Weber's Protestant Ethic in Modern Times: Religion, the Ethic, and Income[*]

Johnny Ma[†]

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Abstract

Max Weber proposed the idea of the "Protestant Ethic" where Protestants work harder than Catholics because of a certain belief that working hard pleases God. Weber contends that this Ethic is part of the reason that Protestants tend to show more growth and higher income in comparison to Catholics. Recent literature has been critical of Weber's Ethic and have shown both that Protestants might show higher income because of other correlated variables and that Catholics actually do not tend to make less than Protestants. This paper looks to answer two questions; whether or not modern-day Protestants show the Protestant Ethic, and whether or not modern-day Protestants have a higher income than modern-day Catholics, using Baylor's Religion Survey data from America. Running two binary logistic regressions show that while being Protestant is correlated with an instrumental variable for the Ethic, being Protestant is correlated with lower incomes than being Catholic.

1 Introduction

Religion has been a constant and strong social force motivating people's behavior. The original colonizers of America were pilgrims, strong Calvinists who were ostracized from English society because of their religious beliefs and cultural identity. Even prior to this, religion has been cited as a powerful force that motivated even the origins of the capitalist society in which we now live. This theory comes from Max Weber's The Protestant Ethic and The Spirit of Capitalism, published in 1904. Weber suggested that the Protestant denominations, specifically the Calvinist sect, held a unique work ethic that drove them to work for the sake of working. This was created out of the unique Calvinist ideas of worldly asceticism, which is an individual's need to prove they are chosen by God to ascend to heaven by working feverishly in the mortal world. This creates a "necessity of proving one's faith in worldly activities", thus leading to "a duty of the individual toward the increase of his capital" stemming from "labor performed as if it were an absolute end in itself, a calling." Essentially, the idea is that Calvinists and the Protestant denominations, Baptists, Methodists, Pietests, have this "Protestant Work Ethic" that explains their higher income in comparison to the Catholics. While Weber does strong qualitative and quantitative work in showing that indeed, the Protestants were on average wealthier than Catholics, after hundreds of years the relationship between Protestants, the Ethic, and income is no longer clear and well documented.

A number of papers have been written addressing the more modern implications of Weber's ideas, in addition to actually testing how valid his theory is. These papers involve taking some data set, either historical or modern, and determining whether or not Weber's Protestant Ethic actually led to growth of capitalism, and if not, what other factors related to religion might play a role. Cantoni's paper (2009) [1] analyzed how cities in the Holy Roman Empire area that were centered and grew around certain religions experienced different growth, which was determined by city size over time. He found that Catholic based cities grew no slower than Protestant based cities, which indicates that there is no fundamental difference between religions and urban growth. In addition to this, a paper by Delacroix, Jacques, and Nielsen (2001) [2] has used 19th century cross-country historical data to analyze the effect of Protestantism on industrial

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[1] Cantoni, Davide. "The economic effects of the Protestant Reformation: testing the Weber hypothesis in the German Lands." Journal of the European Economic Association (2014).

[2] Delacroix, Jacques, and Francois Nielsen. "The beloved myth: Protestantism and the rise of industrial capitalism in nineteenth-century Europe." Social Forces 80, no. 2 (2001): 509-553

growth. They found that there seems to be little difference between the growth of Protestant and Catholic areas and countries, again flying in the face of Weber's hypothesis. While urban and industrial growth is not necessarily the best measurement of the individual spirit of capitalism, the methodology presented in the paper is valuable for any future study that involves Weber's ideas and presents counter arguments for Weber's ideas.

Since Weber's hypothesis has been falsified in a number of papers, there have been a slew of papers that examine modern day religion and correlations with wealth, examining variables besides the Protestant Ethic. Even if we concede that the data supports the fact that Protestants make more income than Catholics, generally people have been rather skeptical of the work ethic aspect of Weber's claim. The papers instead point to confounding variables that might suggest a non-ethic relationship between religion and higher income. For example, Guiso, Sapienza, and Zingales (2002) [3] analyzed the effect of the social aspects of religion by looking at the Worlds Value Survey, determining values such as increased trust, less likely to cheat and take bribes, which are associated with better businesses. In this paper, they discovered that Christian religions are associated with these positive values. This may be a partial explanation for the increased income of Christians in comparison to non-Christians, but does not provide many answers concerning the differences between Catholics and Protestants, subsections of the Christian faith. In the same vein as Guiso, Sapienza, and Zingales' paper, Becker and Woessmann (2007) [4] published a paper that focused on the positive effects of literacy on income. They speculated that the Protestant focus on reading the bible increased literacy among Protestants versus Catholics, which increased Protestant income through an avenue besides Weber's Protestant Ethic. These two papers provide a good methodological framework by which modern day scholars take data from large surveys and find interactions between religion and another variable on income. In addition, these papers suggest that perhaps Weber's Protestant Ethic is a rather weak explanation for the differences between Protestant and Catholic income, and even that the Protestant and Catholic difference in favor of the Protestants may not even exist.

Thus, the goal of the research is to determine whether or not Weber's idea of the Protestant Ethic, defined as a devotion to work and money-making as an end in itself, leads to an increased

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[3] Guiso, Luigi, Paola Sapienza, and Luigi Zingales. "People's opium" Religion and economic attitudes." Journal of monetary economics 50, no. 1 (2003): 225-282.

[4] Becker, Sascha O., and Ludger Woessmann. "Was Weber wrong: A human capital theory of Protestant economic history." (2007).

spirit of capitalism in modern America, which should lead to higher income. To do this requires a two part approach, namely to show whether or not the Protestant Ethic even exists amongst Protestant individuals, and if so, whether or not Protestants then necessarily have higher income. Thus, we will be mostly concerned with variables that may be associated with the Protestant Ethic, see if these variables are related to being Protestant, and then see if being Protestant is correlated with higher income in comparison to being Catholic. This approach adds to the existing literature by providing an analysis of a modern data set originating from America, which gives Weber's hypothesis new ground to breath or be refuted yet again. Though the paper does not focus on examining other variables that may be other explanations for any sort of income gap, the paper still has value as a litmus test of Weber's hypothesis in modern times, and outlines a methodology that can be applied to similar basic looks at religion and income.

2   Data and Methods

The dataset we will be most interested in is part of the Baylor Religion Surveys, of which there are three parts or "waves". We are mostly interested in Wave two, as it is readily available and well formatted for STATA data regression. Wave two was conducted in 2007, with N = 1648 and 318 variables, The data was collected through collaboration between Baylor University and Gallup Organization, sustained by a grant from the John M. Templeton Foundation. They used a mixed-mode sampling design, with randomized phone numbers and addresses they would call or mail a questionnaire to, with a $5.00 incentive to respond.

As previously stated, we are interested in analyzing the effect of religion and the Protestant Ethic on income. One obstacle the researchers faced in analyzing the dataset is that the individuals' incomes was reported in ordinal groups (i.e., $35,001-$50,000 and $150,001 or more are two categories) instead of in direct numeric fashion. This would skew the data to the left and cause the observed mean to be lower than actual, as the category "$150,001 or more" should contain some very high incomes that would not be reflected if I run an binary logistic regression regression. In order to run a regression on income, a binary variable named "abv100k" or "above $100,000" was created. The variable held a value of 1 if the individual was in the "$100,001", "$150,000" or "$150,001 and above" bin, and a value of 0 if the individual were in any other bin. The threshold of $100,000 and above was made due to the fact that it about divides the population size, and also concentrates on definitively higher wealth levels. Though this binary

variable is definitely less ideal than having continuous incomes, this at least allows us to run regressions and potentially to see the effect of multiple variables on placement in certain income brackets.

Another one of the questions stated was whether or not the Protestant Ethic exists amongst modern day Protestant sects. In order to investigate these claims, we used a categorical variable, specifically "Calling," which was on the scale of 'Strongly Disagree' 'Disagree' 'Agree' 'Strongly Agree.' To simplify these regressions we decided to code 'Strongly Disagree' and 'Disagree' as 0, while 'Agree' and 'Strongly Agree' would be coded as 1. This occurred for all similar variables. This was done in order to change the variable into a binary variable, which would provide for simplified data analysis while only slightly diminishing the accuracy of the responses.

In addition, it is important to note how Catholics and Protestants were identified from the RELGION variable, which listed the respondents' indicated religious affiliation. All non-Christian religions, such as Buddhism and Hinduism, were removed from the dataset. In addition, certain religious groups such as the Orthodox Christians that either predates the Calvinist movement or do not reflect Weber's characteristics. Note that Evangelical Christians are kept as Protestant as historically they have been exposed to Calvinist influence, and though may not be as associated with the Protestant Ethic as Calvinists, will still be analyzed in our data as they consist of a large portion of the 'Protestant' population. Then, all non-Catholic, otherwise known as Protestant, Christian religions were recoded with value of 1, while the Catholics, that consisted of 21.9% of respondents, were recoded with the value of 0. This was done in order to compare attributes of Catholic individuals to attributes of Protestant individuals, with Protestant being chosen as the '1' value because analysis of the Protestant Ethic was also done in this paper, making Protestant's favorable in receiving the affirmative value of '1'.

Also important to note is the way the researchers narrowed the scope of the data. Firstly, the researchers removed all data points where income was not reported, because income is the DV we are interested in, and thus N/A values are irrelevant to our model. In addition, we removed all the data that indicated that the individual was unemployed. This was done in order to focus only on employed individuals, as unemployed individuals would skew the data to the right as income would be reported as $0. The Protestant Ethic should manifest itself in those that are employed, though removing unemployed would be losing a section of population. The implications of removing this data will be discussed further on in the paper.

To further clarify the regressions that are being run in this experiment, we are concerned with two regressions. Firstly, whether or not the Protestant Ethic exists in modern-day Protestants. Secondly, whether or not being Protestant is correlated with higher earnings than being Catholic. In this vein, the researchers created two regressions to be run. As both regressions have a dependent variable that is binary, we will use binary logistical regressions to analyze the data. The first regression analyzes the relationship between multiple variables that signal the Protestant Ethic and the individual's religion, namely whether or not the individual was Protestant. The reason we are running two regression is because we want to make sure that the Protestant Ethic does in fact exist in Protestants before determining whether or not Protestants do make more money than Catholics. Running two regressions allows us to separate the paper into two sections, which helps elucidate our claims and gives the paper more reach into the effects of religion and social forces on economic wealth. The first regression we run as part of this system is as follows:

$$[\textbf{1.0}] \ \hat{Y} = \beta_1 * Calling_1 + \beta_2 * Age_2 + \beta_3 * Race_3 + \beta_4 * Se_4 + \beta_5 * HoursWorked_5 + \beta_6 * Education_6 + \beta_7 * Marriage_7 + \epsilon_1$$

Y indicates identification with a Protestant denomination. The identification of the Ethic used an instrumental variable, namely "Calling." Calling has a value of 1 in positive response to the question 'I have felt called by God to do something.' This variables when positive, is related to the ideas of the Protestant Ethic. Though not directly related to the harsh asceticism of Calvinist thought, this variable is largely related to the less austere branches of Protestantism that Weber discusses. The idea of a calling should motivate individuals to work harder to achieve their god-given purpose, regardless of monetary or personal gain. Thus, this item should be correlated with Protestant faith as it is a large part of many of the Protestant doctrines.The rest of the variables are typical controls for household income analysis, such as race (white = 1, non-white = 0), age (continuous), sex (female = 1, male = 0), hours worked (continuous), education (discrete levels, increasing), and marriage status (married = 1, non-married = 0). If run correctly, the regression should inform us of whether or not modern-day Protestants still contain the Protestant Ethic, as seen through the instrumental variable of "Calling," a central idea of Weber's Ethic.

In addition to the previous regression, we are also interested in examining the effect of religious affiliation on income. The regression is as follows:

[**2.0**] $\hat{Y} = \beta_1 * Prot_1 + \beta_2 * Age_2 + \beta_3 * Race_3 + \beta_4 * Sex_4 + \beta_5 * HoursWorked_5 + \beta_6 *$

$$Education_6 + \beta_7 * Marriage_7 + \epsilon_1$$

In this example, Y is defined as '1' if household income is above \$100,000. The IV of interest is Prot, which has a value of '1' if the individual is Protestant, but a value of '0' if the individual is Catholic. The rest of the variables are typical controls for household income analysis, such as race (white = 1, non-white = 0), age (continuous), gender (female = 1, male = 0), hours worked (continuous), education (discrete levels, increasing), and marriage status (married = 1, non-married = 0). If run correctly, the regression should inform us whether or not religion is a significant correlation with income, and if so, what direction the correlation is in.

Of course, when running a multi-variable binary logistical regression we need to keep in mind the usual assumptions of these regressions. Namely, the following assumptions: binary DV, correct fitting, independent error terms, log odds and linearity of IVs, and larger sample sizes. The data has relatively no problem with most of these assumptions, given than N is in the hundreds and the data was collected through survey and not through measurements, and that most of the data has already been recoded for proper regression usage by the researchers themselves. With these ideas in mind, we ran the previously mentioned regressions and collected the data.

3 Results and Findings

3.1 Correlation Matrices

For our two regressions, we ran two separate correlation matrices. The first correlation matrix was produced from the regression 1.0, which elucidates the relationship between being Protestant and expressing the indicator of "Calling" for the Protestant Ethic. Though many of the variables are binary, we ran this correlation just to make sure there were no outstanding problems with correlations between variables we use in our regression. The relationships, R value, and p-value are reported in the following table, with the R value being the upper value and the value in parenthesis being the p-value. Our confidence level was 95%, meaning that p-values less than 0.05 were taken as significant.

Table 1: Correlation Table for Regreeion 1.0

Variables	prot	calling	years	race	sex	hours	educ	marr
prot	1.0000							
calling	0.2116	1.0000						
	(0.0000)*							
years	-0.0237	-0.1118	1.0000					
	(0.5402)	(0.0038)*						
race	0.0452	0.0768	-0.0744	1.0000				
	(0.2663)	(0.0583)	(0.0666)					
sex	-0.0110	0.0273	-0.0261	-0.0014	1.0000			
	(0.7761)	(0.4804)	(0.5001)	(0.9718)				
hoursworked	0.0279	-0.0730	-0.0878	-0.0339	-0.2726	1.0000		
	(0.4769)	(0.0622)	(0.0247)*	(0.4077)	(0.0000)*			
education	0.0085	0.0847	-0.0451	-0.0001	0.0120	0.0323	1.0000	
	(0.8264)	(0.0286)*	(0.2449)	(0.9983)	(0.7564)	(0.4095)		
marr	0.0391	0.0653	0.0464	-0.0968	-0.0115	0.0665	0.0760	1.0000
	(0.3135)	(0.0919)	(0.2306)	(0.0170)*	(0.7666)	(0.0892)	(0.0496)*	

The R and p values are reported in the table. All the positive R values means that if the variable on the left increases, there is a positive correlation between the increase in the left variable and the top variable. The reverse is true for a negative R value. However, unless the p values displayed are less than 0.05, which is determined by the usual selection of a 95% confidence interval, then the correlations between the variables are not significant. This means that the null hypothesis, which is that the variables are not correlated, is true for p values greater than 0.05, but the alternate hypothesis, that one variable is either positively or negatively correlated with another, is true for p values less than 0.05. If p ¡ 0.01, we can more strongly reject the null hypothesis as there is a more significant correlation exhibited by the data.

We see some correlations that are significant, such as that between years-calling, hoursworked-years, hoursworked-sex, education-calling, marriage-years, and marriage-education. Since almost all of these correlations are between the control variables, they should not create many problems when trying to determine the relationship between "calling" and "prot" variables. Since most of the variables are binary anyway, the observed correlations do not present much of an attack on the validity of the binary logistic regression.

The researchers also ran a correlation matrix for the regression that involves determining the difference of income between Catholics and Protestants, controlling for factors such as age, race, gender, hours worked, education, and marital status. The relationships, Pearson R values,

and p-values are seen in the following table, with the R value being the upper value and the value in parenthesis being the p-value.

Table 2: Correlation Table for Regression 2.0

Variables	abv100k	prot	years	race	sex	hours	educ	marr
abv100k	1.0000							
prot	-0.0846	1.0000						
	(0.0288)*							
years	-0.0458	-0.0237	1.0000					
	(0.2375)	(0.5402)						
race	-0.0577	0.0452	-0.0744	1.0000				
	(0.1557)	(0.2663)	(0.0666)					
sex	-0.0697	-0.0110	-0.0261	-0.0014	1.0000			
	(0.0720)	(0.7761)	(0.5001)	(0.9718)				
hoursworked	0.1163	0.0279	-0.0878	-0.0339	-0.2726	1.0000		
	(0.0029)*	(0.4769)	(0.0247)*	(0.4077)	(0.0000)*			
education	0.2837	0.0085	-0.0451	-0.0001	0.0120	0.0323	1.0000	
	(0.0000)*	(0.8264)	(0.2449)	(0.9983)	(0.7564)	(0.4095)		
marr	0.1920	0.0391	0.0464	-0.0968	-0.0115	0.0665	0.0760	1.0000
	(0.0000)*	(0.3135)	(0.2306)	(0.0170)*	(0.7666)	(0.0892)	(0.0496)*	

The positive R values indicate that there is a positive correlation between the left variable and the top variable. The reverse is true for a negative R value. However, unless the p values displayed are less than 0.05, which is determined by the usual selection of a 95% confidence interval, then the correlations between the variables are not significant. This means that the null hypothesis, which is that the variables are not correlated, is true for p values greater than 0.05, but the alternate hypothesis, that one variable is either positively or negatively correlated with another, is true for p values less than 0.05.

There are only a few relationships that are significant where $p \leq 0.05$. Namely, the hours worked-age, hours worked-sex, and marriage-race. This can be explained with some speculation, as hours worked might decrease as one gets older and unable to work as long, women might work less because they are also oftentimes the caretaker of children, and whites typically are more likely to get married, based off of literature and cultural intuition. Of course, this is only conjecture based off of the observed significance, and if other significant correlations were developed one could easily explain away the trends. Importantly, the 'prot' variable does not strongly correlate with any other of the control variables, which gives more validity to the main IV if we regress it against income, as there is unlikely to be strong interaction effects between our DV and the

'prot' IV. In addition, since most of the variables do not correlate with each other very strongly and the correlations are very weak, then we can be largely confident that the regression would not be broken because of collinearity between our IVs. Producing interaction variables between the problematic variables might decrease the severity of the observed collinearities. We are not so worried about three relationships with significant correlation as only one is very significant ($p \leq 0.01$), and with the number of variables being regressed against income it should not greatly affect our regression findings unless significance is barely seen, which we shall observe when we run the regression and analyze the data.

3.2 Regression Analysis

We first run our first regression that looks at the relationship between feeling called by God, our proxy for the Protestant Ethic, and being Protestant. The regression equation is as follows:

$$[\textbf{1.0}]\ \hat{Y} = \beta_1 * Calling_1 + \beta_2 * Age_2 + \beta_3 * Race_3 + \beta_4 * Se_4 + \beta_5 * HoursWorked_5 + \beta_6 *$$
$$Education_6 + \beta_7 * Marriage_7 + \epsilon_1$$

We ran this regression in STATA 13.0, which produced the following table:

Table 3: Binary Logistic Regression 1.0 for Protestant v Calling

	(1)
	prot
prot	
calling	0.809***
	(4.49)
years	0.00111
	(0.16)
race	0.561
	(0.84)
sex	-0.135
	(-0.76)
education	-0.0348
	(-0.62)
marr	0.103
	(0.52)
_cons	-0.000534
	(-0.00)
N	608

t statistics in parentheses

* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

The IV of interest here is 'calling' and the DV is 'prot,' as we are examining whether or not believing that one is being called by God, one of the barebones principles of the Protestant Ethic, is correlated with being Protestant. We see a positive coefficient of 2.246 with a standard error of 4.492, which indicates that the effect of the "calling" variable on the "prot" variable is positive, and therefore having a higher 'calling' value reflects that one is more likely to be Protestant. Adding into consideration the highly significant p-value ($p \ll 0.05$), the regression shows that believing in the calling is significantly positively correlated with being Protestant. In addition to this, we see that none of the control IVs is significant. We also observe a pseudo R^2 value of 0.0304. This very low R-squared value is not a problem for our analysis as we are not attempting to show causation, but merely a connection between feeling called, our proxy for the Protestant Ethic, and being Protestant.

After showing that the Protestant Ethic seems to be manifested in Protestants, we then ran our second regression, which examines the relationship between being Protestant and higher wages. The regression is as follows:

$$[\mathbf{2.0}]\ \hat{Y} = \beta_1 * Prot_1 + \beta_2 * Age_2 + \beta_3 * Race_3 + \beta_4 * Sex_4 + \beta_5 * HoursWorked_5 + \beta_6 * Education_6 + \beta_7 * Marriage_7 + \epsilon_1$$

The following table shows our output:

Table 4: Binary Logistic Regression 2.0 for Income v Protestant

	(1) abv100k
abv100k	
prot	-0.608**
	(-0.201)
years	-0.129
	(0.008)
race	-0.957
	(0.810)
sex	-0.502**
	(0.193)
education	0.409***
	(0.064)
marr	1.200***
	(0.259)
N	608

Exponentiated coefficients; z statistics in parentheses

* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

The IV of interest here is 'prot,' which indicates whether the individual is Protestant (1) or Catholic (0), and the DV of interest here is ?abv100k?, which indicates whether or not the individual makes a household income of $100,000 or above, as we are examining whether being Protestant is correlated with being in a higher household income bracket. We see a negative coefficient for 'prot' of -0.608, which indicates that having a value of '1 for 'prot' actually decreases the value of 'abv100k,' meaning that being Protestant is negatively correlated with making an household income of $100,000 or higher. Since this result is very statistically significant (p $\ll$

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0.01), the conclusion we draw from the data is that Catholics actually tend to be a higher income bracket than Protestants. This contradicts our original hypothesis that Protestants, with their data-supported Protestant Work Ethic, would have a greater 'spirit of capitalism' and thus make more income and drive growth. This rejection of both the null hypothesis, that Protestants and Catholics make the same amount, and our alternative hypothesis, that Protestants make more than Catholics, will be further discussed in the paper. The pseudo R-squared value of 0.0304, which is rather low, again is not important to our findings as we are not attempting to explain causation, but merely finding some level of correlation between our principle IV and our DV. Also of note in this regression is the significant ($p \ll 0.05$) positive correlation between hours worked, education, and marriage on income. This can be largely explained by previous literature, though it is curious that gender and race, two constants usually correlated with higher wages, are not significant in this regression. This does not invalidate our results, however, as general social science trends do not always manifest themselves in every collected, limited dataset

4   Model Limitations

Our dataset and regression models necessarily have some amount of limitation in validity and generalizability. The Baylor Dataset, with its mixed-mode randomized sample, seems to be collected in a manner such that one would not doubt that they covered a wide-spread and diverse range of American inhabitants. In addition, with the sample size of N = 1648, even with our data selection that reduced N = 672, the Central Limit Theorem still holds true as the N is sufficiently large, and the conclusions drawn from the dataset, assuming correct econometric and statistical practices, should be externally valid and generalizable to the behavior of the American population.

There are, however, a number of problems with the way the data was collected and recoded in order to produce the regressions used in this paper. The necessary recoding of certain variables, such as the non-official income report, the transformation of the income brackets into the binary 'abv100k' variable and the combination of 'Strongly Agree' and 'Strong Disagree' into 'Agree' and 'Disagree' to create a binary '1' and '0' variable respectively, decreased the internal validity of the study. The fact that household incomes were not official gathered from tax forms increases the potential random error of the incomes, and human memory and heuristics cannot be compared to 100% accurate wage data. In addition, because we did not have access to continuous income

data, it was necessary to create a binary variable for income. This necessity impacted our ability to understand the relationship between gradients of wage and religion, as we are now only examining whether or not certain religious individuals are placed into one of two brackets of income instead of the way religion affects all levels of income. The combination of the 'strong and mild' responses also decreases the accuracy of our analysis, as we grouped complete agreement of a fact with weaker agreement, where weaker agreement is an inherently higher error choice.

Ideally, the data provided would of course have N = population of employed America, a continuous measurement of income, stronger, more numerous proxies for the Protestant Work Ethic, and access to more complex regression techniques that would decrease the need to generalize survey responses would all increase the internal validity of the constructs and relationships the study addresses. Many of these ideal changes actually currently exist, in the form of the Third Wave of Baylor's data, but this data remains unavailable to the public (and even requests from UChicago Professors). Despite the aforementioned problems and improvements suggested, the researchers are still largely confident in the external validity of the data collected and the internal validity of the methodology applied in this study.

5   Discussion and Conclusion

Our original hypothesis was a two-part analysis of the existence of the Protestant Work Ethic in modern day American Protestants, in addition to seeing if there is a relationship between being Protestant and a higher household income. Through correlation matrixes and robust regressions using a proxy for the Protestant Ethic with proper controls, we were able to show a significant (p $\ll$ 0.05) positive correlation between the Ethic and being Protestant, affirming the first part of our hypothesis. The second part, however, was rejected, as we found that there was a significant (p $\ll$ 0.05) negative correlation between making about \$100,000 in household income and being Protestant. This means, in general terms, that though modern day Protestants do exhibit the Protestant Ethic, they do not actually show higher incomes in comparison to Catholics.

There are a number of potential explanations for this behavior that is both in agreement with and the antithesis of Weber's The Protestant Ethic and the Spirit of Capitalism. Is it believable that though religions surely have changed since Weber's time of analysis, the religious institutions still teach similar principles, meaning that Americans might respond to surveys in such a way that reflects their religiously affected upbringing. It is unclear, however, whether

or not their behavior accurately reflects their survey answers, so though they might exhibit the Ethic on the surface, their real world economic behavior might not be as rational and hard-working as the Ethic should indicate. This only explains a null hypothesis result; what explains the fact that Catholics actually make more? Though pure conjecture, it is true that Catholic institutions have evolved in America as the less dominant, which may have instilled a sense of necessity of survival in a Protestant dominated world. Though they do not exhibit the Ethic, they might have another set of unique behaviors passed down through generations that would adhere to a human capital theory of income, where Catholics make more income because of these behaviors. Or, perhaps Catholics only arrived in America for economic purposes instead of religious freedom purposes that the Protestants exhibited, and thus the American Catholics were pre-screened for wealth. And money begets money ($r > g$), so future Catholics would necessarily have higher amount of capital and wealth to work with initially, leading to higher household incomes. These are only theories that can be tested through additional data sets, more regressions or a deeper dive into the economics of religion, certainly an important and growing field.

Despite the odd results received, there are still multiple implications for this study. This study is an empirical journey through Weber's theories of the emergence of capitalism, and gives us a better understanding of how modern day religion is correlated with various demographic and economic indicators. Religion as a supernatural, social, rational, and certainly important institution has always been a serious topic for social scientists to study, and this literature adds to this expanding field.

6   References

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