by the *Index of Consumer Sentiment*. Results

indicated that there was a statistical significant, but moderate, relationship between

income and sentiment by the *Index of Consumer Sentiment*, r (501) = .198, p < .00.

Income positively correlated with sentiment by the *Index of Consumer Sentiment*. In other words, increase in income also related to increase in sentiment by the *Index of Consumer Sentiment*. As such, the null hypothesis was rejected (see Table 15).

Table 15

Spearman's rho correlation between household income by consumer sentiment.

			What is your total household income before taxes?	*Index of Consumer Sentiment*
Spearman's rho	What is your total household income before taxes?	Correlation Coefficient	1.000	.198**
		Sig. (2-tailed)	.	.000
		N	501	501
	Index of Consumer Sentiment	Correlation Coefficient	.198**	1.000
		Sig. (2-tailed)	.000	.
		N	501	549

**. Correlation is significant at the 0.01 level (2-tailed).

A post-hoc analysis employing a cross-sectional analysis of income by sentiment by the *Index of Consumer Sentiment* also found a positive relationship. That is, increase in income was positively correlated with consumer sentiment as measured by the *Index of Consumer Sentiment*, albeit a moderate correlation at 0.198. In other words, increase in income also related to increase in sentiment by the *Index of Consumer Sentiment*. As the

visual chart below demonstrated, those participants below in the lowest quintile and second quintile also reported the lowest mean score of consumer sentiment as measured by the *Index of Consumer Sentiment* at 69.96 and 69.51 respectively. Those at the fourth and highest quintile reported a mean score of consumer sentiment by the *Index of Consumer Sentiment* at 84.25 and 90.81 respectively (see Figure 47).

Mean Score Index of Consumer Sentiment by Income
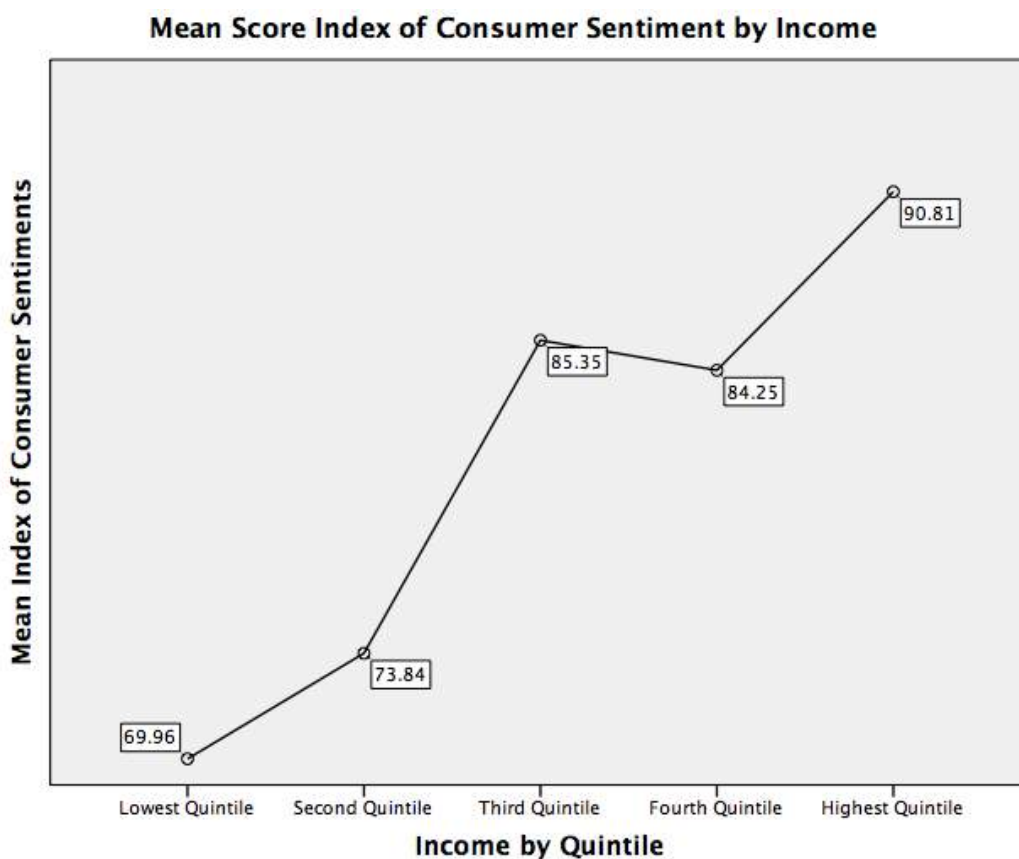
Figure 47. Mean score of consumer sentiment by household income quintile.

Discretionary Income by Economic Literacy

    A Pearson correlation analysis was conducted to examine the relationship between discretionary income by economic literacy. Results indicated that there was a statistically significant, but weak, relationship between discretionary income and

economic literacy, r (501) = -.100, p < .05. Discretionary income was negatively

correlated with economic literacy. In other words, increase in discretionary income also

related to decrease in economic literacy. As such, the null hypothesis was rejected. Based

on the typed-in answers, the research found that a number of respondents in the sample

population either did not know how to calculate discretionary income or did not

understand the question. In addition, some participants declined to respond; therefore,

these results might be skewed (See Table 16).

Table 16

Pearson correlation between discretionary income by economic literacy.

		Economic Literacy	What is your discretionary income per month to the nearest whole number? Open-ended responses
Economic Literacy	Pearson Correlation	1	-.100[*]
	Sig. (2-tailed)		.026
	N	549	493
What is your discretionary income per month to the nearest whole number? Open-ended Response.	Pearson Correlation	-.100[*]	1
	Sig. (2-tailed)	.026	
	N	493	493

*. Correlation is significant at the 0.05 level (2-tailed).

Discretionary Income by Knowledge of the Economic Systems

A Pearson correlation analysis was conducted to examine the relationship

between discretionary income by knowledge of the economic systems. Results indicated that there was a statistical significant, but moderate, relationship between discretionary income and knowledge of the economic systems, r (493) = -.090, p < .05. Discretionary income was negatively correlated with knowledge of the economic systems. In other words, increase in discretionary income also related to decrease in knowledge of the economic systems. As such, the null hypothesis was rejected. The research found that a number of respondents in the sample population either did not know how to calculate discretionary income or did not understand the question. In addition, some participants declined to respond; therefore, these results might be skewed (see Table 17).

Table 17

Pearson correlation between discretionary income by knowledge of the economic systems.

		What is your discretionary income per month to the nearest whole number?	Knowledge of Economic Systems
What is your discretionary income per month to the nearest whole number?	Pearson Correlation	1	-.090[*]
	Sig. (2-tailed)		.045
	N	493	493
Knowledge of Economic Systems	Pearson Correlation	-.090[*]	1
	Sig. (2-tailed)	.045	
	N	493	549

*. Correlation is significant at the 0.05 level (2-tailed).

Discretionary Income by the *Index of Consumer Sentiment*

A Pearson correlation analysis was conducted to examine the relationship between discretionary income by consumer sentiment as measured by the *Index of Consumer Sentiment*. Results indicated that there was a statistical significant, but weak, relationship between discretionary income and consumer sentiment by the *Index of Consumer Sentiment*, r (493) = .096, p < .05. Discretionary income was positively correlated with consumer sentiment. In other words, increase in discretionary income also related to increase in consumer sentiment. As such, the null hypothesis was rejected (see Table 18).

Table 18

Pearson correlation between discretionary income by consumer sentiment.

		What is your discretionary income per month to the nearest whole number?	*Index of Consumer Sentiment*
What is your discretionary income per month to the nearest whole number?	Pearson Correlation	1	.096[*]
	Sig. (2-tailed)		.032
	N	493	493
Index of Consumer Sentiment	Pearson Correlation	.096[*]	1
	Sig. (2-tailed)	.032	
	N	493	549

*. Correlation is significant at the 0.05 level (2-tailed).

Discretionary Income by Preference for Capitalism

A Spearman's rho analysis was conducted to determine the relationship between discretionary income by preference for the capitalist system. Discretionary income is spending money leftover after all bills have been paid off. Participants were asked to use a 5-point Likert scale to determine whether they considered capitalism as 'very bad', 'bad', 'neither good nor bad', 'good', or 'very good'. Participants were also asked to inform about their monthly discretionary income. Results indicated a significant but weak correlation between income by preference for capitalism, r_s (501) = .209, p < .05. The null hypothesis is rejected (see Table 19).

Table 19

Spearman's rho correlation between discretionary income by preference for capitalism.

			What is your discretionary income per month to the nearest whole number?	Pick one word to describe this system: - Capitalism
Spearman's rho	What is your discretionary income per month to the nearest whole number?	Correlation Coefficient	1.000	.108[*]
		Sig. (2-tailed)	.	.017
		N	493	493
	Pick one word to describe this system: Capitalism	Correlation Coefficient	.108[*]	1.000
		Sig. (2-tailed)	.017	.
		N	493	548

*. Correlation is significant at the 0.05 level (2-tailed).

A cross-sectional analysis of mean discretionary income by sentiment towards capitalism demonstrates this positive relationship. That is, increase in discretionary income was positively correlated with attitudes towards capitalism, albeit a weak correlation at .108. The visual chart below demonstrated this relationship. Those who view capitalism as 'very bad' also had a mean discretionary income of $298. Conversely, those who reported capitalism as 'good' or 'very good' reported a mean discretionary income of $3,220 and $2,961 respectively. Thus, the more discretionary income available, the more likely the person is to view capitalism positively. Those who view capitalism as 'bad' were the exception; their mean discretionary income was $3,291 (see Figure 48).
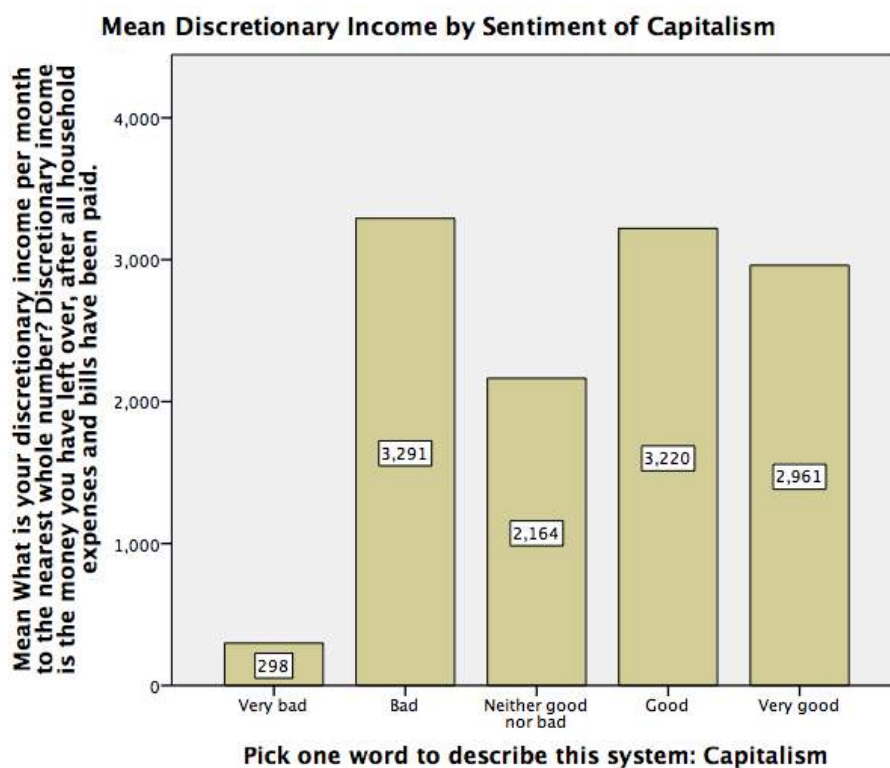
Figure 48. Mean score of discretionary income by preference for capitalism.

Discretionary Income by Preference for Socialism

A Spearman's rho analysis was conducted to determine the relationship between discretionary income and preference for the socialist system. Participants were asked using a 5-point Likert scale whether they considered socialism as 'very bad', 'bad', 'neither good nor bad', 'good', or 'very good'. Participants were also asked to provide their monthly discretionary income. Results did not find a significant relationship between income and preference for socialism, $r_s(501) = -.025$, $p > .05$. The null hypothesis is accepted (see Table 20).

Table 20

Spearman's rho correlation between discretionary income by preference for socialism.

			What is your discretionary income per month to the nearest whole number?	Pick one word to describe this systems: Socialism
Spearman's rho	What is your discretionary income per month to the nearest whole number?	Correlation Coefficient	1.000	-.025
		Sig. (2-tailed)	.	.581
		N	493	493
	Pick one word to describe this system: Socialism	Correlation Coefficient	-.025	1.000
		Sig. (2-tailed)	.581	.
		N	493	549

Discretionary Income by Preference for Communism

A Spearman's rho analysis was conducted to determine the relationship between discretionary income by preference for the communist system. Participants were asked to use a 5-point Likert scale whether they considered communism as 'very bad', 'bad', 'neither good nor bad', 'good', or 'very good'. Participants were also asked to provide their monthly discretionary income. Results did not find significant relationship between discretionary income and preference for communism, r_s (501) = .037, p > .05. The null hypothesis is accepted (see Table 21).

Table 21

Spearman's rho correlation between discretionary income by preference for communism.

			What is your discretionary income per month to the nearest whole number?	Pick one word to describe this systems: Communism
Spearman's rho	What is your discretionary income per month to the nearest whole number?	Correlation Coefficient	1.000	.037
		Sig. (2-tailed)	.	.418
		N	493	493
	Pick one word to describe this system: Communism	Correlation Coefficient	.037	1.000
		Sig. (2-tailed)	.418	.
		N	493	549

Debt by Economic Literacy

A Pearson correlation analysis was conducted to examine the relationship between debt by economic literacy. Debt seems to be a difficult issue for people and this factor may have skewed this sample since, out of the 549 respondents, 107 participants declined to respond, constituting 19.5 percent of all respondents, or just 442 participants. Results indicated that there was no statistically significant relationship between debt and economic literacy, r (347) = .045, p > .05. In other words, increase in debt was not related to the level of economic literacy. The null hypothesis was accepted (see Table 22).

Table 22

Pearson correlation between debt by economic literacy.

		Are you in debt? How much debt do you owe to the nearest thousand?	Economic Literacy
Are you in debt? How much debt do you owe to the nearest thousand?	Pearson Correlation	1	.045
	Sig. (2-tailed)		.401
	N	347	347
Economic Literacy	Pearson Correlation	.045	1
	Sig. (2-tailed)	.401	
	N	347	549

Debt by Knowledge of the Economic Systems

A Pearson correlation analysis was conducted to examine the relationship between debt by knowledge of the economic systems—capitalism, socialism, and

communism. Debt seems to be a difficult issue for people and this factor may have

skewed this sample since, out of the 549 respondents, 107 participants declined to

respond, constituting 19.5 percent of all respondents, or just 442 participants. Results

indicated that there was no statistically significant relationship between debt and

knowledge of economic systems, r (347) = .102, p > .05. Increase in debt was not related

to knowledge of the economic systems. As such, the null hypothesis was accepted (see

Table 23).

Table 23

Pearson correlation between debt by knowledge of the economic systems.

		Are you in debt? How much debt do you owe to the nearest thousand?	Knowledge of Economic Systems
Are you in debt? How much debt do you owe to the nearest thousand?	Pearson Correlation	1	.102
	Sig. (2-tailed)		.057
	N	347	347
Knowledge of the Economic Systems	Pearson Correlation	.102	1
	Sig. (2-tailed)	.057	
	N	347	549

Debt by the *Index of Consumer Sentiment*

A Pearson correlation analysis was conducted to examine the relationship

between debt by sentiment as measured by the *Index of Consumer Sentiment*. Debt seems

to be a difficult issue for people and this factor may have skewed this sample since, out of

the 549 respondents, 107 participants declined to respond, constituting 19.5 percent of all

respondents, or just 442 participants. Results indicated that there was no statistically

significant relationship between debt and consumer sentiment as measured by the *Index*

of Consumer Sentiment, r (347) = -.103, p > .05. In other words, increase in debt was not

related to consumer sentiment as measured by the *Index of Consumer Sentiment*. As such,

the null hypothesis was accepted (see Table 24).

Table 24

Pearson correlation between debt by consumer sentiment.

		Are you in debt? How much debt do you owe to the nearest thousand?	*Index of Consumer Sentiment*
Are you in debt? How much debt do you owe to the nearest thousand?	Pearson Correlation	1	-.103
	Sig. (2-tailed)		.055
	N	347	347
Index of Consumer Sentiment	Pearson Correlation	-.103	1
	Sig. (2-tailed)	.055	
	N	347	549

Debt by Preference for Capitalism

A Spearman's rho analysis was conducted to determine the relationship between

debt owed by preference for the capitalist system. Participants were asked to use a 5-

point Likert scale to determine whether they considered capitalism as 'very bad', 'bad', 'neither good nor bad', 'good', or 'very good'. Participants were also asked to provide their total debt. Debt seems to be a difficult issue for people and this factor may have skewed this sample since, out of the 549 respondents, 107 participants declined to respond, constituting 19.5 percent of all respondents, or just 442 participants. Results did not find a significant relationship between debt and preference for capitalism, r_s (441) = .083, p >.05. The null hypothesis is accepted (see Table 25).

Table 25

Spearman's rho correlation between debt by preference for capitalism

			Pick one word to describe this system: Capitalism	Are you in debt? How much debt do you owe to the nearest thousand?
Spearman's rho	Pick one word to describe this system: Capitalism	Correlation Coefficient	1.000	.083
		Sig. (2-tailed)	.	.082
		N	548	441
	Are you in debt? How much debt do you owe to the nearest thousand?	Correlation Coefficient	.083	1.000
		Sig. (2-tailed)	.082	.
		N	441	442

Debt by Preference for Socialism

A Spearman's rho analysis was conducted to determine the relationship between debt owed and preference for the socialist system. Participants were asked to use a 5-

point Likert scale to determine whether they considered socialism as 'very bad', 'bad', 'neither good nor bad', 'good', or 'very good'. Participants were also asked to provide their total debt. Debt seems to be a difficult issue for people and this factor may have skewed this sample since, out of the 549 respondents, 107 participants declined to respond, constituting 19.5 percent of all respondents, or just 442 participants. Results did not find a significant relationship between debt and preference for socialism, r_s (442) = $-.008, p >.05$. The null hypothesis is accepted (see Table 26).

Table 26

Spearman's rho correlation between debt by preference for socialism

			Are you in debt? How much debt do you owe to the nearest thousand?	Pick one word to describe this system: Socialism
Spearman's rho	Are you in debt? How much debt do you owe to the nearest thousand?	Correlation Coefficient	1.000	-.008
		Sig. (2-tailed)	.	.873
		N	442	442
	Pick one word to describe this system: Socialism	Correlation Coefficient	-.008	1.000
		Sig. (2-tailed)	.873	.
		N	442	549

Debt by Preference for Communism

A Spearman's rho analysis was conducted to determine the relationship between total debt owed by preference for the communist system. Participants were asked to use a

5-point Likert scale to determine whether they considered communism as 'very bad',

'bad', 'neither good nor bad', 'good', or 'very good'. Participants were also asked to

provide their total debt. Debt seems to be a difficult issue for people and this factor may

have skewed this sample since, out of the 549 respondents, 107 participants declined to

respond, constituting 19.5 percent of all respondents, or just 442 participants. There was a

significant, but weak, relationship between debt and preference for communism, r_s (442)

= -.109, p < .05. The null hypothesis is rejected (see Table 27).

Table 27

Spearman's rho correlation between debt by preference for communism

			Are you in debt? How much debt do you owe to the nearest thousand?	Pick one word to describe this system: Communism
Spearman's rho	Are you in debt? How much debt do you owe to the nearest thousand?	Correlation Coefficient	1.000	-.109[*]
		Sig. (2-tailed)	.	.022
		N	442	442
	Pick one word to describe this system: Communism	Correlation Coefficient	-.109[*]	1.000
		Sig. (2-tailed)	.022	.
		N	442	549

*. Correlation is significant at the 0.05 level (2-tailed).

A cross-sectional analysis of mean debt by sentiment towards communism demonstrated a negative relationship. That is, the more the person was in debt, the less likely he or she was to report favorable opinions of communism, albeit a weak correlation at -.109. The visual chart below demonstrated this negative relationship. Those who viewed communism as 'very bad' and 'bad' also reported a mean debt of $114,999 and $102,940 respectively. Those who reported communism as 'good' or 'very good' also reported a mean debt of $24,348 and $13,775 respectively. Thus, the more debt owed, the less likely the person was to view communism positively (see Figure 49).
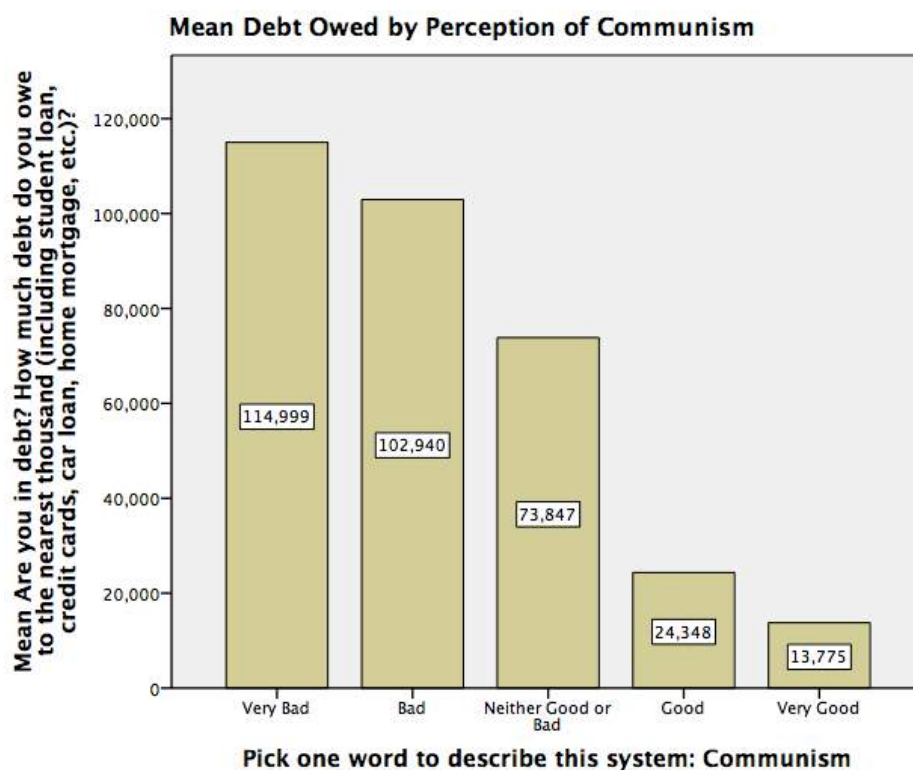
Figure 49. Mean score of debt by preference for communism.

ANOVAs

Acquiring Education about Economics by Age Cohort

A one-way between- subjects ANOVA was conducted to compare age and importance of sources to acquire education about economics. Participants were to rank their preferred sources in order of importance from 'not important at all', 'of little importance', 'of average importance', 'very important', to 'absolutely essential' regarding 'high school education', 'college courses', 'college reading materials', 'family and friends', and 'the Internet'.

Results of the analysis did not find statistically significant differences among Millennials, GenXers and Baby Boomers regarding high school education, college courses, college reading materials, family and/or friends, and the Internet. In fact, all felt that high school education ($M = 3.13$, $SD = 1.23$), college courses ($M = 3.35$, $SD = 1.19$), college-reading materials ($M = 3.26$, $SD = 1.17$), family and friends ($M = 2.99$, $SD = 1.20$), and the Internet ($M = 3.56$, $SD = 1.08$) were of average importance. The null hypothesis is accepted (see Table 28).

Table 28

ANOVA between sources to acquire education about economics by age cohort.

For acquiring your education about economics, how important were the following sources?		Sum of Squares	*df*	Mean Square	*F*	Sig.
High school education	Between Groups	2.992	3	.997	.658	.578
	Within Groups	809.158	534	1.515		
	Total	812.151	537			
College courses	Between Groups	5.203	3	1.734	1.220	.302
	Within Groups	759.102	534	1.422		
	Total	764.305	537			
College reading materials	Between Groups	5.491	3	1.830	1.329	.264
	Within Groups	735.500	534	1.377		
	Total	740.991	537			
Family and/or friends	Between Groups	5.528	3	1.843	1.286	.279
	Within Groups	765.381	534	1.433		
	Total	770.909	537			
The Internet	Between Groups	7.801	3	2.600	2.224	.084
	Within Groups	624.290	534	1.169		
	Total	632.091	537			

Current Sources of Information about Economics by Age Cohort

Participants answered questions to assess the importance of certain sources to acquire current economic information, ranging from 'not important at all', 'of little importance', 'of average importance', 'very important', to 'absolutely essential' about cable news, TV networks, talk radio, print newspapers and magazines, online newspapers and magazines, social media, social feeds, alternative Internet news sources, Wikipedia and online educational resources, family and friends, and books (see Table 29).

Table 29

ANOVA between sources to acquire current information about economics by age cohort.

For current economic information how important are these sources?		Sum of Squares	df	Mean Square	F	Sig.
Cable news	Between Groups	50.507	2	25.254	18.945	.000
	Within Groups	710.506	533	1.333		
	Total	761.013	535			
TV networks	Between Groups	30.698	2	15.349	12.947	.000
	Within Groups	631.899	533	1.186		
	Total	662.597	535			
Talk radio	Between Groups	8.462	2	4.231	3.381	.035
	Within Groups	666.969	533	1.251		
	Total	675.431	535			
Print newspapers and magazines	Between Groups	8.543	2	4.272	2.765	.064
	Within Groups	823.278	533	1.545		
	Total	831.821	535			
Online newspapers and magazines	Between Groups	1.201	2	.600	.448	.639
	Within Groups	713.797	533	1.339		
	Total	714.998	535			
Social Media	Between Groups	1.591	2	.795	.572	.565
	Within Groups	741.467	533	1.391		
	Total	743.058	535			
Social Feeds	Between Groups	3.517	2	1.758	1.517	.220
	Within Groups	617.797	533	1.159		
	Total	621.313	535			
Alternative Internet news sources	Between Groups	4.791	2	2.395	1.578	.207
	Within Groups	809.118	533	1.518		
	Total	813.909	535			
Wikipedia, online educational resources	Between Groups	9.745	2	4.873	3.582	.029
	Within Groups	725.118	533	1.360		
	Total	734.864	535			

Books	Between Groups	13.283	2	6.642	4.004	.019
	Within Groups	884.177	533	1.659		
	Total	897.461	535			

Cable news. A series of one-way between-subjects ANOVAs was conducted to compare age and importance of sources to acquire current information about economics. Results found a statistically significant relationship for cable news which yielded an *F* ratio of $F(2, 533) = 18.95$, *p* = .00, indicating significant differences among Millennials (*M* = 2.21, *SD* = 1.144), Gen X (*M* = 2.88, *SD* = 1.10), and Baby Boomers (*M* = 2.80, *SD* = 1.19). The graph below shows this disparity among age cohorts. GenXers and Baby Boomers have some more appreciation for cable news than Millennials. The Millennial generation viewed cable news networks as significantly less important when compared to their cohorts. However, neither cohort thought very highly of this medium for acquiring current economic information (see Figure 50).
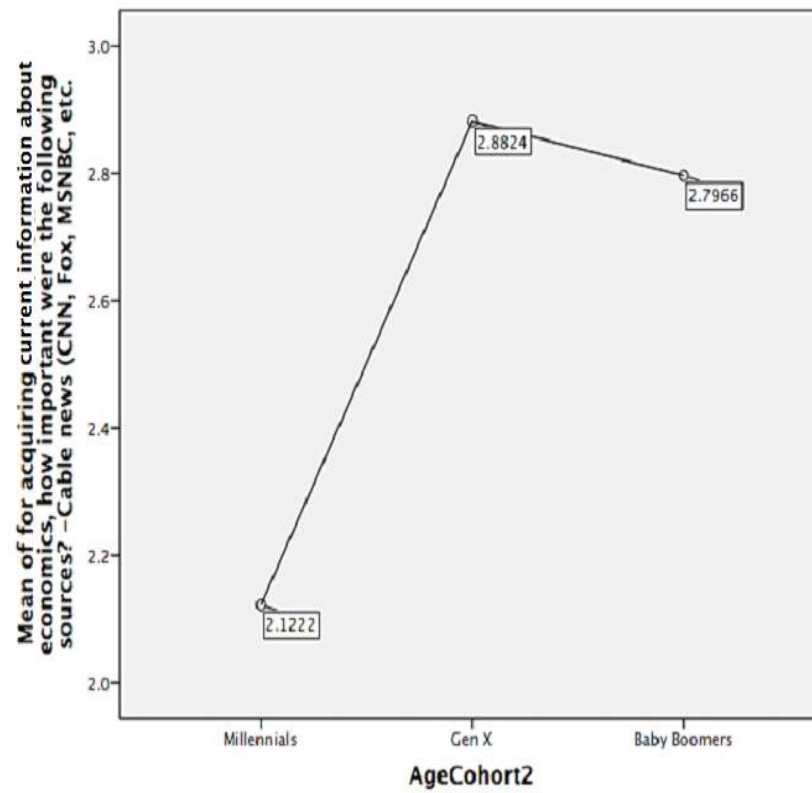
Figure 50. Mean score of cable news by age cohort.

TV networks. Participants answered questions to assess the importance of this particular source to acquire current economic information, ranging from 'not important at all', 'of little importance', 'of average importance', 'very important', to 'absolutely essential'. Results found a statistically significant relationship for TV networks, which yielded an *F* ratio of $F(2, 533) = 12.947$, $p = .00$, indicating a statistically significant difference among Millennials ($M = 2.08$, $SD = 1.06$), Gen X ($M = 2.72$, $SD = 1.22$), and Baby Boomers ($M = 2.53$, $SD = 1.20$). The graph below shows this disparity among age cohorts. However, TV networks did not account as a very popular medium for either cohort (see Figure 51).
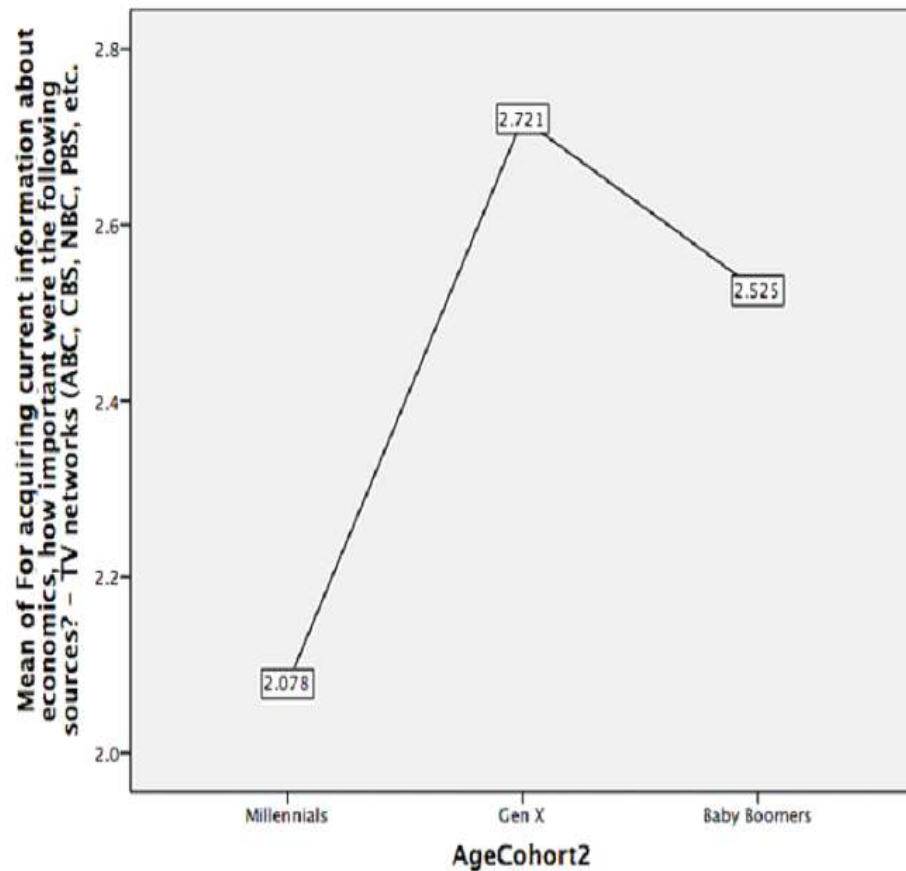
Figure 51. Mean score of TV networks by age cohort.

Talk radio. Results found a statistically significant relationship for talk radio, which yielded an *F* ratio of $F(2, 533) = 3.381$, *p* < .05, indicating a statistically significant difference among Millennials (*M* = 1.88, *SD* = 1.10), Gen X (*M* = 2.22, *SD* = 1.19), and Baby Boomers (*M* = 2.10, *SD* = 1.15). The graph below shows this disparity among age cohorts. While GenXers view talk radio as more important among the cohorts, Millennials view talk radio as significantly less important when compared to their cohorts; however, none of the three generations seem to appreciate talk radio as an important medium to get current information on economics (see Figure 52).
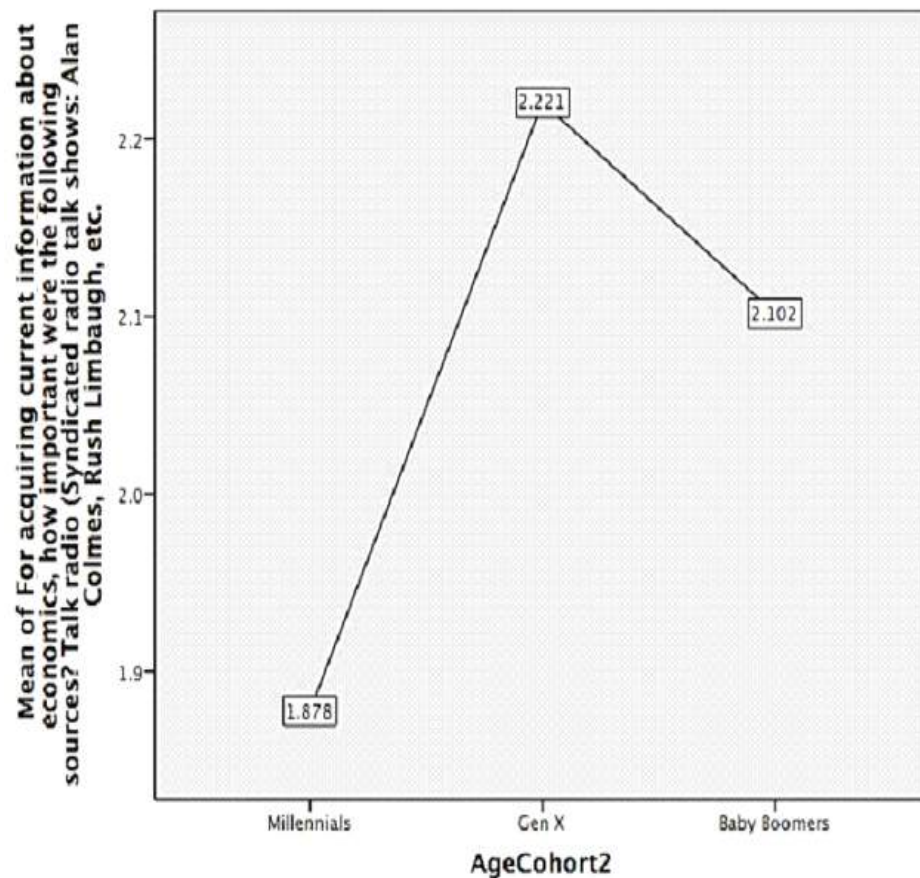
Figure 52. Mean score of talk radio by age cohort.

Print newspapers and magazines. Results found a statistically significant relationship for print newspapers and magazines, which yielded an F ratio of $F(2, 533) = 2.765, p < .05$, indicating a statistically significant difference among Millennials ($M = 2.63, SD = 1.23$), Gen X ($M = 2.85, SD = 1.28$), and Baby Boomers ($M = 2.98, SD = 1.31$). The graph below shows this disparity among age cohorts. Millennials view print media as significantly less important when compared to their cohorts. However, as the numbers reveal, the three cohorts did not express particular appreciation for printed media as a source for acquiring current information about economics overall (see Figure 53).
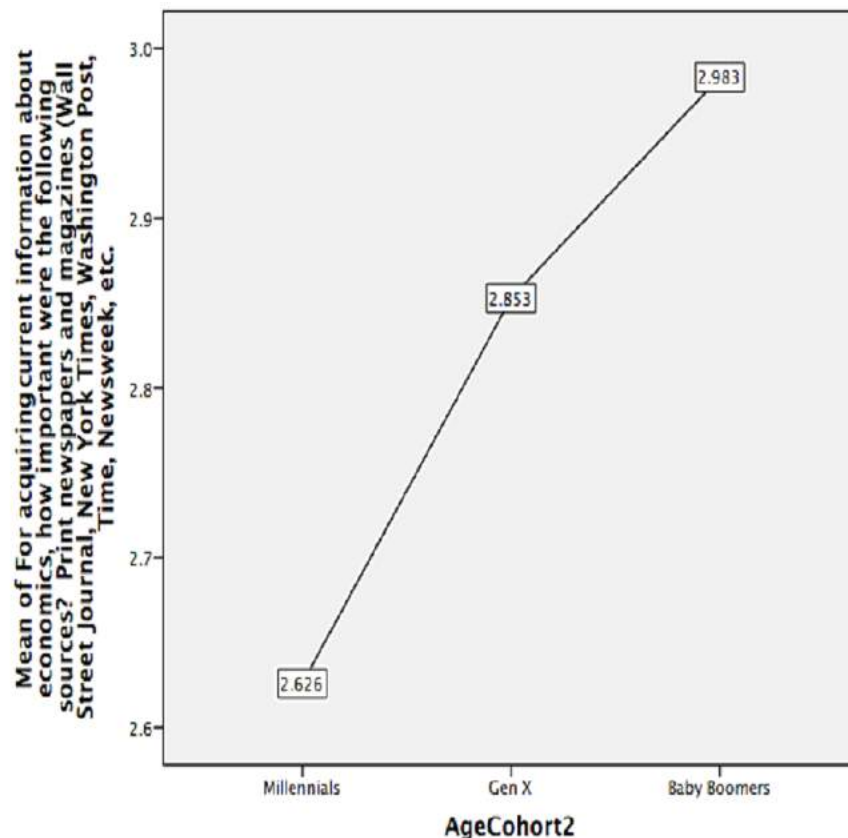
Figure 53. Mean score of print newspapers and magazines by age cohort.

Online newspapers and magazines. Results found a statistically significant relationship for online newspapers and magazines, which yielded an *F* ratio of $F(2, 533)$ = .448, *p* < .05, indicating a statistically significant difference among Millennials (*M* = 2.98, *SD* = 1.16), Gen X (*M* = 3.12, *SD* = 1.11), and Baby Boomers (*M* = 3.02, *SD* = 1.21). The graph below shows this disparity among age cohorts. GenXers view online media as significantly more important when compared to their cohorts. However, as the numbers reveal, the three cohorts expressed higher appreciation for online media than printed media as a source for acquiring current information about economics overall (see Figure 54).
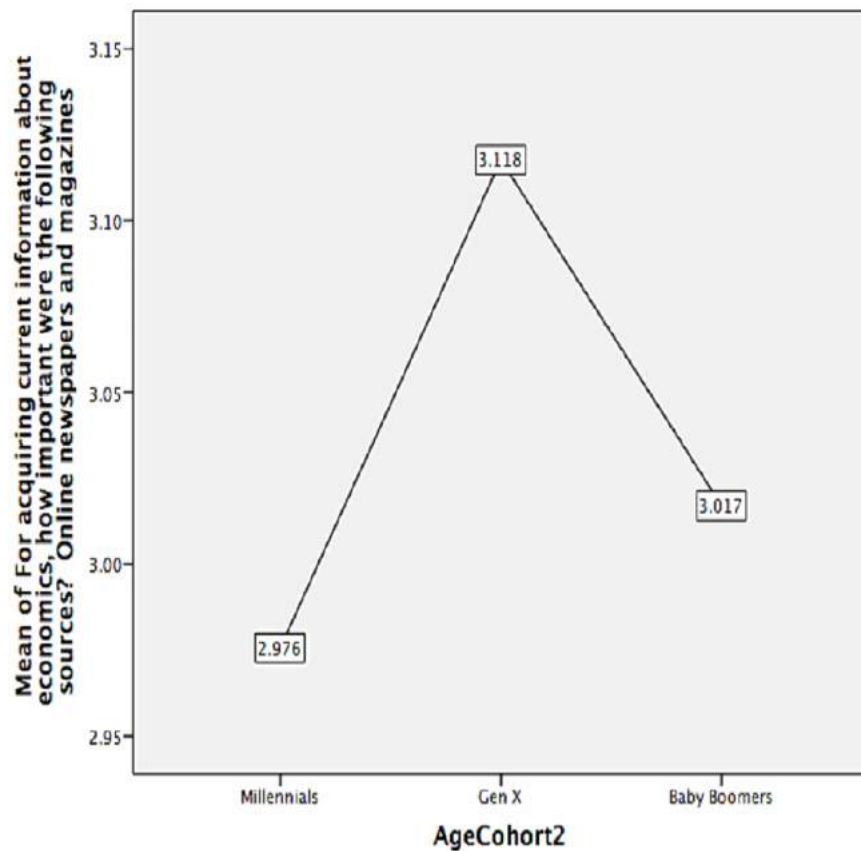
Figure 54. Mean score of online newspapers and magazines by age cohort.

Wikipedia and online educational resources. Results found a statistically

significant relationship for Wikipedia and online educational resources, which yielded an

F ratio of $F(2, 533) = 3.582$, $p < .05$, indicating a significant difference among

Millennials ($M = 3.24$, $SD = 1.17$), Gen X ($M = 3.03$, $SD = 1.23$), and Baby Boomers ($M

= 2.85$, $SD = 1.06$). The graph below shows this disparity among age cohorts. Compared

to GenXers and Baby Boomers, the Millennial generation expressed a higher appreciation

for Wikipedia and online educational resources. The younger generation finds this new

technology significantly more important when compared to their cohorts (see Figure 55).
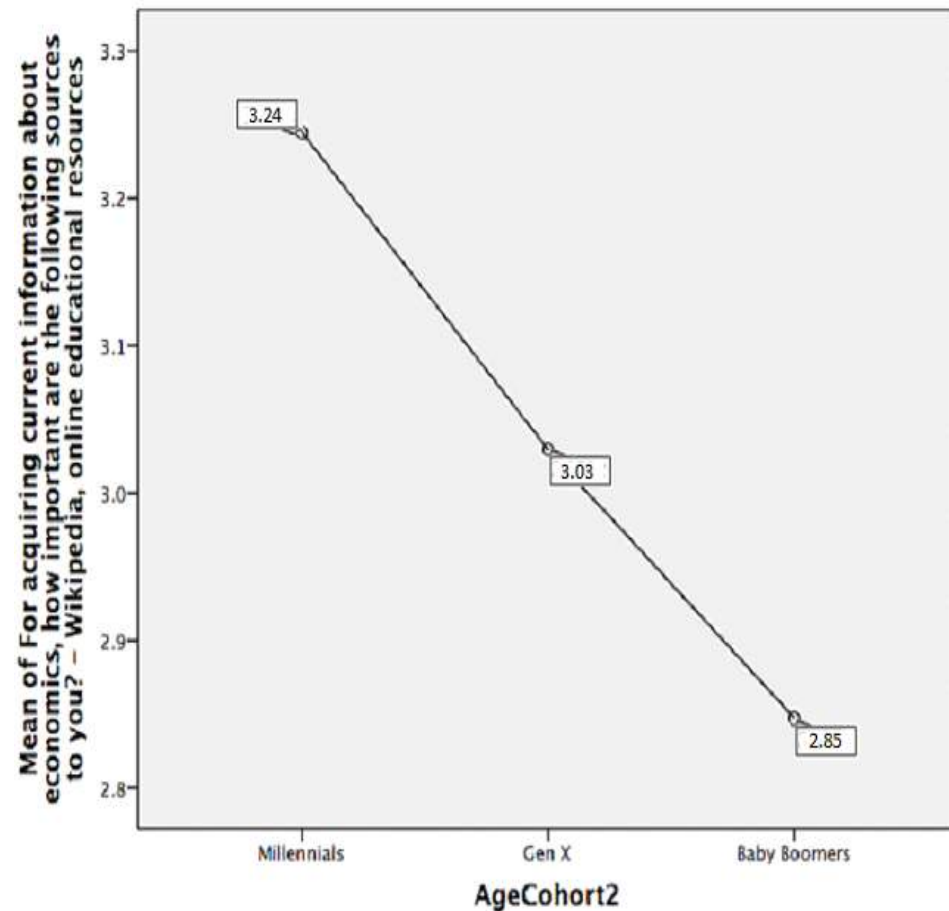
Figure 55. Mean score of Wikipedia and online educational resources by age cohort.

Books. Results found statistically significant relationship for books, which yielded an *F* ratio of $F(2, 533) = 4.004$, $p < .05$, indicating a significant difference among Millennials ($M = 3.13$, $SD = 1.307$), GenXers ($M = 3.44$, $SD = 1.22$), and Baby Boomers ($M = 3.56$, $SD = 1.24$). The graph below shows this marked disparity among age cohorts. The Millennial generation views the traditional book format as significantly less important when compared to their cohorts (see Figure 56).
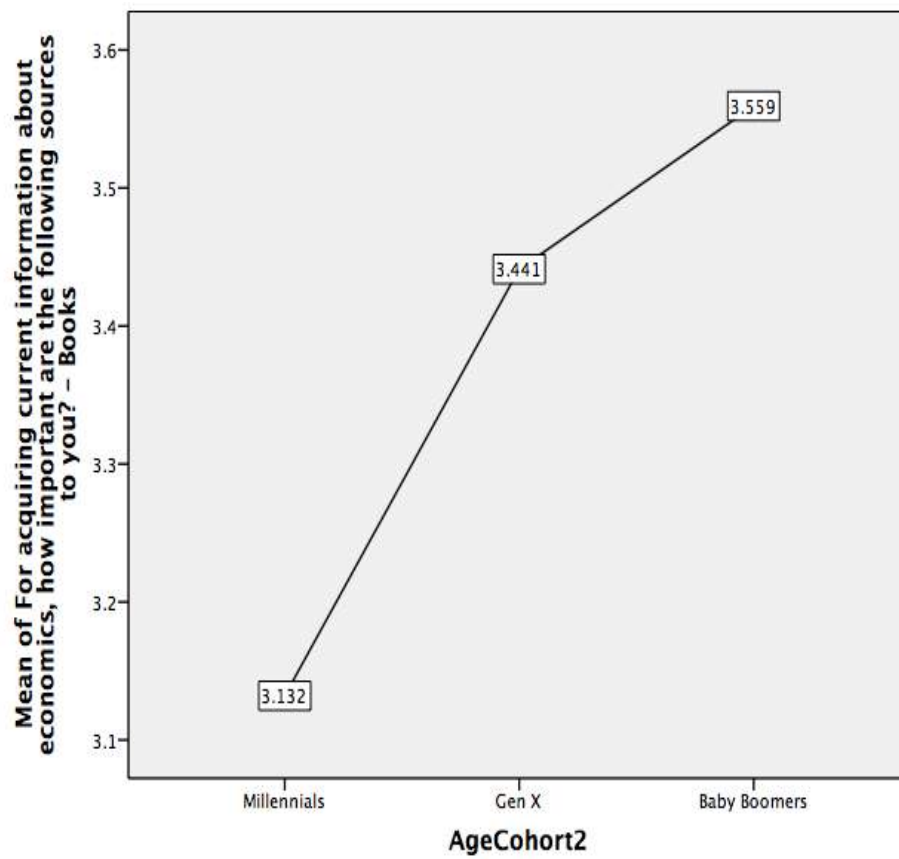
Figure 56. Mean score of books by age cohort.

Chapter 5: Conclusion

Summary

The purpose of this study was to explore Americans' perceptions and misperceptions regarding three economic systems—capitalism, socialism, and communism—to determine if there is a generational gap. Furthermore, this research sought to explore how people acquire their epistemological assumptions of capitalism, socialism, and communism in the era of Internet and how perceptions and misperceptions about these three economic systems may play an important role in macro-conflict formation and prevention. This study was also interested in understanding the role of economic literacy in macro conflict, which may impact on the function of American society and influence governance for future generations. This research argued that endogenizing economic knowledge can have far-reaching repercussions in the prevention and avoidance of macro conflict. This is a critical aspect in the democratic system to function properly. It also recommended the use of non-Marxist theoretical frameworks to analyze conflict.

Although the systematic study of conflict is a relatively new academic field, the effort to conceptualize it is centuries old. Conflict has aroused the intellectual curiosity of miscellaneous thinkers analyzing human affairs in a variety of academic fields of study. However, the rich literature generated by such endeavors has not succeeded yet in producing a holistic view regarding the etiology of conflict. It may be because social sciences still have an uphill road to elucidate conclusively the nature of our humanity. This study argues that the answer to this elucidation has wide implications at different

levels, particularly for the normative approach to conflict since it influences policy design and decision making. This research executed quantitative methods and leveraged data to analyze the statistical significance of different variables in conflict formation, bridging economics and conflict analysis as a contribution to the field. This research also rendered valuable information about current social processes, generational trends, the growing importance of economics for peaceful resolution, why people differ in their externalization of the economic systems and the trending sources of knowledge acquisition in the twenty-first century to address—and even prevent—conflict situations.

The literature review explored the prolific intellectual history on which the world's three main economic systems—capitalism, socialism, and communism—are based. The study also analyzed how views on human nature can affect policy and the operational results of economic systems, particularly with an eye on the American experiment. Philosophers Adam Smith and Karl Marx developed theoretical frameworks based on their interpretations of human nature at the core of their analyses and offered their recipes to address conflict. The repercussions of their conceptualizations reverberate to our days. Although communism was considered a part of this study since this research attempted to gauge people's perceptions and misperceptions of these three systems, the two dominating economic systems are actually capitalism and socialism. Confusion has surrounded the demarcation between socialism and communism from inception. Capitalism factors in man's imperfections for its processes to address conflict without hopes of perfection, but of persuasion via incentives due to self-interest. Socialism is based on the right socialization efforts, even forcefully, to reach the perfectibility of

man in a classless, egalitarian society where there will be no more conflict. Smith

preferred limited government to reduce conflict, mainly as a guarantor of security and

freedom (Butler, 2011). Marx's prescription to end conflict actually curtails individual

freedom since it requires coercion to reach oneness. Capitalism and socialism are

ideological rivals because both conceptualize humans in divergent ways and often

prescribe antagonistic solutions to human problems. However, that has not stopped

people from trying to blend them, often with dismal results. Here resides one constant

challenge for humans: We want to reach the same goals, but we often disagree on the

normative approach to achieve them.

This dissertation was based on a specific anthropology about human nature to

interpret conflict: At the heart of every social, political, and economic system, there is a

particular ontology of human nature defining it (Ficarrotta, 1988; Madison, 1788; Sowell,

1987; Wehner & Brooks, 2011). The interpretation and the way this ontology develops

"will determine the lives we lead, the institutions we build, and the civilizations we

create. They are the foundation stone" (Wehner et al., 2011, p.1). Ritzer and Stepnisky

(2013) affirm that basing an analysis through the lens of our ideas about human nature

reflects a "conservative" position because it entails that we adapt to our circumstances

instead of trying to change them (p. 49). That is a Marxist vision of what change means.

For almost three centuries, the ideas underpinning these specific theoretical frameworks

have been ruling the everyday life of billions of people. During that time, our

circumstances have been actually changing. In human progress, nothing is really static;

we are constantly changing and this evolution, or progress, is indeed quantifiable (Pinker, 2016; Roser, 2015).

As a case example of the interpretation of human nature and government to address conflict, the literature review presented the history of the establishment of the United States. The Founding Fathers believed in the need to curtail the flaws inherent to human nature to assuage conflict. They established a republic with a specific conceptualization of the human condition as its foundation. If Descartes saw men as angels, the Founding Fathers did not. They believed that human nature was flawed but amenable to persuasion with the right incentives and constraints (Madison, 1788; Wehner et al., 2011). The framers argued that human nature was sufficiently good to possibly "have a decent government based on popular consent, but…not good enough to be inevitable" (Wilson et al., 2015, p. 33). One of the framers, James Madison, argued that, with the right constitutional arrangements, the very self-interest that led people toward factionalism and tyranny could be properly harnessed. The framers felt that no person should be trusted with absolute power. Therefore, their conceptualization of the "separation of powers would work, not in spite of the imperfections of human nature, but because of them" (Wilson et al., 2015, p. 34).

The role of government, as designed by the Founding Fathers, started changing more markedly since the New Deal in the 1930s and has given way to what today is generally denominated as the 'Welfare State' (Trattner, 2007). The extent of what services the government should offer has been expanding ever since and, consequently, its power over the citizens. America's economic system has remained decidedly capitalist

throughout the years in spite of growing government interventionism in the economy. However, the focus has steered away from the framers' vision of human nature and many of our policy- and decision-makers had produced prescriptions that conflict with America's original design of government. If the United States was founded on a particular vision of human nature and created its institutions accordingly, conflict would inevitably arise when alternative institutions emerge with a different appreciation of human nature. In addition, if capitalism is based on self-interest and socialism is based on egalitarianism, then there would appear basic irreconcilable differences and normative approaches between the two economic philosophies. Trying to mix structurally-conflicting approaches has been an exercise long practiced, especially in Europe, but not without upheavals, failures, and human suffering. In Europe as well and the United States, one of the results that this conceptualization mix has produced, exclusively in economic terms, is unfathomable national debt burdens that, even the most optimists admit, will be impossible to repay. It has also yielded a pronounced dependency factor.

The Marxist concept of class may be foreign to American society, but it is essential to understand Marxism and the importance of pitting one group against another for policy prescriptions. According to Marx, class defines one's place in society, and this taxonomy produces conflict. Marx also considered exploitation a matter of class and inherent to capitalism with the rich exploiting the poor to become richer and keep them poor. Without any allocation to Marxist thinking, this idea is constantly heard on the news to explain the nature of business and in the discourse of many politicians seeking to earn votes and keep constituencies with the promise of redistributing wealth.

The literature review of this study also reported on the psychological aspects involving perceptions and misperceptions because it is important to understand that perceptions make reality. People tend to believe that they are not interpreting the world and that they act objectively. Also playing a role in how we build our opinions are our misperceptions since they contribute to the distortion of public debate and warp how people collect their information and form their opinions. In addition, the literature review reported the distinction between being informed, being uninformed, and being misinformed and other aspects of opinion formation. People form their opinions based on certain considerations, to name a few: political and religious beliefs, party identification, economic status, personal experiences, and other factors. Public opinion is not limited to politics since it also influences areas such as economics, culture, art, and other walks of life. People collect information that shapes their opinions from different sources and agents of socialization. However, in adulthood, most orientations and opinions acquired in a lifetime are ultimately shaped by the information furnished via the mass media—print and online newspapers and magazines, television, radio, and websites—as nearly all modern research reveals (Bianco et al., 2015; Graber, 2002). The media are the main contributors to the formation of our collective imagination since we do not have access to first-hand accounts of events (Happer et al., 2013). The tech era of Internet, with its massive influence on people's lives and their decision-making choices, has ineluctably transformed the way humans communicate, interrelate, and acquire information. Time and space have become so compressed that everything is losing its traditional identity and has turned the world into a global village (McLuhan, 1964). The Internet has made

available to the public information and knowledge at levels never attained before. This expansion has completely reshaped how we acquire information and the amount of information we receive daily has more than quadrupled since 1986 (Hilbert & López, 2011). However, this abundance does not necessarily translate into more informed citizens if they do not use these resources.

The literature review also informed about the political process in America. In general terms, the public needs information about the initiatives that their democratic governments and institutions undertake and the goals they want to achieve. Otherwise, policies will not be sustainable in the long run and lose legitimacy. People need to know if, what, and how it has been done or what worked and what did not work. There is an urgent need to explain to the public that politics is conflict because people need to agree on issues and reach consensus in order to carry out policies. Conflict can actually be legitimate; people often have incompatible goals. This is patently evident in politics, but that is why the democratic process was created: To transfer power without violence. The public seems to hate the bickering that the process ineluctably yields, but debate is after all a healthy manifestation in a democracy. There is not enough emphasis, especially in the media, about how extremely difficult the democratic process is when so many parties are involved. In addition, it is important that the public becomes aware that the painful process is also a protection mechanism for individual liberties. If it were too simple, politicians could pass all kinds of laws and impose them as easily on the people. The American Founders designed the system precisely to make it difficult for politicians to steamroll the people's will and created institutions to filter and temper the hotheaded

wants of the moment. With the media overblowing the negative side of the process and repeating that the system is 'broken' because there is 'no consensus', citizens do not appreciate how "to tolerate conflict in a highly diverse, complex, modern, democratic political system" (Hibbing et al., 2002, p. 162). The current overemphasis on that "consensus and harmony are good whereas conflict and disagreements are bad undermines what democracy is all about" (Theiss-Morse et al., 2005, p. 237). The role of the media has come into question many times for this kind of misrepresentation. After all, journalists do shape the reality perceived by the public because mass media convey that information. However, "the professional assumption that the press had a public obligation to serious reportage and analysis, even if this had no direct commercial return, is not the case today for most of the media" (Pfaff, 1996, p. 10). As Lippmann (1922) warned, American public opinion is a reflection of the world the media depict, which does not necessarily mean it is an accurate picture of reality, and may create a "pseudo-environment" (p. 12). This was patently in display after the "surprising" election of Donald Trump, who, according to the media, never had a chance to win the presidency. If instead of information, the mass media just reflect their philias and phobias, they stop fulfilling their role in civil society and become part of those "unconquerable" special interests benefiting from government largesse and monopolistic privileges that Smith mentioned in *Wealth of Nations* (1776, Ch. IV, 2.43). To alter the trend, Internet's amazing revolution is challenging the traditional media's hegemonic status as the main purveyor of mass information. Not since the days of Gutenberg have the people had such increased access to knowledge and information right at their fingertips.

This study also argued that the science of economics depends on its understanding of human nature to advance its theoretical propositions (Kirzner, 2000; Mises, 1960; Robbins, 1932; Sowell, 1987) and advocates 'epistemic humility' for all our scientific endeavors (Horwitz, 2016). Hayek (1988) had warned us in his book *The Fatal Conceit* that, "The curious task of economics is to demonstrate to men how little they really know about what they imagine they can design" (p. 76). One recurrent problem in our analyses is to assume that we have all the information necessary to reach an undisputed conclusion and predict human action. As an example circumscribed just to economics, this belief has led to terrible failures and untold human suffering, e.g., the reification of the utopian idea of a centrally-planned socialist or communist economy, against which Mises already warned in 1922. The result was starvation and rationing; millions of people died in the experiment. From a scientific standpoint, we do not have all the knowledge and information to control an economy because the necessary tiny bits of knowledge are dispersed among many different actors (Hayek, 1945). An economy is an extremely complex system with millions participating in it and individual actions influence its outcomes. Economics is a science that studies and seeks to interpret often unpredictable human behavior with incomplete information and fallible theories about mankind. Economic analyses must factor in that there are so many factors influencing human activity that predictability may never be feasible because human action is not as replicating a scientific experiment in a controlled lab—humans are unpredictable.

There are limits to economic knowledge. In addition, economic data require theoretical interpretation: There are different economic explanations for the same event.

That is why we need to be familiar with basic economic principles so that we can better understand the different sides of policy issues. Research shows a prevalence of large deficits in economic literacy among the U.S. population, which help perpetuate misperceptions about how economic systems operate and why they render specific results. Americans' low levels of literacy in history, civics, politics, and especially economics are amply documented in the literature. Economic ignorance comes in an array of forms, but the worst kind of all is ignorance about one's own economic ignorance (Horwitz, 2016). During the 2008 economic crisis, our intellectual elites and politicians sold us the mirage of control, that they had 'all' the information and power to control the economy, that they "understood problems of macroeconomic instability very well and had solved them all to general satisfaction" (Leijonhufvud, 2011)—no epistemic humility at all. That is the kind of arrogance and pretense about which Hayek warned. Almost eight years and US$12 trillion in *more* debt later, many wonder if our elites actually knew what they were doing. Debt is today at US$20 trillion—and growing. According to current government data, it is costing $15,670 in interest *per second*—and rising per second, too (National Debt Clock, 2016).

As a result, American public sentiment has been reflecting high levels of pessimism for our current and future economic circumstances. People feel angry and betrayed by the governing elites, including the media and public officials. As a result, some Americans seem to be looking for alternative solutions, even violent, to their perceived misfortunes. While few dispute the need of a government, the main issue today is to what degree people want government intervention to solve conflict, including the

economic conflict of providing for society's needs. From the Battle for Seattle, to the Occupy Wall Street movement, to the rise of anti-establishment candidates in 2015, there is palpable dissatisfaction with the *status quo* (Flynn, 2016; Pew, 2015). This study argued that there are social, economic, and political consequences when the public fails to adequately identify how economic models operate and why they render specific results. Institutions make the difference in a nation's economic prosperity. Wrong policies can change the fate of millions of people as the last century tragically demonstrated. People should become familiar with the poorly known history of the twentieth century's economic development to understand the roots of our current prosperity and the misery that other systems render. The U.S. may be undergoing a generational change in favor of larger socialist solutions in America. The growing distaste for capitalism among the young may be a reflection of poor economic education.

There is a level of consensus among economists regarding certain principles and proven recipes because the field has been researching, testing, and expanding its body of knowledge with renewed determination. This research still argues that endogenizing economic knowledge can have far-reaching repercussions in the prevention and avoidance of macro conflict. Economic literacy plays a vital role in understanding the mechanics and the inherent results that each economic system could yield due to its structure. Without that epistemological understanding, people cannot have an informed opinion about policies and proposals in a democracy. Conflict arises when people expect a particular set of results that maybe the system cannot produce. As Thomas Jefferson warned, an informed citizenry is indispensable for the proper functioning of a republic.

More peaceful conflict resolution can be achieved if the economic process is better understood and if fact-based information is available to the public. It is here where our higher institutions of learning, politicians, and the media have a powerful role in opinion formation, idea dissemination, and educating the public. Scientific knowledge usually sees the light in academic circles, passes on to the political class, goes through the media, and finally reaches the general public. In explaining how theoretical assumptions affect our lives, economist John Maynard Keynes (1935) famously wrote in his book *The General Theory of Employment, Interest and Money*;

> The ideas of economists and political philosophers, both when they are right and when they are wrong, are more powerful than is commonly understood. Indeed the world is ruled by little else. Practical men, who believe themselves to be quite exempt from any intellectual influence, are usually the slaves of some defunct economist. Madmen in authority, who hear voices in the air, are distilling their frenzy from some academic scribbler of a few years back. (p. 383)

Reflections on the Findings

In order to obtain its results, this study employed quantitative methods and deployed a 35-question online survey. This instrument collected general demographic information, personal income, and debt information about U.S. residents in the 50 states and the District of Columbia. It also employed quizzes to gauge participants' economic literacy, economic sentiment, knowledge and perception of the three economic systems analyzed in this study as well as the sources respondents generally use for their economic endogenizing. It is important to remember that there are no perfect sample populations. In

addition, there are limitations to what research can accomplish and reveal. The results of this study may have been different with other participants, or in other circumstances. However, this research looked for current trends in the American population and, as such, it has accomplished its purpose.

Compared to what other surveys and the media have been reporting for the last decade about Americans' education on economics, most of the participants in this study were literate in economics and versed in economic systems. In addition, they could deploy their economic knowledge in real-life situations as presented in the study. The sample population of this study was more educated than the national average with a majority of respondents holding a college degree. Participants in the study had a clear understanding of the basic tenets of capitalism, socialism, and communism. Millennials, GenXers, and Baby Boomers reported similar levels of knowledge in economic systems at an accuracy of 75 percent, 78 percent, and 76 percent, respectively. Nonetheless, the appreciation for the systems was strongly correlated to age—and maybe to life experience, too. The first research question sought to determine if there is a generational gap in perceptions about the three economic systems in the population of the United States. This sample population confirmed this generational gap, thus coinciding with other studies about this issue. However, while this sample population differed in their degree of sentiment towards the capitalist economic system by generation, all three groups scored relatively high in their appreciation towards capitalism. Nonetheless, Millennials were more inclined to view socialism even more favorably when compared to GenXers and Baby Boomers. Furthermore, the older the person was, the more likely he

or she was to report a more negative viewpoint of socialism and communism. There is an inverse relationship regarding sentiment towards capitalism and socialism. Whereas Millennials scored the lowest in positive sentiment towards capitalism, compared to GenXers and Baby Boomers who scored the highest, Millennials viewed socialism comparatively more favorable than their cohorts. This research leads to believe that the younger want the best of both systems, maybe without being aware that they are actually mutually exclusive systems. The second research question asked if Americans were growing apathetic towards the capitalist system. The results confirm the growing apathy in the country since the Millennial generation is already the largest living generation and many of these young people increasingly seem to prefer socialist solutions.

The respondents in this study were quite content with their personal economic circumstances and future outlook despite the 2008 crisis and the slow American economy. However, one may take into consideration that the survey ran right after an election when the public was greatly exposed to promises of change and a better future. Once more, as seen in other research, income remains an important variable to gauge knowledge and sentiment. For this sample population, the more they earned, the more likely they were to have higher results in economic literacy and more knowledge of the economic systems. The third research question asked if higher household income is more likely to positively affect sentiment about capitalism. The research found that the higher their household income was, the more likely participants were to exhibit an increase in their appreciation for capitalism and a decrease in positive attitudes towards socialism and communism. In addition, the more discretionary income available, the more likely

the person was to view capitalism positively. However, for those who saw capitalism as a bad system, good discretionary income made no difference in their appreciation of capitalism. One interesting result was that, the more in debt the respondents were, the lower appreciation they had for socialism or communism. Furthermore, despite their household income level or how deep in debt participants were, communism was still a bad system for them.

This research also explored how people acquired their epistemological assumptions of economics in the era of Internet. It was revealing to see the importance of Internet for their education on economics, regardless of age, closely followed by college courses and college reading materials. The fourth research question asked which American generation was more likely to rely on traditional or new media for gathering current information on economics and if there was a generational difference in the preference of sources of information. There was no big surprise here, depending on the generation, the preferences over traditional and new sources of current economic information varied widely. The younger the generation, the more they used electronic means to gather their information. While Baby Boomers love books and GenXers like them, the Millennial generation found books significantly less important than their cohorts. TV networks, cable news, and books are not very attractive formats for Millennials; the Internet, Wikipedia and online educational resources are better preferred as sources of current economic information by the younger generation. The golden days of television as an important source of economic information may be coming to a rapid end. This sample population regards TV as a thing of the past with over 60 percent

considering this medium 'of no importance' or 'of little importance', especially

Millennials, while GenXers showed a little more positive attitude for television. Talk

radio did not fare much better with any of the generations. For economic information,

online newspapers and magazines fared very well with over 70 percent of respondents

expressing preference for this medium, especially among GenXers. Social media may be

very important for other pursuits, but it was deemed 'of little' or 'no importance' for

current economic information by over 65 percent of participants, more markedly for

Baby Boomers. While the generations reported the use of a combination of traditional

and new media to gather their current economic information, it is safe to say that

traditional media is on its way out and new media is increasingly growing in importance

for Americans in general.

Discussion

This study has explored Americans' perceptions and misperceptions regarding

capitalism, socialism, and communism. It has revealed that there is a generational gap.

This research confirms the trend that previous polls and studies have also exposed about

the Millennial generation. It was a real shock to the country to see on TV the glowing

faces of Millennials cheering enthusiastically for the socialist recipes of presidential

candidate Bernie Sanders. That snapshot was a wake-up call for American society and the

harbinger of a probable generational change in favor of larger socialist solutions in

America. We should remember that Millennials will shape the future of the nation with

their voting patterns and demands about the role of government. In addition, there seems

to be a strong disconnect among young people of where the things they cherish most

come from. Their beloved computers, tablets, smartphones, gadgets, lattes, apps, Wi-Fi,

social media, affordable apparel, and general welfare are in reality the product of

capitalism. Believing that the good (and bad) fruits of capitalism would be self-

explanatory, the intellectual explanation of how economic systems operate is still lacking

in the public arena. Millennials are the richest generation in history reaping the benefits

of capitalism in the most prosperous era that mankind has ever known. Yet they are not

happy; Millennials want 'freebies'; for example, free college, free healthcare, even a

living wage to relieve them from the burdens of work; probably because they have not

been taught that there are no free lunches; that every little thing must be produced and

that production entails costs. In other words, somewhere along the line, someone has to

pay for these costs. However, Millennials are not totally at fault; we may actually be

reaping what we sow. They are the product of what academia teaches them. Hayek, in

The Intellectuals and Socialism (1949), warned about the power of the intellectuals in our

lives: "It is the intellectuals... who decide what views and opinions are to reach us, which

facts are important enough to be told to us, and in what form and from what angle they

are to be presented" (pp. 372-73). Millennials think more in terms of egalitarianism—in

other words, in terms of Marxism, even if unaware. American universities are hotbeds of

Marxism. The dominant academic explanations rely on Karl Marx's concepts and carry

tremendous emphasis on economic inequality as the main driver of conflict. According to

Marxist thinking, economic class differences define one's place in society and this

taxonomy produces conflict. Marx's theories, blaming capitalism for the alienation of

human potential, are taught day in and day out at our finest institutions of higher learning.

College students know who Karl Marx is. Do they know who Adam Smith is? Marx's materialistic conceptions of man and class struggle are found as tenets of preponderant theoretical approaches in social studies, including conflict analysis. Marx's rationale that fact and value are not separable from social facts taints much of the research in social sciences. Yet the utopian egalitarian dream of oneness that Marx advocated still has a potent appeal for social scholars. Many of the protests that America has seen lately on the streets are inspired by Marx's advocacy for violent revolution. According to Marx, the structures of capitalism must be destroyed with violence and create macro conflict for capitalism's demise. Marx believed that the proletarians would destroy capitalism. Schumpeter (1942) argued in *Capitalism, Socialism and Democracy* that capitalism would ultimately be destroyed, but for a different reason: The success of capitalism would breed an intellectual class, the American intelligentsia, that would plant the seeds of capitalism's own demise by promoting Marx's class conflict, embracing, and propounding values and solutions hostile to capitalism, for example, the establishment of a welfare state and more government management of the economy. Entangled in a web of regulations and high taxation, entrepreneurship, another important part of the American ethos, would suffer and implode. However, something happened along the way. The "Hayek tide" facilitated the rise of new technology—and enormous economic prosperity—that has empowered people to seek alternative sources of information and education. Just as it has happened to the media, the education world is also losing its monopoly. Online education is the future and that is already changing the way education is catered. It is a Schumpeterian example of his theory of creative destruction: Capitalism

is permanently innovating.

As mentioned in the literature review, Carl Menger published in 1871 *Principles of Economics,* a watershed event for economics because the concept of subjectivism entered this field, which resulted in the Subjectivist Revolution. In his book, Menger stated that, "not only the nature but also the measure of value is subjective. Goods always have value to certain economizing individuals and this value is also determined only by these individuals" (p. 146). Menger also worked on marginalism – a theory explaining that the price of an item in the market is not determined by the labor required for its production, but by its marginal utility. This concept is the accepted interpretation of economic value today and has debunked the validity of Marx's labor theory of value, on which all his theoretical framework rests. This entails a larger consequence: Then all of "Marx's criticisms of capitalism are equally questionable. Unfortunately, many people, academics outside economics and the public alike, are simply unaware of the Copernican revolution in economics" (Horwitz, 2015, para. 19, 20). One should conclude that if the analysis is wrong, the prescription that derives from it must be necessarily wrong, too. The key problem is to believe that Marx was right. His pervasive influence spans to our days and taints analytical procedures, theories, assumptions, terminology, and beyond. That is why we need alternative lenses to analyze conflict and offer better, alternative solutions away from Marxian optics.

While many Millennials may be tempted by socialism, the other American generations are not so keen to adopt its prescriptions. As this study has revealed, the older generations have a higher appreciation for the capitalist system that has helped them

provide for their families and has given them prosperity. They have also experienced the

Cold War, the Reagan Revolution, the demise of the Soviet Union, the liberation of

Eastern Europe, and the tech revolution. However, they have also suffered economic

stagnation and feel that the socialist-inspired policy prescriptions of the elites are not

serving the country well and nothing seems to assuage the feeling that America is not

going 'in the right direction'. Journalist Peggy Noonan (2016) eloquently describes the

current mood sweeping the country in *Trump and the Rise of the Unprotected*:

> [T]here are the protected and the unprotected. The protected make public policy.
> The unprotected live in it. The unprotected are starting to push back, powerfully.
> The protected are the accomplished, the secure, the successful—those who have
> power or access to it. They are protected from much of the roughness of the
> world. More to the point, they are protected *from the world they have created*.
> Again, they make public policy and have for some time….They are figures in
> government, politics and media. They live in nice neighborhoods, safe ones. Their
> families function, their kids go to good schools, they've got some money. All of
> these things tend to isolate them, or provide buffers….Because they are protected
> they feel they can do pretty much anything, impose any reality. They're insulated
> from many of the effects of their own decisions…. It was good for the protected.
> But the unprotected realized the protected were not looking out for them, and they
> inferred that they were not looking out for the country, either….Mr. Trump came
> from that….What marks this political moment, in Europe and the U.S., is the rise
> of the unprotected. It is the rise of people who don't have all that much against

those who've been given many blessings and seem to believe they have them not

because they're fortunate but because they're better….This is a terrible feature of

our age—that we are governed by protected people who don't seem to care that

much about their unprotected fellow citizens. I don't know if the protected see

how serious this moment is, or their role in it. (para. 7-29)

Social sciences need to reflect on how we came to this point in history. The

unprotected refuse to live in the world the protected have created. Macro conflict may be

at America's doorsteps.

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Appendix A: Frequency Tables

What is your gender?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Female	232	42.3	42.3	42.3
	I decline to respond	4	.7	.7	43.0
	Male	299	54.5	54.5	97.4
	Other (please specify)	7	1.3	1.3	98.7
	Transgender	7	1.3	1.3	100.0
	Total	549	100.0	100.0	

Would you describe yourself as…?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Asian	29	5.3	5.3	5.3
	Black/African-American	35	6.4	6.4	11.7
	Hispanic/Latino	31	5.6	5.6	17.3
	Native American	7	1.3	1.3	18.6
	Other (please specify)	16	2.9	2.9	21.5
	White	431	78.5	78.5	100.0
	Total	549	100.0	100.0	

What is your employment status?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Employed	325	59.2	59.2	59.2
	Homemaker	21	3.8	3.8	63.0
	Retired	10	1.8	1.8	64.8
	Self-Employed	42	7.7	7.7	72.5
	Student	109	19.9	19.9	92.3
	Unemployed	40	7.3	7.3	99.6
	Welfare recipient	2	.4	.4	100.0
	Total	549	100.0	100.0	

What is your political affiliation?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Democrat	183	33.3	33.3	33.3
	I decline to respond	6	1.1	1.1	34.4
	Independent	104	18.9	18.9	53.4
	Libertarian	34	6.2	6.2	59.6
	No Party Affiliation	103	18.8	18.8	78.3
	Other (please specify)	9	1.6	1.6	80.0
	Republican	110	20.0	20.0	100.0
	Total	549	100.0	100.0	

What is your highest level of education completed?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Associates college degree/2-year degree	55	10.0	10.0	10.0
	Bachelors college degree/4-year degree	195	35.5	35.5	45.5
	Doctoral degree	14	2.6	2.6	48.1
	GED	9	1.6	1.6	49.7
	High school	51	9.3	9.3	59.0
	Less than high school education	10	1.8	1.8	60.8
	Master's degree	71	12.9	12.9	73.8
	Professional degree (JD, DDS, DO, MD, OD, etc.).	7	1.3	1.3	75.0
	Some college	137	25.0	25.0	100.0
	Total	549	100.0	100.0	

How old are you?

	Frequency	Percent	Valid Percent	Cumulative Percent
18	35	6.3	6.3	9.9
19	21	3.8	3.8	10.2
20	20	3.6	3.7	13.9
21	19	3.5	3.5	17.4
22	23	4.2	4.2	21.6
23	20	3.6	3.7	25.2
24	30	5.5	5.5	30.7
25	30	5.5	5.5	36.2
26	26	4.7	4.8	41.0
27	22	4.0	4.0	45.0
28	25	4.6	4.6	49.5
29	20	3.6	3.7	53.2
30	14	2.6	2.6	55.8
31	19	3.5	3.5	59.2
32	18	3.3	3.3	62.5
33	11	2.0	2.0	64.5
34	19	3.5	3.5	68.0
35	10	1.8	1.8	69.8
36	11	2.0	2.0	71.8
37	9	1.6	1.6	73.5
38	11	2.0	2.0	75.5
39	5	.9	.9	76.4
40	5	.9	.9	77.3
41	6	1.1	1.1	78.4
42	5	.9	.9	79.3
43	9	1.6	1.6	81.0
44	5	.9	.9	81.9
45	8	1.5	1.5	83.4
46	5	.9	.9	84.3
47	3	.5	.5	84.8

48	4	.7	.7	85.6
49	5	.9	.9	86.5
50	6	1.1	1.1	87.6
51	7	1.3	1.3	88.8
52	5	.9	.9	89.8
53	5	.9	.9	90.7
54	6	1.1	1.1	91.8
55	1	.2	.2	92.0
56	5	.9	.9	92.9
57	1	.2	.2	93.1
58	2	.4	.4	93.4
59	4	.7	.7	94.1
60	6	1.1	1.1	95.2
61	5	.9	.9	96.2
62	2	.4	.4	96.5
63	4	.7	.7	97.3
64	1	.2	.2	97.4
65	5	.9	.9	98.4
66	4	.7	.7	99.1
67	1	.2	.2	99.3
69	1	.2	.2	99.5
70	1	.2	.2	99.6
72	1	.2	.2	99.8
74	1	.2	.2	100.0
Total	547	99.6	100.0	
Missing System	2	.4		
Total	549	100.0		

What is your total household income before taxes? Please round to the nearest thousand. - Open-Ended Response					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	250	1	.2	.2	.2
	1000	2	.4	.4	.6
	1075	1	.2	.2	.8
	1500	1	.2	.2	1.0
	1800	1	.2	.2	1.2
	2000	1	.2	.2	1.4
	3000	2	.4	.4	1.8
	4000	1	.2	.2	2.0
	5000	2	.4	.4	2.4
	7000	2	.4	.4	2.8
	7300	1	.2	.2	3.0
	9000	2	.4	.4	3.4
	9800	1	.2	.2	3.6
	10000	11	2.0	2.2	5.8
	11000	1	.2	.2	6.0
	12000	6	1.1	1.2	7.2
	13000	2	.4	.4	7.6
	13400	1	.2	.2	7.8
	14000	2	.4	.4	8.2
	15000	10	1.8	2.0	10.2
	16000	3	.5	.6	10.8
	17000	4	.7	.8	11.6
	18000	4	.7	.8	12.4
	19000	5	.9	1.0	13.4
	19500	1	.2	.2	13.6
	20000	24	4.4	4.8	18.4
	21000	1	.2	.2	18.6
	22000	3	.5	.6	19.2
	23000	4	.7	.8	20.0

	24000	4	.7	.8	20.8
	24250	1	.2	.2	21.0
	25000	17	3.1	3.4	24.4
	25500	1	.2	.2	24.6
	26000	5	.9	1.0	25.5
	27000	2	.4	.4	25.9
	28000	1	.2	.2	26.1
	29000	3	.5	.6	26.7
	30000	24	4.4	4.8	31.5
	32000	5	.9	1.0	32.5
	32600	1	.2	.2	32.7
	33000	3	.5	.6	33.3
	34000	3	.5	.6	33.9
	35000	13	2.4	2.6	36.5
	36000	3	.5	.6	37.1
	36500	1	.2	.2	37.3
	37000	3	.5	.6	37.9
	38000	5	.9	1.0	38.9
	39000	7	1.3	1.4	40.3
	40000	10	1.8	2.0	42.3
	42000	4	.7	.8	43.1
	43000	1	.2	.2	43.3
	45000	13	2.4	2.6	45.9
	47000	3	.5	.6	46.5
	48000	3	.5	.6	47.1
	49000	1	.2	.2	47.3
	50000	20	3.6	4.0	51.3
	52000	3	.5	.6	51.9
	52700	1	.2	.2	52.1
	53000	1	.2	.2	52.3
	54000	2	.4	.4	52.7
	55000	9	1.6	1.8	54.5
	56000	1	.2	.2	54.7
	60000	14	2.6	2.8	57.5

	61000	1	.2	.2	57.7
	62000	1	.2	.2	57.9
	64000	1	.2	.2	58.1
	65000	5	.9	1.0	59.1
	66000	3	.5	.6	59.7
	67000	1	.2	.2	59.9
	68000	4	.7	.8	60.7
	69000	1	.2	.2	60.9
	70000	11	2.0	2.2	63.1
	72000	2	.4	.4	63.5
	74000	3	.5	.6	64.1
	75000	13	2.4	2.6	66.7
	77000	1	.2	.2	66.9
	79000	2	.4	.4	67.3
	80000	8	1.5	1.6	68.9
	82000	1	.2	.2	69.1
	84000	2	.4	.4	69.5
	85000	9	1.6	1.8	71.3
	87000	1	.2	.2	71.5
	87500	1	.2	.2	71.7
	89000	1	.2	.2	71.9
	90000	14	2.6	2.8	74.7
	92000	1	.2	.2	74.9
	93000	2	.4	.4	75.2
	94000	1	.2	.2	75.4
	95000	5	.9	1.0	76.4
	96000	1	.2	.2	76.6
	98000	1	.2	.2	76.8
	99000	1	.2	.2	77.0
	100000	19	3.5	3.8	80.8
	101000	3	.5	.6	81.4
	102000	2	.4	.4	81.8
	104000	1	.2	.2	82.0
	105000	3	.5	.6	82.6

	107000	1	.2	.2	82.8
	110000	3	.5	.6	83.4
	112000	2	.4	.4	83.8
	113000	1	.2	.2	84.0
	115000	2	.4	.4	84.4
	118000	1	.2	.2	84.6
	120000	12	2.2	2.4	87.0
	125000	2	.4	.4	87.4
	129000	2	.4	.4	87.8
	130000	3	.5	.6	88.4
	135000	2	.4	.4	88.8
	137000	1	.2	.2	89.0
	139000	1	.2	.2	89.2
	140000	8	1.5	1.6	90.8
	145000	1	.2	.2	91.0
	146000	1	.2	.2	91.2
	148000	1	.2	.2	91.4
	150000	12	2.2	2.4	93.8
	160000	1	.2	.2	94.0
	170000	2	.4	.4	94.4
	172000	1	.2	.2	94.6
	175000	5	.9	1.0	95.6
	180000	1	.2	.2	95.8
	186000	1	.2	.2	96.0
	200000	4	.7	.8	96.8
	230000	2	.4	.4	97.2
	240000	1	.2	.2	97.4
	255000	1	.2	.2	97.6
	275000	1	.2	.2	97.8
	280000	1	.2	.2	98.0
	300000	1	.2	.2	98.2
	320000	1	.2	.2	98.4
	341000	1	.2	.2	98.6
	350000	2	.4	.4	99.0

	353000	1	.2	.2	99.2
	400000	1	.2	.2	99.4
	500000	1	.2	.2	99.6
	677000	1	.2	.2	99.8
	880000	1	.2	.2	100.0
	Total	501	91.3	100.0	
Missing	System	48	8.7		
Total		549	100.0		

What is your discretionary income per month to the nearest whole number? Discretionary income is the money you have left over, after all household expenses and bills have been paid. - Open-Ended Response					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	57	10.4	11.6	11.6
	10	1	.2	.2	11.8
	20	6	1.1	1.2	13.0
	25	1	.2	.2	13.2
	35	1	.2	.2	13.4
	50	7	1.3	1.4	14.8
	70	1	.2	.2	15.0
	75	2	.4	.4	15.4
	100	21	3.8	4.3	19.7
	125	1	.2	.2	19.9
	150	2	.4	.4	20.3
	200	47	8.6	9.5	29.8
	230	1	.2	.2	30.0
	250	10	1.8	2.0	32.0
	300	33	6.0	6.7	38.7
	350	4	.7	.8	39.6
	400	20	3.6	4.1	43.6
	420	1	.2	.2	43.8
	450	2	.4	.4	44.2
	500	43	7.8	8.7	52.9

530	1	.2	.2	53.1
550	1	.2	.2	53.3
600	9	1.6	1.8	55.2
616	1	.2	.2	55.4
650	3	.5	.6	56.0
700	7	1.3	1.4	57.4
720	1	.2	.2	57.6
733	1	.2	.2	57.8
750	1	.2	.2	58.0
800	7	1.3	1.4	59.4
844	1	.2	.2	59.6
900	7	1.3	1.4	61.1
1000	39	7.1	7.9	69.0
1100	2	.4	.4	69.4
1200	13	2.4	2.6	72.0
1300	4	.7	.8	72.8
1400	1	.2	.2	73.0
1500	15	2.7	3.0	76.1
1600	2	.4	.4	76.5
1800	4	.7	.8	77.3
2000	32	5.8	6.5	83.8
2200	2	.4	.4	84.2
2300	1	.2	.2	84.4
2500	5	.9	1.0	85.4
2512	1	.2	.2	85.6
3000	9	1.6	1.8	87.4
3200	1	.2	.2	87.6
3300	2	.4	.4	88.0
3500	2	.4	.4	88.4
3600	1	.2	.2	88.6
4000	5	.9	1.0	89.7
4095	1	.2	.2	89.9
4200	1	.2	.2	90.1
4500	2	.4	.4	90.5

		Frequency	Percent	Valid Percent	Cumulative Percent
	5000	10	1.8	2.0	92.5
	5500	2	.4	.4	92.9
	6000	5	.9	1.0	93.9
	7000	2	.4	.4	94.3
	8000	2	.4	.4	94.7
	9000	2	.4	.4	95.1
	10000	3	.5	.6	95.7
	15000	3	.5	.6	96.3
	20000	5	.9	1.0	97.4
	25000	1	.2	.2	97.6
	30000	4	.7	.8	98.4
	37000	2	.4	.4	98.8
	40000	1	.2	.2	99.0
	45000	1	.2	.2	99.2
	75000	1	.2	.2	99.4
	90000	1	.2	.2	99.6
	120000	1	.2	.2	99.8
	125000	1	.2	.2	100.0
	Total	493	89.8	100.0	
Missing	System	56	10.2		
Total		549	100.0		

Are you in debt? How much debt do you owe to the nearest thousand (including student loan, credit cards, car loan, home mortgage, etc.)? - Open-Ended Response					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	95	17.3	21.5	21.5
	40	1	.2	.2	21.7
	306	1	.2	.2	21.9
	400	1	.2	.2	22.2
	500	1	.2	.2	22.4
	700	1	.2	.2	22.6
	800	1	.2	.2	22.9
	1000	7	1.3	1.6	24.4

1400	1	.2	.2	24.7
1500	3	.5	.7	25.3
1700	1	.2	.2	25.6
2000	6	1.1	1.4	26.9
2200	1	.2	.2	27.1
2400	1	.2	.2	27.4
3000	10	1.8	2.3	29.6
3500	2	.4	.5	30.1
4000	5	.9	1.1	31.2
4500	1	.2	.2	31.4
5000	16	2.9	3.6	35.1
5500	1	.2	.2	35.3
6000	5	.9	1.1	36.4
6800	1	.2	.2	36.7
7000	1	.2	.2	36.9
7500	1	.2	.2	37.1
8000	7	1.3	1.6	38.7
9000	4	.7	.9	39.6
9500	1	.2	.2	39.8
10000	32	5.8	7.2	47.1
11000	4	.7	.9	48.0
12000	3	.5	.7	48.6
13000	1	.2	.2	48.9
14000	3	.5	.7	49.5
15000	7	1.3	1.6	51.1
16000	4	.7	.9	52.0
17000	2	.4	.5	52.5
18000	3	.5	.7	53.2
20000	19	3.5	4.3	57.5
23000	4	.7	.9	58.4
24000	1	.2	.2	58.6
25000	12	2.2	2.7	61.3
26000	1	.2	.2	61.5
30000	21	3.8	4.8	66.3

	35000	3	.5	.7	67.0
	36000	1	.2	.2	67.2
	40000	12	2.2	2.7	69.9
	45000	2	.4	.5	70.4
	46000	1	.2	.2	70.6
	50000	15	2.7	3.4	74.0
	52000	1	.2	.2	74.2
	55000	1	.2	.2	74.4
	56000	2	.4	.5	74.9
	59000	1	.2	.2	75.1
	60000	9	1.6	2.0	77.1
	63000	1	.2	.2	77.4
	65000	3	.5	.7	78.1
	67000	1	.2	.2	78.3
	70000	2	.4	.5	78.7
	75000	3	.5	.7	79.4
	80000	5	.9	1.1	80.5
	85000	2	.4	.5	81.0
	90000	6	1.1	1.4	82.4
	95000	1	.2	.2	82.6
	100000	6	1.1	1.4	83.9
	110000	1	.2	.2	84.2
	115000	2	.4	.5	84.6
	120000	6	1.1	1.4	86.0
	123000	1	.2	.2	86.2
	125000	2	.4	.5	86.7
	130000	3	.5	.7	87.3
	135000	1	.2	.2	87.6
	150000	2	.4	.5	88.0
	156000	2	.4	.5	88.5
	157000	1	.2	.2	88.7
	160000	2	.4	.5	89.1
	170000	2	.4	.5	89.6
	175000	2	.4	.5	90.0

	180000	2	.4	.5	90.5
	200000	8	1.5	1.8	92.3
	201000	1	.2	.2	92.5
	215000	1	.2	.2	92.8
	220000	1	.2	.2	93.0
	225000	2	.4	.5	93.4
	250000	5	.9	1.1	94.6
	264000	1	.2	.2	94.8
	270000	1	.2	.2	95.0
	300000	8	1.5	1.8	96.8
	325000	1	.2	.2	97.1
	350000	4	.7	.9	98.0
	360000	1	.2	.2	98.2
	450000	1	.2	.2	98.4
	460000	1	.2	.2	98.6
	500000	1	.2	.2	98.9
	550000	1	.2	.2	99.1
	600000	1	.2	.2	99.3
	612000	1	.2	.2	99.5
	4500000	2	.4	.5	100.0
	Total	442	80.5	100.0	
Missing	System	107	19.5		
Total		549	100.0		

Consumer Sentiments Scores

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	2.00	23	4.2	4.2	4.2
	16.80	22	4.0	4.0	8.2
	31.60	35	6.4	6.4	14.6
	46.41	67	12.2	12.2	26.8
	61.21	70	12.8	12.8	39.5
	76.01	76	13.8	13.8	53.4
	90.81	88	16.0	16.0	69.4
	105.61	58	10.6	10.6	80.0
	120.42	47	8.6	8.6	88.5
	135.22	35	6.4	6.4	94.9
	150.02	28	5.1	5.1	100.0
	Total	549	100.0	100.0	

Economic Literacy

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	.00	4	.7	.7	.7
	12.50	6	1.1	1.1	1.8
	25.00	7	1.3	1.3	3.1
	37.50	27	4.9	4.9	8.0
	50.00	57	10.4	10.4	18.4
	62.50	89	16.2	16.2	34.6
	75.00	121	22.0	22.0	56.6
	87.50	124	22.6	22.6	79.2
	100.00	114	20.8	20.8	100.0
	Total	549	100.0	100.0	

Pick one word to describe these systems: Capitalism, Socialism, and Communism? -
Capitalism

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very bad	23	4.2	4.2	4.2
	Bad	57	10.4	10.4	14.6
	Neither good nor bad	134	24.4	24.5	39.1
	Good	209	38.1	38.1	77.2
	Very good	125	22.8	22.8	100.0
	Total	548	99.8	100.0	
Missing	System	1	.2		
Total		549	100.0		

Pick one word to describe these systems: Capitalism, Socialism, and Communism? -
Communism

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very bad	198	36.1	36.1	36.1
	Bad	175	31.9	31.9	67.9
	Neither good nor bad	127	23.1	23.1	91.1
	Good	35	6.4	6.4	97.4
	Very good	14	2.6	2.6	100.0
	Total	549	100.0	100.0	

Pick one word to describe these systems: Capitalism, Socialism, and Communism? -
Socialism

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very bad	46	8.4	8.4	8.4
	Bad	95	17.3	17.3	25.7
	Neither good nor bad	179	32.6	32.6	58.3
	Good	160	29.1	29.1	87.4
	Very good	69	12.6	12.6	100.0
	Total	549	100.0	100.0	

SystemKnoeTotal

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	.00	21	3.8	3.8	3.8
	.25	32	5.8	5.8	9.7
	.50	68	12.4	12.4	22.0
	.75	215	39.2	39.2	61.2
	1.00	213	38.8	38.8	100.0
	Total	549	100.0	100.0	

For acquiring your education about economics, how important were the following sources? - High school education

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not at all important	63	11.5	11.5	11.5
	Of little importance	105	19.1	19.1	30.6
	Of average importance	169	30.8	30.8	61.4
	Very important	121	22.0	22.0	83.4
	Absolutely essential	91	16.6	16.6	100.0
	Total	549	100.0	100.0	

For acquiring your education about economics, how important were the following sources? - College courses

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not at all important	64	11.7	11.7	11.7
	Of little importance	58	10.6	10.6	22.2
	Of average importance	146	26.6	26.6	48.8
	Very important	194	35.3	35.3	84.2
	Absolutely essential	87	15.8	15.8	100.0
	Total	549	100.0	100.0	

For acquiring your education about economics, how important were the following sources? - College reading materials

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not at all important	60	10.9	10.9	10.9
	Of little importance	77	14.0	14.0	25.0
	Of average importance	150	27.3	27.3	52.3
	Very important	188	34.2	34.2	86.5
	Absolutely essential	74	13.5	13.5	100.0
	Total	549	100.0	100.0	

For acquiring your education about economics, how important were the following sources? - Family and/or friends

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not at all important	70	12.8	12.8	12.8
	Of little importance	115	20.9	20.9	33.7
	Of average importance	178	32.4	32.4	66.1
	Very important	117	21.3	21.3	87.4
	Absolutely essential	69	12.6	12.6	100.0
	Total	549	100.0	100.0	

For acquiring your education about economics, how important were the following sources? - The Internet

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not at all important	17	3.1	3.1	3.1
	Of little importance	77	14.0	14.0	17.1
	Of average importance	156	28.4	28.4	45.5
	Very important	171	31.1	31.1	76.7
	Absolutely essential	128	23.3	23.3	100.0
	Total	549	100.0	100.0	

For acquiring current information about economics, how important were the following sources? - Cable news (CNN, Fox, MSNBC, etc.)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not at all important	187	34.1	34.1	34.1
	Of little importance	138	25.1	25.1	59.2
	Of average importance	129	23.5	23.5	82.7
	Very important	70	12.8	12.8	95.4
	Absolutely essential	25	4.6	4.6	100.0
	Total	549	100.0	100.0	

For acquiring current information about economics, how important were the following sources? - TV networks (ABC, CBS, NBC, PBS, etc.)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not at all important	192	35.0	35.0	35.0
	Of little importance	139	25.3	25.3	60.3
	Of average importance	138	25.1	25.1	85.4
	Very important	68	12.4	12.4	97.8
	Absolutely essential	12	2.2	2.2	100.0
	Total	549	100.0	100.0	

For acquiring current information about economics, how important were the following sources? Talk radio (Syndicated radio talk shows: Alan Colmes, Rush Limbaugh, etc.)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not at all important	267	48.6	48.6	48.6
	Of little importance	124	22.6	22.6	71.2
	Of average importance	90	16.4	16.4	87.6
	Very important	54	9.8	9.8	97.4
	Absolutely essential	14	2.6	2.6	100.0
	Total	549	100.0	100.0	

For acquiring current information about economics, how important were the following sources? Print newspapers and magazines (*Wall Street Journal, New York Times, Washington Post, Time, Newsweek*, etc.)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not at all important	132	24.0	24.0	24.0
	Of little importance	107	19.5	19.5	43.5
	Of average importance	150	27.3	27.3	70.9
	Very important	123	22.4	22.4	93.3
	Absolutely essential	37	6.7	6.7	100.0
	Total	549	100.0	100.0	

For acquiring current information about economics, how important were the following sources? Online newspapers and magazines

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not at all important	78	14.2	14.2	14.2
	Of little importance	86	15.7	15.7	29.9
	Of average importance	188	34.2	34.2	64.1
	Very important	150	27.3	27.3	91.4
	Absolutely essential	47	8.6	8.6	100.0
	Total	549	100.0	100.0	

For acquiring current information about economics, how important were the following sources? Social Media (Facebook, Instagram, Twitter, etc.)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not at all important	214	39.0	39.0	39.0
	Of little importance	151	27.5	27.5	66.5
	Of average importance	103	18.8	18.8	85.2
	Very important	54	9.8	9.8	95.1
	Absolutely essential	27	4.9	4.9	100.0
	Total	549	100.0	100.0	

For acquiring current information about economics, how important are the following sources to you? - Social Feeds (Buzzfeed, Flipboard, etc.)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not at all important	320	58.3	58.3	58.3
	Of little importance	100	18.2	18.2	76.5
	Of average importance	80	14.6	14.6	91.1
	Very important	34	6.2	6.2	97.3
	Absolutely essential	15	2.7	2.7	100.0
	Total	549	100.0	100.0	

For acquiring current information about economics, how important are the following sources to you? - Alternative Internet news sources (*Drudge Report, Politico, Huffington Post, Daily Beast*, etc.)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not at all important	158	28.8	28.8	28.8
	Of little importance	124	22.6	22.6	51.4
	Of average importance	139	25.3	25.3	76.7
	Very important	94	17.1	17.1	93.8
	Absolutely essential	34	6.2	6.2	100.0
	Total	549	100.0	100.0	

For acquiring current information about economics, how important are the following sources to you? - Wikipedia, online educational resources

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not at all important	61	11.1	11.1	11.1
	Of little importance	87	15.8	15.8	27.0
	Of average importance	161	29.3	29.3	56.3
	Very important	170	31.0	31.0	87.2
	Absolutely essential	70	12.8	12.8	100.0
	Total	549	100.0	100.0	

For acquiring current information about economics, how important are the following sources to you? - Books

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not at all important	79	14.4	14.4	14.4
	Of little importance	74	13.5	13.5	27.9
	Of average importance	142	25.9	25.9	53.7
	Very important	153	27.9	27.9	81.6
	Absolutely essential	101	18.4	18.4	100.0
	Total	549	100.0	100.0	