ABSTRACT. The study investigated the relationship between objective and subjective indicators of economic well-being within different age, race, and sex groups over time. Stratification theory and an accommodation hypothesis were used to predict differential subjective responses to objective conditions within subgroups. Findings supported the hypothesis that the relationship would be weakest among the oldest age group compared to other age groups. Support was found for the hypothesis that predicted smaller coefficients among subgroups characterized as older, female, and nonwhite. Relationships were found to remain stable within all subgroups over time.

INTRODUCTION

Early attempts to monitor the well-being of the nation have focused on objective measures, such as gross national product or per capita income figures, as economic characteristics of the population. The early emphasis on objective indicators was founded on the implicit assumption that a given physical and economic environment exercised a specific influence upon the individual and did so independently of the social context (d'Iribarne, 1974). But objective measures fail to take into account quality components and mental processes that are important to individual perceptions, which suggests the use of subjective indicators for the different information they may provide. Although a subjective approach to the measurement of economic well-being originated with sociologists, three recent papers by economists have used it to derive poverty lines and equivalence scales for countries of the European community (Van Praag et al., 1980 and 1982) and the United States (Danziger et al., 1983).

Kapteyn and Van Praag (1980, p. 94) have cited several advantages of the use of subjective measures of economic well-being compared to objective indicators. Subjective data are simple to obtain and relatively inexpensive to collect. Objective data, such as income and expenditure surveys, on the other hand, are time-consuming, expensive, and require more simplifying assumptions for analysis. Dissatisfaction with the validity of policy guides based on
objective data has led these researchers to alternative measures based solely on subjective approaches.

This paper goes a step further by examining the relationship between objective and subjective assessments of economic well-being within demographic subgroups in the United States from 1972 to 1980 in order to analyze (1) variation in the strength of the relationship between objective and subjective indicators of economic well-being within different age, race, and sex groups, and (2) the stability of these relationships over time.

PREVIOUS LITERATURE
Interest in the linkage of subjective and objective social indicators has surfaced in the last decade among sociologists and economists concerned about economic well-being. Research has shown that the presence of economic and material conditions, which are presumably means for improving the quality of life, is less than perfectly associated with people's judgment of the quality of their own lives. Income, for example, though associated with happiness or satisfaction across individuals (Bradburn, 1969; Campbell et al., 1976), is not always associated with it over time (Davis, 1975). There is also some question as to the strength of this association across national boundaries (Easterlin, 1974; Gallup, 1976). Research on these topics has called into question the assumption that certain material conditions automatically cause improvement in the quality of life.

The specific relationship between objective and subjective indicators of economic well-being has been the focus of a growing number of studies (Strumpel, 1974; Easterlin, 1974; Duncan, 1975a; Yuchtman (Yaar), 1976; Liang and Fairchild, 1979; Liang, et al., 1980; Vaughan and Lancaster, 1980). But only two studies have explored the stability of the objective-subjective link between indicators of economic well-being over time (Duncan, 1975a; Liang and Fairchild, 1979). No previous study has disaggregated a sample according to age, race, and sex in order to explore their effects on this linkage.

HYPOTHESES
The central idea associated with examining demographic subgroups is that the social structure influences the relationship between objective and subjective indicators of well-being. Characteristics of the social structure – age, sex, and