**Objectives**

Reciprocal relations of socio-economic factors and perceived stress with psychological well-being were examined in the German Socio-Economic Panel (SOEP; Wagner, Frick & Schupp, 2007).

The subjective stress level is one of the core factors substantially affecting psychological well-being (Thoits, 2013), causing multiple impairments in markers of psychological well-being like emotional distress, lower self-esteem, higher anxiety, substance abuse or dependence, and traumatic disorders. However, little is known about the reverse effects, for example, if psychological well-being also affects the enduring individual stress level.

With regard to socio-economic variables, reciprocal effects are discussed in terms of social causation and social selection or drift models (Horwitz & Scheid, 1999).

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**Methods**

Based on the German SOEP dataset (version 28), 63,839 adult respondents aged 18 to 65 ($M = 41.89$, $SD = 11.84$) years were extracted for the years 2002 to 2011 in order to examine the impact of socio-economic variables and stress on psychological well-being and vice versa.

Hybrid regression analysis (Giesselmann & Windzio, 2012) was implemented to distinguish within- and between-subject effects on psychological well-being, assessed with the Short Form 12 Health Survey (SF12; Gandek et al., 1998).

Fixed effects regression was used to account for potential reciprocal effects of psychological well-being on stress and socio-economic variables. Linear regression was used to emphasize the reciprocity of the relationship between stress and psychological well-being by testing time delayed effects on each other.

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**Results**

Primarily subjective stress and particular potential socio-economic risk factors significantly affect psychological well-being in both men and women.

Men are susceptible to overall health, unemployment, relationship status, separation and death of a close relative. Women are susceptible to age and the number of children additionally. Years of education and equivalent income have no significant effect on psychological well-being, but individuals with higher equivalent income show better psychological well-being.

Psychological well-being, in turn, causes a decline in perceived stress and a rise in socio-economic status for both men and women. Linear regression verified the extending effect of stress on changes in psychological well-being and vice versa over the years.

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**Conclusions**

This longitudinal study is the first to demonstrate and confirm the reciprocal and causal characteristics of frequently investigated relationships between psychological well-being and stress as well as socio-economic variables. Prospects for future interdisciplinary research are presented.

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**References**