

## How Economic Growth Shapes Chinese Optimism: Findings From the Gallup World Poll

Commentary by Nicole Naurath, Regional Consultant — Gallup World Poll, Asia

In the 2007 Committee of 100 (C-100) survey of Chinese and American attitudes toward one another, findings show that the Chinese are far more positive about the direction in which their country is headed than Americans are about the direction of the United States. When respondents in each country were asked if they felt their country was headed on the right track or the wrong track, 88% of Chinese said their country was headed in the right direction, compared with 34% of Americans.<sup>1</sup>

The Gallup World Poll — the first survey of its kind — has asked questions such as these in more than 140 countries annually since 2005. Gallup's extensive polling offers a wealth of trended data to help explain why China's outlook has soared in recent years, how it compares with viewpoints of the United States and other countries and territories in the East Asia region, and what might be in store for China in the coming months and years due to the economic instability that is beginning to unfold in the country.

The C-100 survey also reports that “the Chinese (42%) are five times more likely than Americans (8%) to express a desire for increased wealth.”<sup>2</sup> Gallup World Poll data support this assertion. When Gallup asked Chinese respondents to select one of six responses to describe their prevailing attitude in life, 57% chose “work hard and get rich,” more than twice the percentage (21%) who chose the second most popular response, “Don't think about money or fame, live a life that suits your own tastes.” While this exact question has not been asked by Gallup in the United States, Gallup did ask Americans in December 2005 to rate the importance of several aspects of their lives. In all, 19% of Americans said that money was extremely important in their lives.

When Gallup asked what they would seek in a new job, a plurality of Chinese (42%) selected a job with a good income over a safe and secure job (32%) as the most important factor out of a list of seven. Each of the other five job characteristics were selected by less than 10% of Chinese, including a job that offers personal and professional growth (9%) and an important job that gives a feeling of accomplishment (6%). Again, this specific question has not been posed in the United States, but Gallup found in 2008 that 73% of U.S. workers are satisfied with their current wages.

It is undeniable that the standard of living of millions of Chinese has improved dramatically over the past few decades. A *China Daily* report from 2003 claimed that incomes in China had risen by nearly 15% in the past 10 years.<sup>3</sup> While this may be true for some workers in certain areas of China, in reality the income gap between rural and urban Chinese is a persistent and growing problem. Despite the vast improvements made in the lives of many, countless others — especially rural

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<sup>1</sup> Committee of 100 (2007, August 18-September 19). *Hope and fear: a summary of key findings of C-100's survey on American and Chinese attitudes toward each other*. Retrieved February 4, 2009, from <http://www.survey.committee100.org/2007/files/C100SurveyKeyFindingsReport.pdf>

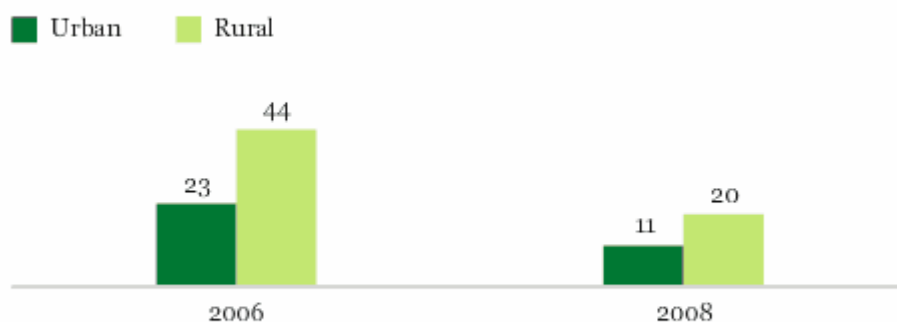
<sup>2</sup> Ibid.

<sup>3</sup> Distribution reforms help increase income. (2003, November 3). *China Daily*. Retrieved February 4, 2009 from [http://www.chinadaily.com.cn/en/doc/2003-11/03/content\\_278059.htm](http://www.chinadaily.com.cn/en/doc/2003-11/03/content_278059.htm)

Chinese — have been left behind. Fortunately, a growing number of Chinese have enough money to meet their basic needs, such as food and shelter. Less than half as many people in 2008 (16%) as in 2006 (36%) reported not having enough money in the past 12 months to feed their family. However, a lack of money for food is still much more prevalent in rural areas, though it has improved according to Gallup data.

*Have there been times in the past twelve months when you did not have enough money to buy food that you or your family needed?*

% of Chinese who said "Yes"



Sept. - Nov. 2008

GALLUP POLL

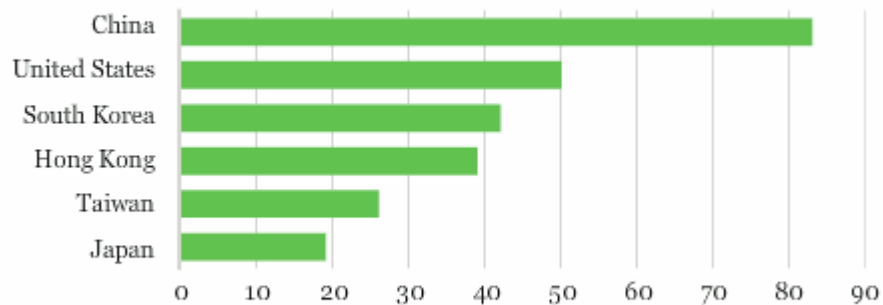
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The rapidly growing economy of the past few decades has lifted many Chinese out of poverty, enabling them to live more comfortable lives. Gallup World Poll results show that Chinese satisfaction with their standard of living is improving over time, and more people think their standard of living is getting better, from 78% in 2006 to 83% in late 2008. Consequently, more and more Chinese are able to enjoy modern home conveniences like refrigerators (from 48% in 2006 to 57% in 2008), computers (15% in 2006 to 21% in 2008), and mobile phones (61% in 2006 to 80% in 2008).

However, when some of these findings are reviewed alongside results from other countries and territories in the East Asia region and the United States, the Chinese results do not look as rosy by comparison. To understand the significance of the Chinese results, it is necessary to bear in mind where the Chinese started in relation to where they stand today. While they might not have incomes that rival the earnings of Americans or their more wealthy East Asian neighbors, the Chinese are certainly experiencing more growth, change, and momentum than can be found in those other countries and territories. This might help explain why the Chinese are more likely than Americans or East Asians to say their standard of living is improving.

*Right now, do you feel your standard of living is getting better or getting worse?*

% who said "Getting better"



Data collected throughout 2008

GALLUP POLL

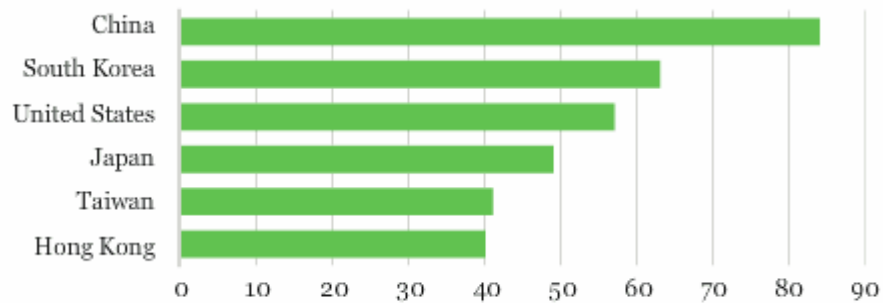
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This optimistic financial outlook may factor into the mental health of the Chinese as well, contributing to the positive mood noted in the C-100 report. The Chinese are the least likely among the East Asian countries and territories and the United States to report suffering from depression: China (8%), United States (10%), Hong Kong (16%), Taiwan (17%), Japan (20%), and South Korea (21%). And more and more Chinese say they would like to have more days just like yesterday (65% in 2008, up from 58% in 2006).

The Chinese also report being very pleased with where they live and are more likely than Americans or other East Asians to think that the city or area where they reside is improving rather than deteriorating.

*Is the city or area where you live getting better or getting worse as a place to live?*

% who said "Getting better"



Data collected throughout 2008

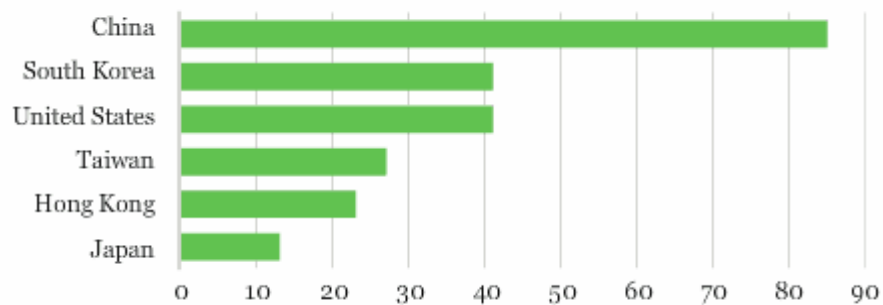
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In addition, the Chinese are by far the most likely to say that the economy in the city or area in which they live is getting better.

*Right now, do you think that economic conditions in the city or area where you live, as a whole, are getting better or getting worse?*

% who said "Getting better"



Data collected throughout 2008

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The most telling results can be found in the life satisfaction questions in which respondents are asked to rate their life by placing it on one rung of a metaphorical ladder where the bottom rung (0) represents the worst possible life and the top rung (10) is the best possible life. Respondents are

asked to do this for their life as it was five years ago, as it is currently, and as they think it will be in five years. The rungs of the ladder are grouped into three different tiers, with the respondents who see themselves on rungs 7 to 10 — the top tier — as the most optimistic. While United States residents may report much higher life satisfaction today and even in five years, the Chinese place an incredible amount of hope in the future.

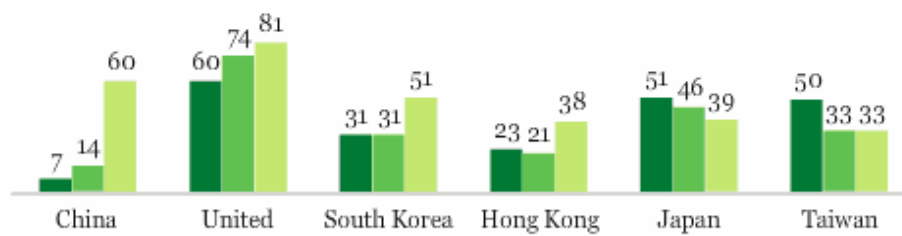
When compared with their East Asian neighbors and the United States, the Chinese appear to be vastly disappointed with their lives just five years ago — only 7% of Chinese put their lives on the top tier of the ladder for that period. While the percentage of Chinese who put themselves on the top tier right now has doubled, it is still just 14% of the population. In contrast, the East Asian regional median percentage of respondents who would put their lives on the top tier currently and five years ago is 31%. In some East Asian countries and territories, however, people feel more positive about their lives five years ago than they do about their current lives, revealing a dismal outlook for the future. This is not the case in the United States, where people are much more positive about their lives both five years ago and today: 60% of U.S. citizens put their lives on the top tier five years ago, and 74% put their lives there now.

The sense of momentum and hopefulness the Chinese have for the future, however, is amazing. When asked about the future, the Chinese are by far the most optimistic of all East Asians, as well as Americans. This optimism is measured by the gap between how many respondents rank themselves on the top tier now and how many think they will be on the top tier in five years. In China, the jump is relatively astronomical. While the proportion of Chinese who place themselves on the top tier is not as large as the U.S. proportion, the movement from 14% today to 60% who think they will be there in five years is dramatic. In the U.S. the jump is far less pronounced, adding only seven percentage points to the total percent in the top tier. This is also the case in many other East Asian societies. In Hong Kong and South Korea there are jumps in positivity, though not as dramatic as in China; in Taiwan, the percentage of people who think their lives will be on the top tier stays the same; in Japan, it actually goes down.

*Please imagine a ladder with steps numbered from zero at the bottom to ten at the top. Suppose we say that the top of the ladder represents the best possible life for you and the bottom of the ladder represents the worst possible life for you.*

% who place their lives on the top tier of the ladder, rungs 7-10

■ Life 5 years ago   ■ Life currently   ■ Life 5 years from now



Data collected throughout 2008

GALLUP POLL

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The bottom line is that the Chinese have a lot of hope invested in the future. Survey results show that much of this hope stems from financial gains made by the Chinese in recent decades. However, the findings also demonstrate that while circumstances have improved, many Chinese still aspire to a more comfortable lifestyle. Only 11% of Chinese in 2008 said that they are living comfortably on their current household income, compared with 45% in the U.S. In light of recent mass layoffs and reports of factory closings in China, this already low level of satisfaction surely cannot be sustained. And neither can the positive mood — not when Chinese optimism is so directly tied to income and standard of living.