Subjective evaluation of income inequality directly influences the social harmony and stability; it is one of the important standards to evaluate the moderation of income inequality. Using data of CGSS and Multiple Ordered Probit Model, we had an empirical analysis on how objective income inequality influence people’s subjective evaluation of income inequality. Firstly, objective inequality has a significant positive impact on their subjective evaluation of the inequality, which enables people have a rational judgment and knowledge of the inequality at their locations. Secondly, compared to people without higher education, higher educated people tend to underestimate the severity of income inequality. Thirdly, people with higher income satisfaction also tend to underestimate the severity of the inequality.

Key words: Income Inequality; Objective Measurement; Subjective Evaluation; Income Satisfaction