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How Can the Middle Class Flourish in the 21st Century?

Insights from the Science of Well-Being

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Introduction

"Never waste a good crisis." In the last decades of the 20th century, crises were typically an opportunity for structural adjustment that unwound inefficient state-based intervention into markets. The COVID-19 crisis reverses this trend. We have shut down the economy by choice,[1] revealing deeper values. Bipartisan support for cash stimulus payments has thrown into relief the unsuitability of 20th century welfare logic for the volatile 21st century economy. Concerns that people are not seeking testing and treatment for COVID-19 because of economic disincentives have renewed enthusiasm for a shift in US healthcare policy. A focus on "life essentials" has revealed our collective dependence on frontline workers in health care and food supply chains who are, paradoxically, relatively low paid. The pandemic has underlined the importance of cooperation, reciprocity, and prosociality to prosperity. "Flattening the curve" is a collective action problem. If we all do the right thing, fewer people die and the economy restarts quicker. But if just a few people defect from the social agreement, the virus spreads rapidly. Unfortunately, America has lost much of the social capital, community, and sense of collective identity that make such large-scale cooperation possible. The intensely capitalist and individualist, markets-only socio-economic model of the late 20th century seems spent. All this points to the COVID crisis as an opportunity to imagine a new social contract for America that promotes cooperation and ensures citizens can flourish in the fast and unpredictable 21st century.

Where should we look for the foundations of this new social contract? The COVID-19 crisis is an exclamation point in a longer running trend of social, political, and economic unravelling that points to an overdue conversation about *well-being*. Philosophers interpret well-being as the prudential good: what is "good for" an individual or what makes their life "go well." Do America's culture, institutions, policies, and practices promote the well-being of its citizens?

While American firms and cultural outputs still dominate global society, things don't seem to be going well for many in America today. The middle class in particular, whose prosperity was once the backbone of the US economy and key to its overseas appeal, seems to have had an unusually hard time of it lately. Wage growth is tepid,[2] unemployment in many counties remains depressed[3] a decade after the global financial crisis, and suicides rates are soaring.[4] What has gone wrong for the American middle class?

The most straightforward answer is unemployment. But while restoring income and the dignity of work are crucial to the well-being of the American middle class, securing its future requires more than just jobs. The blue-collar jobs that have gone overseas in recent years were one pillar of a socio-economic system, and the other pillars are gone too.

Many factory jobs were in mid-sized regional or satellite towns. These are now hollowed out, and all signs indicate that the future is in metropolises. The factory work schedule organized the week. You worked from 9–5 and could reliably take breakfast and dinner with your family and lunch with your colleagues. These social interactions were valuable social glue. Many jobs in the new economy now require flexible work schedules, weekend hours, and teleworking. Work now often *disorganises* the week and undermines quality time with family and peers. How easily can a father commit to taking his daughter to softball every Tuesday when he only gets shifts on Sunday night? American religiosity is in freefall, and alternate community institutions for fostering cooperation and neighbourliness have not emerged. Traditional gender roles were another important pillar of the 20th century middle class that has been upended. Women have little desire to return to a socio-economic system that limited their freedom. The feminist transformation of the marriage market (Kearney and Wilson 2018) means that young people receive few clear messages of what makes you a valuable member of society. In combination with rising educational requirements for securing a good job, this has extended the time people take to mature[5] into adulthood. All this suggests that a simple jobs boom is not enough for the American middle class to flourish once more. A sociocultural restructuring is required.

Appropriately, *The Future of the Middle Class Initiative* at the Brookings Institution has gone well beyond jobs and identified 5 pillars to guide its thinking about how to secure a good life for the average American. These are income, health, relationships, respect, and time. This paper explores contributions the academic literature on well-being can make to these pillars. It draws especially on the literatures associated with *psychological* well-being. Rather than focusing on material indicators of well-being like wealth and physical health, this literature focuses on people's mental health and how they report feeling about their lives (Ryff 1989, Stone and Mackie 2013). Perhaps the most prominent branch of this literature is analysis of life satisfaction and self-reported mood—so called "subjective well-being." Other prominent themes include optimism, basic psychological needs for autonomy, competence, and relatedness to others, and purpose in life (Marsh et al. 2020). The well-being literature has burgeoned and matured in recent years and is now settled enough to provide insights into policy (Frijters et al. 2020). These are often powerful.[6] However, academic debates about the normative suitability of psychological well-being to policy applications are simmering and measurement issues still haunt the field (Benjamin et al. 2020, Alexandrova and Singh 2020). To compensate, this paper focuses on the least controversial areas.

What is Well-Being?

It is important to acknowledge from the outset that well-being is not a term with an accepted definition. Philosophers are at pains to emphasise that because well-being is a value-laden concept ("*good* for") any definition of the term necessarily involves making a value judgement (Tiberius and Hall 2010; Prinzing 2020). As the question "what is good?" is not amenable to empirical inquiry, well-being can never be a purely "technical" or "scientific" concept. Only once it is defined can it be empirically analysed, but by then a value judgement has already been made. This point is particularly relevant in the context of policymaking in liberal democracies where we typically think that only citizens can legitimately make value judgements in the context of public policy. This legitimacy issue is part of why welfare economics has traditionally taken preference-satisfaction as its definition of well-being—it allows what citizens value (prefer) to be left up to them. Shifting the focus to, for example, life satisfaction (a mental state) as the conception of well-being involves making a value judgement that citizens might not share (Angner 2009).[7] When academics or other experts provide commentary on the "science of well-being" without being open about the value judgements involved in their particular conception of well-being, they are sneaking their values into policymaking under the guise of "technical" advice (Alexandrova 2017). While this is not necessarily nefarious, it is something we need to be aware of and careful about.

Having said that, if adequate care, honesty, and humility is practised by experts *and due respect is paid to citizen input*, the notions of psychological well-being this paper focuses on are not especially controversial. Most citizens value being satisfied with their lives for example, being in good moods by and large, and leading a purposeful existence. Except in extreme circumstances, they also do not value being depressed, anxious, or otherwise afflicted with psychopathology. As such, insights from psychological science into how to help people avoid these states could make a valuable contribution to public policy. We should be sensitive to the shifting ethical standards at play when we move from well-being in an academic, therapeutic, or self-help context to well-being in a policy context. But we should also not be squeamish about applying insights from psychology, happiness economics, and other fields concerned with psychological well-being in public policy where there is clear benefit to doing so.

So, what is well-being then?

It is helpful to start with the subjective/objective distinction. Objective accounts of well-being identify observable criteria that define well-being. The most prominent of these accounts in the policy space is the capabilities approach developed by Sen (1999) and Nussbaum (2000). In their framework, capabilities constitute someone’s ability to “be who they want to be and do what they want to do.” In the Human Development Index (HDI), capabilities were operationalised in terms of income, health, and education. The Millennium Development Goals added political enfranchisement, broadly conceived, and the Sustainable Development Goals added environmental quality, among other items. Subjective accounts of well-being instead focus on people’s own assessment of their lives. For example, whether they say they are satisfied with their life (Sumner 1996). To appreciate the tension between the two approaches, consider someone dying of terminal cancer at 60 who is satisfied with the life they have lived. They might say “I’ve had a good inning.” Is this person well? Objectively no, subjectively yes. In contrast, consider the “miserable millionaire” and “frustrated achiever” archetypes sometimes observed in empirical studies of life satisfaction (Graham 2012). These people are typically healthy, wealthy, and powerful, but report lower levels of life satisfaction than “happy peasants.” Are they well? Objectively yes, subjectively no.

For a range of reasons that are outside the scope of this paper (see Fleurbaey and Blanchet 2013 for a review), development studies and policymaking more generally has historically focused on objective well-being. An increasingly salient shortcoming of this approach is that wealthy people in wealthy countries remain dissatisfied. This existential malaise is eloquently explored in the film *American Beauty.* The protagonist, Lester Burnham, has led a “successful” life punctuated by health and wealth, but he feels empty, aimless, and fake, and is consequently depressed.

One of the fields most acutely exposed to this pain amongst plenty phenomenon is psychology, especially clinical psychology, because its disciplinary focus is the mind rather than the material. Psychologists have appropriately developed an understanding of what might be called *psychological well-being.* Scholars take different angles on this concept. Some see it as the inverse of psychopathology—simplistically, the opposite of depression and anxiety (Huppert and So 2013). Those working in the subjective well-being (SWB) tradition see it in terms of positive mental states like satisfaction, happiness, joy, contentment, tranquillity, engagement, and enthusiasm (Diener et al. 2009, Stone and Mackie 2013).

Without getting too bogged down in these debates, some central themes of the literature can be picked out.

The "positive mental states" view is associated with "hedonic" psychology (Kahneman et al. 1999). Early research in this field was concerned especially with pain, pleasure, affect, and happiness/subjective well-being. This perspective attracted the attention of economists relatively quickly, notably through the work of Richard Easterlin (1974) on the limited relationship between economic growth and life satisfaction. Perhaps as a result, it dominates the "well-being and public policy" discourse (OECD 2013, Clark et al. 2018). Measures of self-reported affect and life satisfaction ("subjective well-being") are well validated and have been included in large sample social surveys for decades. There is consequently an extensive literature on the correlates and causes of changes in these variables at sociological scale (Dolan et al. 2008).

Items associated with "Eudaimonic" well-being were historically presented as a contrast to hedonic well-being (Biswas-Diener et al. 2009, Kashdan et al. 2008, Ryan and Huta 2009, Ryan et al. 2008, Waterman 2007, 2008) but are increasingly seen as complementary (Martela and Sheldon 2019). Eudaimonic theories of well-being emphasise *living* well rather than *being* well (Besser-Jones 2015) and are associated with the notion of "flourishing." They also argue that the prudent way to live emerges out of human nature in some way. The Aristotelian tradition that dominates philosophical discussions of eudaimonia stresses our consciousness and unique moralising and reasoning capacities. It consequently argues that we ought to live virtuous lives that accord with reason and express our true selves (Norton 1976). Psychological theories of eudaimonia instead stress the evolutionary origins of the human animal. According to these theories, psychological well-being emerges from living in a way that promotes the survival and fitness of the human organism.

Perhaps the most influential school in this space is self-determination theory (SDT, Ryan and Deci 2017). SDT argues that humans have three basic psychological needs: autonomy, competence, and relatedness. Autonomy is about feeling volitional in your day to day behaviour—literally *self-determined*. If you are constantly doing things out of necessity or because you are controlled through duress, such as working a bad job that you hate to make ends meet, then you will feel *self-regulated*, which is draining. In evolutionary environments, autonomy would have ensured that your efforts were directed at your own survival rather than the prosperity of others. Competence is about feeling skilful at behaviours that you need to flourish. A lack of competence would decrease your chance of survival and so we have evolved a host of psychological mechanisms that motivate us to practice and improve. Finally, relatedness is about feeling like you have loving and nourishing social relationships with people whom you care about. We are tribal animals, and social support was historically one of the most important factors affecting our odds of survival. Little wonder then that an absence of such support will trigger various affective signals of ill-being, including anxiety, low self-esteem, and guilt. There is an abundance of cross-cultural, experimental research in SDT demonstrating that people whose lives nourish their basic psychological needs will experience and report higher subjective well-being (more positive affect, less negative affect, and higher life satisfaction), as well as lower rates of depression, anxiety, and other psychopathologies (Chen et al. 2015, Church et al. 2013, Sheldon et al. 2004, 2009).

A third cluster of items associated with well-being can be grouped under the heading of "conscience." The most prominent of these is meaning in life, which is a longstanding theme of both theoretical and empirical inquiry in positive psychology (Frankl 1947, Steger et al. 2006, Baumeister 1992).[8]Meaning encompasses the sense that one's life is purposeful, coherent, and significant (Martela and Steger 2016). Together, these three senses combine to make one's life feel valuable. There is now an extensive empirical literature demonstrating that meaning and purpose is associated with, among other things, positive affect, motivation, feelings of efficacy, and easier connection to groups that share your values (Wong 2010). Furthermore, Nikolova and Cnossen (2020) recently demonstrated an association between feelings of meaningfulness at work and important labour market behaviours. Workers who perceive their jobs as meaningful work harder, quit less, take fewer sick days, and want to retire later. What remains to be elaborated is how and why certain values, behaviours, and lifestyles or narratives come to be felt as meaningful. Being able to connect with and contribute to something greater than oneself seems to more easily give rise to feelings of meaningfulness (Emmons 1999). Religion was critical to this in the past and will remain important into the future (Carney 2019). However, younger Americans seem apathetic towards religion and may need a secular solution.

Two other themes in the conscience cluster are identity and virtue. These items have received little empirical investigation in the context of psychological well-being and so only passing comments will be made here. Identity is a prominent theme in developmental psychology, especially in the context of adolescents and young adults. There is a wealth of empirical evidence in this field pointing to the importance of knowing who you are and why to your psychological well-being (Luyckx et al. 2006, 2008). This persists into adulthood. Consider results from self-discrepancy theory, which posits that we try to align our actual self with our ideal and ought selves and avoid our feared self (Higgins 1987). Our actual self is who we are at the moment. Our ideal self is who we would like to be. Our ought self is who we feel a responsibility to be. And our feared self is who we do not want to be. Aligning with the feared self is strongly associated with depression and anxiety. Discrepancies between the actual and ideal self promote depression, while discrepancies between the actual and ought self promote anxiety (Silvia and Eddington 2012). Success in harmonising the actual, ideal, and ought selves leads to positive affect (see Fabian 2020 for a longer discussion). Similar results attain in the contingencies of self-worth literature, which shows that self-esteem responds dramatically to success and failure in identity-contingent goals (Crocker and Park 2012). Finally, such results also emerge in identity consolidation theory, which studies personal uncertainty: "a kind of identity crisis that arises from awareness of conflict or lack of clarity about self elements" (McGregor 2004, p. 183). Personal uncertainty leads to dissonance and compartmentalisation, debilitation, and anxiety. Identity matters.

Virtue is a complex area, but one relatively straightforward fact to underline is that many forms of negative affect are *social* emotions associated with moral trespass, notably guilt, shame, and low self-esteem. These bad moods communicate to us that we are behaving in ways that make us unappealing members of a group (Leary and Baumeister 2000). We care about being perceived as "good" people. A second fact worth underlining is that the values we stand for are a central part of our identity. As an ambiguous sense of self is bad for our psychological well-being, it follows that having well-articulated reasons for why we hold the values we do that is robust to simple critiques is important. Normative capriciousness and a lack of integrity undermine our well-being not only by poisoning our social relations but by destabilising our sense of who we are. Psychopaths are the exception that prove this rule.

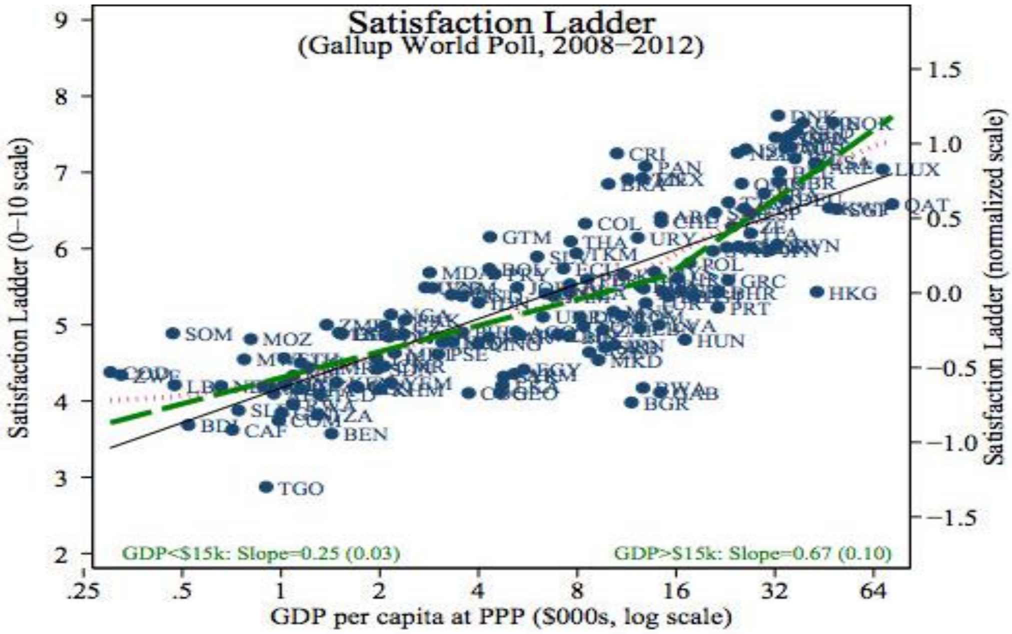
The review above points to 9 items relevant to psychological well-being. First, from the hedonic psychology literature we have a preponderance of positive over negative affect, and life satisfaction. Second, from the eudaimonic psychology literature, we have basic psychological needs for autonomy, competence, and relatedness. And finally, from a range of literatures in social, personality, and clinical psychology, we have meaning and purpose, identity, and virtue. A concise summary is that well-being implies a life that is *pleasant*, *fulfilling*, and *valuable*. This list and associated analysis should not be regarded as definitive. Debate continues over whether all of these items are relevant to psychological well-being, whether there is empirical support of all these items, whether some of these items are merely causes of well-being rather than constitutive of it, and whether some other items like optimism and prosociality should be included in the list, among other things. The purpose of this review was rather to give a sense for how psychological well-being differs in its themes from other ways of conceptualising well-being, such as the capabilities approach, and to give some characterisation of those themes. The paper turns now to consider insights from the psychological well-being that are relevant to the five pillars of the Future of the Middle Class, namely income, health, relationships, respect, and time.

Income

The well-being literature has nuanced but not fundamentally challenged the economic tenet that higher incomes are a good thing. Stevenson and Wolfers (2013) observed a fairly consistent linear relationship between life satisfaction and the log of GDP per capita using cross-country data from the Gallup World Poll (see Figure 1). As income rises, so does life satisfaction. There does not appear to be a satiation point. But remember that this relationship is on a log scale—as you get wealthier, it takes larger and larger increases in income to produce the same (small) increase in satisfaction. Now if increasing income past a certain point comes with various costs in terms of sustainability, freedom, work-life balance, community cohesion, or what have you, then we should at least consider the mounting evidence that there are other, cheaper, ways of increasing life satisfaction (Boyce et al. 2017).

The well-being literature, especially that coming out of positive psychology, suggests several avenues to explore here, including improving our mood management abilities through practises like mindfulness, gratitude, and savouring, improving the quality and quantity of our social relationships, and finding meaning in life. We see in these items the broad themes of a good life being *pleasant*, *fulfilling*, and *valuable*. These themes appear quickly when we go beyond the macroeconomics of life satisfaction to investigate its deeper causal structure in the psychology and everyday experiences of individuals. Income is often correlated with these themes, especially in a culture like America's. Disposable income brings pleasant experiences. Work colleagues are often our closest friends. And our occupation (and being able to provide for our families) can be a strong source of purpose and self-esteem. Nonetheless, the root cause of well-being lies in these deeper items and policy should understand income in this richer context.

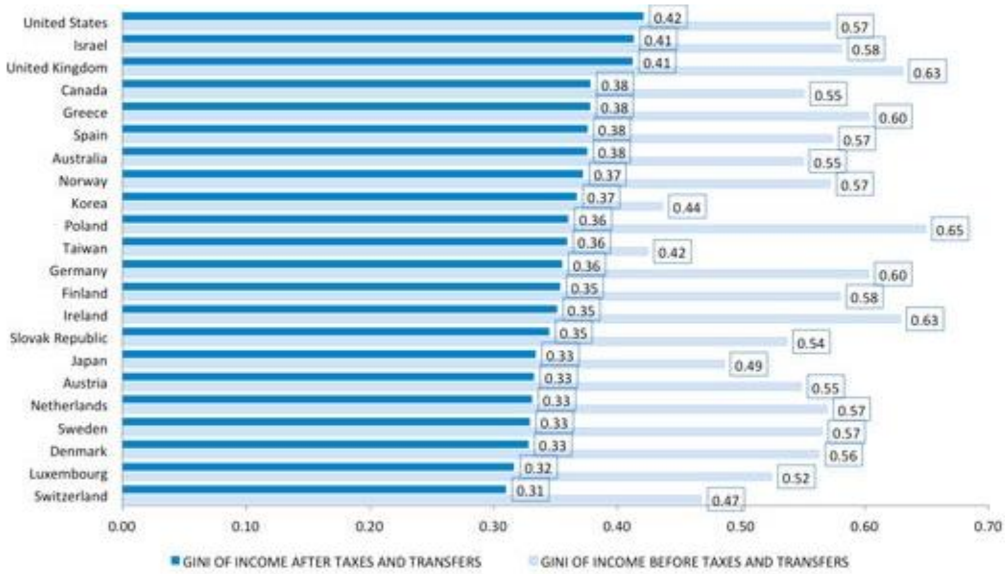
Figure 1: Life satisfaction and GDP per capita



Before turning to these deeper items in more detail, there are two other important findings from the macroeconomics of well-being to appreciate. The first concerns unemployment, which has a large negative impact on life satisfaction (Winkelmann and Winkelmann 1998). Unlike most other factors that affect life satisfaction, people do not typically adapt to unemployment over time (Luhmann et al 2012). Indeed, unemployment seems to have a scarring affect, with the life satisfaction of the long-term unemployed remaining depressed even after they return to work. Relatedly, booms and busts appear to have asymmetric effects on life satisfaction. A recent paper (De Neve et al. 2018) found that a 10% economic contraction was associated with an 0.135 standard deviation fall in life satisfaction. In contrast, a commensurate economic expansion was only associated with an 0.023 standard deviation increase in life satisfaction. These results suggest that greater emphasis should be placed in policy on avoiding recessions and layoffs rather than on maximising GDP growth. This is especially true in countries with relatively high GDP where very large increases in income are required to produce noticeable increases in life satisfaction.

The second important finding pertains to inequality. As is well-known, GDP per capita obfuscates how that GDP is distributed. While people might get some satisfaction from knowing that they live in a rich country, the satisfaction mostly comes from being rich themselves. If all the GDP in a country is concentrated among the upper deciles of the income distribution, its positive effects on life satisfaction won’t reach those in the lower deciles. It is important to acknowledge in this context that America is one of the most unequal and least redistributive countries in the world. Figure 2 shows the pre- and post-tax gini coefficients of OECD nations. While America is not far above average pre-tax and transfer, it is the most unequal nation afterwards.

Figure 2: Pre- and post-tax-and-transfer gini coefficients for OECD nations



Source: 2013 Calculations by Janet Gornick using Luxemburg Income Study data (see Gornick et al. 2017)

Inequality in America is well-trodden ground (Boushey 2019); what is not so well-known are the findings of the well-being literature on inequality aversion and rank-sensitivity. Inequality exerts a negative effect on life satisfaction not just by reducing access to wealth, but also through envy, lower self-esteem, and other factors associated with not feeling like a winner. There is a voluminous literature demonstrating that people care almost as much about their relative income as they do about their absolute income (Boyce et al. 2010, Frijters and Mujcic 2012). This implies that growth must be broad-based to ensure rising aggregate life satisfaction. Growth that does not lift all boats improves the life satisfaction of the winners but depresses the losers even if it does not make them objectively worse off (Frank 2007, Weisbach 2008).

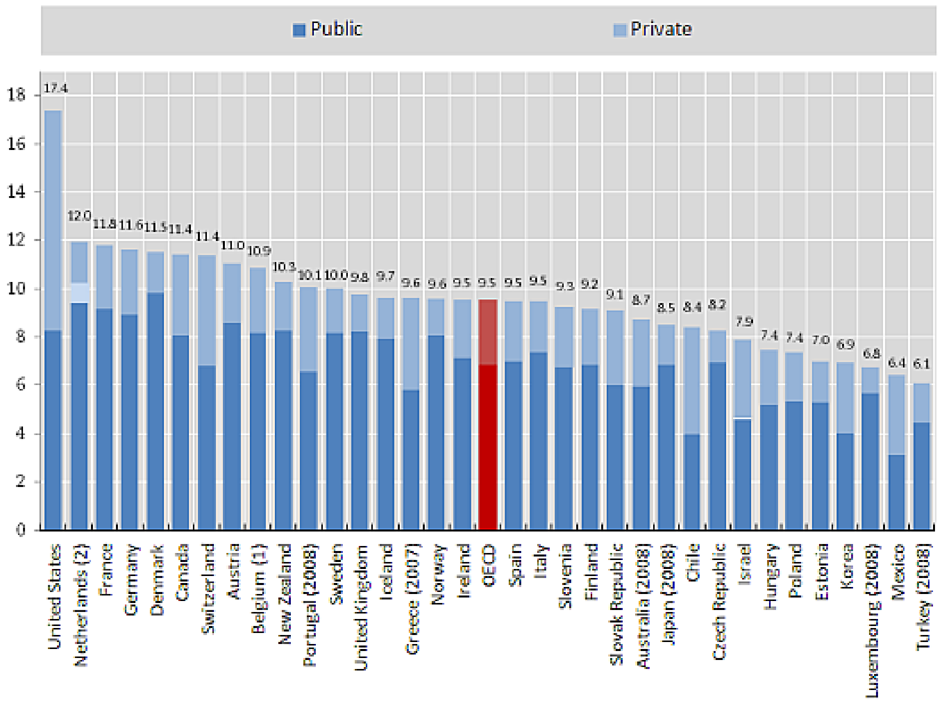
Carol Graham (2017) has found that Americans are special when it comes to income inequality and life satisfaction. Succinctly, they don't mind so much if people are richer than them if they themselves are getting ahead. Americans are aspirational, and so long as inequality is a sign that you can prosper if you work hard, Americans are OK with it. What has changed in recent decades is that social mobility has declined.[9] Inequality is now a sign that the system is rigged, opportunities are few, and hard work gets you nowhere. As numerous qualitative studies of left behind places have noted, people feel that the "American Dream" of upward mobility is dead (Hochschild 2016, Cramer 2016, Carney 2019).

Another finding from Graham's (2017) research worth underlining is that well-being itself is unequally distributed in America. Citizens of "left behind" and declining regions have more pain, worry, and depression than citizens in more prosperous regions, and are less optimistic. They also have "bad" stress, which is characterised by desperation and uncertainty, as opposed to the "good" stress common to more prosperous regions, which is characterised by goal pursuit. People in such difficult circumstances are not in a position to think about meaningful work and community service until they have income stability and health insurance.

Health

Health care outcomes are in obvious need of improvement in America. While recent years have seen growing coverage, the public and private cost of health care in the US remains high relative to other OECD countries (see Figure 3). Despite this high spending, America has seen declines in life expectancy[10] in recent years, driven in large part by Deaths of Despair[11] and the opioid epidemic (Deaton and Case 2020).

Figure 3:US health care spending as a % of GDP relative to OECD



Source: OECD, https://www.oecd.org/els/health-systems/healthspendingcontinuestooutpaceeconomicgrowthinmostoecdcountries.htm

The deaths of despair phenomenon invites us to look beyond physical health to mental health. The well-being literature has much to offer here. Happiness economists in the UK, notably Richard Layard, have argued for some time that mental health should be given greater attention in health care funding. An influential cost-benefit analysis[12] of cognitive-behavioural therapy (CBT) in 2007 spearheaded by Layard convinced the British government to incorporate it into the National Health Service. CBT is a collection of techniques and practices designed to give greater control over attention and increase positive thoughts. An example is gratitude, which typically involves bringing to mind things that one values in one’s life (Emmons 2008). A major advantage of CBT compared to other mental health therapies (notably talk therapy) is that it is easy to evaluate. While its effect sizes are typically small, they are also statistically significant (Twomey et al. 2015). CBT is cheap to administer and can be delivered online, through group therapy (Germain et al. 2009), or through self-administering. CBT is a cost-effective means of reducing mental illness that can pay for itself through reduced absenteeism and increased work effort, productivity, wages, and tax revenue. Some commentators have pointed out that it is dystopian to justify happiness in terms of being a more productive worker (Davies 2015). This is an important point, and especially applicable in the context of welfare conditionality (Friedli and Stearn 2015). However, many people on welfare payments do in fact want to go back to work. Giving them access to treatment as part of welfare is then humane rather than nefarious.

A frequent criticism of CBT is that it is narrow or shallow. Sometimes you are down for reasons that are deeper and more complex than transitory moods and these reasons have little to do with your behavioural or attentional choices. You might be experiencing a crisis of faith, for example. Treating your mood then amounts to treating the symptoms rather than the cause of your condition. These deeper issues are clearly at play in the deaths of despair phenomenon. People are experiencing a loss of hope, purpose, and self-worth (Graham 2017). They see few opportunities to secure dignity. Their communities are going under. And the cultural touchstones that they used to make sense of their life are dissolving. It is understandable that they are depressed and anxious. CBT can help such people manage their emotions day to day so that they feel better and use their cognitive resources efficiently. But securing their mental health necessitates an engagement with structural factors that underpin moods.

These structural factors are the focus of the “eudaimonic” branch of positive psychology. As mentioned earlier, the insights of eudaimonic psychology are only beginning to be applied outside of clinical and experimental settings. As such, there are few sociological observations and policy recommendations that can be made on the basis of eudaimonic psychology at this time. Nonetheless, their potential is readily apparent. Consider the three basic needs of self-determination theory in the context of poor subjective well-being in the US rust belt regions. If your factory job is offshored despite your hard work, it will undermine your autonomy. If your trade skills are made obsolete by automation, it will undermine your sense of competence. When your community collapses due to an absence of jobs and endemic drug use, it will undermine your sense of relatedness.[13]

Alongside such diagnostic insights, SDT can act as a succinct but holistic framework for thinking about efforts to improve well-being in the public, private, and third sectors. In the private sector for example, encouraging management to listen to and make decisions in genuine consultation with workers can enhance feelings of autonomy among those workers and improve well-being. The payoff is greater loyalty to the firm and marginally higher worker productivity (Freeman and Kleiner 2000). Turning to the public sector, allowing workers repeatedly made redundant to access education through the welfare system can enhance their feelings of competence. Rather than declining wages and more frequent, longer periods of unemployment, these workers would be placed on a new trajectory that makes them less dependent on income support in the long run. Such “learnfare” provisions are an increasingly common feature of unemployment insurance systems across the OECD (Jørgensen and Klindt 2018). Finally, charities looking to help individuals overwhelmed by poverty can think about how they can plug such individuals into community networks that nurture feelings of relatedness as they lend support.

One domain where newfound insights into mental health could be fruitfully applied is education. We can augment education so that it prepares people for life not just work. Such a shift is already underway in the move towards emphasising soft and general skills in education like critical thinking, time management, and data literacy. The field of “positive education” has developed numerous programs for use in schools. These include training in cognitive-behavourial skills like meditation for attention control and metacognition, and mood management for emotion regulation and stress management. It also includes programs that help people develop a clearer sense of self that can guide the formation of their identities, help them identify self-congruent values and groups, and foster self-esteem. The personal strengths curriculum developed by Christopher Peterson and Martin Seligman, among others, is perhaps the most prominent item in this vein (Seligman et al. 2009, White and Waters 2015). A recent impact evaluation of the Healthy Minds curriculum in the UK (Lordan and Macguire 2018), which uses many of these positive education ideas, found that it improved emotional health, behaviour, life satisfaction, and even physical health by as much as a third of a standard deviation.

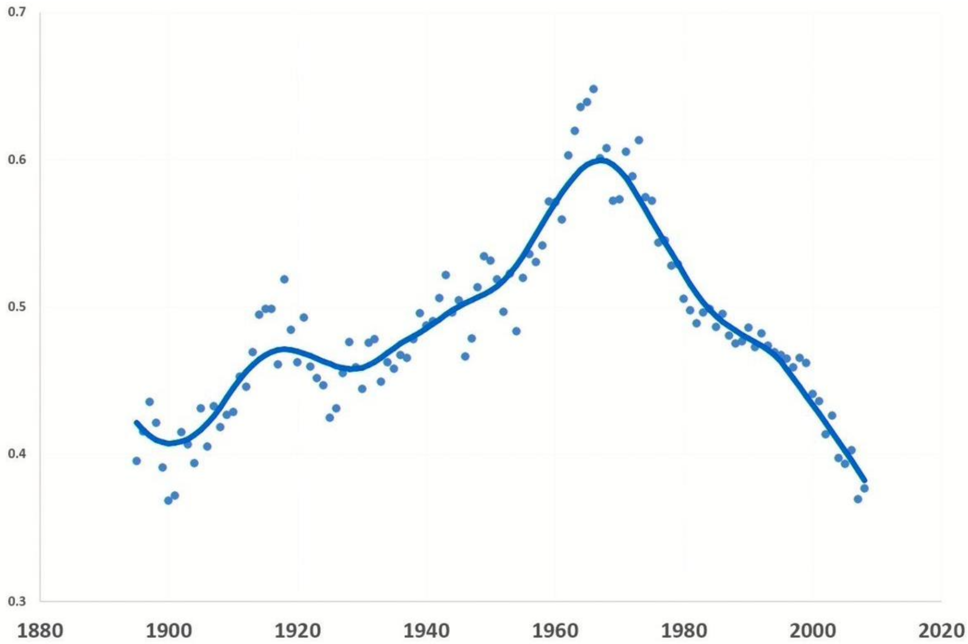
Relationships

The main themes of the research on interpersonal connections and well-being have already been foreshadowed in the earlier discussions of social capital and the basic psychological need for relatedness. Humans are social animals, and with the rare exception of extreme introverts, most humans need interpersonal interaction for well-being. If social phenomena like selfie culture (Allcott et al. 2020) or policy settings like a lack of walkability in urban environments (Rogers et al. 2011) undermine the quantity and quality of these interactions, then we harm our well-being.

Of course, there are nuances. We do not enjoy everyone's company. Broadly speaking, the social groups we interact with must be self-congruent if they are to benefit our well-being: they must hold values, endorse behaviours, and practice symbolic rituals that align with our own (Sheldon 2002).

Culture has perhaps taken this self-centred criterion a bit too far in recent decades. As Robert Putnam has highlighted using bibliometric analysis of the ratio between the words "I" and "We" in publications going back 100 years (see Figure 4), our society has rapidly grown egocentric since the 1970s. In our increasingly high-tech, dense cities and interconnected online worlds it is possible to curate a social life filled only with activities you enjoy and likeminded people. Twitter news feeds can be engineered into echo chambers, YouTube's algorithm directs you only to content you want to watch, and online gaming groups can easily exclude difficult members. We are not forced by necessity into social interactions with diverse others as we once were. When participating in a neighbourhood watch association, for example, you are brought into close proximity with people you may have very little in common with except that you both want a sense of security. In such club environments, people need to occasionally set aside differences using the ancient art of *civility* to achieve mutually beneficial outcomes. As internet organisation allows ever more niche groups to form in the real world, people have fewer such encounters. Over time, this lack of discordant experiences can engender a toxic entitlement to be free from any faintly taxing social engagement. This undermines civility and, in turn, social capital.

Figure 4: The Ratio of "We" to "I" in American books, 1895–2008



Source: Robert Putnam's presentation at the Allied Social Sciences Association Meeting, January 2020

Social capital was made famous by Putnam (2000) in his book *Bowling Alone*, which charted its decline across America in the second half of the 20th century. Social capital refers to relationships among individuals and groups that provide social services to members and often help society to function more effectively. A simple example is a reputation for trustworthiness spread by word of mouth, which reduces the need for expensive contracting and other legal architectures that allow commerce to function smoothly. Putnam distinguished two kinds of social capital. *Bonding* social capital leverages similarities between people to create group cohesion for mutual benefit. For example, migrants often rely on ethnic customs, food, religion, and networks to build communities of reciprocity in their new homes. *Bridging* social capital connects different groups by way of a single shared item. National identity, for example, builds camaraderie among people of different races, classes, occupations, and religions.

Social capital has always been hard to measure, which makes it a difficult concept to work with in social science. *Bowling Alone* looked at a range of indicators that reflected social cohesion in some way and that Putnam could get data on. They included rates of divorce and children out of wedlock, club membership numbers and attendance, NGO activity, and voter turnout, among other items. Congress' Joint Economic Committee under the leadership of Senator Mike Lee recently updated Putnam's data collection as part of its Social Capital Project.[14]

While causation is very challenging to establish (in part because happier people are more likely to socialise and make friends), there is evidence of a positive correlation between social capital and subjective well-being (Helliwell and Barrington-Leigh 2010, Helliwell et al. 2014). Most of this research proxies for social capital using measures of trust available in large international social surveys like the Gallup Organisation's World Values Surveys and the European Social Survey. These survey items include inter-personal trust as well as trust in institutions like the police, the media, and government. Institutional trust is critical for wide-scale social coordination,[15] such as complying with social-distancing orders during the COVID-19 pandemic. More diffuse social trust is an important component of total factor productivity and has a robust correlation with GDP growth over time (Bjørnskov and Méon 2015). This should not surprise anyone familiar with the work of Adam Smith or Friedrich Hayek, who emphasised that social trust and thick social networks reduce transaction costs and increase the flow of economically relevant information. Elinor Ostrom's (1990) Nobel-prize winning research into community management of common pool resources also suggests that high trust can sometimes bring about more efficient outcomes than private property rights or public regulation.

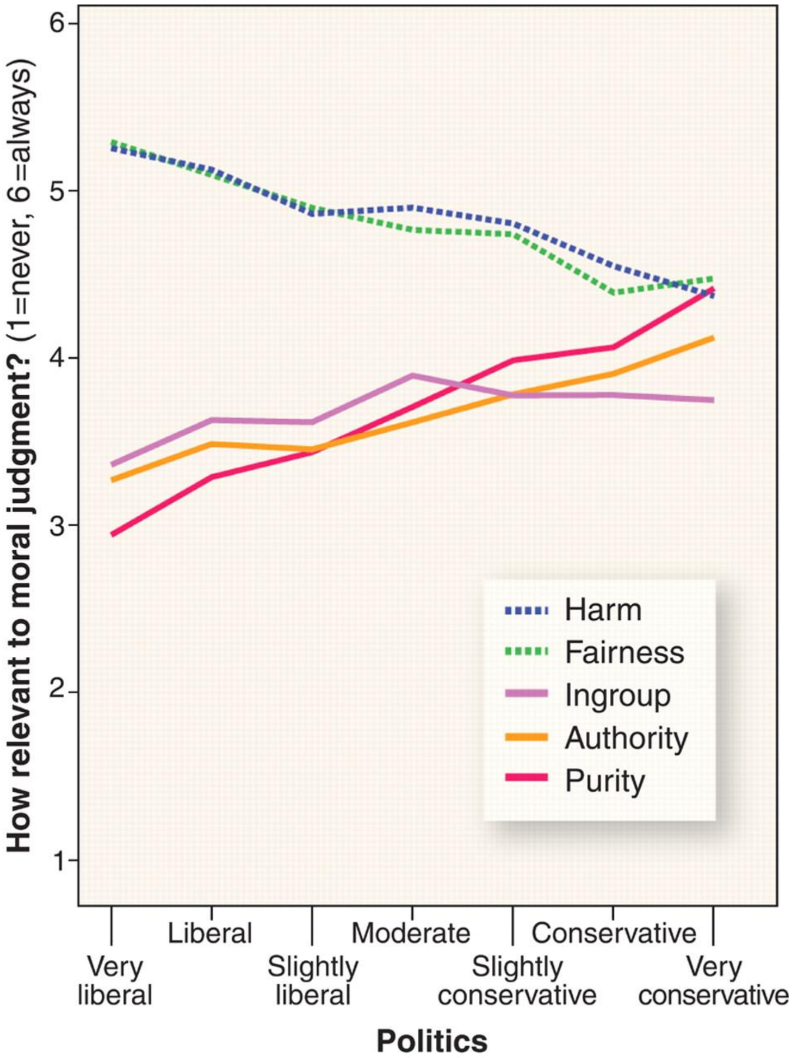
Respect

Respect is intimately bound up with the notion of dignity, which is the state of being worthy of respect. The notion of "worthy" here implies that one is leading a *valuable* life. This is a long running theme in philosophical writings on well-being, especially in existentialism and the Aristotelian tradition. In a recent and influential book, Philosopher Valerie Tiberius (2018) argued that well-being is best conceptualised as value-fulfilment: our life goes well to the extent that we are able to realise our values over time. In recent qualitative studies of left behind places, people speak to these themes. In Hochschild's (2015) *Strangers in Their Own Land*, interviewees express a sense of being cut off by exogenous forces from traditional pathways to dignity, notably work. The same story unfolds in Kramer's (2016) *The Politics of Rural Resentment: Rural Consciousness in Wisconsin and the Rise of Scott Walker.* Hard working farmers in Wisconsin feel disrespected by city folk who they see as effete and, more importantly, pricing them out of their promised retirement homes by the lake. Coastal, Northern, and urban values of multiculturalism, progressive gender politics, green technology, secularism, and office work are seen by citizens of more conservative regions as calling into question their own, more traditional values. Diverging lifestyles and rising partisanship across America in recent decades has fuelled feelings of disrespect and worthlessness.

Promoting respect necessitates helping people to understand why people associate divergent life narratives with dignity. Urban millennials who see traditional lives of breadwinning and homemaking, childrearing, and well-earned retirement as backward will need help to see the dignity in reliably providing for others, for example. In turn, more traditional Americans will need help to see the dignity in making it on one's own, being yourself, never being tied down to a job or town, and other aspects of modern life appealing to urban millennials.

One of the most insightful thinkers on these themes is Jonathan Haidt. His book, *The Righteous Mind* (2012), unearths some of the important psychological roots of these different value systems between liberals and conservatives. Succinctly, liberals and conservatives both place moral stock in the notions of care and liberty. However, where conservatives tend to see loyalty, authority, and sanctity as good things liberals see them as associated with oppression and thus bad. Furthermore, while both groups think equality is a key virtue of a just society, they understand this value differently. Conservatives (or rather, the right wing) emphasise *proportional* equality or getting what you deserve: the more you put in, the more you should get out. In contrast, liberals emphasise *relative* equality—that everyone should get the same sized piece of the collective pie. Haidt's efforts make it easier to communicate about values across political divides in a civilised manner and thereby gain a greater understanding and appreciation of where others are coming from.

Figure 5: Concern with moral foundations by self-reported political identity



Source: Haidt 2007

Haidt's book, while accessible, is perhaps still too technical. Hochschild goes a step further in *Strangers in Their Own Land* to offer stylised narratives of how the left and right see the American social contract. The right sees a queue stretching over the hill to a promised land of prosperity. If you work hard, you get ahead in line. They perceive many efforts to redress inequality as allowing people to cut into line. They consequently despise government, who they see as pushing these efforts. In contrast, the left has a vision of a bustling public sphere of common goods that citizens take pride in. Government is the institutionalization of this public sphere; it is "what we do together". Regardless of whether you see these narratives as imperfect, it seems undeniable that creating more of them to help Americans become empathetic to each other's circumstances will help to restore civility in public discourse. Respect will hopefully follow.

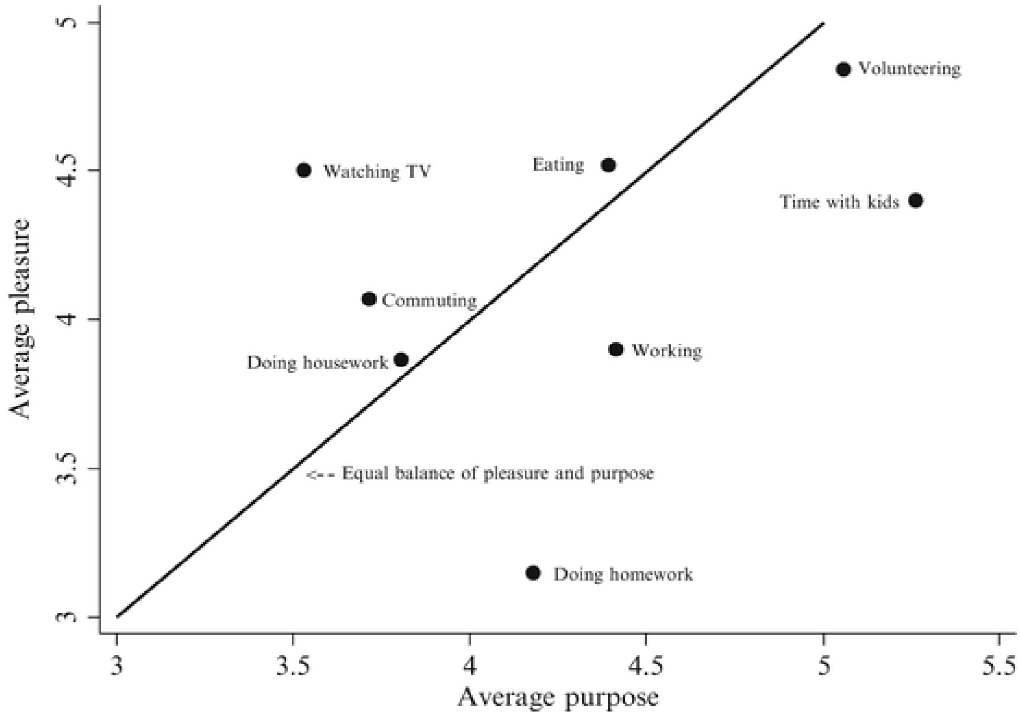
Once it matures, scholarship of well-being and meaning, identity, and values will be helpful for understanding dignity and respect. The sense of indignity that plagues many Americans stems from a feeling that one can't live according to one's values, and that the maps of meaning that one previously used to make sense of one's life don't seem to work anymore. Much of the disrespect inherent to America's contemporary politics then stems from the clash between people who want to reorganise society and the economy so that their obsolete maps of meaning once again make sense, and people who want to complete a refashioning of society and the economy so that they accord with emergent maps of meaning. The contemporary literature explains why an incongruence between the values and meanings we ascribe to the world and the reality we experience leads to ill-being: the incongruence undermines feelings of purpose, coherence, and significance. Your life seems pointless if the world moves against you. Your convictions seem insignificant if people don't share them. And the world lacks coherence if your normative frameworks can't make sense of it. Where the well-being literature is relatively immature is how we can work on these issues. We need to deepen our understanding of how healthy communities form around constructive values and sustain those values intersubjectively. We need to understand how to create bridging social capital between such communities when their values and meanings differ. Finally, we need to better understand the necessary and sufficient conditions for communities and value systems to give rise to psychological well-being. Such knowledge would allow for the reunification of American culture under the auspices of some shared identity.

Time

Time use was a major theme of early research in hedonic psychology, which used experience-sampling methods (beeping people several times a day to report their activity and affect) to study what activities people found most enjoyable. The results were broadly what you'd expect. Kahneman et al. (2004) found that Americans had the highest levels of affect while engaged in sex, socialising, relaxing, eating, exercising, practicing religion, and watching television. They reported relatively lower levels of affect while talking on the phone and napping, and while engaged in chores including cooking, shopping, and computer tasks. The lowest levels of affect were reported for housework, childcare, commuting, and working.

More recent work using the experience sampling method (Dolan and Kudrna 2016), extends the analysis by distinguishing between activities that give pleasure and those that give purpose (see figure 6). Results here suggest that some relatively less pleasurable activities like household chores and working are high in purpose, while some pleasurable activities like watching television are low in purpose. Two items that were relatively high in both pleasure and purpose were spending time with kids and volunteering activities.

Figure 6: Average pleasure and purpose associated with various activities



Source: Dolan and Kudrna 2016

Many of the experience sampling results underline the time-money trade-off. You work for money to pay for quality leisure. Childcare is expensive but frees you to engage in more work or leisure. Commuting is terrible in part because it is neither leisure nor productive (though many people like the quiet, private time commuting can provide). Recent research by Whillans et al. (2017), among others, has investigated the time-money trade-off specifically in relation to happiness. They find that people who spend relatively more money on time-saving services like eating out reported higher life satisfaction and daily mood. A field experiment to establish causality found similar results for people who bought time-saving services compared to similarly costed material purchases. This research was motivated in part by growing feelings of time poverty despite increases in wealth. If you adopt the attitude that "time is money," then the richer you get the more valuable your time is. This can have the toxic effect of distracting your leisure time with thoughts of all the money you could be making instead.

Another line of inquiry in the time and well-being nexus concerns time-at-work arrangements. Broadly speaking, work-hour mismatches—where someone wants to work more or less but cannot—are bad for subjective well-being (Angrave and Charlwood 2015, Wooden et al. 2009). Whether flexitime provisions and things like at-will and zero-hour contracts are helpful in this context depends on the relative bargaining power of labour and capital. If labour has a strong position, as it does in most high-skill industries, flexibility allows people to arrange work around things like picking the kids up and attending lunchtime sports. It also allows them to arrange work around their personal productivity cycle, which might see them work late into the night rather than 9–5, for example. Finally, in industries characterised by small and short-term contracts, it can allow workers to finesse their workloads to increase time for vacations or income.

In contrast, where labour's bargaining power is weak, flexitime takes the form of very short notice shift scheduling, compulsory (and unpaid) overtime, and limited control over whether to work more or less. Workers acclimatised to such precarious conditions often welcome the kind of at will work available in the gig economy because, while insecure, at least they have some measure of control over work time. It is worth mentioning in this context that the United States, like many OECD countries, has seen a systematic and deliberate erosion of worker power over the past several decades (Stansbury and Summers 2020).

Conclusion

The future of the American middle class will inevitably be different from its past. Exogenous forces of technological change and globalisation cannot be pushed back without extreme cost. That makes returning to America's Golden Age style of late industrial capitalism, with its attendant social, cultural, and political norms, untenable. In any case, younger generations don't seem to want that, by and large, even if they are a little unclear as to what they *do* want. It is appropriate at such a turning point to have a conversation about well-being: *what it means for a life to go well*. In the past it has mostly been about job security and life expectancy. In the cultural mode of 20th century America, progress on these two fronts was typically enough to secure a good life for the average citizen. Things are a little more complicated now, and so it is sensible to think more broadly. We can go beyond job security and life expectancy to think about income and health in general. Sources of respect are shifting, so we must think deeply about value and how our culture communicates it across generations. There is also an urgent need to revive feelings of community and a sense of collective destiny, which means we must think about relationships. And then there's time. The old 9–5 with 12 years at school, 48 years at work, and 12 years in retirement seems an ill fit for modern economic and social conditions. How do we want to use our time, and how can we adjust our institutions, environments, and lifestyles to allow for that?

Policy has an obvious role to play in all this, but so does culture. Indeed, as well-being is a value-laden concept with normative significance, its meaning can only ever be decided by the people, not experts or politicians. Well-being experts must therefore focus more on convincing the public of the need for change rather than policymakers. For example, if the data suggests that urban density, walkability, and mass transit are better for subjective well-being than big houses and long commutes in huge, dirty cars, take this information to the people (What Works Well-Being in the UK does an admirable job of this).[16] Assuming the analysis is convincing and not based on an erroneous understanding of well-being, the public will then vote for different urban planning. In contrast, convincing planners to change urban design even as citizens prefer (perhaps irrationally) the suburban lifestyle will only deepen mistrust in government and hostility towards "experts." In a democracy, outcomes follow public sentiment, so it is there that most effort needs to be directed. This is especially true when you're asking for a deep rethink of socioeconomic structures. America need a broad-based dialogue at this time, and experts have an important role to play helping that public deliberation be evidence informed. In turn, the lived experience of citizens can act as an important discipline on experts.

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[7] To appreciate the difference between life satisfaction (frequently referred to as "happiness" by subjective well-being scholars) and preference satisfaction, consider results from an experiment conducted by Benjamin et al. (2012). They presented respondents with a series of binary choices between two outcomes. They first asked: "which one do you think would make you happier?". They then asked: "which one would you choose?". They found that happiness and choice only coincided on average in 83 per cent of cases. On some questions, coincidence was below 50 per cent.

[8] Meaning and purpose is sometimes grouped under the heading of "eudaimonic" well-being (Stone and Mackie 2013, OCED 2013, Clark et al. 2018). While it is good to see eudaimonic perspectives gaining prominence, this agglomeration is arguably erroneous. Meaning and purpose is not a feature of either psychological or philosophical writings on eudaimonia. Indeed, SDT has explicitly argued that meaning is not a basic need (Weinstein 2010). Furthermore, meaning and purpose requires a conceptual architecture to understand that is in addition to or separate from that required for understanding the eudaimonic perspective.

Specifically, meaning and purpose involves *valuation.* When you talk of something being "worthwhile" it means you value it. The way humans create and sustain systems of value and meaning using culture and symbolic language is a complex process with an extensive literature in both philosophy (e.g. Brennan et al. 2013, Sartre and De Beauvoir 1946) and psychology (e.g. Baumeister 2005), as well as other disciplines. The eudaimonic perspective can be grounded in an evolutionary account of innate drives and does not need to engage with this valuation issue. It is a useful shorthand to use "eudaimonic" to describe all aspects of well-being that are not "hedonic," but this shorthand is likely to lead to confusion in the long run.

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