



# Examining Economic Hardship's Relationship with the Belief in Hard Work

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## Introduction

- Many types of hard work no longer reward Americans to the same degree they used to — wages no longer match increases in productivity and the wage premium of earning a college degree stagnated and declined, even before the pandemic. (Bengali et al. 2023, Mishel et al. 2015).
- Almost 80% of Americans still think people can succeed if they work hard (“Pervasive Gloom” 2012).
- Recent research shows that economic hardship induces pessimism about economic potential, reducing persistence in pursuing economic success (Robb et al. 2009, Wuepper and Lybbert 2017).

## Research Questions

- Are Americans who experience economic hardship less likely to feel that if they work hard today, they will be successful in the future?
- Does this relationship differ between employed and unemployed people?

## Methods

### Sample

- Respondents (n=6394) were drawn from the 2017 National Financial Wellbeing Survey (FinancialWB), a nationally representative sample of non-institutionalized adults, and only one participant per household.

### Measures

- Belief in hard work was measured on a scale of Disagree (1) to Agree (3) with the statement: “If I work hard today, I will be more successful in the future.” Binned from a scale out of 7.
- Experienced economic hardship (zero or one). Binned from a sum of four questions.
- Employment was measured as Unemployed (0) or Employed (1), binned from a scale out of seven.

## Results

### Bivariate

- A Chi-Square test showed a significant association between **economic hardship** and the belief that **hard work** would produce economic success ( $\chi^2=101.70, p=0.0001$ ).
- Simple linear regression analysis specified that this relationship is **significant** and **negative**. On average, people who experience economic hardship report a 0.189-point decrease in their belief in hard work. (Beta= -0.189, CI -0.23 – -0.15,  $p=0.0001$ ). (Fig 1)

### Multivariate

- Multiple linear regression analysis showed that employed people were significantly **less likely** than unemployed people to report a belief in hard work (Beta= -0.129,  $p=0.001$ ).
- Employment status **significantly** moderates the relationship between experiencing hardship and belief in hard work (Beta= -0.404,  $p=0.0001$ ). (Fig 2)

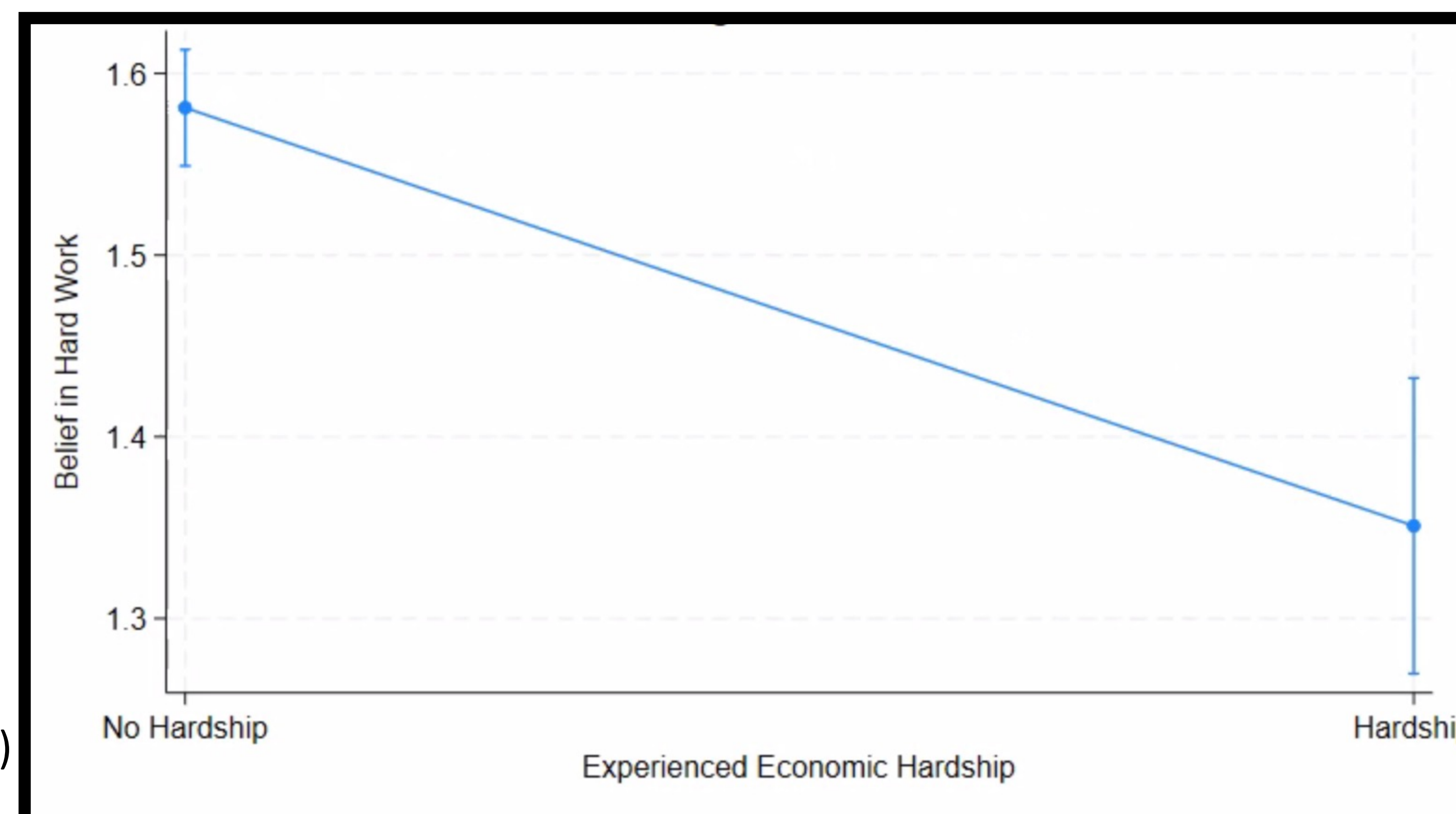


Figure 1: Linear Relationship Between Experiencing Economic Hardship and Belief in Hard Work

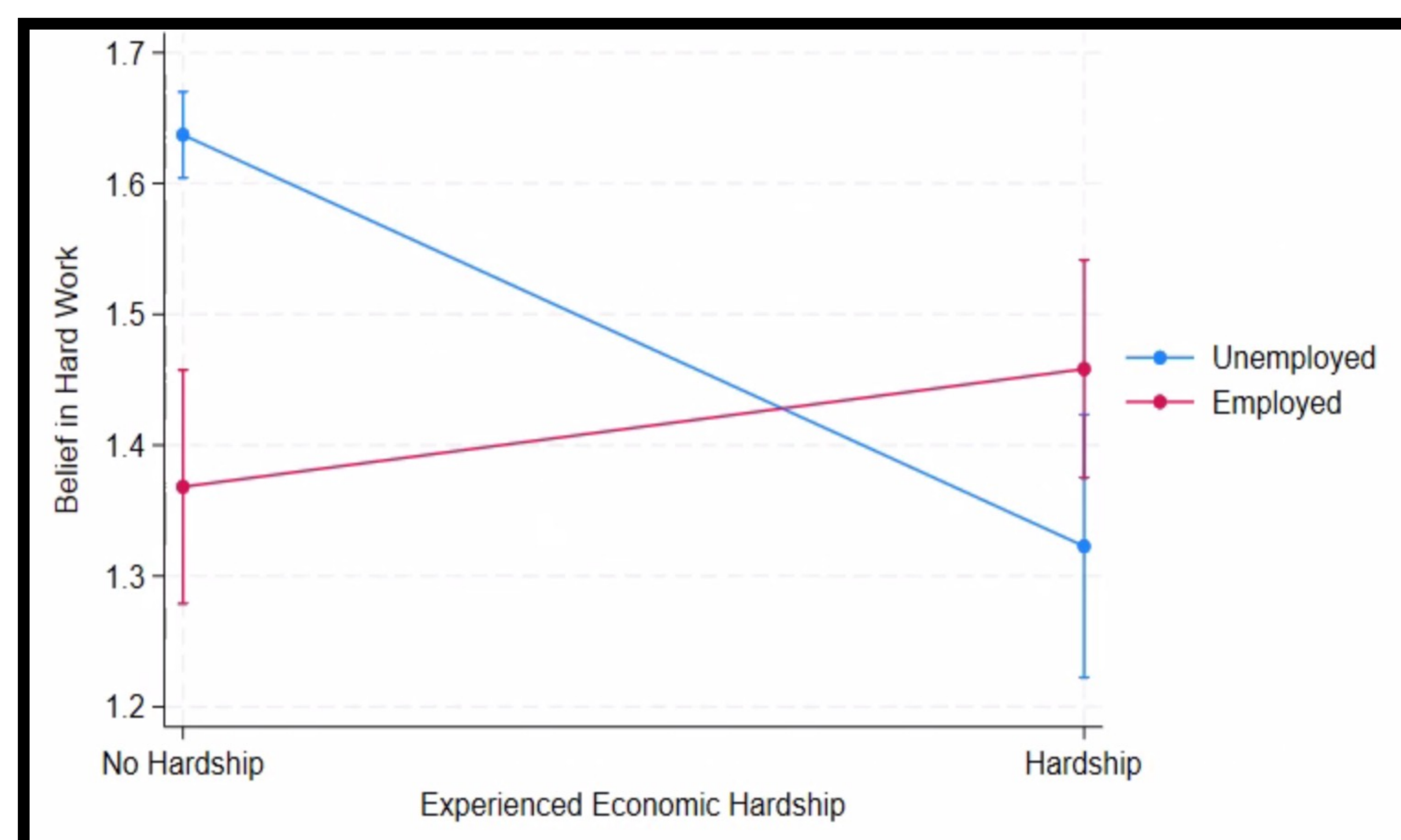


Figure 2: Employment Status Moderates the Linear Relationship between Economic Hardship and Belief in Hard Work

## Discussion

- People who experience economic hardship tend to be more pessimistic about what rewards hard work could bring them.
- Employed people tend to feel more negative about the future results of hard work, but people who are both unemployed and have hardships least strongly believe in the value of hard work.
- This could encourage employers to reward hard workers with raises and bonuses so their employees feel motivated to work rather than pessimistic about whether doing so will help them.
- This data could encourage policymakers to address economic hardship to make people more motivated to work hard and thus strengthen the economy through increased productivity.
- Future research is needed to determine whether covariates such as economic hardship in childhood make people more susceptible to feeling that hard work will not pay off.

## References

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