Modeling Perceived Economic Well-Being In A Family Setting: A Gender Perspective

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Perceived economic well-being refers to judgments of one's economic situation in light of what is required and desired. Two hypotheses were tested and confirmed with a sample of couples: 1) that before reaching judgment, people pass objective and perceptual information through two mediators, comparison of economic outcomes and level of strain and 2) that men and women differ. Comparison of economic outcomes accounted for over half the explained variance in two models. Level of strain was significant in both models, but accounted for only a small portion of the explained variance.
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In order that educators, social workers, policy makers, financial counselors, and marital therapists may adequately address concerns about a person's financial quality of life (perceived economic well-being), researchers must develop an understanding of which factors influence that perception. Perceived economic well-being refers to the perception of one's economic situation in light of what is required and desired. Strumpel (1976) and Moen (1980) reported the necessity of using perceptual (subjective) measures in addition to objective measures when measuring perceived economic well-being.

This study analyzes a volunteer sample to explore modeling of perceived economic well-being. Past research identified a variety of predictors of an individual's perceived economic well-being. Those predictors include objective information, such as income and marital status, as well as perceptual information such as personal values and social comparisons. The majority of research has been concerned with identifying the direct relationships of predictor variables to perceived economic well-being. Few studies have addressed the variables that may mediate the relationships between the information variables and perceived economic well-being.

A possible mediating variable, the gender perspective, suggests that men's and women's perceptions are different, in part due to socialization (Bristor & Fischer, 1993; Ferree, 1990; Osmond & Thorne, 1993). Bristor and Fischer (1993) state that women's perceptions have been largely ignored in economic theory and that there is a need to pursue research in which men's perceptions are not used as the norm. Therefore, researchers are encouraged to examine the perceptions of men and women separately (Bernard, 1972; Bristor & Fischer, 1993; Stacey & Thorne, 1985; Walker & Thompson, 1984). While some studies have explored differences between men and women in the variables that predict perceived economic well-being, few studies have explored differences between men and women in the influence of mediator variables.

The Model
This study introduces a model in which two perceptions, comparison of economic outcomes and level of strain, mediate the relationship between information variables and perceived economic well-being. Mediators represent the lenses through which people view their reality. The mediators for this study are social comparisons. Comparison of economic outcomes consists of the individuals' comparisons of their current financial situation to their past situation and to other people who are important to them. Level of strain examines how much stress people feel they are under in their current relationship.

According to gender theorists, men and women are socialized differently and have different experiences. When participants answer these questions they use their personal experiences to make the comparisons, so these mediators may have different values for women and men and should be analyzed separately.

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The variables used in this study include:
1. Mediator variables;
2. Information variables which are divided into objective (individual objective information, family objective information, and socioeconomic status);
3. Perceptual variables (individual characteristics, family characteristics, and provider role).

Mediating Variables
Comparison of Economic Outcomes The first mediator, comparison of economic outcomes, includes individuals' contrasts of their past to their present financial situation (Porter & Garman, 1993), and contrasts of their financial situation to that of other important people (Porter & Garman, 1993; Hayhoe, 1990). Findings reported by Porter and Garman (1993) suggest that both comparisons are necessary, and that they mediate the influence of individual objective information when evaluating one's financial well-being. Easterlin (1973) stated that it is not how much money a person has or makes but how one evaluates oneself compared to the standards or norms of the social group to which the person belongs.

Duesenberry (1949) referred to the demonstration effect. Duesenberry used the concept of superior goods, products which are better than the ones currently used, to illustrate this concept. Mere knowledge of superior goods is not enough to lead to dissatisfaction. People become dissatisfied when they come in frequent contact with superior goods. Applying this concept to perceived economic well-being would imply that people become dissatisfied with their economic well-being when they perceive that the important people in their lives have more than they have.

Hayhoe (1990) found the comparison of one's financial situation to that of friends and other people in the same geographic location to be a significant predictor of perceived economic well-being for both husbands and wives, with wives placing the greater emphasis on this comparison. For husbands the comparison of the past five years to the present was the stronger predictor, even though both comparisons were significant for both husbands and wives.

Level of Strain The second mediator proposed by the model was level of strain. Stress researchers suggested that level of strain, accumulated from all areas of life, is likely to color individuals' assessments of their general well-being, including their economic well-being (Ladewig, McGee & Newell, 1990; Lavee, McCubbin, & Olson, 1987). The use of level of strain parallels

McCubbin and Patterson's concept of pile-up in the Double ABCX Model of Stress (1983). Pile-up is the accumulation of stressful events in several areas. One may be able to cope with the events individually but not with a large number of events. The expression "the straw that broke the camels back" is an illustration of this concept. The last event may not even be the most stressful, but it was the one that caused the person to have trouble coping with all the events. In the Double ABCX Model.[a] adaptation to a stressful event depended on the amount of pile-up of stressful events a family currently experiences. During times of low pile-up, the family could cope with the stressors; during times of high pile-up, even a small stressor may have seemed untenable. This effect has been demonstrated in the research dealing with the spill over effects between stress at work and at home (Bolger, DeLongis, Kessler, & Worthing, 1989; Pittman, Solheim & Blanchard, 1996).

Level of strain is not a discrete event but the accumulation of felt tension or difficulty (Ladewig et al., 1990; Lavee et al., 1987). When a low level of strain occurs, it may only affect a person's judgment in the area specific to the stress. However, when a high level of strain occurs due to pile-up in one or more areas, it may affect a person's judgments in all areas. Okun (1984) stated that, according to systems theory, one must consider the influence of all areas of life when a crisis or problem arises. Jorgensen and Johnson (1990) found that a high level of strain colored a person's judgments of life events. Strain may rise from many different situations. For example, marital dissatisfaction, lack of cohesion in the marriage, lack of consensus of family values and goals, the "hassle" involved in dealing with financial situations, role conflicts, and the accumulation of stressful events are a few possible situations that may affect a person's perceived economic well-being.

Information Variables
This study proposes a model that assumes that economic outcomes and level of strain mediate the objective and perceptual information about the individual and the family that have been found to have direct relationships with perceived economic well-being. The information variables are divided into objective and perceptual in the following literature review. The latent variables used to express each category will be discussed along with the manifest variables that might be employed to measure them. Latent variables are variables that cannot be measured directly but represent the commonality of the underlying manifest (measured) variables. The latent variables representing the objective information include

individual objective information, family objective information, and socioeconomic status. The latent variables representing the perceptual information include individual characteristics, family characteristics, and provider role. See Table 1 for a listing of the all latent variables and the manifest variables used to measure them.

Objective Information
Individual Objective Information The latent variable individual objective information represented the objection information about the individual. Two manifest variables in this area, age and health of the participant, that have been examined in previous studies were available in this study to measure this latent variable. Hayhoe (1990) found that age was a significant predictor of perceived economic well-being. Fitzsimmons and Wakita (1993) found that age was a significant predictor for both male and female family financial manager's expectations of their financial situation in five years. Hayhoe (1990) found that health was a significant predictor of perceived economic well-being for husbands but not for wives. Mammen, Helmick, and Metzen (1983) found that, for husbands, health was second only to satisfaction with residential context in explaining the variance in satisfaction with quality of life.

Family Objective Information The latent variable family objective information represented the objective information about the family. The manifest variables that have been employed in this area include the number of years married and the number of people in the household. Beutler and Mason (1987) found that as families mature their satisfaction with level of living increases. Berry (1981) found that the number of years married was significantly related to income satisfaction for both husbands and wives. Winter, Morris, and Rubio (1988) found that household size was a significant predictor of satisfaction with economic and financial situation. Lawrence, Carter, and Verma (1987) found that financial satisfaction decreased as the number in the household increased.

Socioeconomic Status
The latent variable socioeconomic was separated from other family objective information to emphasize its influence on perceived economic well-being. When exploring the predictors of perceived economic well-being, most researchers (Hayhoe, 1990, 1991; Schram & Dunsing, 1986; Weisbrod & Hansen, 1968; Wilhelm,

Iams & Rudd, 1987; Winter et al., 1988) have included some measure of socioeconomic status. The manifest variables total family income, education of the participant, and education of the participant's spouse were available to measure this concept in the current study.

Table 1
Latent and Manifest Variables Used in the Model of Perceived Economic Well-Being

Latent Variable	Manifest Variables
Outcome Measure	
Perceived Economic	Level of income
Well-Being	Money for necessities
	Handle financial emergencies
	Amount you owe
	Level of Saving
	Money for future needs
	Economic & financial security
Mediators	
Comparison of Economic	Past 5 years to present
Outcomes	Past year to present
	Income to others in same state
	Goods to others in same state
	Income to friends and associates
	Goods to friends and associates
Level of Strain	Consensus scale score
	Hassle dealing with finances
Objective Information	
Individual Objective Info.	Age & Health of participant
Family Objective Info.	Age of Spouse
	Number of years married
	Household size
Socioeconomic Status	Income
	Education of participant
	Education of spouse
Perceptual Information	
Individual Characteristics	Locus of Control
	Social harmony
	Personal gratification
	Self actualization
	Security
	Love and affection
	Personal contentedness
	Competence
	Compassion
	Sociability
	Integrity
Family Characteristics	Marital Satisfaction Scale
	Marital Cohesion Scale
Provider Role	Modern orientation scale
	Percentage income of participant
	Participant employed
	Spouse employed

Income was total family income from all sources. Strumpel, Curtin, and Schwartz (1976) found that income

has a low but positive correlation with standard of living. This finding was supported by Winter, et al. (1988). They found that income was a significant predictor of economic and financial satisfaction. The level of education has also been used to represent socioeconomic status. Kratzer (1991) found a significant relationship between level of education of the participant and financial well-being.

Perceptual Information
Individual Characteristics The latent variable individual characteristics represented the perceptual information about the individual. The manifest variables, that were available in this study that have been used in prior research were locus of control and individual values.

Locus of control measures the individuals' judgments of the control they have over their lives. People with a strong personal locus of control feel that they are responsible for their success (Langer, 1983; Rotter, 1966). Strumpel, et al. (1976) reported that having a strong personal locus of control may make it difficult for a person to accept adverse economic conditions, such as a recession, that are beyond their power to control. People with a strong external locus of control feel that they have no control over their life, thus, it may be easier for them to accept adverse economic conditions (Deaux & Wrightsman, 1984; Strumpel et al., 1976). Williams (1986) found that satisfaction with the amount of control over one's life was the most significant predictor of quality of life. Kratzer (1991) found that locus of control was a significant predictor of perceived economic well-being for female family financial managers.

Individual values represented individuals' perceptual views of what is important to them. Strumpel et al. (1976) found that satisfaction with financial situation was tempered by the increasing level of financial goals. For example, individuals may increase the amount and type of the goods and services they want as their income increases. Because of these higher financial goals, they may not experience an increase in satisfaction even though their actual wealth increases. See Table 1 for a listing of the ten individual values employed in this study.

The gender perspective suggests that values will differ by culture, social class, and ethnicity, as well as by gender (Bristor & Fischer, 1993; Ferree, 1990). Strumpel et al. (1976) found that personal values held by different groups distinguished their interpretation of economic lifestyles. Strumpel et al. attributed this difference to people from different cultural backgrounds having "different goals and values because of their common experience, camaraderie among members, or value-selective recruitment" (1976, p. 27). Berry and Williams (1987) found that the different values people placed on family security led to different levels of satisfaction with financial situation.

Family Characteristics The latent variable family characteristics represented the perceptual information about the family. The manifest variables that represented this latent variable were marital satisfaction and cohesion.

Marital satisfaction measured the perceptual judgment of one's marriage. Flanagan (1980) referred to the relationship with one's spouse as a critical factor in quality of life. Several researchers have found that marital satisfaction influenced one's quality of life (Berry & Williams, 1987; Flanagan, 1980; Hafstrom, 1983; Lavee et al., 1987). A higher the level of marital satisfaction corresponded to a higher satisfaction with the quality of life.

Cohesion was the amount of attentive time the couple spent together. Without time together, a couple cannot exchange ideas, needs, wants, desires, and goals. The more quality shared time, the better the chance the couple will be working together to meet family goals. Rettig, Danes, and Bauer (1989) reported that the amount of time spent in family activities had a significant positive correlation with affective family well-being.

Provider Role The latent variable provider role represented participants' view of who should be employed outside the home to furnish income to the household. Hafstrom (1986) reported that satisfaction with current employment was a significant predictor of quality of life for both husbands and wives. In addition, researchers have shown that women who are employed outside the home have a better perceived general well-being than those who are not so employed (e.g., Baruch & Barnett, 1986; Baruch, Biener, & Barnett, 1987).

In contrast, employment outside the home may be related to a lower perceived economic well-being for some women, especially if they are employed out of economic necessity and would prefer not to be employed outside the home. A wife may also have lower perceived economic well-being if the husband is unemployed and does not try to find employment or assume the responsibilities of managing the home (Neisser, 1960).

In addition, research in general well-being suggests that a wife's employment has a negative effect on the husband's assessment of quality of life. Parasuraman, Greenhaus, Rabinowitz, Bedeian, and Mossholder (1989) found wife's employment had a significant negative effect on husband's well-being even after the control variables of husband's salary and number of children were introduced. Having a wife employed outside the home may lower the husband's perceived economic well-being if the roles of provider and protector are important to him. He may take affront at the loss of power (Turner, 1990).

Hypotheses

This study employs two hypotheses. Hypothesis 1 proposes that comparisons of economic outcomes and level of strain act as mediators between the objective and perceptual information variables and perceived economic well-being (Figure 1.)

Hypothesis 2 proposes that since men and women have been socialized differently, husbands and wives will place different emphasis on the information available to them. Therefore, the models of perceived economic well-being will be different for husbands and wives.

Methods

Sample
The study employed a sample of 173 married couples between the ages of 30 and 60 living in a southwestern university town. To participate in the original study one member of the couple had to be currently employed. Data were collected between July 1986 and February 1987 as part of the larger study, Involvement of Husbands and Wives in Savings and Investment Decisions. Data were collected by both personal interviews and self-report questionnaires. The interview portion, which primarily consisted of short answers to detailed questions on the individual's involvement in the selection and maintenance of different types of assets, was conducted by two graduate students who were trained by the original researchers. Interviews were conducted mostly in the subjects' homes with one of the couple being interviewed while the other completed his or her questionnaire. The participants in the study were all volunteers. Volunteers were recruited by speaking to various organizations; announcements in newspapers, employment newsletters, church newsletters and bulletins; and fliers posted at various locations in the city, as well as at public libraries. Therefore, this was a convenience sample rather than a random sample.

Volunteers received no compensation for their participation.

Analysis
Since the proposed model of perceived economic well-being represented by Figure 1 requires multiple variables to measure each latent variable, the model was tested using the Partial Least Squares Analysis (PLS) "soft modeling" technique (Wold, 1983; Lohmoller, 1988). Partial Least Squares Analysis[b] is a combination of a factor model and path analysis. It summarizes patterns of correlations among the multiple manifest (measured) variables of each latent construct to create the weights used in the forming weighted sums that represents the latent variables. Then, the observed correlation between the weighted sum of each latent variable is employed as the relationship between the two latent variables. Partial Least Squares Analysis uses the commonality of all measures individually in constructing the latent variable (Bookstein, 1986; Falk, 1987, Lamb et al., 1988). An advantage of Partial Least Squares Analysis over ordinary path analysis is that, as with structural equations modeling, direct and indirect path coefficients are estimated simultaneously.

Measurement of Variables
The model contained six exogenous (latent variable whose variances is not explained by the model) latent variables and three endogenous (latent variable whose variance is explained by the model) latent variables. The exogenous latent variables were the information variables: individual objective information, family objective information, socioeconomic status, individual characteristics, family characteristics, and provider role. The endogenous latent variables were the mediating variables, comparison of economic outcomes and level of strain, along with the outcome measure, perceived economic well-being. The measurement of the endogenous latent variables is discussed first followed by the exogenous latent variables. Each latent variable was measured by several manifest variables. Since this was a secondary analysis of an existing data set, some of the latent variables were not measured as thoroughly as others. Unless a scale score is indicated items are not summed prior to the analysis. The statistical program creates weighted sums based on all manifest variable as explained above.

Outcome Measure The latent variable perceived economic well-being was measured by the responses to seven items. Six of the items required an assessment of

a major area of financial concern, such as savings and the amount of debt. (See Table 1 for a list of all latent variables and the manifest variables employed to measure them.) Participants reported their level of satisfaction/dissatisfaction on a 5-point Likert scale from Terrible (scored as one) to Delighted (scored as five). The seventh item required a global assessment of the family's economic and financial security and was based on a 6-point Likert scale from Extremely Secure (scored as six) to Extremely Insecure (scored as one).

Figure 1
Modeling Perceived Economic Well-Being
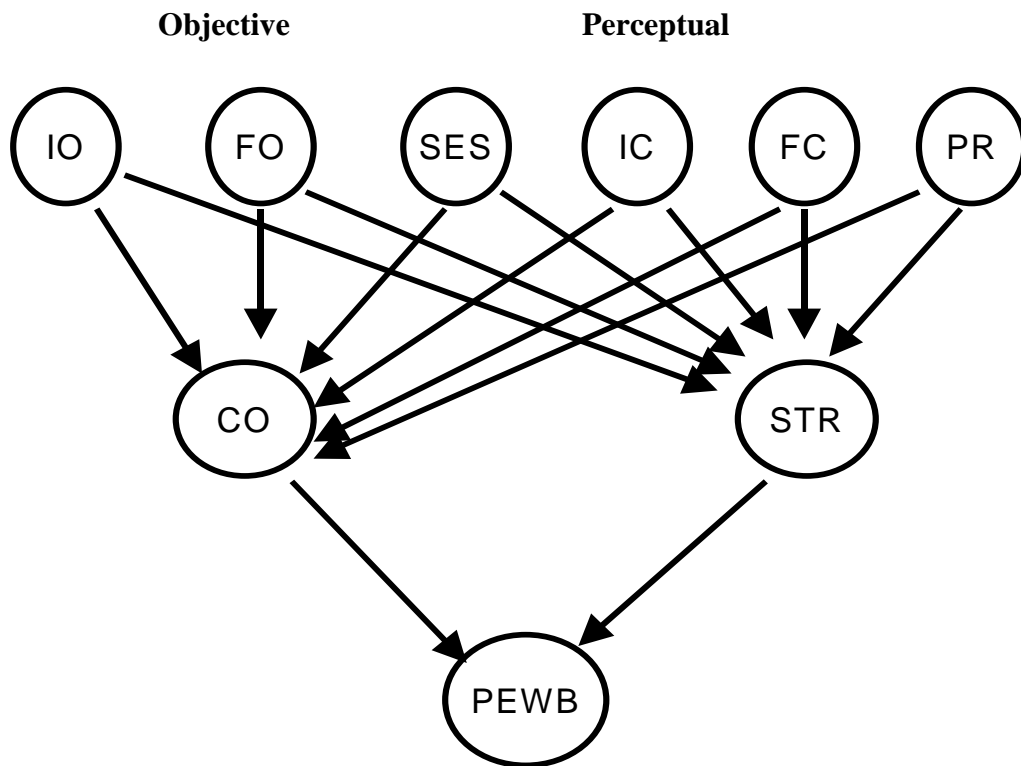
IO=individual objective information; FO=family objective information; SES=socioeconomic status; IC=individual characteristics; FC=family characteristics; PR=provider role; STR=level of strain; CO=comparison of economic outcomes; PEWB=perceived economic well-being

Mediating Variables The latent variable comparison of economic outcomes was measured by six manifest variables. These manifest variables were the participants' answers to six questions measured on a 5-point Likert scale from Much Worse (scored as one) to Much Better (scored as five). Two questions asked participants to contrast their last year's financial situation and their financial situation five years ago to their families' current financial situation. Two questions asked participants to contrast their ability to purchase goods and services with that of a) their friends and close associates, and b) other families living in the same state. The remaining two questions asked participants to contrast their income with the income of a) their friends and close associates, and b) other families living in the same state.

Level of strain The latent variable *level of strain* was measured by the total summed score from the consensus subscale of the Dyadic Adjustment Scale (Spanier, 1976) and a question concerning the amount of "hassle" involved in making financial decisions. The consensus subscale indicates individuals' judgments of the amount of agreement on family issues. Lack of agreement was operationalized as an indicator of a high amount of strain.

Objective Information
Individual objective information The latent variable *individual objective information* was measured by age and health status of the participant. Age was measured by asking participants their age in years. Health status was measured using a 5-point Likert scale from Very Poor (scored as one) to Excellent (scored as five).

Family objective information The latent variable *family objective information* was measured by age of the spouse, number of years married, and number of people in the household. Age was measured in years.

Socioeconomic status The latent variable *socioeconomic status* was measured using three manifest variables: total income, education of participant, and education of spouse. Total income was calculated by summing responses to questions about a participants' personal income, and the personal income of the spouse. Each participant was asked to give the amount of income from all sources they contributed to the family and the amount their spouse contributed. Education was measured in year.

Perceptual Information

Individual characteristics The latent variable *individual characteristics* was measured by several manifest variables. The participant's locus of control was derived summing responses from Rotter's (1966) scale. Answers were coded so that a person with strong personal control would score low (minimum possible score = 15), and a person with strong economic control would score high (maximum possible score = 30). The scale was treated as a continuous measure, from feeling strong personal control at one end to feeling no control at the opposite end (economic control).

The remaining manifest variables used to measure individual characteristics were the ten values defined by the factor analysis of the Rokeach Value Survey (Rokeach, 1973) performed by Vinson, Munson, and Nakanishi (1977). (See Table 1.) The scales were formed by summing the responses to the questions based on the factors reported in the Vinson, et al. study with a high score indicating the value was important. The first six scales measured what Rokeach called terminal values. Terminal values described a desired end state of existence. Social harmony operationalized the idea of living in peace. Personal gratification operationalized the importance of personal comfort. Self gratification operationalized the value of self-fulfillment. Security operationalized the value of family security. Love operationalized the need for love, affection, and friendship. Personal contentedness operationalized personal happiness.

The remaining four scales measured instrumental values. Instrumental values related to modes of behavior. Two, Competence and Integrity, were associated with individual performance. Competence operationalized the value of personal skills and abilities. Integrity operationalized the value of personal control. The remaining two scales, Compassion and Sociability, were related to the "humanistic qualities of behavior" (Vinson et al., 1977, p. 249). Compassion operationalized concern for others. Sociability operationalized values dealing with social interaction (Rokeach, 1973; Vinson et al., 1977).

Family characteristics The latent variable *family characteristics* was measured using the marital satisfaction and cohesion subscales from the Dyadic Adjustment Scale (Spanier, 1976). These scales are measured using the summed responses to the questions with a high score indicating a high level of satisfaction or cohesion.

Provider role The latent variable *provider role* was measured by several manifest variables. Measures relating to actual satisfaction with employment, desire to be employed, and the actual use of income were not available in this data set. However, the following measures of provider role were used as the proxy variables: a) traditional sex role orientation; b) participant's (wife when examining wives and husband when examining husbands) income as a percentage of total income; c) employment status of the participant; and d) the employment status of the participant's spouse. Traditional sex role orientation (male as the breadwinner and stay at home wife) was measured using the short version of the Attitude Toward Women Scale (Spence, Helmreich, & Stapp, 1973). High scores reflected a traditional sex role orientation versus an egalitarian point of view. Percentage of total income was computed by dividing the participant's total income by the family's total income. Employment status, for both the participant and the spouse, was dummy coded as not currently employed = 0 and currently employed = 1. Retired persons were treated as not currently employed.

Results

Correlation matrices of the 40 manifest variables were used in the Partial Least Squares Analysis models (Hayhoe, 1998). The actual number of cases was 152 for husbands and 149 for wives due to cases with missing values. The proposed model is identified in Figure 1. To check that comparison of economic outcomes and level of strain were mediating variables and that they were used differently by husbands and wives, the saturated models (models consisting of all possible paths) for both husbands and wives were examined. Then the models were rerun using only those paths which were significant, resulting in the restricted models. Only the results from the restricted models are reported. The amount of variance explained by the model can be compared to the amount of variance explained by a regression analysis.

The overall results for both husbands and wives were consistent with the proposed hypotheses. The models explained 52% of the variance in perceived economic well-being for husbands and 62% for wives. Hypothesis 1, that comparison of economic outcomes and level of strain would act as mediators of the perceptual and objective information, was confirmed. The path from comparison of economic outcomes to perceived economic well-being accounted for 30%[c] of the explained variance for husbands and 33% for wives in perceived economic well-being. (See endnote 3 for an explanation of how the amount of explained variance

attributable to a given path is computed.) Level of strain accounted for 14% of the explained variance in perceived economic well-being for husbands, but only 3% of the explained variance for wives. In addition, the information variables explain 36% of the variance in comparison of economic outcomes for husbands and 28% for wives. The information variables also explained 33% of the variance in level of strain for husbands and 35% for wives.

Hypothesis 2 was also confirmed; the models for husbands and wives had different significant paths. For husbands, the path from individual objective information to perceived economic well-being was the only direct path from an information latent variable to the latent variable perceived economic well-being and accounted for the remaining 8% of the explained variance. Figure 2 gives path coefficients for the significant direct and indirect paths to perceived economic well-being for husbands.

For wives the model was more complex (Figure 3.) In contrast to husbands, the only nonsignificant direct path to perceived economic well-being was from individual objective information. The direct paths from family objective information, socioeconomic status, individual characteristics, and family characteristics to perceived economic well-being accounted for an additional 22% of the explained variance[c] in perceived economic well-being (4%, 8%, 4%, and 6%, respectively). In addition, for wives, provider role had only a direct effect on perceived economic well-being and did not pass through either of the two mediators. This direct effect accounted for the remaining 5% of the explained variance in perceived economic well-being.

In addition to the different significant paths, an examination of the loading patterns for the latent variables disclosed that some manifest variables had very different saliencies for husbands and wives. This was a further confirmation of Hypothesis 2 that the influence of latent variables would be different for husbands and wives. The loadings for each variable are found in Table 2. These loadings can be thought of as similar to the first principle component loadings of factor analysis (Falk, 1987) which explain the saliency of the variable to the factor.

The most significant contrast was found in the latent variable of family objective information. For all the measured variables for this latent variable (age of spouse, number of years married, and number in household), the

weights of the loadings for husbands and wives were reversed. The number of people living in the household had higher loadings for husbands, while age of spouse and number of years married had higher loadings for wives. In addition, the importance of locus of control and personal gratification (which loaded on individual characteristics) and percentage of income (which loaded on provider role) had different loadings for husbands and wives. These results verify that men and women use different criteria in forming their judgements.

Falk (1987) suggests that measured variables with loadings less than 50% could be dropped from the analysis. Employment of spouse was the only measured variable that failed to load at .50 for both husbands and wives. In this sample, only 9 husbands and 37 wives were not employed, which may explain why this variable was not significant.

Discussion and Implications

This study is a first attempt to employ comparison of economic outcomes and level of strain as mediating variables between information variables and perceived economic well-being. The mediators proposed by the model performed more efficiently for the husbands in this sample than the wives. In addition to the paths through the two mediator variables, husbands had only one significant direct path to perceived economic well-being, while several direct paths were found for wives.

Figure 2
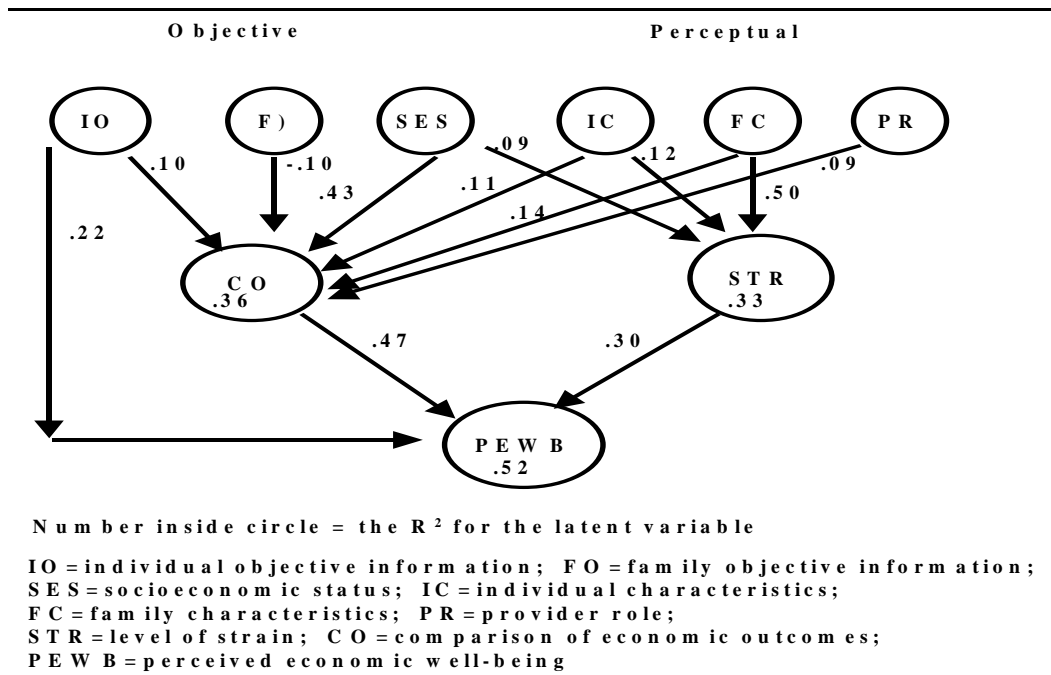Modeling Perceived Economic Well-Being for Husbands

Objective   **Perceptual**

Number inside circle = the R² for the latent variable

IO = individual objective information; FO = family objective information;
SES = socioeconomic status; IC = individual characteristics;
FC = family characteristics; PR = provider role;
STR = level of strain; CO = comparison of economic outcomes;
PEWB = perceived economic well-being

Figure 3
Modeling Perceived Economic Well-Being for Wives

Objective   **Perceptual**

Number inside circle = the R² for the latent variable

IO = individual objective information; FD = family objective information;
SES = socioeconomic status; IC = individual characteristics;
FC = family characteristics; PR = provider role;
STR = level of strain; CO = comparison of economic outcomes;
PEWB = perceived economic well-being
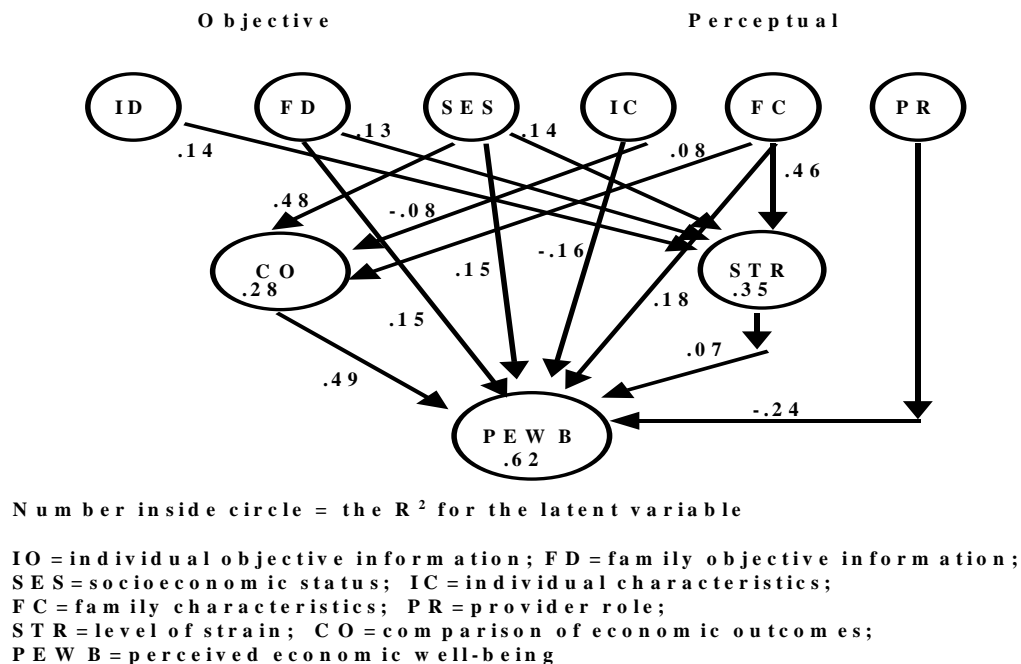
Table 2
Loadings of Manifest Variables of Latent Variables

Latent Variable Group	Loading Men (n = 152)	Women (n = 149)
Outcome Variable		
Perceived Economic Well-Being		
Level of income	.71	.85
Money for necessities	.76	.87
Handle financial emergencies	.77	.78
Amount you owe	.69	.69
Level of savings	.81	.79
Money for future needs	.78	.87
Economic & financial security	.68	.62
Mediators		
Comparisons of Economic Outcomes		
Past 5 years to present	.60	.64
Past year to present	.52	.46
Income to others in same state	.81	.87
Goods to others in same state	.83	.86
Income to friends and associates	.77	.85
Goods to friends and associates	.80	.82
Level of Strain		
Consensus	.82	.88
Hassle dealing with finances	.69	.56
Objective Information		
Individual Objective Information		
Age of participant	.59	.36
Health of participant	.77	.90
Family Objective Information		
Age of spouse	-.69	.94
No. of years married	-.64	.91
Household size	.82	-.53
Socioeconomic Status		
Income	.94	.95
Education of participant	.52	.47
Education of spouse	.42	.60
Perceptual Information		
Individual Characteristics		
Locus of control	.56	-.33
Social harmony	.67	.67
Personal gratification	.35	.61
Self actualization	.72	.80
Security	.48	.74
Love and affection	.72	.80
Personal contentedness	.65	.63
Competence	.67	.52
Compassion	.78	.77
Sociability	.47	.54
Integrity	.72	.65
Family Characteristics		
Marital satisfaction	.87	.89
Marital cohesion	.88	.88
Provider Role Characteristics		
Modern orientation	.57	.71
Percentage income of participant	.51	-.85
Participant employed	.57	.78
Spouse Employed	-.49	-.01

As suggested by the gender perspective, men and women

place different emphasis on the information they use in forming their perceived economic well-being. Since husbands had only one direct path to perceived economic well-being in addition to the paths from the mediating variables, husbands in this sample appeared to mediate their information through both comparison of economic outcomes and level of strain. Wives placed more emphasis on the mediator of comparison of economic outcomes, plus the accumulation of many smaller direct effects. Since comparison of economic outcomes accounted for over half the explained variance of perceived economic well-being in both models, researchers who are limited to a single proxy variable may find that a variable summing the responses of the manifest variables used to measure comparison of economic outcomes is a reasonable choice.

This study was a first step in employing mediating variables when examining perceived economic well-being. Since this was a secondary analysis of a volunteer sample, the results may not be generalized to the public at large. Further study is needed using a random sample of different populations. In addition, the dataset is over 10 years old and men's and women's perceptions may have changed. Analyses of more recent data may produce different results.

Although this study provided important information in the study of perceived economic well-being, further study where all latent variables can be completely operationalized could confirm that the paths are different for wives and husbands, and that some manifest variables are more important to wives than husbands, and vice versa. Three of the latent variables were constructed using only two manifest variables modeling techniques suggest that where possible at least three manifest variables should be used. Although both level of strain and family characteristics had measures consisting of the sum of scores from several measured variables, ideally there should be at least three measures for each variable. In addition, different measures of the level of strain (especially for women) should be included to improve the measurement of this mediator for women. One reason that level of strain may not have been as successful a mediator for women was that it did not include a measure of role strain/role overload. Women who are employed outside the home, may feel added stress due to managing employment and well as family roles.

A measure of debt-to-equity or current debt payments to current income (Weisbrod & Hansen, 1968) might be

included in socioeconomic status. High debt ratios may influence perceived economic well-being and comparison of economic outcomes and lead to increased levels of strain. Hafstrom (1986) suggests that a measure of satisfaction with level of consumption should be included when examining quality of life. Since that is an economic issue, perhaps it should be included here as well. Measures of nonmoney income such as employer paid health benefits, food stamps, etc. should also be included to form a true picture of the family's financial situation.

Women's attitudes toward working need to be measured in the provider role construct (Neisser, 1960), along with a measure of how the couple views the wife's income (Hood, 1986), to form a better picture of provider role. Potuchek (1992) suggests that for wives, the breadwinner role is a separate issue from employment. Therefore, future studies need to include items that measure these attitudes.

Lastly, the inclusion of a seventh exogenous latent variable to operationalize how well current financial goals are being met and the importance of those goals to the individual may explain more of the variance of perceived economic well-being, comparison of economic outcomes, and level of strain.

The model is an important first step in examining the model constructs and the underlying relationship between these constructs and perceived economic well-being. In addition to examining objective and perceptual information, it is necessary to examine whose perceived economic well-being is being considered. Men and women may use different criteria in forming their judgments. It is important for counselors to address areas of concern of both the husband and wife for their to be an improvement in perceived economic well-being.

The importance of the comparison of economic outcomes to perceived economic well-being suggests that individuals and couples should explore their own values and construct clearly stated goals to have better standards to use in forming their judgments. Financial counselors, marital therapists, and social workers can assist their clients in this as well as assisting them with techniques in time and money management to reduce the amount of strain the client perceives. These professionals need to assist clients with coping skills to reduce the level of strain in order to improve the clients perceptions of their economic situation.

Endnotes

a. *The reader is referred to the McCubbin and Patterson (1983) study for a complete discussion of the Double ABCX model.*
b. *For a complete discussion of how the program works see Wold (1988), Falk (1987), and Lohmoller (1988).*
c. *The program computes the portion of the explained variance accounted for by a particular path by multiplying the path coefficient times the correlation coefficient of the two latent variables connected by the path. The correlation table is reported in Appendix A. The path coefficients are reported in Figures 2 and 3. There may be some differences due to reporting only two decimal places. Paths that did not explain more that one percent of the explained variance were removed as nonsignificant (Falk, 1987). The numbers inside the icons representing the endogenous latent variables are the amount of variance explained (R2) for that endogenous latent variable.*

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