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Are Values Valuable? Individual Difference Moderators on the Effects of Economic Stress on Job Satisfaction

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ARE VALUES VALUABLE?
INDIVIDUAL DIFFERENCE MODERATORS ON THE EFFECTS OF ECONOMIC STRESS ON JOB SATISFACTION

A Thesis
Presented to
the Graduate School of
Clemson University

In Partial Fulfillment
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Applied Psychology

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Elyssa Johnson
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Approved by:
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ABSTRACT

Economic stress and financial strain have been shown to have a negative impact on both physical and mental well-being thus making it an important area to continue to perform research on to fully understand how stress impacts individuals (Leana, Mittal & Stiehl, 2012; Sinclair & Cheung, 2016). The proposed study looked to advance research on economic stress by understanding the mediated and moderated mechanisms that impact the relationship between economic stress and job satisfaction. By using a subjective measure of economic stress, perceived income adequacy, as opposed to an objective measure of economic stress such as income, individual differences were able to used as moderators to understand how both materialism and equity sensitivity affect the stress appraisal. This study hypothesized first, that individuals with more economic stress will have lower job satisfaction levels. To understand the mechanisms behind this relationship two individual differences, materialism and equity sensitivity were used as proposed moderators. It it hypothesized that more materialistic individuals will have a stronger negative relationship between economic stress and job satisfaction. It is also hypothesized that individuals who prefer to have more rewards than effort that they contribute will have a stronger negative relationship between economic stress and job satisfaction. This study found that financial strain mediated the relationship between current, near future and distant future perceived income adequacy and job satisfaction. However, support was not found that materialism and equity sensitivity moderated the hypothesized relationships.
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CHAPTER ONE

INTRODUCTION

When considering issues that affect workers, economic stress is an important issue to research. First, economic stress has been shown to have a negative link to health (Sears, 2008). Second, there is a gap in the economic stress literature showing how economic stress and financial strain specifically interact in the workplace. Last, individual differences related to money such as, materialism and equity sensitivity in the study at hand, have not received enough attention, especially in relation to occupational health (Sinclair & Cheung, 2016).

One’s income is perhaps the most critical resource that an individual gets from their job, as it is vital to acquire both other resources and to survive in today’s society. Therefore, the potential lack of income and financial resources is a point of stress for individuals. In fact, the American Psychological Association reports that over the past ten years the economy and money concerns have been a top three source of stress for Americans, highlighting the importance of research on economic stress (APA, 2017).

As more research is done on economic stress and financial strain organizations will have a better understanding of how these issues can impact their employees. Specifically, by understanding how individual differences impact economic stress and employee attitudes about the workplace organizations will be better equipped to design programs to benefit organizational functioning while taking these concerns into account. Further, understanding the relationship between materialism, financial strain and equity sensitivity in the workplace will expand the literature and address an existing gap by
looking at the mediating and moderating relationships that exist with economic stress.

Equity sensitivity has only been addressed in occupational health research by looking at the effort reward imbalance model (Devonish, 2018; Siefrist, 1996). While this is important to consider, this model does not take into consideration each other different preferred equity states that equity sensitivity creates. This research is important to consider for organizations because without an understanding of how different people react to various forms of equity and inequity organizations will assume that all employees prefer the same form of equity. Assuming everyone has the same preferences can then cause stress for some employees, a outcome that can be avoided by being aware of this individual difference. By understanding how equity sensitivity impacts the perceived income adequacy, financial strain, job satisfaction relationship, organizations will be able to understand how inequity impacts their employees.

Even with financial issues as documented source of stress and concern for Americans, there has not been sufficient research looking at income as a predictor of employee’s attitudes, affect and behavior (Leana & Meuris, 2015). Currently, most research relating to income and pay looks at incentives and pay-for-performance strategies rather than looking at how one’s current income influences their behaviors (Aguinis, Joo & Gottfredson, 2013; Nyberg, Pieper & Trevor, 2016). Therefore, it is important to continue to expand the I-O literature to understand how income and its consequences effect individuals both broadly in all aspects of their life and narrowly in how they interact with their job. By using both subjective measures of income, such as
perceived income adequacy and affective responses with financial strain a broad look at how income effects job satisfaction was assessed in this study.

In a review of research on income and the workplace Leana and Meuris (2015) made three recommendations for the direction of future research on how behaviors, emotions and cognitions are impacted by income. First, they recommended research using income as a predictor of behavior and perceptions in an organizational context, which this study fulfills by looking at the relationship between perceived income adequacy and job satisfaction. Second, research should focus on income inequality with predictive and descriptive research (Leana & Meuris, 2015). This study looked at how materialism and equity sensitivity impact one’s perceptions of their income. Specifically, the moderating effect of equity sensitivity addressed this gap by determining if perceptions of inequality impact economic stress and organizational outcomes. Last, Leana and Meuris (2015) recommended prescriptive research with organizational outcomes that can inform management practices. The current study addresses this by using a longitudinal design showing the causal relationships between perceived income adequacy and job satisfaction.

**Self Determination Theory**

For this study, self determination theory is used to understand how materialism moderates the relationship between financial strain and job satisfaction. Self determination theory is a theory of motivation that combines psychological needs with life goals and aspirations to understand what motivates individuals to behave (Deci & Ryan, 2008). Materialism, the focus on acquiring material goods above other interests,
affects several aspects of self determination theory to influence satisfaction levels which is an important and understudied relationship for organizations.

The first important distinction that self determination theory makes is between control and autonomous motivation (Deci & Ryan, 1985). Autonomous motivation is a motivational state where the value of performing an action is realized. This includes both intrinsic motivation along with forms of extrinsic motivation where the individual realizes there are some inherent values from performing a task, and not motivated solely by extrinsic rewards. Then, controlled motivation is a motivational state that occurs when external contingencies such as rewards and punishments motivates individuals. Both of these forms of motivation act to promote behavior in contrast to amotivation, which refers to a complete lack of motivation (Deci & Ryan, 2008). With autonomous motivation individuals experience volition, which is when individuals behave via their own choices and decisions. In contrast with controlled motivation, there is some outside force that is causing them to behave rather than just based on choices and decisions. Across many different domains, research has shown that autonomous motivation leads towards better performance and greater psychological health (Deci & Ryan, 2008).

The three psychological needs proposed by Deci and Ryan (1985; 2000) are autonomy, competence and relatedness. Autonomy needs relate to a desire to control one’s life and be casual agents. Competence needs deals with a desire to be effective in dealing with the environment. Lastly, relatedness needs are needs that fulfill one’s desire to interact, connect and care for others. When all of these psychological needs are met individuals experience more intrinsic motivation.
Beyond the original research on self determination theory, research has focused on the idea of life goals. Life goals are the long term goals that people use to guide their activities (Kasser & Ryan, 1996). These goals can be either intrinsic or extrinsic aspirations. Intrinsic aspirations include life goals that relate to concepts such as affiliation and personal development, while extrinsic aspirations include life goals such as wealth and fame. Research has shown that as compared to extrinsic life goals, intrinsic life goals are better predictors of increased health, well-being and performance (Vansteenkiste, Simons, Lens, Sheldon & Deci, 2004).

As will be discussed more in depth in a later section of this study, Materialism is an extrinsic life value presented as a goal due to its emphasis on the pursuit of material goods. As an extrinsic life goal it will hurt individuals psychological wellbeing as shown in in Vansteenskiste’s (2004) research. Other than just being an extrinsic life goal, materialism can interfere with both motivational states and psychological needs to prevent motivation and influence individual’s beliefs and thoughts about their job (Kasser & Ryan, 1993). Extrinsic life goals can also fall into the work domain and are associated with less job satisfaction, less dedication to one’s work and more work family conflict (Vansteenkiste et al., 2007). In the proposed study, I will investigate that through self determination theory’s framework materialism will moderate the relationships between financial strain and perceived income adequacy with job satisfaction.

**Lazarus’s cognitive-transactional model of stress**

This study uses Lazarus’ cognitive-transactional model of stress to understand how the stress process occurs. In this model cognitive appraisals are performed on a
stimulus before that potential stressor can actually be seen as a stressor. In these cognitive appraisals, if the stimulus is taxing, exceeds one’s resources or endangers one’s well being it would then cause stress (Lazarus and Folkman, 1984). Further, affective responses to stressors (strain outcomes) rely on these cognitive appraisals of stress which then lead to coping efforts (Lazarus & Folkman, 1984; 1987). Cognitive appraisals vary across persons, occasions and time, thus what a person identifies as a stressor may not be the same every time they are in that situation. Additionally, different people in the same situation will view potential stressors differently. Particularly important for this study is the idea that the cognitive appraisals of a potential stressor differ across persons, so one must measure these cognitive appraisals at the individual level. In the current study, perceived income adequacy will act as the cognitive appraisal of one’s financial situation thus prediciating financial strain levels.

Lazarus distinguishes two types of cognitive appraisals, primary and secondary, primary appraisals which look at the personal relevance of a stressor and secondary appraisals where one’s perception of stress is reliant on the availability of coping resources (Lazarus & Folkman, 1987). This study will focus on the primary appraisal process and the constructs that influences the primary appraisal. In the primary appraisal of a stressor in Lazarus’ cognitive-transactional model, individuals evaluate the likelihood of the stressor causing harm, threats and challenges in the future (Lazarus & Folkman, 1987). During the primary appraisal process, individuals consider their future goals and the likelihood of their situation changing in response to the stressor before determining their response to the stressor (Lazarus, 1991; Lowe et al., 2003). Due to the
impact of future situations and expectations on the appraisal process featured in Lazarus’ cognitive-transactional model it is important to study these future-oriented appraisals when using Lazarus’ model (Perrewé & Zellars, 1999). Therefore, in the current study both current perceived income adequacy and near/distant future perceived income adequacy will be used to represent cognitive appraisals of one’s economic stress levels.

Using Lazarus’ cognitive-transactional model of stress to measure stress and strain has been established in previous research, however there is only mixed support when applying it to economic research. This study will use this model to extend knowledge on the usage of this model focusing on the primary appraisal process. While there is mixed support for Lazarus’ model, there is support in the economic stress literature showing that there is an appraisal process that occurs when assessing income adequacy. For example, Sears (2008) found that actual income is evaluated in terms of its ability to meet financial needs and wants before financial strain occurs. Using Lazarus’ model for economic stress at multiple time points for the appraisal adds to the literature, as there are few studies that distinguish between current appraisals and future-oriented appraisals. Predictions of future events are known to be relevant to individuals’ judgment processes but applying this to Lazarus’ model and economic stress furthers knowledge on these relationships (Spassova & Lee, 2013). As discussed later in this study, economic stress and financial strain have negative psychological effects on individuals that can affect them in all areas of their life, especially when it relates to the workplace. Therefore, this research allows organizations to better understand their employees and
design policies and programs to mitigate the negative effects associated with financial strain.

In addition, this study examined how both materialism and equity sensitivity will impact the appraisal process. By measuring and utilizing these individual differences, the study goes beyond assessing if stress is occurring and its impact to determine the specific mechanisms that account for the effects of economic stress. As little research has tested these mechanisms especially for workplace outcomes this study works to fill this gap in the literature.

Individuals who vary in how much they value their worldly possessions desire a higher level of income before they view their financial resources as adequate, thus affecting their primary appraisal of economic stress (Richins & Dawson, 1992). In example, an individual who is higher on materialism would have a different perception of their income than an individual who is lower on materialism. An individual who is higher on materialism would view their income as less adequate thus impacting the proposed relationship between perceived income adequacy and job satisfaction. The same impact on primary appraisal is expected to occur when an individual is on the entitled end of the equity sensitivity scale (Huseman, Hatfield & Miles, 1987). Entitled individuals seek to be rewarded more proportionately to their efforts and therefore are more likely to view their income as being inadequate to meet their needs thus impacting the proposed relationship between perceived income adequacy and job satisfaction.

**Equity Theory**
Equity theory, developed by Adams (1963, 1965), is a psychological theory grounded in fairness and equitable treatment. This theory says that fairness is a basic human need and that equitable treatment leads to the best outcomes for all. However, fairness perceptions are not the same for all individuals and their judgment of if a situation is equitable is influenced by their perceptions of their situation and what they believe should be fair in that situation (Lawler, 1971). To evaluate fairness, individuals look at their treatment in comparisons to others’ treatment with the situational context of what efforts they put in. Meaning that individuals compare not just the treatment of themselves and others but also the behaviors each person put into a situation.

In equity theory, an individual suffers from relative deprivation when, after comparison to their comparison others the individual, is at a disadvantage and this disadvantage is viewed as unfair (Smith, Pettigrew, Pippin & Bialosiewicz, 2012). So, this would occur in the workplace when an individual put in the same amount of effort in their job as their equivalent coworker but the coworker receives a higher income. Not all disadvantages may be seen as unfair and therefore a disadvantage may not always be experienced as relative deprivation. Using the workplace example, one would not experience relative deprivation if they put in less effort than their coworker and receives a lower income than their coworker. The experienced relative deprivation can cause feelings of anger and stress or other similar justice-related affects (Smith, Pettigrew, Pippin & Bialosiewicz, 2012). The long term feelings of unjustness can impact individuals’ health and well-being (Goodman et al., 2001, Lemeshow et al., 2008, Smith, Pettigrew, Pippin & Bialosiewicz, 2012)
Based on previous research rooted in equity theory the current study hoped to show how the varying perceptions of inequity and equity view relative deprivation and specifically how that relates to their job (Diener & Diener, 1995). By using equity sensitivity as a moderator between perceived income adequacy and job satisfaction, this furthers knowledge on how equity theory applies to more organizational-related constructs. As individuals vary in their perceptions of what is equitable treatment, they will have different perceptions of their relative deprivation, equity theory would suggest that each person will have a different perception of their income adequacy, thus having a differing effect on their job satisfaction. This adds to the body of literature that provides understanding of how inequalities impact both individual’s stress and their beliefs about their jobs.
ECONOMIC STRESS

Economic Stress

Voydanoff (1990) brought the concept of economic stress to popularity. In her work, Voyandoff developed a model of economic stress that broke economic stress into both objective and subjective portions along with either an employment-related or income-related stressor. This provides a taxonomy for economic stress that breaks down into employment instability, employment uncertainty, economic deprivation or economic strain.

Employment instability is an objective employment related stressor that reflects duration and periods of unemployment and underemployment. This stressor also includes downward mobility, the inability to gain entry level positions and forced early retirement (Voydanoff, 1990). These stressors have been shown to negatively influence both physical and psychological health and wellbeing because they restrict both an individual’s ability to meet needs and obtain goals, and impacts their ability to meet latent needs (Fryer, 1986; Jahoda, 1982). This occurs because unemployment causes an individual to lose a sense of collective purpose and social contacts beyond their family members.

Employment uncertainty, or job insecurity as the literature has predominantly referred to the construct, is a subjective employment-related stressor that refers to an individual’s assessment of their future onset, duration and recovery from unemployment (Voydanoff, 1990). Meaning that an individual who is suffering from job insecurity are
concerned about the future of their job. Job insecurity has many different forms that include awareness and distress from losing either features of one’s job or losing their job completely (Probst, 2003). Job insecurity has a number of theorized effects including stress, broken psychological contracts, additional motivation for job preservation behaviors and proactive coping via job seeking (Shoss, 2017). Further, job insecurity is shown to have a negative impact on job satisfaction which establishes that forms of economic stress have an impact on job related-outcomes (Reisel, Probst, Chia, Maloles & Konig, 2010; Sverke, Hellgren & Naswall, 2002).

Economic deprivation, or financial deprivation as it is often known in the literature, is an objective income-related stressor that reflects both the inability to meet current financial needs and the loss of income over time (Voyandoff, 1990). Financial deprivation is linked to a number of negative health outcomes along with a decrease in life satisfaction (Chou, Chi & Chow, 2004).

Economic strain is a subjective income-related stressor that evaluates one’s financial status as it relates to perceived financial adequacy and financial concerns or worries (Voyandoff, 1990). Economic strain has been linked to both health and job-related variables in previous research, but there is still much that needs to be understood in these relationships thus providing rationale for this study (Sears, 2008). This is the aspect of economic stress that will be focused on in this study and measured using perceived income adequacy.

**Perceived Income Adequacy**
For this study, perceived income adequacy will be used as a method of assessing economic stress. Perceived income adequacy is typically defined as the cognitive evaluation of an individual’s financial ability to meet one’s basic needs and lifestyle wants (Litwin & Sapir, 2009; Sears, 2008). Perceived income adequacy in this study is measured using cognitive-based items to avoid any affective or attitudinal responses. This assumes that perceived income adequacy acts as the cognitive appraisal required in Lazarus’ cognitive-transactional model of stress. This is in contrast to previous research that has used more affectively-based items to assess perceived income adequacy (Pereira & Corelho, 2013).

Perceived income adequacy can be divided into two categories, basic needs and lifestyle wants. Basic needs include necessities individuals need to survive such as food and shelter, while lifestyle wants are items that individuals can live without such as leisure activities and recreation (Whelan, 1992; Waters & Moore, 2002).

Whelan (1992) furthered this idea of wants and needs by showing how primary and secondary deprivations differently influenced financial stress. Primary deprivation which included needs such as heat, food and clothing had a stronger influence on financial stress than secondary deprivation which included being deprived of lifestyle wants. Whelan further showed that it is important to measure both wants and needs because each form of deprivation had differing impacts on financial stress. Since financial needs were more related to financial stress it is important to consider needs and wants as separate components that impact stress. Further, using just income alone a less satisfactory measure of looking at financial stress than using subjective measures of
financial stress because Whelan (1992) found that income was less correlated with financial stress than both primary and secondary deprivations.

In addition to just differentiating basic needs and lifestyle wants this study looks at perceived income adequacy at three different time points: current, near future and distant future. Current perceived income adequacy looks at income adequacy at this moment, while near future looks at income adequacy three months from now and distant future is defined as three years from now. While the literature has established that future perceptions of economic hardship are important when looking at economic stress, as the body of research on future-oriented perceived income adequacy is lacking (Voydanoff, 1990; Shek, 2003).

Future expectations and predicted consequences are just as important to individuals as their current economic standing as they make decisions about their current spending and savings levels (Bissonnette & van Soest, 2010; Das & Donkers, 1999; Sinclair & Cheung, 2016). Litwin and Sapir (2009) found that when individuals are pessimistic about their financial future they are more likely to view their view their income as not adequate. In addition, current perceptions may be less impactful when an individual is optimistic about their future, further highlighting how future-oriented perceptions are important for understanding economic stress. Litwin and Sapir (2009) additionally showed that if there is a change in one’s income, their future perceptions about their financial status may be influenced. Decision-making biases have been predicted to impact perceptions of future income when looking at potentially unpleasant or rewarding situations may occur sooner rather than later (Doyle, 2013). Cheung (2014)
found that both current perceived income adequacy and future perceived income adequacy have an influential impact on turnover intentions, thus showing that both current and future dimensions of perceived income adequacy are important to study. Cheung (2014) found weaker relationships at the future level, however she used a future perceived income adequacy scale aimed five years out from survey administration.

This study will use a near future perceived income adequacy scale which looks three months out and a distant future perceived income adequacy scale aimed three years out. By using two different future-oriented perceived income adequacy scales this study will be able to see stronger differences between current and future beliefs about one’s income than seen in previous research. In addition, this study will allow for the discovery of differences between near future and distant future perceived income adequacy, showing if there is what the time scale is impacts one’s perceptions of their income. In Sinclair and Cheung’s (2016) review on financial stress found that subjective measures of stress are an underexplored research area that needs to be focused on. Specifically, they recommend incorporating perceptions of subjective economic stress across time to understand both how people can predict their future income needs and how they can adapt to potential changes in their financial situation (Sinclair & Cheung, 2016).

Financial Strain

Psychological strain refers to the impairment of one’s cognitive functioning and affective responses to stressors and the stress response in one’s body (Gross, 1970). This study will assess financial strain as an affective response to economic-related stressors. So, specifically this study will look to see if perceived income adequacy acts as stressor
that leads to financial strain. Research has shown that financial strain is related to a variety of negative health and psychological wellbeing outcomes, in that with higher levels of strain more negative outcomes occur (Leana, Mittal, & Stiehl, 2012).

Financial strain as caused by income inadequacy has been shown to negatively impact individual cognitive functioning (Kanfer & Ackerman, 1989). This can come in many ways that all end up hurting an individual in their job. One way this occurs is with skill development training failing for low-income workers because their cognitive resources are already used for income-related concerns (Kanfer & Ackerman, 1989; Mullainathan & Shafir, 2013). In addition, strain from financial concerns causes individuals to rely on easily accessible information and implicit theories due to the heavy cognitive demand of financial strain (Detert & Edmondson, 2011; Shah & Oppenheimer, 2008). As it relates to the workplace, the use of these implicit theories prevents individuals from voicing novel ideas and potentially risking recognition and rewards in one’s job (Butler, 2013).

Further, financial strain is shown to have negative implications for both physical and mental health. Other than individuals who have more economic resources having better access to health care simply because they have more income, lower income individuals have overall lower health levels and tend to be sicker and die at a younger age than high income individuals (Leana, Mittal & Stiehl, 2012). For mental health outcomes, there is also a negative relationship between mental health and financial strain, meaning that with increased financial strain there are increased levels of mental health disorders, such as depression and anxiety (Lund et al., 2008).
CHAPTER THREE
MODERATORS

To further understanding of how economic stress impacts an individual’s perceptions of their job, this study proposes using two individual differences as moderators of this relationship, materialism and equity sensitivity. Researching individual differences allows for better understanding of how relationships work for two reasons. First, since research is impossible to do without the influence of variables that are not modeled in basic relationships one cannot fully consider a relationship without understanding what other constructs may impact that relationship (Landy & Conte, 2004). Therefore, by including moderating variables researchers are able to understand the impact of other variables on psychological relationships. Second, since no two individuals are the same it cannot be assumed that every person experiences situations in the same way. By studying moderators, more insights on how the proposed relationships differ between individuals are able to be understood. As applied to the current study, using moderators allows for a deeper understanding of economic stress. This study proposes using materialism and equity sensitivity as individual differences because these constructs are related to how individuals view their income which can impact their perceived levels of economic stress.

Materialism

Materialism is a cultural system in which material interests are not made subservient to other social goals (Mukerji, 1983). While materialism can be seen as a cultural value and can be used to compare large groups of people it can also refer to
individual differences in people’s level of materialism which can provide insights into the specifics of how materialism impacts individuals (Inglehart, 1981; Richins & Dawson, 1992). Richins and Dawson (1992) identified three specific factors that describe materialism. The first facet identified is materialism success which represents the use of material goods as an indicator of success in life. For example, someone high on this dimension would only feel successful if they were able to acquire a lot of possessions. The second factor identified is materialism centrality which describes how acquiring possessions is a central life focus for materialistic individuals. For this facet, an individual feels their main goal in life is to acquire material goods. Then lastly, materialism happiness represents that the pursuit of material goods is a source of life satisfaction. For example, someone high on this facet of materialism feels that possessions is what makes them happy with their life.

Kasser and Ryan (1993) conducted research indicating that there is a negative relationship between negative affect and distress when individuals favor financial success over other goals. Their research found that individuals who prioritize financial goals over other more intrinsic goals had a less healthy psychological profile, including lower self actualization, decreased vitality, higher levels of depression and anxiety, and were more likely to have a control orientation in the self determination theory framework. These results were found when comparing financial goals with aspirations for self acceptance, affiliation and community feeling. For these other goals, the finding was associated with a healthier psychological profile and less distress.
Higher levels of materialism are associated with a decrease in psychological well-being. This decreased well-being occurred because materialism interferes with one’s decision making processes, along with their self efficacy and feelings of psychological insecurity (Dittmar, Bond, Hurst & Kassar, 2014). Furthermore, materialism has been shown to be associated with lower personal, financial and social well-being, a finding that holds across cultures, age, gender and socio-economic status (Dittmar, Bond, Hurst & Kassar, 2014). This occurs because materialistic individuals put less of a focus on well-being and more on money and possessions. Particularly with financial well-being, there is lower satisfaction because there is always someone wealthier to whom one can upwardly compare. This lack of financial satisfaction can spill over into other domains and help explain the lack of overall well-being materialistic individuals face. The lack of financial well-being due to materialism can also be explained when looking at the relationship between socioeconomic status and financial well-being. Often times, individuals from a lower socioeconomic status develop materialistic goals especially an individual had materialistic interests at a young age (Ku, 2014). Coming from a lower socioeconomic status may contribute to having a lower financial well-being even after progressing into a higher socioeconomic status, which Ku (2014) suggested resulted from having developed a materialistic orientation early in life.

Additionally, both the top down and bottom up explanations of life satisfaction account for the relationship between materialism and personal well-being. First, in the top down model, life satisfaction is influenced by personality and disposition. So, Belk (1985) argues that materialistic individuals have negative dispositional factors such as
being non-generous and envious, that lead to negative affect. Then, the negative affect is what impacts life satisfaction. Conversely, the bottom up explanation focuses on different situational factors and domains that impact well-being. One of these domains is material life which includes how emotions interact with material possessions, income and other material things. Belk (1985) suggests that materialistic individuals would base their life satisfaction on material life while individuals who are less materialistic would base their life satisfaction on a number of domains, some of which include work life, social life, family life and spiritual life.

Sirgy (2011) shows that materialistic individuals base their life satisfaction on material life and are less satisfied with their possessions. Therefore, materialistic individuals are less satisfied with their life than non-materialistic individuals. In addition, Sirgy (2011) found that materialistic individuals made their evaluations of their life satisfaction based on their expectations for the amount of money they believe they should have along with the quality of their material goods, creating a link between materialism and income. This relationship was even stronger when an individual had lower psychological wellbeing due to the increased number of social comparisons made with lower well-being (Sirgy, 2011).

Decreased life satisfaction for materialistic individuals can also be explained by the decreased levels of gratitude often associated with materialism (Tsang, Carpenter, Roberts, Frisch & Carlisle, 2014). Since materialism interferes with one’s ability to be grateful for what they have and instead seek satisfaction and fulfillment in what they do not have, it is clear how materialism can negatively impact life satisfaction. Further, it
has been shown that materialistic thoughts can deactivate social engagement and self-transcendence which then activates negative patterns of thought focused on one’s self and their belongings and increases competitiveness (Bauer, Wilkie, Kim & Bodenhausen, 2012). The increased level of competitiveness produces concerns about an individual’s relative standing in comparison to others, which further highlights how materialism can have a moderating effect on the relationship between perceived income adequacy and job satisfaction.

Organizations along with the media and many other institutions have promoted materialism as a desirable value that individuals should pursue (Cross, 2000; Kasser, 2002). Thus, organizations have tried to capitalize on those values by reinforcing materialistic pursuits as an important aspect of an organization’s culture. Organizations see materialism as an antecedent of productivity and implement pay and reward programs designed around trying to maximize productivity and organizational output (Deckop, Jurkiewicz & Giaclone, 2010). While this system can benefit materialistic individuals because of the emphasis on success leading to benefits such as increased pay and opportunities for promotions, traditional organizational structures do not allow for everyone to succeed, which further hurts materialistic individuals trying to fulfill the needs established under self-determination theory.

Even though organizations contribute to the pursuit of material good that materialists strive for, there is negative relationship between materialism and work-related personal well-being (Deckop et al., 2010). More specifically, the happiness and centrality dimensions of materialism drive the negative relationship between work-related
personal well-being and materialism. The success dimension has not been shown to have a significant relationship with work-related personal well-being, Deckop et al. (2010) believe this is because people higher on the success dimension look at possessions for their instrumental value so it may offset the negative effects of materialism in the workplace.

Further looking into the effects of materialism there are three paradoxes that occur that hurt both individuals and organizations (Deckop et al., 2010). First, the fulfillment paradox describes how organizations foster materialistic values and encourage employees to hold these values even when they are not fulfilling to the individual. Therefore, as organizations promote more materialistic values, these organizations are actually promoting more dissatisfaction as materialism is associated with dissatisfaction at work. Second, the reward paradox describes how rewards and merit pay are designed to increase employee productivity by utilizing of individuals’ materialistic desire for wealth and possessions (Giacalone & Thompson, 2006). However, this hurts an organizations’ bottom line because they both have to pay for more rewards should there be more productivity, and in addition, the dissatisfied materialistic employees may not actually be more productive. Thus, merit pay may not yield financial benefits for the organization because of the cost of rewards. Lastly, the worldview paradox describes how organizations that have materialistic values are not conducive to the success of non-materialistic individuals and by employing these individuals the organization is hurt because their employees do not succeed (Inglehart, Basanez & Moreno, 1998).
Additionally, non-materialistic individuals are not attracted to these organizations which can hurt when looking to hire new employees.

From the above literature, it is clear that materialism has both an impact on one’s life in general but also specifically on their work life (Deckop et al., 2010; Dittmar, Bond, Hurst & Kassar, 2014). Since materialism also typically has a negative impact on individuals it is important to consider as an individual difference when examining economic stress. As Cross (2000) indicated, organizations are promoting materialistic values within their employees without fully realizing the negative impacts that may be having on their employees well-being and their satisfaction with their job. Therefore, by utilizing materialism as a moderator this study will further understanding of how materialism impacts one’s economic stress.

In summary, materialism is an important construct to consider when looking at how economic stress impacts individual’s perceptions of their jobs. Since materialism has been shown to have both an impact on the workplace and well-being it is a logical construct to use as a moderator of perceived income adequacy and financial strain, along with perceived income adequacy and job satisfaction (Deckop et al., 2010; Dittmar, Bond, Hurst & Kassar, 2014). Specifically, more materialistic individuals will interpret their income as less adequate than less materialistic in the appraisal process process highlighted in Lazarus’ cognitive transactional model of stress (Lazarus & Folkman, 1984). Additionally, the focus on extrinsic goals rather than intrinsic goals which materialistic individuals are shown to have will moderate the relationship between perceived income adequacy and job satisfaction. This will provide insights into the
processes that occur with economic stress and how it impacts organizational-related outcomes.

**Equity Sensitivity**

With researching perceived of income adequacy it is important to also consider individual’s reaction to inequity and specifically their levels of equity sensitivity when predicting how measures of economic stress effect job satisfaction. Previous research has linked equity sensitivity and pay satisfaction as an influence job performance and life satisfaction but there are few studies showing how equity sensitivity impacts financial strain (George & Brief, 1990, Lawler, 1971). By considering how equity sensitivity acts as a moderator both for the relationship between perceived income adequacy and job satisfaction and the relationship between perceived income adequacy and financial strain, this study will link prior research on equity theory, economic stress and job-related outcomes.

Equity sensitivity as a construct explains why individuals react differently to varying levels of equity and inequity. Huseman, Hatfield and Miles (1987) proposed three groups differing on their equity sensitivity: benevolents, equity sensitives and entitleds. Benevolents prefer to have their outcome/input ratios lower than the ratios of their comparison other, meaning that they would prefer to have less than others. Equity sensitives prefer their ratios to be equal to others, meaning that they want to have the same as others. Entitleds prefer their ratios to exceed the ratios of others, meaning that they want more than others.
With each of the equity sensitivity profiles there are different situations that would cause stress for these individuals (Huseman, Hatfiled & Miles, 1987). Recognizing what scenarios act as stressors for each type of individual allows for a deeper understanding of how equity sensitivity affects the relationships at play in the proposed research. First, benevolents experience stress when they are both over-rewarded and rewarded equitably. Equity sensitives experience stress when they are both under- and over-rewarded. Lastly, entitleds feel stress when they are both under rewarded and rewarded equitably (Huseman, Hatfiled & Miles, 1987).

Equity sensitivity and equity theory has been used in occupational health psychology to assess work-related stress in via the effort-reward imbalance model (Siefrist, 1996). This model says that the imbalance of effort and reward is what causes stress to occur. This imbalance between effort and rewards at work is linked to increased levels of burnout and turnover along with more negative mental health symptoms (Devonish, 2018). These findings were suggested to have been found due to the stress and strain that occurs for a person when they feel there is not equity in their effort and their rewards in the workplace. By showing that the stress from inequity has a direct impact on both occupation health concerns but also turnover shows how an individual’s response to inequity is important to consider in organizational research.

Other than just recognizing the various relationships of inputs and outputs that people prefer, equity sensitivity have several important implications for organizational functioning. First, equity sensitivity, due to the stress of being over- or under-rewarded, can impact job satisfaction levels (Pritchard et al., 1972). Further, based on the principles
that outline each groups preferred ratios can be applied to job satisfaction perceptions at differing levels of rewards (Huseman, Hatfiled & Miles, 1987; Adams, 1965). For equity sensitives this creates an inverted u-shaped relationship with higher levels of satisfaction when they are equitably rewarded. For benevolents there is a negative linear relationship with job satisfaction and for entitleds there is a positive linear relationship. Further, it is assumed that these relationships are similar for equity sensitivity and other work related attitudinal variables (Pritchard et al., 1972).

Equity sensitivity has important implications for research on economic stress. When considering each of the groups it is fair to assume that individuals would perceive their income differently based on what they perceive as equitable. This has been shown when looking at pay fairness, benevolents were found to perceive their pay as fairer than entitleds did (Deconinck & Bachman, 2007). While the literature on equity sensitivity currently does not focus on economic stress specifically but rather examines pay as a variable to measure what is perceived as fair (Kickul & Lester, 2001). This however creates an argument for the current study using equity sensitivity as a moderator to more fully understand on job satisfaction is impacted by different perceptions of inequity.

In summary, equity in an important construct to consider when looking how economic stress impacts individual’s perceptions of their jobs. Since each of the three equity profiles has a preferred level of equity when researching a person’s perceptions of their income, as done with perceived income adequacy, equity sensitivity should be considered to fully understand the relationship (Huseman, Hatfiled & Miles, 1987). Specifically, each equity profile will interpret their income in terms of if it is equitable for
the amount they contributed to their job differently. Due to these different interpretations it will differently affect the appraisal process highlighted in Lazarus’ cognitive transactional model of stress (Lazarus & Folkman, 1984). This will then moderate the expected relationships with financial strain and job satisfaction, both in the mediated and direct pathways. As stress and specifically economic stress is currently not considered heavily in the equity theory literature this study will provide valuable insights into the importance of equity sensitivity.
CHAPTER FOUR

OUTCOMES

Job Satisfaction

Job satisfaction is traditionally defined as a positive emotional state resulting from the appraisal of one’s job (Locke, 1976). There are many different elements that combine to create this positive emotional state. Some of these elements include satisfaction with supervisors, coworkers, growth opportunities, task and income. Job satisfaction is an important outcome variable to study because it can also act as a predictor variable for a number of organizationally important outcomes. For example, job satisfaction can predict turnover intentions, job performance and citizenship behaviors (Fassina, Jones & Uggerslev, 2008; Griffeth, Hom & Gaertner, 2000; Iaffaldano & Muchinsky, 1985).

Due to the number of facets of job satisfaction it is often studied as satisfaction for each area of the job but also can be examined as from the overall satisfaction from their job (Locke, 1976). This study will be assessing one’s overall satisfaction from their job as it considers all aspects of their job in one succinct measure and allows for assumptions about a person’s job at large to be made. One of the clearest predictors of job satisfaction is income which has a steady positive relationship, so as income increases job satisfaction increases (Parker & Brummel, 2016).

Kifle (2012) looked at income as a relative entity rather than overall income when looking at the effects of income on job satisfaction. This means that one’s satisfaction with their income was not just based on the given value but as a function of where an individual places themselves in society and how much they think they need. Overall,
Kifle (2012) found that when looking at income as a predictor of job satisfaction one must consider how an individual views their income in comparison to their reference group. If the income of the reference group is higher than the income of the individual there will be less job satisfaction. This result is asymmetric, meaning that this effect is greater when an individual is aware of their income being lower than their reference group, when an individual’s income is higher than their reference group there is a smaller yet still significant increase in job satisfaction.

In research on job satisfaction it is important to see how both intrinsic and extrinsic attitudes contribute to overall satisfaction (Deckop, 2010). Especially, when self determination theory is applied, job satisfaction can be examined based on how one’s job works to fulfill the psychological needs of competence, autonomy and relatedness. Therefore, one will be more satisfied with their job if it provides the intrinsic satisfaction that contributes to fulfilling self determination theory’s needs.

As job satisfaction is an important and commonly used outcome variable in research on organizational behavior. It is important to understand the established relationship between job satisfaction and stress. When researchers began to look at stress and job satisfaction, job satisfaction was used as a predictor of job-related strain (Jackson & Schuler, 1985). This model predicted that lower levels of job satisfaction predicted higher levels of strain. However, as a more developed conceptualization of stress and strain developed this relationship flipped, with both psychological and physical strain predicting job satisfaction levels (Decker & Borgen, 1993). Specifically, Decker and Borgen (1993) found that three forms of job satisfaction, intrinsic, extrinsic and general,
predicted four forms of job related strain, vocational, psychological, interpersonal and physical. Further, they found that the lowered levels of job satisfaction were beyond negative affect, meaning that the stress and strain caused this relationship. Additional support for stress impacting job satisfaction was found in a nursing sample (Teo, Pick, Newton, Yeung & Chang, 2013). It was found that nursing stressors, along with additional role stressors lead to decreased job satisfaction in a longitudinal study indicating a causal path between stressors and job satisfaction, providing a basis for stressors predicting lowered job satisfaction. This study went on to show that coping strategies were able to mitigate stress levels and lead to reporting higher levels of job satisfaction (Teo et al., 2013).

When looking at job satisfaction and equity, research found that increased levels of stress due to effort reward imbalance was negatively related to job satisfaction (Calnan, Wainwright & Almond, 2000; Panatik et al., 2012). This impact on job satisfaction is explained by the experience of negative emotions and long term stress reactions when inequity is occurring (Devonish, 2018). This indicates that appraisal is important when considering job satisfaction. This lends support for the current study as the appraisal of one’s income, their equity sensitivity and their materialism are all important for predicting job satisfaction levels as both moderators impact the stress appraisal process.
CHAPTER FIVE

HYPOTHESES

Hypotheses

The purpose of this study is to assess the relationship between perceived income adequacy and job satisfaction, and understand if this relationship is mediated by financial strain. To further the understanding of this relationship, materialism and equity sensitivity will be tested as moderators of the relationships between perceived income adequacy and job satisfaction. Additionally, this study will use three different assessments of perceived income adequacy, current, near future and distant future, to assess if future perceptions have an impact on economic stress.

Perceived Income Adequacy and Financial Strain

In the current study, perceived income adequacy will serve as the cognitive appraisal of one’s financial situation thus predicting financial strain levels. This relationship will exist for all three time points of perceived income adequacy because Lazarus’ cognitive-transactional model of stress is future oriented (Perrewé & Zellars, 1999).

Hypothesis 1a: Current perceived income adequacy is negatively related to financial strain.

Hypothesis 1b: Near future perceived income adequacy is negatively related to financial strain.

Hypothesis 1c: Distant future perceived income adequacy is negatively related to financial strain.
Perceived Income Adequacy and Job Satisfaction

As research has shown a relationship between income and overall happiness, this study seeks to both support this research and expand on the ways that current, near future and distant future judgments of income adequacy influence job satisfaction (Sacks, Stevenson and Wolfers, 2012; Easterlin & Angelescue, 2009). Since job satisfaction was impacted by relative income and has been shown to be negatively affected by stress it is predicted that current, near future and distant future perceived income adequacy will have a positive relationship with job satisfaction (Jackson & Schuler, 1985; Kifle, 2013). Meaning that as an individual views their income as increasingly adequate to fulfill their wants and needs, thus lowering their perceptions of economic stress their job satisfaction will also increase.

Hypothesis 2a: Current perceived income adequacy is positively related to job satisfaction.

Hypothesis 2b: Near future perceived income adequacy is positively related to job satisfaction.

Hypothesis 2c: Distant future perceived income adequacy is positively related to job satisfaction.

Research Question 1: Which time period of perceived income adequacy has the strongest effect on job satisfaction?

Financial Strain as a Mediator

The current study uses Lazarus’ cognitive-transactional model to understand the mediated relationship between income adequacy and job satisfaction. Both current
perceived income adequacy and near/distant perceived income adequacy will be used to 
represent cognitive appraisals (Perrewé & Zellars, 1999). Previous research on perceived 
income adequacy has linked it to financial strain thus supporting the proposed mediation 
model (Cheung, 2014; Sears, 2008). Based on previous research tying stress and income 
to job satisfaction it is fair to hypothesize the mediated relationship (Jackson & Schuler, 

_Hypothesis 3a:_ Financial strain will mediate the relationship between current 
perceived income adequacy and job satisfaction.

_Hypothesis 3b:_ Financial strain will mediate the relationship between near future 
perceived income adequacy and job satisfaction.

_Hypothesis 3c:_ Financial strain will mediate the relationship between distant 
future perceived income adequacy and job satisfaction.

_Research Question 2:_ For which time period of perceived income adequacy will 
financial strain have the largest indirect effect for job satisfaction?

**Materialism as a Moderator**

Materialism has been shown to be related negatively with life satisfaction when 
comparing materialistic individuals to non-materialistic individuals (Sirgy, 2011). This 
combined with self determination theory research shows that extrinsic life goals, control 
orientations and not having all of one’s psychological needs fulfilled are related to 
decreased psychological well-being (Kasser & Ryan, 1993; Vansteenskiste et al., 2004) 
This research proposes that through self determination theory’s framework, materialism 
will moderate the predictive relationships between financial strain, perceived income
adequacy and job satisfaction. Specifically, more materialistic individuals will interpret their income as less adequate than less materialistic in the appraisal process process highlighted in Lazarus’ cognitive transactional model of stress (Lazarus & Folkman, 1984). Additionally, the focus on extrinsic goals rather than intrinsic goals which materialistic individuals are shown to have will moderate the relationship between perceived income adequacy and job satisfaction. Self determination theory will account for this moderating effect because higher levels of materialism are associated with fewer fulfilled psychological needs which will then impact the appraisal process impacting perceived income adequacy. These hypotheses can be seen in Figure 1.

Hypothesis 4a: Materialism will moderate the relationship between current perceived income adequacy and job satisfaction. The positive relationship will be weaker for those who are more materialistic.

Hypothesis 4b: Materialism will moderate the relationship between near future perceived income adequacy and job satisfaction. The positive relationship will be weaker for those who are more materialistic.

Hypothesis 4c: Materialism will moderate the relationship between distant future perceived income adequacy and job satisfaction. The positive relationship will be weaker for those who are more materialistic.

Hypothesis 4d: Materialism will moderate the relationship between current perceived income adequacy and financial strain. The positive relationship will be weaker for those who are more materialistic.
Hypothesis 4e: Materialism will moderate the relationship between near future perceived income adequacy and financial strain. The negative relationship will be stronger for those who are more materialistic.

Hypothesis 4f: Materialism will moderate the relationship between distant future perceived income adequacy and financial strain. The negative relationship will be stronger for those who are more materialistic.

Research Question 3: Does materialism have a differing moderating impact on each time period of perceived income adequacy? For which time period does materialism have the strongest moderating effect?

Equity Sensitivity as a Moderator

Equity sensitivity levels have been shown in previous research to have an impact on job satisfaction levels (Huseman, Hatfield & Miles, 1987). Therefore, this study will investigate these relationships to further understanding how equity sensitivity interacts with perceived income adequacy. Based on previous research rooted in equity theory the current study hopes to show how the varying equity profiles view their relative deprivation and specifically how that relates to their job (Diener & Diener, 1995). Equity profiles identify the preferred equity state different individuals want, thus impacting the appraisals each individual has with their income, thus impacting the relationship between perceived income adequacy and job satisfaction. Each equity profile will interpret their income in terms of if it is equitable for the amount they contributed to their job differently. Due to these different interpretations it will differently affect the appraisal process highlighted in Lazarus’ cognitive transactional model of stress (Lazarus &
Folkman, 1984). This will then moderate the expected relationships with financial strain and job satisfaction, both in the mediated and direct pathways. These hypotheses can be seen in Figure 2.

**Hypothesis 5a:** Equity sensitivity will moderate the relationship between current perceived income adequacy and job satisfaction. The positive relationship will be weaker for those with who are more entitled and stronger for those who are more benevolent.

**Hypothesis 5b:** Equity sensitivity will moderate the relationship between near future perceived income adequacy and job satisfaction. The positive relationship will be weaker for those who are more entitled and stronger for those who are more benevolent.

**Hypothesis 5c:** Equity sensitivity will moderate the relationship between distant future perceived income adequacy and job satisfaction. The positive relationship will be weaker for those who are more entitled and stronger for those who are more benevolent.

**Hypothesis 5d:** Equity sensitivity will moderate the relationship between current perceived income adequacy and financial strain. The negative relationship will be stronger for those who are more entitled and weaker for those who are more benevolent.

**Hypothesis 5e:** Equity sensitivity will moderate the relationship between near future perceived income adequacy and financial strain. The negative relationship will be stronger for those who are more entitled and weaker for those who are more benevolent.

**Hypothesis 5f:** Equity sensitivity will moderate the relationship between distant future perceived income adequacy and financial strain. The negative relationship will be stronger for those who are more entitled and weaker for those who are more benevolent.
CHAPTER SIX

METHOD

Method

This study will utilize data collected from a longitudinal study completed on Amazon’s Mechanical Turk (MTurk) that assessed participants on a variety of work, health, community and economic-related items at two time points.

Participants

A total of 1,541 participants from a variety of occupations completed the first round of data collection. Out of the Time 1 participants, 686 returned for the second wave of data collection. Using MTurk allowed for a diverse sample from a variety of career fields to best represent the overall population (Buhrmester, Kwang & Gosling, 2011). By having a population that includes a diverse sample of people across career fields allows for greater generalizability to the population, for example some of the participant’s careers include office manager, teacher, paralegal and delivery driver.

On average, participants were 33.54 years of age ($SD= 10.06$) and worked 39.59 hours per week at their primary job. The mean tenure for which participants worked at their current job was 5.66 years. Approximately, 55.5% of the participants were female (44.3% male). In terms of educational attainment, 25.5% completed high school, 19.1% an Associates Degree, 39.1% Bachelors Degree, 12.0% Master’s Degree and 2.1% Doctoral Degree.

Procedure
As a part of a larger study assessing income, workplace behaviors and health this study was administered to employed members of MTurk. Following successful completion of the first wave of data collection participants were invited back to complete the second wave of data collection. The second wave a data collection began after a three-month time lag. As an incentive for completing each wave of the data collection, each participant received a small monetary award of $4 upon successful completion of the survey.

At time one, measures assessing current perceived income adequacy and materialism were completed. At time two, measures assessing financial strain and job satisfaction were completed. Additionally, at both time points demographic questions such as age, gender, marital status and number of dependents were administered.

In addition to the demographic questions and the items for each of the measures, the participants had to successfully complete a number of attention check items for their data to be included in the final sample. If participants failed an attention check item, they then had a second chance to complete the survey before being removed entirely. Screens for duplicate IP addresses or duplicate MTurk Worker ID numbers will be done and any duplicates will be removed.

**Measures**

**Current Perceived Income Adequacy**

To measure current perceived income adequacy, a 10 item scale developed for this data collection was used. This measure assessed both individual’s basic needs and lifestyle wants to adequately cover the full construct. An example item for basic needs is
“I am able to pay my expenses without overdrawing my bank account.” An example item for lifestyle wants is “I can save for retirement at the rate I want to save.” All of these items were on a seven point Likert scale with higher scores indicating agreement, based on Sears (2008). Needs and wants will be considered together because they tend to be highly correlated. For similar scales used in previous research, Cronbach’s alpha was in the .95 range, thus showing strong reliability (Cheung, 2014). For this sample, a Cronbach’s Alpha of .92 was found indicating strong reliability. A completed measure can be seen in Appendix A.

**Near Future Perceived Income Adequacy**

Near future perceived income adequacy was assessed using a 10 item scale developed for this data collection. Similar to current perceived income adequacy, this scale assessed basic needs and lifestyle wants however participants were instructed to answer the items in regard to their beliefs about their income adequacy three months from now. An example item for basic needs is “3 months from now, I will be able to afford the basic transportation I need.” An example item for lifestyle wants is “3 months from now, I will be able to travel where I want.” These items were developed for this data collection based on Sears (2008). All of these items were on a seven point Likert scale with higher scores indicating agreement. For similar scales used in previous research, Cronbach’s alpha was in the .95 range, thus showing strong reliability (Cheung, 2014). For this sample, a Cronbach’s Alpha of .93 was found indicating strong reliability. A completed measure can be seen in Appendix B.

**Distant Future Perceived Income Adequacy**
Distant future perceived income adequacy was assessed using a 10 item scale developed for this data collection. As with current and near future perceived income adequacy, this scale assessed both basic needs and lifestyle wants but with their answers inline with their beliefs about their income adequacy three years from now. A sample item for basic needs is “3 years from now, I will be able to afford the food I need to survive” and a sample item from lifestyle wants is “3 years from now, I will be able to afford the recreation/entertainment I like.” All of these items were on a seven point Likert scale with higher scores indicating agreement. These items were developed for this data collection based on Sears (2008). For similar scales used in previous research, Cronbach’s alpha was in the .95 range, thus showing strong reliability (Cheung, 2014). For this sample, a Cronbach’s Alpha of .95 was found indicating strong reliability. A completed measure can be seen in Appendix C.

**Confirmatory Factor Analyses for Perceived Income Adequacy**

I conducted a series of confirmatory factor analyses (CFA) using EQS 6.3 (Bentler, 2016) to examine the extent to which the needs and wants factor structure established by the literature fit the perceived income adequacy measures generated for this data collection (Cheung, 2014; Sears, 2008). With all CFA models, factor variances were fixed to one while covariances and error covariances were allowed to be freely estimated. For the tests of model fit, robust estimation was used to determine goodness of fit indices given the large normalized estimate.

**Current Perceived Income Adequacy**
First, the two-factor structure was tested for current perceived income adequacy. The initial test of the model indicated acceptable fit between the proposed model and the observed model, $SB\chi^2(34) = 336.70, p < .001, CFI = .961, RMSEA = .076 [90\% CI: (.069, .084)]$. The factor loadings were then assessed to determine how well they fit on each factor. All items had satisfactory loadings as they all loaded more than .70 on their factors, meaning at least 50\% of the item variance was true score variance. The factor loadings for each item can be seen in Table 1.

The results of the Lagrange Multiplier (LM) test were then examined to determine how the model fit could be improved. To improve model fit, one error covariance suggested by the LM test was added to two items within the needs factor. This error covariance was added to the items ‘I can afford the basic transportation I need’ and ‘I can afford the food I need to survive.’ After adding the error covariance, the model fit was not meaningfully improved, $SB\chi^2(33) = 334.02, p < .001, CFI = .962, RMSEA = .077 [90\% CI: (.070, .085)]$. Therefore, the error covariance was not added to the final model.

For comparative purposes, an alternative model was tested to ensure a simpler factor structure did not fit the data as well as the two factor model. A one-factor structure combining needs and wants was assessed to show the two-factor structure best represents current perceived income adequacy. The one-factor model had poor fit with this data, $SB\chi^2(35) = 2109.80, p < .001, CFI = .735, RMSEA = .197 [90\% CI: (.190, .205)]$, showing that the one-factor structure does not explain the data more simply, as seen in Table 2.

**Near Future Perceived Income Adequacy**
First, the two-factor structure was tested for near future perceived income adequacy. The initial test of the model indicated acceptable fit between the proposed relationship and the observed relationship, $SB\chi^2 (34) = 517.41, p < .001, CFI = .945, RMSEA = .097 [90% CI: (.090, .105)]$. The factor loadings were then assessed to determine how well they fit on each factor. All items had satisfactory loadings as they all loaded more than .80 on their factors, meaning at least 50% of the item variance was true score variance. The factor loadings can be seen in Table 3.

The results of the LM test were then examined to determine how the model fit could be improved. To improve model fit, one error covariance suggested by the LM test was added to two items within the wants factor. This error covariance was added to the items ‘3 months from now, I will have extra money for unexpected expenses’ and ‘3 months from now, I will be able to afford the recreation/entertainment I like.’ After adding the error covariance, the model fit was improved, $SB\chi^2 (33) = 411.95, p < .001, CFI = .957, RMSEA = .087 [90% CI: (.080, .095)]$. The loadings were all above .80 for the model after adding the error covariance.

For comparative purposes, an alternative model was tested to ensure a simpler factor structure did not fit the data as well as the two factor model. A one-factor structure combining needs and wants was assessed to show the two-factor structure best represents current perceived income adequacy. The one-factor model had poor fit with this data, $SB\chi^2 (35) = 3635.76, p < .001, CFI = .592, RMSEA = .261 [90% CI: (.254, .268)]$, showing that the one-factor model does not more simply explain the model, as seen in Table 4.
Distant Future Perceived Income Adequacy

First, the two-factor structure was tested for distant future perceived income adequacy. The initial test of the model indicated acceptable fit between the proposed relationship and the observed relationship, $SB\chi^2 (34) = 412.32, p < .001$, CFI = .949, RMSEA = .086 [90% CI: (.079, .093)]. The factor loadings were then assessed to determine how well they fit on each factor. All items had satisfactory loadings as they all loaded more than .70 on their factors, meaning at least 50% of the item variance was true score variance. The factor loadings can be seen in Table 5.

The results of the LM test were then examined to determine how the model fit could be improved. To improve model fit, two error covariances suggested by the LM test were added to items within the wants factor. The first error covariance was added to the items ‘3 years from now, I will be able to save as much money as I want to be saving.’ The second error covariance was added to the item ‘3 years from now I will have extra money for unexpected expenses’ and ‘3 years from now, I will be able to afford the recreation/entertainment I like.’ After adding the error covariance, the model fit was slightly improved, $SB\chi^2 (32) = 290.25, p < .001$, CFI = .966, RMSEA = .073 [90% CI: (.066, .081)]. The loadings were all above .80 for the model after adding the error covariance.

For comparative purposes, an alternative model was tested to ensure a simpler factor structure did not fit the data as well as the two factor model. A one-factor structure combining needs and wants was assessed to show the two-factor structure best represents current perceived income adequacy. The one-factor model had poor fit with this data,
$SB\chi^2 (35) = 2784.45, p < .001, \text{CFI} = .633, \text{RMSEA} = .228 \left[ 90\% \text{CI}: (.221, .236) \right],$

showing that a one-factor structure model does not more simply fit the data, as seen in Table 6.

**Financial Strain**

Financial strain was measured using a 17 item agreement scale based on Sears (2008) that assessed their affective attitudes towards their financial situation. Some sample items for this scale are “I feel pressured by my financial situation” and “My financial situation makes me feel emotionally drained.” To ensure the measure’s reliability, Cronbach’s Alpha was calculated and found to be .98 indicating strong reliability. A completed measure can be seen in Appendix D.

**Materialism**

Materialism was assessed using Richins and Dawson’s (1992) materialism scale. In the previous literature, this eighteen item response scale load onto three factors: success, centrality and happiness. An example from the six items for success is “I admire people who own expensive homes, cars and clothes.” An example from the seven items for centrality is “Buying things gives me a lot of pleasure.” An example from the five items for happiness is “My life would be better if I owned certain things I do not have.” All items in the materialism scale are measured on a seven point Likert scale and will be used as one scale with all three of the dimensions based on practices established by Richins and Dawson (1992). This scale has a Cronbach’s alpha of .88 showing that it is a reliable further, this scale was validated across a number of situations (Richins & Dawson, 1992). For this sample, a Chronbach’s Alpha of .89 was found using the
shortened scale determined by the CFA. A completed measure can be seen in Appendix E.

**Confirmatory Factor Analyses for Materialism**

I conducted a series of confirmatory factor analyses (CFA) using EQS 6.3 (Bentler, 2016) to examine the extent to which the success, centrality and happiness factor structure established by the literature fit the perceived income adequacy measures generated for this data collection (Richins & Dawson, 1992). With all CFA models, factor variances were fixed to one while covariances and error covariances were allowed to be freely estimated. For the tests of model fit, robust estimation was used to determine goodness of fit indices given the large normalized estimate.

First, the three-factor structure was tested for materialism. The initial test of the model indicated poor fit between the proposed relationship and the observed relationship, $SB\chi^2 (132) = 1724.27, p < .001, \text{CFI} = .843, \text{RMSEA} = .091 \ [90\% \text{CI}: (.087, .094)]$. The factor loadings and the results of the LM test were then examined to determine how the model fit could be improved. Many of the items did not have satisfactory loadings as they loaded below .70 meaning that less than 50% of the item variance was true score variance. The LM test indicated at least six error covariances to be added to improve model fit.

Rather than testing a three-factor model with six error variances, the items were examined and based on previous literature, the decision to remove negatively worded items was made (Marsh, 1996; Marsh, 2010). Based on this shorted three-factor model model fit was improved, $SB\chi^2 (32) = 230.46, p < .001, \text{CFI} = .969, \text{RMSEA} = .064 \ [90\%$
CI: (.057, .072)]. However, after examining the factor loadings, one factor loading was still below .70 and one error covariance could be added to improve model fit. After adding the error covariance, the model fit was slightly improved, $SB\chi^2 (31) = 168.44, p < .001$, CFI = .979, RMSEA = .054 [90% CI: (.046, .063)]. The loadings were all above .70 except one loading at .62 for the model after adding the error covariance.

For comparative purposes, an alternative model was tested to ensure a simpler factor structure did not fit the data as well as the three factor model. A one-factor structure combining needs and wants was assessed to show the three-factor structure best represents current perceived income adequacy. The one-factor model had poor fit with this data, $SB\chi^2 (35) = 1251.81, p < .001$, CFI = .811, RMSEA = .152 [90% CI: (.145, .160)], showing that a three-factor structure best fits the data.

**Equity Sensitivity**

Equity sensitivity was measured using King and Miles (1994) ten item equity sensitivity scale. This is a ten item scale that assesses how benevolent or entitled individuals are in their perceptions of what they deserve, specifically as it relates to the workplace. Some sample items from this scale are “I would be more concerned about what I received from the organization” and “the hard work I do should benefit the organization.” All items are measured on an eleven point Likert scale. A Cronbach’s Alpha of .93 was found for this sample, indicating strong reliability. A completed measure can be seen in Appendix F.

**Job Satisfaction**
Job Satisfaction was measured using the Job Satisfaction Subscale of the Michigan Organizational Assessment Questionnaire (MOAQ-JSS) (Cannann, Fichman, Jenkins & Kelsh, 1983). This is a 3 item scale that asks “All in all, I am satisfied with my job. In general, I don’t like my job, and in general, I like working here.” All three items are measured on a seven-point agreement scale. The MOAQ-JSS has strong face and construct validity and a Cronbach’s Alpha of .84 in prior research (Bowling & Hammond, 2008). In the current study, a Cronbach’s Alpha of .94 was seen, indicating strong reliability. A completed measure can be seen in Appendix G.

**Data Analysis**

All statistical analyses proposed in this study were completed via SPSS. Prior to testing the hypotheses, descriptive statistics, including means and standard deviations, were calculated to ensure a normal distribution. To check assumptions of linear regressions, normality, multicollinearity and homoscedasticity were assessed prior to analyses and all data fulfilled these assumptions. Additionally, internal consistency statistics were determined to ensure the scales meet acceptable standards for reliability and to confirm the Cronbach’s Alphas previously determined by the literature. A factor analysis was performed to check the structure of all of the scales used with an existing factor structure, specifically for the perceived income adequacy scales to assure the items fall onto the needs and wants as designed.

First, to test Hypotheses 1a through 1c bivariate correlations was calculated. Linear regressions were additionally conducted with all three time periods for perceived income adequacy to determine the unique effect of each time period on financial strain.
Similarly, linear regressions were performed to test Hypotheses 2a through 2c, along with answering Research Question 1.

To test the mediation and mediated moderation models in Hypotheses 3 to 5, Hayes’ PROCESS macro for SPSS was utilized. For the mediation results the indirect and direct effects were examined based on bootstrapping results provided by the PROCESS output. For the moderated mediation conditional direct effects and simple slopes would have been assessed for high, moderate and low levels of materialism and equity sensitivity, if the moderations were significant.

To address the Research Question 2 regarding the different time points of perceived income adequacy, Hayes PROCESS macro for SPSS was once again used. The same analyses were completed from answering Hypotheses 3, but once the effect sizes are determined they will be compared across time points to understand if current, near future or distant future assessments of perceived income adequacy were most effected by the indirect effect of financial strain on job satisfaction. For Research Question 3, the same analyses were used as with Hypotheses 5 to assess the impact of materialism. However, to answer the research question the effect sizes for each time point were considered to determine which time point is most impacted by materialism.
CHAPTER SEVEN

RESULTS

Descriptive Statistics and Bivariate Correlations

Means, standard deviations, bivariate correlations and Chronbach’s Alphas for all variables used in the analyses were assessed and presented in Table 9. Participants, on average, reported above average levels of current, near future and distant future perceived income adequacy. Distant future perceived income adequacy displayed the highest mean ($M = 5.39$, $SD = 1.16$), followed by near future perceived income adequacy ($M = 4.68$, $SD = 1.25$), and current perceived income adequacy ($M = 4.53$, $SD = 1.27$). Participants reported moderate levels of financial strain ($M = 3.86$, $SD = 1.64$) and materialism ($M = 3.83$, $SD = 1.18$). However, participants reported high levels of job satisfaction ($M = 6.33$, $SD = 1.64$) and low levels of equity sensitivity ($M = 3.40$, $SD = 1.64$), indicating that the sample tended to be more benevolent than entitled, on average.

Current, near future and distant future perceived income adequacy were all negatively related to financial strain, ($r = -.65$, $p < .01$; $r = -.60$, $p < .01$; $r = -.40$, $p < .01$) providing support for Hypotheses 1a, 1b and 1c. In addition, all three time points of perceived income adequacy were all positively related to job satisfaction, ($r = .21$, $p < .01$; $r = .21$, $p < .01$; $r = .15$, $p < .01$) providing support for Hypotheses 2a, 2b and 2c.

The relative contributions of the four perceived income adequacy dimensions to job satisfaction were tested to answer Research Question 1. I conducted a linear regression by inserting all three variables in one model predicting job satisfaction. The three time points of perceived income adequacy explained 21.9% of the variance in job
satisfaction. Current perceived income adequacy had the largest relationship with job satisfaction and was the only significant relationship in the model (B = .28, p < .01). Neither near future perceived income adequacy (B = .15, p = .11) or distant future perceived income adequacy (B = .02, p = .801) were significant predictors of job satisfaction when also considering current perceived income adequacy.

Mediations

To examine Hypotheses 3a, 3b and 3c, which predicted the mediating effect of financial strain on the relationship between current, near future and distant future perceived income adequacy and job satisfaction, I conducted mediational analyses using a bootstrap estimation approach with 5,000 samples using the PROCESS macro as described by Hayes (2012). To assess if financial strain mediated the relationship between each time point of perceived income adequacy and job satisfaction three mediation pathways were examined with the results presented in Table 10.

Mediation results showed support for the partially mediated relationship between current, near future and distant future perceived income adequacy and job satisfaction as the direct and indirect pathways were both significant, thus providing support for Hypotheses 3a, 3b and 3c.

First, examining Hypothesis 3a, the results indicated that current perceived income adequacy was a significant predictor of financial strain (B = -.87, p < .01), and that financial strain was a significant predictor of job satisfaction (B = -.14, p < .01). In addition, current perceived income adequacy was a significant predictor of job satisfaction (B = .15, p < .05). These results provide support for a mediated relationship.
Bootstrap estimations indicated that the relationship between current perceived income adequacy and job satisfaction was mediated by financial strain as indicated by the confidence interval not including zero (95% CI [.03, .28]).

Next, examining Hypothesis 3b, the results indicated that near future perceived income adequacy was a significant predictor of financial strain (B = -.79, p < .01), and that financial strain was a significant predictor of job satisfaction (B = -.14, p < .01). In addition, near future perceived income adequacy was a significant predictor of job satisfaction (B = .17, p < .01). These results provide support for a mediated relationship. Bootstrap estimations indicated that the relationship between near future perceived income adequacy and job satisfaction was mediated by financial strain as indicated by the confidence interval not including zero (95% CI [.04, .18]).

Last, examining Hypothesis 3c, the results indicated that distant future perceived income adequacy was a significant predictor of financial strain (B = -.58, p < .01), and that financial strain was a significant predictor of job satisfaction (B = -.18, p < .01). In addition, distant future perceived income adequacy was a significant predictor of job satisfaction (B = .11, p < .05). These results provide support for a mediated relationship. Bootstrap estimations indicated that the relationship between distant future perceived income adequacy and job satisfaction was mediated by financial strain as indicated by the confidence interval not including zero (95% CI [.06, .16]).

To answer Research Question 2, I examined the indirect effects displayed in Table 10 to determine for which time point of perceived income adequacy financial strain had the strongest indirect effect. Based on these results, for the current time point,
financial strain had the largest indirect effect. The indirect effects (standard errors) of these relationships were .12(.04) for current perceived income adequacy, .11(.03) for near future perceived income adequacy and .11(.03) for distant future perceived income adequacy. However, the confidence intervals of these three indirect effects overlap indicate there is not a statistical difference between these effect sizes, which means there is no difference in effect between each mediating relationship.

**Multiple Regression Analyses of Interactions between Materialism and Perceived Income Adequacy**

To determine whether materialism moderates the relationships between perceived income adequacy and both financial strain and job satisfaction, I performed moderated multiple regressions for the interaction between materialism and each time point of materialism. The results of these regressions can be seen in Table 11.

First, to test Hypotheses 4a and 4d, mean-centered current perceived income adequacy and materialism were entered into the models. In this first step, both current perceived income adequacy and materialism predicted financial strain but only current perceived income adequacy predicted job satisfaction. Each of these relationships were in the expected direction. After controlling for the main effects, there was not a significant interaction between current perceived income adequacy and materialism predicting either financial strain (B = .02, p = .60) or job satisfaction (B = -.04, p = .23), thus not supporting Hypotheses 4a and 4d.

Next, to test Hypotheses 4b and 4e, mean-centered near future perceived income adequacy and materialism were entered into the models. In this first step, both near future
perceived income adequacy and materialism predicted financial strain but only near future perceived income adequacy predicted job satisfaction. Each of these relationships were in the expected direction. After controlling for the main effects, there was not a significant interaction between near future perceived income adequacy and materialism predicting either financial strain ($B = .02, p = .46$) or job satisfaction ($B = -.06, p = .08$), thus not supporting Hypotheses 4b and 4e.

Last, to test Hypotheses 4d and 4f, mean-centered distant future perceived income adequacy and materialism were entered into the models. In this first step, both distant future perceived income adequacy and materialism predicted financial strain but only distant future perceived income adequacy predicted job satisfaction. Each of these relationships were in the expected direction. After controlling for the main effects, there was not a significant interaction between distant future perceived income adequacy and materialism predicting either financial strain ($B = .00 p = .92$) or job satisfaction ($B = -.05, p = .20$), thus not supporting Hypotheses 4b and 4e.

Regarding Research Question 3, as none of the interactions between perceived income adequacy and materialism predicting job satisfaction were significant it is not possible to determine if there is a differing moderating impact of materialism for each time point.

**Multiple Regression Analyses of Interactions between Equity Sensitivity and Perceived Income Adequacy**

To determine if equity sensitivity moderates the relationships between perceived income adequacy and both financial strain and job satisfaction, I performed moderated
multiple regressions for the interaction between equity sensitivity and each time point of materialism. The results of these regressions can be seen in Table 12.

First, to test Hypotheses 5a and 5d, mean-centered current perceived income adequacy and equity sensitivity were entered into the models. In this first step, only current perceived income adequacy predicted financial strain but both equity sensitivity and current perceived income adequacy predicted job satisfaction. Each of these relationships were in the expected direction. After controlling for the main effects, there was not a significant interaction between current perceived income adequacy and equity sensitivity predicting either financial strain (\(B = -.02, p = .42\)) or job satisfaction (\(B = -.03, p = .19\)), thus not supporting Hypotheses 5a and 5d.

Next, to test Hypotheses 5b and 5e, mean-centered near future perceived income adequacy and equity sensitivity were entered into the models. In this first step, only near future perceived income adequacy predicted financial strain but both equity sensitivity and distant future perceived income adequacy predicted job satisfaction. Each of these relationships were in the expected direction. After controlling for the main effects, there was not a significant interaction between near future perceived income adequacy and equity sensitivity predicting either financial strain (\(B = .00, p = .94\)) or job satisfaction (\(B = -.04, p = .16\)), thus not supporting Hypotheses 5b and 5e.

Last, to test Hypotheses 5d and 5f, mean-centered distant future perceived income adequacy and materialism were entered into the models. In this first step, only distant future perceived income adequacy predicted financial strain but both equity sensitivity and distant future perceived income adequacy predicted job satisfaction. Each of these
relationships were in the expected direction. After controlling for the main effects, there was not a significant interaction between distant future perceived income adequacy and materialism predicting either financial strain (B = .00, p = .91) or job satisfaction (B = - .01, p = .64), thus not supporting Hypotheses 5d and 5f.
CHAPTER EIGHT

DISCUSSION

Leana and Meuris’ (2015) called for research relating income to work outcomes further contributing to the field’s literature, which study sought to answer. The purpose of the proposed study was twofold; it both investigated the effects of perceived income adequacy at three time points and examined whether materialism and equity sensitivity changed the relationships between income adequacy and financial strain on job satisfaction. Additionally, this study furthers the way perceived income adequacy and other subjective measures of economic stress are understood and the impact of subjective economic stress on both financial strain and organizational-related outcomes.

This study is unique in that it looks at how individual differences interact with individuals’ thoughts and beliefs while they are in the workplace, specifically for the economic domain. Studies have been conducted linking materialism to consumer patterns and linking materialism to life satisfaction focusing on non-workplace settings. There is a lack of research done specifically on materialism in the workplace; this study works to address that gap in the literature by providing valuable knowledge on how materialism levels impact economic stress and individual perceptions of their job satisfaction.

Regarding equity sensitivity, most of the research using this construct as a moderator is focusing around justice perceptions and workplace behaviors rather than looking at the impact of equity sensitivity on job satisfaction. This study furthers the understanding of how equity sensitivity impacts individuals in a broader sense at work. Additionally, the research is lacking on equity sensitivity and economic stress, this study
addresses a gap that currently exists in the literature. This gap is important to fill because it expands the idea that equity sensitivity is confined to the justice domain, and that it contributes to a wide range of concerns for individuals. Further, increasing knowledge of what contributes to feelings of economic stress and financial strain is important when applying this field to organizational-related outcomes, such as job satisfaction because it leads to a deeper understanding of what individual differences can impact individuals while at work.

Economic stress literature has shown the negative impacts that this form of stress can have both on individuals’ wellbeing but also for organizational-related outcomes. However, there has not been an adequate amount of research done on how economic stressors affect outcomes, specifically via mediating mechanisms (Sinclair, Sears, Probst & Zajack, 2010). This study utilized financial strain as a mediator for perceived income adequacy, a subjective economic stress measure thus furthering knowledge on how the organizational outcomes result from economic stress. By answering this call for research, this study provides important information about how economic stress specifically impacts individuals at work.

**Summary of Findings**

The first set of hypotheses examined whether perceived income adequacy, a subjective measure of economic stress was negatively related to financial strain. Analyses supported these hypotheses showing a negative relationship between current, near future and distant future perceived income adequacy and financial strain. This shows that the relationships modeled in Lazarus’ cognitive-transactional model of stress exist for
economic stress (Perrewé & Zellars, 1999). Further, this relationship exists on multiple
time points showing that perceptions of future economic stress, both at the near future (3-
months) and the distant future (3-years) are related to feelings of financial strain. The
current study found that these relationships varied in strength, with the strongest
relationship between current perceived income adequacy and the weakest for distant
future perceived income adequacy showing that ones’ perceptions of their income as it
relates to their current situation is the most important for financial strain, which supports
results found in Cheung (2014). However, since near future and distant future perceived
income adequacy were both significantly correlated with financial strain it supports
Litwin and Sapir (2009) showing that future perceptions are important when considering
current situations. Thus showing, that current and future perceptions impact the stress
appraisal process.

With the second set of hypotheses, this study shows that perceived income
adequacy is positively related to job satisfaction. This result was found at all three time
periods of perceived income adequacy so that as individuals had higher levels of
perceived income adequacy their levels of job satisfaction also increased. This finding
supports research shows both relative income and stress levels impact job satisfaction
(Jackson & Sculer, 1985; Kifle, 2013). This furthers the understanding of how income
can impact individuals’ attitudes, affect and behaviors and it relates specifically to the
workplace. Rather than looking at pay for performance or relative income, this study used
a subjective measure of economic stress which allows for individual perceptions of
income to impact job satisfaction. Answering, the first research question current
perceived income adequacy had the largest relationship with job satisfaction. This result supports Cheung (2014) finding that current perceived income adequacy had the strongest impact on organizationally related outcomes, however by showing that near future income adequacy was stronger than distant future income adequacy this shows that the closer ones’ appraisal of their income adequacy is to the present the stronger the predictive ability.

Next, the current studied hypothesized that financial strain would have a mediating effect on the relationship between perceived income adequacy and job satisfaction. The results of this study supported this third set of hypotheses, in that financial strain mediated the relationship for current, near future and distant future perceived income adequacy and job satisfaction. This finding indicates that individuals’ perceptions about their income represents the appraisal process featured in Lazarus’ cognitive-transactional model of stress (Lazarus & Folkman, 1984; 1987). In this finding, the affective response of financial stress is reliant on perceived income adequacy to be salient enough to lower feelings of job satisfaction. However, this relationship was not fully mediated, showing that perceived income adequacy does have a direct impact on job satisfaction, as well as the mediated pathways.

The fourth set of hypotheses in this study concerned the moderating impact of materialism on the relationships between perceived income adequacy and both financial strain and job satisfaction. Materialism was found to not be a significant moderator of the relationships of any of the three time points of perceived income adequacy with either financial strain or job satisfaction. While all sets of hypotheses in this section were non
significant, materialism did have a main effect of predicting financial strain. While it is not the interaction this study hypothesized, perhaps materialism is more tied to self-determination theory and life goals as it relates to financial strain than it is tied to the stress appraisal process (Kasser & Ryan, 1993; Lazarus & Folkman, 1984; Vansteenskiste et al., 2004). Future research would need to be performed to assess this prediction.

The fifth and final set of hypotheses used equity sensitivity as a moderator between perceived income adequacy and both financial strain and job satisfaction. Equity sensitivity was found to have a non-significant interaction with any of the three time points of perceived income adequacy as it predictors of either financial strain or job satisfaction. As these relationships were not significant conclusions can not be drawn regarding how varying levels of entitledness and benevolence impact the stress appraisal process. While this study did not find any evidence of equity sensitivity as a moderator of the relationships between perceived income adequacy and financial strain or job satisfaction, there was a significant main effect of equity sensitivity when looking at job satisfaction. This finding shows that equity sensitivity is more tied to organizational outcomes rather than economic outcomes. In addition, this furthers the literature on equity, showing that it is a relevant construct to study outside of the justice domain where it typically has been studied in the past (Pritchard et al., 1972).

Implications of Findings

While this study did not find significant results for all hypotheses, there are a number of important theoretical and practical implications that have resulted from this
study. These implications are important to consider as they will provide recommendations for future research on economic stress and make recommendations for how organizations can utilize this study to create meaningful programs that will help increase their employees’ positive perceptions of their jobs.

*Theoretical Implications.* The present study sought to address gaps in the economic stress literature and answer calls for research on how income impacts workplace behaviors and cognitions. First, as the economic stress literature is still fairly small and often deals with objective measures of economic stress this study provides valuable information for this field (Sinclair & Cheung, 2016). Specifically, by showing that subjective measures of economic stress are related to financial strain and job satisfaction it further establishes that this method of assessing stress have important uses when understanding how individuals react to economic concerns. Whelan (1992) established that subjective measures can predict stress better than objective income alone, this study goes beyond that by showing that subjective measures of economic stress are directly related to financial strain and the negative affective outcomes that come along with strain.

Going beyond just showing that subjective measures of economic stress are relevant at the current time point, this study shows that future perceptions of income can be important as well when considering levels of financial strain and job satisfaction. Cheung (2014) found that both current and future perceived income adequacy had an impact on turnover intentions, providing a basis for using multiple time points of perceived income adequacy in organizational research. Based on that foundation, this
study found that current, near future and distant future perceived income adequacy were influential as it related to job satisfaction, both in the mediated and direct pathways. In line with Cheung (2014) current perceptions were stronger, but this study shows that near future income adequacy evaluations are stronger than distant future perceptions. This shows that as an evaluation is closer to the present the more impact it has on individuals’ perceptions about their job.

This contribution answers Sinclair and Cheung’s (2016) call for incorporating perceptions of subjective economic stress across time. Thus providing information on how people assess their future wants and needs and how those perceptions influence their current perceptions of financial strain. This study shows that as individuals consider their distant future (3-years) income adequacy the relationships directly with both financial strain and job satisfaction were weaker than for current and near future perceived income adequacy, but the mediated relationship shows a stronger negative pathway from financial strain to job satisfaction. Therefore, distant future perceptions lead to more negative perceptions of job satisfaction at the current time when also considering financial strain.

In addition to answering Sinclair and Cheung’s (2016) call for research, this study also answered Leana and Meuris’ (2015) call for research on income and the workplace. In this call, they recommended that research relating to income to focus on how income predicts behavior and perceptions in the workplace, predictive research on income inequality and prescriptive research that informs management practice (Leana & Meuris, 2015).
First, this study shows that subjective measures of income can be used to predict perceptions and attitudes of individuals’ jobs by showing the relationship between perceived income adequacy and job satisfaction. Leana & Meuris (2015) found that previous research dealing with income showed that income affects both personal and professional lives, but this study furthers understanding of perceptions of income both directly and indirectly impact perceptions of organizationally important outcomes. By demonstrating that this relationship occurs by both direct and indirect pathways this study shows that subjective economic stress has an impact on job satisfaction. Specifically, it was found that the more adequate individuals perceived their income the more positively they view their job. This relationship was seen in the inverse in the indirect pathways showing that the more inadequate an individuals income is, the more financial stress they feel and thus are less satisfied with their job.

Next, regarding descriptive and predictive research on income inequality the current study utilized a longitudinal design with time 2 mediators and outcome variables to be able to show predictive relationships. Additionally, the use of both subjective measures of economic stress and moderators that were hypothesized to impact the stress appraisal process information on the effects of perceptions of inequality could be assessed. This study found that materialism and equity sensitivity were not significant moderators and thus did not impact the stress appraisal process. However, it was found that differing perceptions of economic stress impacted feelings of financial strain and job satisfaction showing how inequality may impact individuals.
Last, the longitudinal design utilized in this study allows for stronger casual relationships to be understood than cross sectional designs. With the knowledge that economic stress levels can predict financial strain and job satisfaction organizations can design programs and interventions to address these issues. In addition, this knowledge on the impact of economic stress can guide future research to understand what other organizational constructs, such as organizational commitment, may be impacted by economic concerns.

**Practical Implications.** As mentioned above, the prescriptive design of the current study allows for understanding of the causal relationships between perceived income adequacy, financial strain and job satisfaction. This allows for organizations to design programs and interventions that can help their employees maintain high levels of satisfaction with their jobs by addressing economic stressors. For instance, when looking at the break down of basic needs and lifestyle wants, there are programs organizations can design to help fulfill needs and wants when an individuals’ income cannot fulfill them. One example that could fulfill both a need and a want is if an organizations provided lunch or snack programs for employees this could help employees who cannot meet needs relating to food. While, organizations cannot always increase income for employees there are supplemental ways to increase the income/benefit package an employee receives such as with cost of living adjustments or programs that match retirement savings.

Other than just for organizations, this provides evidence to show that individuals are impacted by their perceptions of their income, thus when an individual feels
dissatisfied with their job this study recommends looking at their income to explain these feelings. Rather than assuming feelings of dissatisfaction result only features of their job design, recognizing economic stress and financial strain contribute to job satisfaction allows individuals to have some control over job satisfaction when they do not have control over the features of their jobs. For instance, individuals can work find ways to meet their needs and wants in other ways that are not directly tied to their income. For instance, as transportation is a need individual could use other more cost effective ways of transportation thus increasing feelings of perceived income adequacy which would in turn increase feelings of job satisfaction.

**Limitations and Future Directions**

There are several limitations in the current study that highlight areas to consider for future research. This study did not show any significant moderation effect for either of the two proposed moderators, materialism and equity sensitivity. One possible explanation of this result and a limitation of this study are the measures chosen for this data collection. First, equity sensitivity as defined by the literature focuses on the comparison between the individual and their comparison other (Huseman, Hatfiled & Miles, 1987; Smith, Pettigrew, Pippin & Bialosiewicz, 2012). The items in the equity sensitivity measure do not, however, include any reference to a comparison other. While the King and Miles (1994) measure of equity sensitivity is commonly used in the equity domain, perhaps considering an alternative measure of equity sensitivity would show a stronger impact on the stress appraisal process and thus impact the relationships between economic stress, financial strain and job satisfaction.
A second limitation of this study is the relatively high average score on the job satisfaction measure. In this study, the job satisfaction mean was 6.33 out of a 7-point response scale. While there was a standard deviation of 1.64 thus showing that there was most likely not range restriction in the sample the high average score may limit ability to detect the full impact of the predictor variables. If on average, participants are scoring in upper ends the scale perhaps there are not enough participants scoring in the lower ends of the scale to be able to detect the mediated or moderated impact of perceived income adequacy and financial strain on job satisfaction.

A third limitation of this study is that all of the measures were assessed using self-report techniques. While self-report is often the best option for psychological research, it does raise important concerns as well. First, self-report measures often fall victim to issues of faking and social desirability thus making the measures less accurate (Del Boca & Nol, 2000). Second, common method variance could occur due to all measures being self-report thus causing potential inflation (Podsakoff, MacKenzie, Lee, & Podsakoff, 2003). However, common method variance has been argued to be less of an issue than originally believed and participants were told all responses were anonymous thus potentially minimizing social desirability issues (Spector, 2006).

Based on these limitations and the results of this study, there are a number of future directions for research to continue to explore the findings of this study and correct for the limitations mentioned above. First, future research should continue to explore the impact of perceived income adequacy and other measures of economic stress on organizational outcomes. As the current study and previous research has indicated,
economic stress can predict and lead to a number of organizational outcomes, such as job satisfaction, turnover intentions and performance (Cheung, 2014; Sears, 2008). For instance, future researchers should assess the impact of perceived income adequacy on organizational commitment. Additionally, while equity sensitivity was not a moderator of the relationship between perceived income adequacy and job satisfaction, but perhaps this relationship would be significant if considering a justice related outcome.

While the individual differences used in this study were not significant moderators, this does not mean there are no individual differences that impact the relationships seen in this study. For instance, perceptions of the meaning of money may impact these relationships where materialism did not because the meaning of money considers how money impacts individuals rather than just their spending habits. Additionally, temporal orientation may be an important moderator for future-oriented perceived income adequacy measures as it may impact how individuals evaluate their income in the future. While not an individual difference, perhaps occupation may interact with perceived income adequacy in a way that individuals with traditionally stable professions may feel less economic stress but individuals in unstable or gig based professions may feel more economic stress, specifically in the future-oriented domains.

One final future direction for research is to explore additional distal outcomes for the relationships in question. As discussed earlier in this study, job satisfaction can act as a predictor in organizational research as well as an outcome. So, adding in a distal outcome variable such as organizational citizenship behaviors may provide a fuller picture of how economic stress impacts individuals perceptions and actions at work.
Conclusion

In conclusion, this study highlights the importance of studying economic stress as it impacts organizational outcomes. This study answers a number of calls for research on economic issues and the workplace, thus providing valuable knowledge to add to the literature on economic stress. Additionally, this study supports the use of Lazarus’ cognitive transactional model of stress for economic research, showing the stress appraisal process occurs with subjective economic stressors before financial strain occurs. It has been well documented that money is a top stressor for Americans, yet industrial-organizational psychology research has lacked in this area. With this study, conclusions can be drawn on the impact of perceived income adequacy and financial strain as it impacts job satisfaction, an important organizational outcome.
References


Cheung, J. (2014). *Do I have enough money? An examination of the roles of income and income perceptions on nursing turnover intentions.* Unpublished Master’s Thesis. Department of Psychology, Clemson University, Clemson, SC.


APPENDICES
APPENDIX A

MEASURE OF CURRENT PERCEIVED INCOME ADEQUACY

We will ask you some questions about your attitudes toward your CURRENT income and financial situation. Please rate your agreement with the following questions for yourself and your household/family (i.e. spouses, dependent children, and/or relatives).

1= Strongly Disagree
2= Disagree
3= Slightly Disagree
4= Neither Agree nor Disagree
5= Slightly Agree
6= Agree
7= Strongly Agree

1. My current income allows me to have the lifestyle I want.
2. I am currently able to meet my financial goals.
3. I can afford to eat at the kind of restaurant I like.
4. I can save for retirement at the rate I want to save.
5. I can afford the type of housing I want.
6. I can afford the basic transportation I need.
7. I can pay my bills on time.
8. I can afford the food I need to survive.
9. I am able to pay my expenses without overdrawning my bank account.
10. I can afford to pay my utilities (heat, water, gas, etc).
APPENDIX B

MEASURE OF NEAR FUTURE PERCEIVED INCOME ADEQUACY

Now, think about 3 months from now, and please rate the likelihood that the following statements will be true. Please answer the following questions for yourself and your household/family (i.e. spouses, dependent children, and/or relatives). 3 months from now...

1= Strongly Disagree
2= Disagree
3= Slightly Disagree
4= Neither Agree nor Disagree
5= Slightly Agree
6= Agree
7= Strongly Agree

1. 3 months from now, My future income will allow me to have the lifestyle I want.
2. 3 months from now, I will be able to save as much money as I want to be saving.
3. 3 months from now, I will be able to travel where I want.
4. 3 months from now, I will have extra money for unexpected expenses.
5. 3 months from now, I will be able to afford the recreation/entertainment I like.
6. 3 months from now, I will be able to afford my utilities (heat, water, gas, etc).
7. 3 months from now, I will be able to pay my expenses without overdrawning my bank account.
8. 3 months from now, I will be able to afford the basic transportation I need.
9. 3 months from now, I will be able to afford the food I need to survive.
10. 3 months from now, I will be able to pay for the clothes I will need.
APPENDIX C

MEASURE OF DISTANT FUTURE PERCEIVED INCOME ADEQUACY

Now, think about 3 years from now, and please rate the likelihood that the following statements will be true. Please answer the following questions for yourself and your household/family (i.e. spouses, dependent children, and/or relatives). 3 months from now…

1= Strongly Disagree
2= Disagree
3= Slightly Disagree
4= Neither Agree nor Disagree
5= Slightly Agree
6= Agree
7= Strongly Agree

1. 3 years from now, My future income will allow me to have the lifestyle I want.
2. 3 years from now, I will be able to save as much money as I want to be saving.
3. 3 years from now, I will be able to travel where I want.
4. 3 years from now, I will have extra money for unexpected expenses.
5. 3 year from now, I will be able to afford the recreation/entertainment I like.
6. 3 year from now, I will be able to afford my utilities (heat, water, gas, etc).
7. 3 years from now, I will be able to pay my expenses without overdrawing my bank account.
8. 3 years from now, I will be able to afford the basic transportation I need.
9. 3 years from now, I will be able to afford the food I need to survive.
10. 3 year from now, I will be able to pay for the clothes I will need.
APPENDIX D

MEASURE OF FINANCIAL STRAIN

The following statements refer to your financial strain. Please indicate your level of agreement or disagreement with each of the following statements.

1= Strongly Disagree
2= Disagree
3= Slightly Disagree
4= Neither Agree nor Disagree
5= Slightly Agree
6= Agree
7= Strongly Agree

1. My financial situation is demanding.
2. I feel pressured by my financial situation.
3. My financial situation is hectic.
4. I feel calm about my financial situation.*
5. I am relaxed regarding my financial situation.*
6. I feel pushed by my financial situation.
7. My financial situation is irritating.
8. I have my financial situation under control.*
9. My financial situation is nerve-wracking.
10. I feel hassled by my financial situation.
11. I am comfortable with my financial situation.*
12. My financial situation is more stressful than I'd like.
13. My financial situation is overwhelming.
14. My financial situation makes me nervous/ anxious.
15. My financial situation makes me feel emotionally drained.
16. My financial situation makes me feel unhappy.
17. My financial situation makes me feel depressed.
APPENDIX E

MEASURE OF MATERIALISM

The following statements refer to your values. Please indicate your level of agreement or disagreement with each of the following statements.

1= Strongly Disagree
2= Disagree
3= Slightly Disagree
4= Neither Agree nor Disagree
5= Slightly Agree
6= Agree
7= Strongly Agree

I admire people who own expensive homes, cars, and clothes.
2. Some of the most important achievements in life include acquiring material possessions.
3. I don't place much emphasis on the amount of material objects people own as a sign of success.*
4. The things I own say a lot about how well I'm doing in life.
5. I like to own things that impress people.
6. I don't pay much attention to the material objects other people own.*
7. I usually buy only the things I need.*
8. I try to keep my life simple, as far as possessions are concerned.*
9. The things I own aren't all that important to me.*
10. I enjoy spending money on things that aren't practical.
11. Buying things gives me a lot of pleasure.
12. I like a lot of luxury in my life
13. I put less emphasis on material things than most people I know. *
14. I have all the things I really need to enjoy life.*
15. My life would be better if I owned certain things I don't have.
16. I wouldn't be any happier if I owned nice things.*
17. I'd be happier if I could afford to buy more things.
18. It sometimes bothers me quite a bit that I can't afford to buy all the things I'd like.

Note. Reverse scored items (indicated by an asterisk) were removed from the scale based on Confirmatory Factor Analysis.
MEASURE OF EQUITY SENSITIVITY

The questions below ask what you'd like for your relationship to be with any organization for which you might work. On each question, divide 10 points between the two choices (choice A and choice B) by giving the most points to the choice that is most like you and the fewest points to the choice that is least like you. You can, if you'd like, give the same number of points to both choices (for example, 5 points to choice A and 5 points to choice B). And you can use zeros if you'd like. Just be sure to allocate all 10 points per question between each pair of possible responses.

1. It would be more important for me to:
   A. Get from the organization
   B. Give to the organization*
2. It would be more important for me to:
   A. Help others*
   B. Watch out for my own good
3. I would be more concerned about:
   A. What I received from the organization
   B. What I contributed to the organization*
4. The hard work I would do should:
   A. Benefit the organization*
   B. Benefit me
5. My personal philosophy in dealing with the organization would be:
   A. If I don't look out for myself, nobody else will
   B. It's better for me to give than to receive*
APPENDIX G

MEASURE OF JOB SATISFACTION

The following statements refer to your job satisfaction. Thinking about your primary job, please indicate your level of agreement or disagreement with each of the following statements.

1= Strongly Disagree
2= Disagree
3= Slightly Disagree
4= Neither Agree nor Disagree
5= Slightly Agree
6= Agree
7= Strongly Agree

1. All in all, I am satisfied with my job.
2. In general, I like working at this company.
3. In general, I don't like my job. *
Table 1. Factor Loadings of Current PIA Items in Two-factor Structure.

<table>
<thead>
<tr>
<th>Factor 1: Current Needs</th>
<th>Loadings</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. I can afford the basic transportation I need.</td>
<td>.71</td>
</tr>
<tr>
<td>2. I can pay my bills on time.</td>
<td>.86</td>
</tr>
<tr>
<td>3. I can afford the food I need to survive.</td>
<td>.79</td>
</tr>
<tr>
<td>4. I am able to pay my expenses without overdrawing my bank account.</td>
<td>.84</td>
</tr>
<tr>
<td>5. I can afford to pay my utilities (heat, water, gas, etc.).</td>
<td>.87</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Factor 2: Current Wants</th>
<th>Loadings</th>
</tr>
</thead>
<tbody>
<tr>
<td>6. My current income allows me to have the lifestyle I want.</td>
<td>.91</td>
</tr>
<tr>
<td>7. I am currently able to meet my financial goals.</td>
<td>.85</td>
</tr>
<tr>
<td>8. I can afford to eat at the kind of restaurant I like.</td>
<td>.81</td>
</tr>
<tr>
<td>9. I can save for retirement at the rate I want to save.</td>
<td>.83</td>
</tr>
<tr>
<td>10. I can afford the type of housing I want.</td>
<td>.72</td>
</tr>
</tbody>
</table>
Table 2. Summary of Confirmatory Factor Analysis Fit Indices for 1-, and 2-factor Models of Current PIA.

<table>
<thead>
<tr>
<th></th>
<th>SBχ²</th>
<th>df</th>
<th>CFI</th>
<th>RMSEA</th>
<th>90% CI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model 1: 1 factor</td>
<td>2109.80**</td>
<td>35</td>
<td>.735</td>
<td>.197</td>
<td>(.180 - .205)</td>
</tr>
<tr>
<td>Model 2: 2 factors (needs and wants)</td>
<td>334.02**</td>
<td>33</td>
<td>.962</td>
<td>.077</td>
<td>(.070 - .085)</td>
</tr>
</tbody>
</table>

Note. SBχ² = Satorra-Bentler Scaled Chi-Square. CFI = Comparative Fit Index. RMSEA = Root Mean-Square Error of Approximation.
Table 3. Factor Loadings of Near Future PIA Items in Two-factor Structure.

<table>
<thead>
<tr>
<th>Factor 1: Near Future Needs</th>
<th>Loadings</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. 3 months from now, I will be able to afford my utilities (heat, water, gas, etc.).</td>
<td>.89</td>
</tr>
<tr>
<td>2. 3 months from now, I will be able to pay my expenses without overdrawning my bank account.</td>
<td>.86</td>
</tr>
<tr>
<td>3. 3 months from now, I will be able to afford the basic transportation I need.</td>
<td>.88</td>
</tr>
<tr>
<td>4. 3 months from now, I will be able to afford the food I need to survive.</td>
<td>.87</td>
</tr>
<tr>
<td>5. 3 months from now, I will be able to pay for the clothes I will need</td>
<td>.86</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Factor 2: Near Future Wants</th>
<th>Loadings</th>
</tr>
</thead>
<tbody>
<tr>
<td>6. 3 months from now, My future income will allow me to have the lifestyle I want.</td>
<td>.89</td>
</tr>
<tr>
<td>7. 3 months from now, I will be able to save as much money as I want to be saving.</td>
<td>.92</td>
</tr>
<tr>
<td>8. 3 months from now, I will be able to travel where I want.</td>
<td>.89</td>
</tr>
<tr>
<td>9. 3 months from now, I will have extra money for unexpected expenses.</td>
<td>.85</td>
</tr>
<tr>
<td>10. 3 months from now, I will be able to afford the recreation/entertainment I like.</td>
<td>.84</td>
</tr>
</tbody>
</table>
Table 4. Summary of Confirmatory Factor Analysis Fit Indices for 1- and 2-factor Models of Near Future PIA.

<table>
<thead>
<tr>
<th>Model</th>
<th>SBχ²</th>
<th>df</th>
<th>CFI</th>
<th>RMSEA</th>
<th>90% CI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model 1: 1 factor</td>
<td>3635.76**</td>
<td>35</td>
<td>.592</td>
<td>.261</td>
<td>(.254 - .268)</td>
</tr>
<tr>
<td>Model 2: 2 factors (needs and wants)</td>
<td>411.95**</td>
<td>33</td>
<td>.957</td>
<td>.087</td>
<td>(.080 - .095)</td>
</tr>
</tbody>
</table>

Note. SBχ² = Satorra-Bentler Scaled Chi-Square. CFI = Comparative Fit Index. RMSEA = Root Mean-Square Error of Approximation.
Table 5. Factor Loadings of Distant Future PIA Items in Two-factor Structure.

<table>
<thead>
<tr>
<th>Factor 1: Distant Future Needs</th>
<th>Loadings</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. 3 years from now, I will be able to afford my utilities (heat, water, gas, etc.).</td>
<td>.92</td>
</tr>
<tr>
<td>2. 3 years from now, I will be able to pay my expenses without overdrawing my bank account.</td>
<td>.91</td>
</tr>
<tr>
<td>3. 3 years from now, I will be able to afford the basic transportation I need.</td>
<td>.93</td>
</tr>
<tr>
<td>4. 3 years from now, I will be able to afford the food I need to survive.</td>
<td>.94</td>
</tr>
<tr>
<td>5. 3 years from now, I will be able to pay for the clothes I will need</td>
<td>.90</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Factor 2: Distant Future Wants</th>
<th>Loadings</th>
</tr>
</thead>
<tbody>
<tr>
<td>6. 3 years from now, My future income will allow me to have the lifestyle I want.</td>
<td>.93</td>
</tr>
<tr>
<td>7. 3 years from now, I will be able to save as much money as I want to be saving.</td>
<td>.92</td>
</tr>
<tr>
<td>8. 3 years from now, I will be able to travel where I want.</td>
<td>.87</td>
</tr>
<tr>
<td>9. 3 years from now, I will have extra money for unexpected expenses.</td>
<td>.89</td>
</tr>
<tr>
<td>10. 3 years from now, I will be able to afford the recreation/entertainment I like.</td>
<td>.88</td>
</tr>
</tbody>
</table>
Table 6. Summary of Confirmatory Factor Analysis Fit Indices for 1-, and 2-factor Models of Distant Future PIA

<table>
<thead>
<tr>
<th>Model</th>
<th>SBχ²</th>
<th>df</th>
<th>CFI</th>
<th>RMSEA</th>
<th>90% CI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model 1: 1 factor</td>
<td>2784.45**</td>
<td>35</td>
<td>.633</td>
<td>.228</td>
<td>(.221 - .236)</td>
</tr>
<tr>
<td>Model 2: 2 factors</td>
<td>290.25**</td>
<td>32</td>
<td>.966</td>
<td>.073</td>
<td>(.066 - .081)</td>
</tr>
</tbody>
</table>

Note. SBχ² = Satorra-Bentler Scaled Chi-Square. CFI = Comparative Fit Index. RMSEA = Root Mean-Square Error of Approximation
Table 7. Factor Loadings of Materialism Items in Three-factor Structure.

<table>
<thead>
<tr>
<th>Factor 1: Materialism Success</th>
<th>Loadings</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. I admire people who own expensive homes, cars, and clothes.</td>
<td>.77</td>
</tr>
<tr>
<td>2. Some of the most important achievements in life include acquiring material possessions.</td>
<td>.74</td>
</tr>
<tr>
<td>3. The things I own say a lot about how well I’m doing in life.</td>
<td>.75</td>
</tr>
<tr>
<td>4. I like to own things that impress people.</td>
<td>.81</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Factor 2: Materialism Centrality</th>
<th>Loadings</th>
</tr>
</thead>
<tbody>
<tr>
<td>5. I enjoy spending money on things that aren’t practical</td>
<td>.62</td>
</tr>
<tr>
<td>6. Buying things gives me a lot of pleasure.</td>
<td>.76</td>
</tr>
<tr>
<td>7. I like a lot of luxury in my life.</td>
<td>.83</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Factor 3: Materialism Happiness</th>
<th>Loadings</th>
</tr>
</thead>
<tbody>
<tr>
<td>8. My life would be better if I owned certain things I don’t have.</td>
<td>.76</td>
</tr>
<tr>
<td>9. I’d be happier if I could afford to buy more things.</td>
<td>.91</td>
</tr>
<tr>
<td>10. It sometimes bothers me quite a bit that I can’t afford to buy all the things I’d like</td>
<td>.73</td>
</tr>
</tbody>
</table>
Table 8. Summary of Confirmatory Factor Analysis Fit Indices for 1-, and 3-factor Models of Materialism

<table>
<thead>
<tr>
<th>Model</th>
<th>SBχ²</th>
<th>df</th>
<th>CFI</th>
<th>RMSEA</th>
<th>90% CI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model 1: 3 factors (full model)</td>
<td>1724.27**</td>
<td>132</td>
<td>.843</td>
<td>.091</td>
<td>(.087 - .094)</td>
</tr>
<tr>
<td>Model 2: 1 factor (shortened)</td>
<td>1251.81**</td>
<td>35</td>
<td>.811</td>
<td>.152</td>
<td>(.145 - .160)</td>
</tr>
<tr>
<td>Model 3: 3 factors (shortened)</td>
<td>168.44**</td>
<td>31</td>
<td>.979</td>
<td>.054</td>
<td>(.046 - .063)</td>
</tr>
</tbody>
</table>

Note. SBχ² = Satorra-Bentler Scaled Chi-Square. CFI = Comparative Fit Index. RMSEA = Root Mean-Square Error of Approximation.
Table 9. Means, Standard Deviations, reliabilities and bivariate correlations among study variables.

<table>
<thead>
<tr>
<th>Variables</th>
<th>N</th>
<th>Min</th>
<th>Max</th>
<th>Mean</th>
<th>SD</th>
<th>7</th>
<th>6</th>
<th>5</th>
<th>4</th>
<th>3</th>
<th>2</th>
<th>1</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Current Plan</td>
<td>1246</td>
<td>1.27</td>
<td>4.35</td>
<td>1.88</td>
<td>1.25</td>
<td>1.02</td>
<td>0.97</td>
<td>0.80</td>
<td>0.70</td>
<td>0.60</td>
<td>0.57</td>
<td>0.54</td>
</tr>
<tr>
<td>2. Near Future Plan</td>
<td>1546</td>
<td>1.27</td>
<td>4.35</td>
<td>1.88</td>
<td>1.25</td>
<td>1.02</td>
<td>0.97</td>
<td>0.80</td>
<td>0.70</td>
<td>0.60</td>
<td>0.57</td>
<td>0.54</td>
</tr>
<tr>
<td>3. Distance Plan</td>
<td>1548</td>
<td>1.27</td>
<td>4.35</td>
<td>1.88</td>
<td>1.25</td>
<td>1.02</td>
<td>0.97</td>
<td>0.80</td>
<td>0.70</td>
<td>0.60</td>
<td>0.57</td>
<td>0.54</td>
</tr>
<tr>
<td>4. Financial Status</td>
<td>1545</td>
<td>1.27</td>
<td>4.35</td>
<td>1.88</td>
<td>1.25</td>
<td>1.02</td>
<td>0.97</td>
<td>0.80</td>
<td>0.70</td>
<td>0.60</td>
<td>0.57</td>
<td>0.54</td>
</tr>
<tr>
<td>5. Job Satisfaction</td>
<td>1545</td>
<td>1.27</td>
<td>4.35</td>
<td>1.88</td>
<td>1.25</td>
<td>1.02</td>
<td>0.97</td>
<td>0.80</td>
<td>0.70</td>
<td>0.60</td>
<td>0.57</td>
<td>0.54</td>
</tr>
<tr>
<td>6. Work Ethic</td>
<td>1447</td>
<td>1.18</td>
<td>3.83</td>
<td>2.12</td>
<td>1.05</td>
<td>0.96</td>
<td>0.90</td>
<td>0.80</td>
<td>0.70</td>
<td>0.60</td>
<td>0.57</td>
<td>0.54</td>
</tr>
<tr>
<td>7. Equity Sensitivity</td>
<td>1546</td>
<td>0.10</td>
<td>3.40</td>
<td>1.64</td>
<td>1.00</td>
<td>0.97</td>
<td>0.90</td>
<td>0.80</td>
<td>0.70</td>
<td>0.60</td>
<td>0.57</td>
<td>0.54</td>
</tr>
</tbody>
</table>

Notes: 0.01 > * > 0.05, values in parentheses are Cronbach’s alpha. PIA = Perceived Income Achievement.
Table 10. Mediation Results.

<table>
<thead>
<tr>
<th>Path</th>
<th>$a$ path</th>
<th>$b$ path</th>
<th>$c$ path</th>
<th>Indirect Effect (S.E.)</th>
<th>5000 Bootstrapping 95% CI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current PIA → Financial Strain → Job Satisfaction</td>
<td>-.87**</td>
<td>-.14**</td>
<td>.15*</td>
<td>.12 (.04)</td>
<td>[.03 to .28]</td>
</tr>
<tr>
<td>Near Future PIA → Financial Strain → Job Satisfaction</td>
<td>-.79**</td>
<td>-.14**</td>
<td>.17**</td>
<td>.11 (.03)</td>
<td>[.04 to .18]</td>
</tr>
<tr>
<td>Distant Future PIA → Financial Strain → Job Satisfaction</td>
<td>-.58**</td>
<td>-.18**</td>
<td>.11*</td>
<td>.11 (.03)</td>
<td>[.06 to .16]</td>
</tr>
</tbody>
</table>

Notes. ** $p < .01$, * $p < .05$. PIA = Perceived Income Adequacy.
“$a$ path” represents the path from predictor to mediator. “$b$ path” represents the path from mediator to outcome. “$c$ path” represents the path from predictor to outcome.
Table 11. Moderated regression analyses of perceived income adequacy and materialism predicting financial strain and job satisfaction.

<table>
<thead>
<tr>
<th>Predictor</th>
<th>Financial Strain</th>
<th>Job Satisfaction</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>S.E.</td>
</tr>
<tr>
<td><strong>Step 1: Main Effects</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current PIA</td>
<td>-.85</td>
<td>.04</td>
</tr>
<tr>
<td>Materialism</td>
<td>.18</td>
<td>.04</td>
</tr>
<tr>
<td><strong>Step 2: Interaction</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current PIA</td>
<td>-.84</td>
<td>.04</td>
</tr>
<tr>
<td>Materialism</td>
<td>.17</td>
<td>.04</td>
</tr>
<tr>
<td>Current PIA X Materialism</td>
<td>.02</td>
<td>.03</td>
</tr>
<tr>
<td><strong>Step 1: Main Effects</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Near Future PIA</td>
<td>-.78</td>
<td>.04</td>
</tr>
<tr>
<td>Materialism</td>
<td>.23</td>
<td>.04</td>
</tr>
<tr>
<td><strong>Step 2: Interaction</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Near Future PIA</td>
<td>-.78</td>
<td>.04</td>
</tr>
<tr>
<td>Materialism</td>
<td>.22</td>
<td>.04</td>
</tr>
<tr>
<td>Near Future PIA X Materialism</td>
<td>.02</td>
<td>.03</td>
</tr>
<tr>
<td><strong>Step 1: Main Effects</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Distant Future PIA</td>
<td>-.56</td>
<td>.05</td>
</tr>
<tr>
<td>Materialism</td>
<td>.26</td>
<td>.05</td>
</tr>
<tr>
<td><strong>Step 2: Interaction</strong></td>
<td></td>
<td></td>
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<tr>
<td>Distant Future PIA</td>
<td>-.56</td>
<td>.05</td>
</tr>
<tr>
<td>Materialism</td>
<td>.26</td>
<td>.05</td>
</tr>
<tr>
<td>Distant Future PIA X Materialism</td>
<td>.00</td>
<td>.03</td>
</tr>
</tbody>
</table>

Note. PIA = Perceived Income Adequacy.
*p<.05, **p<.01
Table 12. Moderated regression analyses of perceived income adequacy and equity sensitivity predicting financial strain and job satisfaction.

<table>
<thead>
<tr>
<th>Predictor</th>
<th>Financial Strain</th>
<th>Job Satisfaction</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>S.E.</td>
</tr>
<tr>
<td><strong>Step 1: Main Effects</strong></td>
<td></td>
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</tr>
<tr>
<td>Current PIA</td>
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<td>.04</td>
</tr>
<tr>
<td>Equity Sensitivity</td>
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<td>.03</td>
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<tr>
<td><strong>Step 2: Interaction</strong></td>
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<td></td>
</tr>
<tr>
<td>Current PIA</td>
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<td>.12</td>
</tr>
<tr>
<td>Equity Sensitivity</td>
<td>-.02</td>
<td>.03</td>
</tr>
<tr>
<td>Current PIA X Equity Sensitivity</td>
<td>-.02</td>
<td>.02</td>
</tr>
</tbody>
</table>

Note. PIA = Perceived Income Adequacy.

p<.05, **p<.01
Figure 1

Hypothized model of the relationship between perceived income adequacy, financial strain and materialism (Hypotheses 4a-4f).
Figure 2

Hypothesized model of the relationship between perceived income adequacy, financial strain and equity sensitivity (Hypotheses 5a-5f).
Figure 3

The relationship between current perceived income adequacy, financial strain and job satisfaction (Hypotheses 3a).
Figure 4

The relationship between near future perceived income adequacy, financial strain and job satisfaction (Hypotheses 3b).
Figure 5

The relationship between distant future perceived income adequacy, financial strain and job satisfaction (Hypotheses 3c).