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Socioeconomic Status in India: Assets, Perceived Status, and Aspirational Mobility

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Abstract

Socioeconomic status (SES) is widely used in social science research, yet it is often reduced to single indicators such as income. The present study develops and evaluates a multidimensional model of socioeconomic position that distinguishes between accumulated material assets, subjective social rank, and aspirational mobility. Using survey data from 183 adult participants in India, an asset-based wealth index was constructed via principal component analysis and examined in relation to reported income, perceived social standing (MacArthur Ladder), categorical class identity, and expectations of future mobility. Results indicate that assets and income are only weakly correlated, that objective wealth is moderately associated with subjective rank but weakly associated with class identity, and that individuals who perceive themselves lower in the hierarchy report stronger upward mobility expectations. These findings demonstrate that economic resources, perceived status, and mobility expectations are related but partially dissociated dimensions of stratification. The study supports a multidimensional framework for measuring socioeconomic position in rapidly transforming societies.

Keywords:
Socioeconomic status; Social stratification; Asset index; Subjective social status; MacArthur Ladder; Class identity; Aspirational mobility; Economic inequality; Multidimensional measurement; India

1. Introduction

Socioeconomic status (SES) remains one of the most frequently used constructs in social science research, yet its measurement remains conceptually fragmented. In empirical studies, SES is often operationalized using income or consumption indicators. In contrast, sociological theory conceptualizes class as a structured system of inequality tied to life chances, authority, and market position (Weber, 1978; Wright, 1997). Cultural approaches further emphasize symbolic boundaries and social distinction (Bourdieu, 1984). Although these traditions converge in viewing class as hierarchical and relational, they diverge substantially in how it should be measured.

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This measurement problem becomes especially salient in contexts characterized by rapid economic change and persistent social hierarchy. In India, economic liberalization, urban expansion, and consumer growth have reshaped discourses of mobility and middle-class expansion (Fernandes, 2006). At the same time, informal employment, regional disparities, and caste-based stratification continue to structure opportunity and life chances. In such contexts, reported income may fluctuate due to seasonal or informal work, accumulated assets may better reflect long-term economic security, and class identity may function as a symbolic or aspirational category rather than a direct reflection of material position.

Despite this complexity, few studies examine how objective wealth, income, perceived social rank, and class identity relate to one another within the same population. Development economics has refined asset-based wealth indices (Filmer & Pritchett, 2001), while social psychology has demonstrated that subjective social status predicts outcomes independently of income (Adler et al., 2000). However, these strands of research rarely intersect empirically.

The present study addresses this gap by developing and testing a tripartite model of socioeconomic position in an Indian sample. The model distinguishes between (1) accumulated material assets, (2) perceived social rank, and (3) aspirational mobility. Rather than assuming these dimensions are interchangeable, the study evaluates the degree to which they converge or diverge empirically. By mapping the alignment between material resources, subjective status, and future expectations, the study advances a multidimensional understanding of stratification.

2. Conceptual Framework

2.1 Objective Resources: Assets versus Income

Income is commonly used as a proxy for SES, particularly in poverty and development research (Ravallion et al., 2009). However, income represents current financial flow and may fluctuate due to informal employment, seasonality, or reporting bias. Asset-based measures, by contrast, capture accumulated material resources and living conditions. Filmer and Pritchett (2001) demonstrated that principal component analysis (PCA) of household assets can generate reliable wealth indices that correlate with long-term economic security. In contexts such as India, where informal and variable income sources remain common, distinguishing between income flow and asset accumulation is especially important.

2.2 Subjective Social Status

Material resources constitute only one dimension of stratification. Individuals also evaluate their

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position relative to others. The MacArthur Subjective Social Status Ladder captures this perceptual dimension by asking respondents to place themselves on a symbolic hierarchy (Adler et al., 2000). Research shows that subjective rank predicts health, stress, and behaviour independently of objective SES (Cundiff & Matthews, 2017).

In India, class identity is embedded within broader cultural and caste-based frameworks (Fernandes, 2006). Self-identification as "middle class" may reflect aspiration, respectability, or symbolic positioning rather than precise economic equivalence.

2.3 Aspirational Mobility

Stratification includes not only present position but expectations about future movement. Perceived upward mobility can shape economic and political attitudes (Benabou & Ok, 2001). Examining the gap between current and expected future rank provides insight into how individuals interpret their trajectory within the social order.

3. Method

3.1 Participants

The analytic sample comprised 183 adult participants recruited in India as part of a broader survey examining social attitudes. Participants represented diverse caste backgrounds and included respondents from both rural and urban areas. All participants were aged 18 years or older and provided informed consent. Only respondents with complete data on key socioeconomic measures were included in the analysis.

3.2 Procedure

Data were collected using a structured survey administered anonymously. Measures of socioeconomic position were placed in a dedicated demographic section at the end of the questionnaire to minimize potential influence on earlier responses.

3.3 Measures

Objective Socioeconomic Status: Asset Index

Objective SES was assessed using a Household Asset Ownership and Infrastructure Checklist. Participants reported ownership or quantity of vehicles, appliances, electronic devices, climate-control items, housing characteristics, and residential security features.

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A Principal Component Analysis (PCA) was conducted on all asset variables. Sampling adequacy was strong (KMO = .865; Bartlett's Test, $\chi^2(120) = 1757.12$, $p < .001$). A single dominant component was retained, explaining 42.7% of the variance. High-investment items (e.g., computer/laptop, television, indoor sanitation) showed the strongest loadings. Regression factor scores were saved as the continuous Asset Index.

Self-reported annual household income was recorded in bracketed categories and used for validation.

Subjective Social Status

Participants completed the 10-rung MacArthur Ladder (Adler et al., 2000), indicating their household's current position, position 10 years ago, and expected position 10 years in the future. Perceived mobility was calculated as current minus past rank. Aspirational mobility (Optimism Gap) was calculated as future minus current rank.

Participants also indicated categorical class identity (e.g., lower, middle, upper class).

4. Results

4.1 Structure of Objective Economic Resources

Principal Component Analysis of the household asset variables yielded a clear single-factor solution. Sampling adequacy was high (KMO = .865), and Bartlett's Test of Sphericity was significant, $\chi^2(120) = 1757.12$, $p < .001$, confirming suitability for factor extraction. The first component accounted for 42.7% of total variance in asset ownership, indicating substantial shared structure among material indicators.

High-investment items—including computer/laptop (.850), television (.807), indoor sanitation (.767), and room heater (.763)—exhibited the strongest loadings. These items represent accumulated infrastructural and technological resources rather than minimal subsistence goods. Lower-cost items such as bicycles showed weak loadings, indicating limited discriminatory power across households in this sample.

The resulting regression-based factor scores were retained as a continuous Asset Index. The structure of loadings suggests that the extracted dimension captures cumulative material investment and infrastructural stability rather than short-term consumption.

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4.2 Convergence Across Indicators of Socioeconomic Position

Pearson correlations were conducted to examine the alignment between the Asset Index, income category, subjective status, class identity, and aspirational mobility. Results are presented in **Table 1**.

Table 1

Key Associations Among Socioeconomic Indicators (N = 183)

Association	r	p
Asset Index – Annual Income	.169	.023
Asset Index – Current Subjective Rank	.315	< .001
Asset Index – Subjective Class Identity	.202	.006
Current Rank – Optimism Gap	−.313	< .001

4.2.1 Asset Index and Income

The Asset Index was positively but weakly associated with self-reported annual household income category ($r = .169$, $p = .023$), as shown in Table 1. The coefficient of determination ($R^2 \approx .03$) indicates that income explains approximately 3% of the variance in household asset patterns.

Although statistically significant, this modest association suggests substantial variation in household infrastructure and durable goods ownership within income brackets. Income appears to capture current earnings, whereas the Asset Index reflects broader patterns of material living conditions.

4.2.2 Asset Index and Current Subjective Status

The Asset Index was moderately associated with current subjective status on the MacArthur Ladder ($r = .315$, $p < .001$; see Table 1). Approximately 10% of the variance in subjective status was explained by the Asset Index ($R^2 \approx .10$).

This pattern indicates that participants incorporate material conditions into their evaluation of social standing. However, the association is far from complete. The majority of variation in subjective status

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is shaped by factors beyond household possessions, including education, occupation, social comparison processes, caste position, and locally salient markers of respectability.

Thus, economic resources and perceived social position are meaningfully related but not interchangeable.

4.2.3 Asset Index and Class Identity

The relationship between the Asset Index and categorical class identity was weaker ($r = .202$, $p = .006$; see Table 1). Only about 4% of the variance in class identification was explained by the Asset Index ($R^2 \approx .04$).

Compared to the ladder measure, verbal class categories display greater compression across economic levels. Individuals with differing material circumstances frequently selected similar class labels, particularly "middle class." This pattern suggests that class identity is not a direct translation of household possessions but reflects socially mediated self-placement within culturally defined categories.

4.2.4 Aspirational Mobility

Aspirational mobility was calculated as the difference between expected **future status** and current subjective status. The Optimism Gap was negatively associated with current subjective status ($r = -.313$, $p < .001$; see Table 1).

Participants who placed themselves lower in the hierarchy anticipated greater upward movement in future status, whereas those who placed themselves higher anticipated relative stability. Approximately 10% of the variance in aspirational mobility was explained by current subjective status ($R^2 \approx .10$).

Importantly, expectations about future status were more strongly tied to perceived present status than to the Asset Index. This suggests that mobility expectations are structured primarily by relational self-evaluation rather than by household possessions alone.

4.3 Summary of Correlational Findings

Taken together, the correlations in Table 1 reveal a patterned gradient of alignment across dimensions of socioeconomic position:

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- The strongest association emerged between the Asset Index and current subjective status.
- A weaker association was observed between the Asset Index and class identity.
- The weakest association was observed between the Asset Index and income category.
- Aspirational mobility was structured primarily by current subjective status.

These findings indicate that income, household possessions, perceived social status, class identity, and expectations of future status represent related but distinct dimensions of stratification. Their modest convergence underscores the internal differentiation of socioeconomic position within this population.

Discussion

The present study examined how material resources, income, perceived rank, class identity, and mobility expectations align within a single population. The findings indicate that socioeconomic position is internally differentiated. Although the dimensions examined are positively related, the strength of their associations is modest, suggesting that they capture distinct aspects of stratification rather than a unified construct.

First, the weak association between income and accumulated assets underscores a structural distinction between economic flow and economic stock. Income reflects current earnings and is sensitive to volatility, informality, and short-term fluctuation. Assets, in contrast, reflect cumulative investment and longer-term material security (Filmer & Pritchett, 2001). In labour markets characterized by informal employment and seasonal variation, income may provide an unstable indicator of durable economic position. The modest correlation observed here suggests that households with similar income categories can differ substantially in infrastructure, technology ownership, and living conditions. Income therefore captures present liquidity, whereas assets capture accumulated stability. Conflating the two obscures important temporal differences in economic life.

Second, objective material position was moderately associated with subjective rank on the MacArthur Ladder (Adler et al., 2000), but more weakly associated with categorical class identity. This divergence is theoretically meaningful. When individuals evaluate their standing on a visual hierarchy, their judgments appear anchored partly in observable material conditions. However, when selecting a verbal class label, responses become more socially mediated and normatively shaped. Class identity may reflect aspiration, cultural respectability, or boundary-making processes rather than strictly material location (Bourdieu, 1984; Fernandes, 2006). The compression of class

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categories across economic levels suggests that class operates as both structure and identity. It is materially grounded but symbolically interpreted.

Third, aspirational mobility introduces a temporal layer to stratification. The negative association between current rank and projected future position indicates that expectations are structured by perceived present standing. Individuals who locate themselves lower in the hierarchy anticipate greater upward movement, whereas those at higher levels anticipate stability. Notably, these expectations were more strongly tied to perceived rank than to objective assets. This suggests that future-oriented cognition is shaped more by relational evaluation than by material stock alone. Stratification therefore includes not only present position but also imagined trajectory.

Taken together, the findings support a multidimensional model of socioeconomic position. Income captures present economic flow. Assets represent cumulative past investment. Subjective rank reflects relational comparison within a hierarchy. Class identity expresses symbolic and normative self-placement. Aspirational mobility projects anticipated future location. These dimensions are interrelated but not interchangeable. Each operates along a distinct temporal and cognitive axis.

The modest convergence across measures indicates that no single indicator adequately captures lived inequality. Socioeconomic position is structurally grounded in material accumulation, interpreted through relational comparison, expressed through symbolic identity, and extended into the future through expectation. Treating SES as a single variable risks flattening this complexity.

Conclusion

This study advances a multidimensional account of socioeconomic position in contemporary India. By distinguishing between accumulated assets, income flow, perceived rank, class identity, and aspirational mobility, the findings demonstrate that these indicators converge only partially and capture distinct layers of stratification. Socioeconomic position cannot be reduced to any single metric.

Methodologically, the results caution against equating income with structural location or treating class identity as a direct proxy for material standing. Income indexes short-term economic flow; assets reflect accumulated stock; subjective rank captures relational evaluation; class identity expresses symbolic positioning; and mobility expectations project anticipated future location. Collapsing these dimensions obscures the temporal and cognitive differentiation embedded within inequality.Substantively, the findings suggest that stratification operates simultaneously across structural, perceptual, symbolic, and temporal domains. Inequality is not only a matter of material

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distribution but also of how individuals locate themselves within hierarchies and imagine their trajectories within them.

Future research should examine how these differentiated dimensions interact to shape political attitudes, social trust, risk-taking, and intergroup relations, particularly in rapidly transforming societies. Understanding inequality requires attention not only to material conditions, but also to perception, identity, and expectation.

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Appendix A

Construction of the Household Asset Index

The Asset Index was constructed using Principal Component Analysis (PCA) on 16 household asset and infrastructure indicators. Items were coded as binary variables (0 = not owned, 1 = owned) or as count variables where appropriate (e.g., number of bedrooms).

Sampling adequacy was strong. The Kaiser–Meyer–Olkin (KMO) measure was .865, indicating meritorious factorability. Bartlett's Test of Sphericity was significant, $\chi^2(120) = 1757.12$, $p < .001$, confirming sufficient intercorrelation among indicators for component extraction. Item-level KMO values ranged from .708 to .936, demonstrating acceptable to excellent adequacy across variables.

Table A1: KMO Values for Household Asset Variables

Asset Item	MSA
Air Conditioner	.773
Air Cooler	.904
Bathroom – Inside	.861
Bathroom – Outside	.817
Bedrooms	.823
Bicycle	.708
Bike/Scooter	.852
Car/Jeep	.852
Computer/Laptop	.933
Fridge	.903
Gated Colony	.747
Room Heater/Blower	.936
Television	.930
Washing Machine	.876
Water Heater/Geyser	.910

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Asset Item	MSA
Water Purifier	.795

Overall KMO = .865

Factor Extraction

A single component was retained based on eigenvalue and variance criteria (eigenvalue = 6.836), explaining 42.7% of total variance. Because only one component was extracted, rotation was not substantively applicable. The resulting component scores were retained as the continuous Asset Index.

Table A2: Component Loadings for Retained Factor (RC1)

Asset Item	Loading	Uniqueness
Computer/Laptop	.850	.277
Television	.807	.350
Bathroom – Inside	.767	.412
Room Heater/Blower	.763	.418
Air Cooler	.741	.450
Water Purifier	.723	.477
Water Heater/Geyser	.712	.492
Washing Machine	.707	.500
Car/Jeep	.624	.610
Air Conditioner	.607	.632
Bike/Scooter	.602	.638
Bathroom – Outside	.581	.662
Fridge	.568	.677
Bedrooms	.428	.817
Bicycle	—	.851
Gated Colony	—	.901

Note. Loadings below .40 are not displayed. Because only one component was extracted, rotation was not substantively applicable.

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Model Fit

The model chi-square test was significant, $\chi^2(104) = 629.055$, $p < .001$, reflecting the presence of shared variance among asset indicators and supporting the extraction of a common underlying dimension.

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