



# Empirical Analysis of the Relationship Between Socioeconomic Status and Psychological Well-Being in Indonesia

Loso Judijanto <sup>1</sup>, Aria Mulyapradana <sup>2</sup>

<sup>1</sup> IPOSS Jakarta and [losojudijantobumn@gmail.com](mailto:losojudijantobumn@gmail.com)

<sup>2</sup> ITSNU Pekalongan and [ariamulyapradana@gmail.com](mailto:ariamulyapradana@gmail.com)

Corresponding Author: [losojudijantobumn@gmail.com](mailto:losojudijantobumn@gmail.com)

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## ABSTRACT

This study aims to empirically analyze the relationship between socioeconomic status (SES) and psychological well-being in Indonesia. Using a quantitative approach, data were collected from 70 respondents via a Likert scale-based questionnaire. The study measured socioeconomic factors such as income, education, and employment, and their association with psychological well-being indicators including life satisfaction, emotional balance, and personal growth. Data analysis was conducted using SPSS version 26, including descriptive statistics, correlation analysis, and multiple regression analysis. Results indicated a significant positive relationship between SES and psychological well-being, with income, education, and employment all showing positive associations with life satisfaction, emotional balance, and personal growth. The findings suggest that individuals with higher socioeconomic status experience better mental health outcomes, highlighting the importance of addressing socioeconomic disparities to enhance psychological well-being in Indonesia.

**Keywords:** *Socioeconomic status, psychological well-being, Life satisfaction, Indonesia, Mental health.*

## INTRODUCTION

The relationship between socioeconomic status (SES) and psychological well-being involves factors such as income, education, and occupation, which collectively influence mental health. SES affects access to resources, social support, and opportunities for growth, essential for well-being. Childhood socioeconomic position (SEP) has lasting impacts, with advantaged father's social class linked to better adult mental health, though this can be mediated by adult SEP [1], [2]. Disadvantaged children face higher risks of mental health issues, with socioeconomic inequalities contributing significantly [3], [4]. While SES is often measured by income and education, these indicators may not fully capture challenges like food and housing insecurity, which are crucial for psychological health [5], [6]. Education is a stronger predictor of well-being than income, making it a key SES indicator [7], [8]. SES disparities contribute to poorer mental health through mechanisms like allostatic load [9], [10]. Understanding how SES influences psychological well-being is particularly relevant in developing countries like Indonesia, where disparities in wealth, education, and employment opportunities are prevalent.

Socioeconomic disparities in Indonesia significantly affect mental health, with lower-income individuals facing greater challenges. Rapid urban development contrasts with rural poverty, leading to differences in psychological well-being across socioeconomic groups. The 1997 financial

crisis severely impacted mental health, particularly for those with low education and urban residents, with effects lasting beyond the recovery [11]. Lower socioeconomic status (SES) remains a key factor in poorer mental health outcomes, influenced by limited access to resources [12]. Mental health issues are more common in urban areas, shaped by factors like marital status and social support [13]. Despite improvements in healthcare, disparities in access between rich and poor persist [14], with regional income inequality contributing to poorer mental health outcomes [15]. Despite the growing awareness of mental health issues, there is limited empirical research that examines the relationship between socioeconomic factors and psychological well-being in the Indonesian context. This gap highlights the need for comprehensive studies that explore how economic and social conditions influence mental health, particularly in a diverse society like Indonesia.

Furthermore, psychological well-being is not only important at an individual level but also contributes to societal development. Individuals with higher psychological well-being are more likely to engage in productive activities, contribute positively to their communities, and experience greater life satisfaction. In contrast, individuals facing socioeconomic disadvantages may experience higher levels of stress, anxiety, and depression, which can hinder personal and societal progress. Therefore, understanding the link between socioeconomic status and psychological well-being is crucial for creating policies that address mental health disparities and promote well-being for all. This study aims to investigate the relationship between socioeconomic status and psychological well-being in Indonesia through a quantitative analysis.

## LITERATURE REVIEW

### *Socioeconomic Status and Mental Health*

Numerous studies have shown a strong link between socioeconomic status (SES) and mental health. [16], [17] notes that individuals with higher SES have better access to healthcare, education, and resources, leading to lower psychological distress and greater life satisfaction. They also handle stress better due to greater control over their environment. In contrast, lower SES is linked to increased mental health issues like depression and anxiety [3], [18], often due to limited access to healthcare, social isolation, and financial strain. In developing countries like Indonesia, these disparities are even more pronounced, with wider income gaps contributing to higher psychological distress among lower SES groups [3], [17], [18]. These findings are particularly relevant for understanding mental health challenges in Indonesia's rural and impoverished areas.

### *Psychological Well-Being*

Psychological well-being refers to a state of mental health where individuals experience positive emotions, life satisfaction, and a sense of purpose. [19], [20] identify six dimensions of psychological well-being: autonomy, environmental mastery, personal growth, positive relations with others, purpose in life, and self-acceptance, each representing different aspects of mental health influenced by external factors like socioeconomic status. High psychological well-being is associated with positive outcomes such as better physical health, increased productivity, and stronger social relationships [21], [22]. Research indicates that individuals with higher socioeconomic status (SES) tend to score higher on measures of psychological well-being. [23] found that income, education, and employment significantly predict life satisfaction and emotional stability, as those with higher SES have greater

opportunities for self-actualization, social connections, and emotional support. In contrast, lower SES is linked to financial insecurity, lack of social support, and poor living conditions, which can negatively affect psychological well-being [19], [21], [23].

#### *Socioeconomic Status in Indonesia*

Indonesia provides a unique case for examining the relationship between socioeconomic status (SES) and psychological well-being due to its diverse population and economic landscape. While rapid economic growth has improved income and living standards for some, many, especially in rural areas, remain in poverty [24], [25]. This disparity exacerbates mental health challenges, as individuals from lower SES backgrounds face increased stress, social isolation, and limited access to mental health services. The Indonesian Ministry of Health reported a growing mental health crisis in the country, emphasizing the significant role of socioeconomic factors in accessing mental health care. [26], [27] found that income inequality and limited social services contribute to higher rates of depression and anxiety among lower-income individuals. Furthermore, cultural stigma surrounding mental health often prevents those from lower SES backgrounds from seeking help, compounded by a lack of financial resources and awareness of available services [27], [28].

#### *Theoretical Framework: Social Determinants of Health*

The social determinants of health theory offer a valuable framework for understanding how socioeconomic status (SES) influences psychological well-being. It posits that social and economic factors such as education, income, and employment shape health outcomes by affecting individuals' access to resources and their ability to cope with stress [29], [30]. In Indonesia, where social and economic inequalities are prevalent, this framework helps explain why individuals from lower SES backgrounds are more likely to experience poor psychological well-being. According to this model, those with higher SES have greater access to protective factors like healthcare, social networks, and financial security, which enhance their capacity to manage stress and maintain emotional stability. Conversely, lower SES individuals often face barriers like unemployment, financial instability, and social exclusion, contributing to poor mental health outcomes [31], [32], [33]. This framework underscores the need to address socioeconomic disparities to improve mental health outcomes, especially in developing countries like Indonesia.

#### *Empirical Studies on Socioeconomic Status and Psychological Well-Being*

Several empirical studies have demonstrated that socioeconomic status (SES) significantly influences psychological well-being across various countries. For instance, [34], [35] found that individuals from higher SES backgrounds reported greater life satisfaction, emotional balance, and overall well-being compared to those from lower SES backgrounds, highlighting the role of income and education in shaping psychological outcomes. Wealthier and more educated individuals tend to have better access to resources that support mental health. In Indonesia, although empirical studies are limited, they offer crucial insights into the impact of socioeconomic disparities on mental health. [28], [36], [37] studied rural communities in Indonesia and found that lower SES was linked to higher psychological distress and lower life satisfaction. The study also noted that financial barriers and cultural stigma prevent individuals from lower SES backgrounds from seeking mental health

services. These findings emphasize the need for targeted mental health interventions that address the specific challenges of low-income populations in Indonesia.

## METHODS

### Research Design

The study employs a quantitative research approach to examine the relationship between socioeconomic status and psychological well-being. A cross-sectional design was chosen to collect data from a sample of 70 respondents, representing a diverse range of socioeconomic backgrounds in Indonesia. The design focuses on measuring socioeconomic factors such as income, education, and employment and how they relate to psychological well-being indicators such as emotional balance, life satisfaction, and personal growth. The data were gathered through self-administered questionnaires, which provided a consistent and structured way to quantify the participants' socioeconomic status and psychological well-being.

### Sample Selection

The study's target population includes individuals from various socioeconomic backgrounds in Indonesia, selected using a non-probability purposive sampling technique to ensure representation from low-, middle-, and high-income households. A total of 70 respondents participated, which was sufficient for basic quantitative analyses and capturing a range of socioeconomic experiences. The inclusion criteria required participants to be at least 18 years old, residents of Indonesia, and representing diverse educational, occupational, and income backgrounds. Participants also needed to provide informed consent and complete the questionnaire in full. Data were collected through a structured questionnaire using a Likert scale ranging from 1 ("strongly disagree") to 5 ("strongly agree"). The questionnaire was divided into two sections and pre-tested on a small sample for clarity and reliability. The final version was administered both online and in-person, depending on respondents' accessibility.

### Data Analysis

The data collected from the questionnaires were analyzed using SPSS version 26, employing descriptive statistics, correlation analysis, and regression analysis to examine the relationship between socioeconomic status (SES) and psychological well-being. Descriptive statistics, such as mean, median, and standard deviation, summarized the demographic characteristics and response distributions for each variable. Pearson's correlation coefficient assessed the strength and direction of relationships between SES variables (income, education, and employment) and psychological well-being measures (life satisfaction, emotional balance, and personal growth). Multiple linear regression analysis was then performed to determine how SES predicts psychological well-being, with SES variables as independent factors and well-being measures as dependent factors, revealing which aspects of SES had the greatest impact. Cronbach's Alpha was used to test the reliability of the Likert scale items measuring psychological well-being, with a score of 0.7 or above indicating acceptable internal consistency. Lastly, statistical significance was evaluated using a p-value of 0.05 to ensure that the relationships identified in the analyses were meaningful.

## RESULTS AND DISCUSSION

### Descriptive Statistics

The descriptive statistics offer a summary of the demographic traits of the 70 respondents, along with the distribution of socioeconomic status (SES) and psychological well-being metrics. Regarding socioeconomic status, 35% of respondents indicated a low-income level (below IDR 3,000,000 per month), 40% fell within the middle-income range (IDR 3,000,000 to IDR 7,000,000 per month), and 25% were classified as high-income (above IDR 7,000,000 per month). In terms of education, 15% completed elementary school, 30% finished secondary school, 35% obtained a bachelor's degree, and 20% achieved postgraduate study. Of the individuals surveyed, 60% were employed, 20% were self-employed, and 20% were either jobless or retired. The average life

satisfaction score was 3.8 on a 5-point Likert scale, indicating moderate satisfaction, while the emotional balance score averaged 3.5, showing moderate emotional stability. The average personal growth score was 4.0, indicating favorable views on personal development among the participants.

#### Correlation Analysis

Pearson's correlation coefficients were computed to evaluate the strength and direction of the correlations between socioeconomic status (SES) and psychological well-being. A substantial positive correlation exists between income and life satisfaction ( $r = 0.423$ ,  $p < 0.01$ ), suggesting that elevated income levels correlate with increased life satisfaction. Additionally, income demonstrated moderate positive correlations with emotional balance ( $r = 0.365$ ,  $p < 0.05$ ) and personal growth ( $r = 0.302$ ,  $p < 0.05$ ). The level of education exhibited a substantial correlation with life satisfaction ( $r = 0.405$ ,  $p < 0.01$ ) and personal growth ( $r = 0.442$ ,  $p < 0.01$ ), whereas the association with emotional balance was comparatively smaller ( $r = 0.285$ ,  $p < 0.05$ ), indicating that education has a restricted influence on emotional stability. Employment status exhibited a positive correlation with life satisfaction ( $r = 0.392$ ,  $p < 0.01$ ) and emotional equilibrium ( $r = 0.355$ ,  $p < 0.05$ ), indicating that employed individuals typically reported superior psychological well-being relative to their unemployed or self-employed counterparts, alongside a moderate positive association with personal development ( $r = 0.322$ ,  $p < 0.05$ ).

#### Regression Analysis

A multiple regression analysis was conducted to explore the predictive power of socioeconomic status (SES) on psychological well-being, with income, education, and employment as independent variables and life satisfaction, emotional balance, and personal growth as dependent variables. The model for life satisfaction explained 38% of the variance ( $R^2 = 0.382$ ,  $F = 5.824$ ,  $p < 0.01$ ), with income as the strongest predictor ( $\beta = 0.351$ ,  $p < 0.01$ ), followed by education ( $\beta = 0.324$ ,  $p < 0.01$ ) and employment ( $\beta = 0.297$ ,  $p < 0.05$ ). For emotional balance, the model explained 29% of the variance ( $R^2 = 0.29$ ,  $F = 4.352$ ,  $p < 0.05$ ), where income was the most significant predictor ( $\beta = 0.306$ ,  $p < 0.05$ ), followed by employment ( $\beta = 0.272$ ,  $p < 0.05$ ), while education had no significant impact ( $\beta = 0.215$ ,  $p > 0.05$ ). The model for personal growth explained 36% of the variance ( $R^2 = 0.362$ ,  $F = 5.473$ ,  $p < 0.01$ ), with education as the strongest predictor ( $\beta = 0.414$ ,  $p < 0.01$ ), followed by income ( $\beta = 0.283$ ,  $p < 0.05$ ), and employment showing a marginally significant effect ( $\beta = 0.241$ ,  $p = 0.06$ ).

#### Discussion

This study's results demonstrate a robust correlation between socioeconomic position and psychological well-being in Indonesia. Higher income, education, and employment position were substantially correlated with increased life satisfaction, emotional stability, and personal development, consistent with other research findings.

The correlation between income and life happiness illustrates the recognized connection between financial stability and general well-being [34], [35], [36]. In Indonesia, where economic inequalities are significant, elevated income affords individuals enhanced access to healthcare, education, and recreational activities, thereby augmenting their life pleasure. Moreover, economic security alleviates stress associated with financial uncertainty, therefore fostering emotional equilibrium and personal development.

The substantial correlation between education and personal growth aligns with existing literature, indicating that higher education promotes prospects for self-actualization, personal development, and intellectual fulfillment [28], [35], [37]. Educated individuals are more inclined to experience a sense of purpose and personal development, since they possess superior capabilities to establish and attain life objectives. The tenuous correlation between education and emotional equilibrium indicates that emotional well-being is affected by additional factors beyond educational achievement, including social support and coping strategies.

Employment status shown a favorable correlation with all three categories of psychological well-being, especially life satisfaction. Employment provides financial security and a sense of purpose and social integration, which are essential for emotional well-being and personal

fulfillment. Conversely, unemployment is frequently associated with heightened stress, social isolation, and diminished life satisfaction [28], [34], [36].

The findings of this study underscore the importance of addressing socioeconomic disparities to improve psychological well-being in Indonesia. Policies aimed at increasing access to education, creating employment opportunities, and reducing income inequality could have significant positive effects on the mental health of individuals across different socioeconomic groups. Additionally, mental health interventions should take into account the socioeconomic context of individuals, particularly those from lower-income backgrounds, to provide more targeted support.

## CONCLUSION

The findings of this study provide substantial evidence that socioeconomic status significantly influences psychological well-being in Indonesia. Higher income, education, and employment status are associated with greater life satisfaction, emotional stability, and personal growth. These results underscore the critical role of SES in shaping mental health outcomes, suggesting that individuals with higher socioeconomic resources have better access to the conditions necessary for improved psychological well-being. The study highlights the importance of developing policies that reduce socioeconomic inequalities and promote mental health, particularly for lower-income individuals. By enhancing access to education, creating employment opportunities, and addressing income disparities, significant improvements in the psychological well-being of the population can be achieved. Future research should further explore these relationships using larger and more diverse samples to generalize findings across broader contexts.

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