Pew Research: “Fewer, Poorer, Gloomier: The Lost Decade of the Middle Class”

New poll, data point to vast social polarization in US

David Walsh
24 August 2012

A survey released August 22 by the Pew Research Center in Washington, D.C. adds details to the picture of an American society divided sharply along class lines and dominated by growing social inequality.

“Fewer, Poorer, Gloomier: The Lost Decade of the Middle Class” is based on the results of a national poll supplemented by data from the US Census Bureau and Federal Reserve Board of Governors.

The study begins by noting that on the eve of the 2012 elections the Democrats and Republicans are attempting to court a middle class “that has endured a lost decade for economic well-being.” Since 2000, it “has shrunk in size, fallen backward in income and wealth, and shed some—but by no means all—of its characteristic faith in the future.”

Among the more startling facts presented in the report: while median income for America’s middle class fell five percent from $72,956 to $69,487 in the years 2000-2011, median wealth plummeted by 28 percent, “erasing two decades of gains.” Meantime, “the wealth of the lower-income tier plunged by 45 percent, albeit from a much smaller base, to $10,151 from $18,421.”

The Pew Research Center is a thoroughly establishment body. Its “Global Attitudes Project,” for example, a series of worldwide public opinion surveys and reports, is chaired by former US Secretary of State Madeleine Albright and former US Ambassador to the United Nations John Danforth.

The survey’s “stark assessments” (in its own words) of contemporary American social life are therefore all the more telling. In the final analysis, the release of such findings is meant to signal the powers that be about the kind of social powder keg the US has become.

Thus, the *Los Angeles Times* cited the comment of Pew’s executive vice president Paul Taylor: “The notion that we are a society with a large middle class, with lots of economic and social mobility and a belief that each generation does better than the next—these are among the core tenets of what it means to be an American … But that’s not necessarily the case anymore.” Neither Taylor nor the *Times* cared to spell out the political implications of these “core tenets” sustaining serious and perhaps irreparable damage.

Stark as it may be, the Pew survey contains assumptions, shared by virtually the entire American media, political and academic establishment, that need to be treated critically. According to the official version, there is no working class in America, but a great “middle class,” which excludes only the very rich and the very poor.

The Pew survey solves this question of sociological definition crudely by simply identifying the “middle-income tier”—three-person households with incomes from about $39,000 to $118,000 (or “two-thirds to double the overall median size-adjusted household income”)—as the “middle class.”

The notion that a family of three with an income of $39,000 in contemporary America is “middle class,” in the sense of having some degree of *above average* material comfort and perhaps accompanying social complacency, is a self-serving fantasy, intended to disguise social reality. The vast majority of those categorized as middle class in the current report are dependent on a weekly, biweekly or monthly paycheck.

The American population in its great mass has been proletarianized. And, despite itself, the Pew report points to this truth, albeit partially and reluctantly. The authors note that (even according to their own imprecise and unscientific definition) the “middle class” declined from 61 percent of the US population in 1971 to 51 percent in 2011, a bare majority.

The shrinkage resulted from social polarization. According to the Pew study’s criteria, the “upper-income tier” grew to 20 percent of the adult population, up from 14 percent in 1971, while the “lower-income tier” increased to 29 percent, from 25 percent in 1971.

However, as the *LA Times* paraphrased Taylor as saying, “the money only went in one direction … Over the same period, only the upper-income group increased its share of the nation’s overall household income.”

In its survey of economic conditions since World War II, the Pew study comes up with some valuable, if not earthshaking findings.

“Based on income growth, the 1950s and the 1960s were the most beneficial decades for American families in post-WWII

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times," the document points out. While incomes continued to rise in the 1970s, 1980s and even 1990s, the growth was increasingly skewed in favor of the wealthy.

The authors write, "income trends before and after 1980 had one significant difference: Unlike previous decades, income growth in the 1980s and 1990s favored the higher income brackets, and economic inequality in the U.S. rose as a consequence." This was not the result of some act of God, or a natural disaster, but the consequence of the counteroffensive launched by the ruling elite and both its major parties in the late 1970s.

The Pew study identifies the "hollowing" of the American middle class as a process that has been "steady and virtually uninterrupted … over the past four decades. Starting from 1970, every decade has ended with a smaller share in the middle-income tier and higher shares in the lower- and upper-income tiers. No single decade stands out as having energized the movement of people out of the middle."

What had been a relative decline in the position of the middle economic layers vis-à-vis the rich for three decades became an absolute one in the years 2000-2010.

The wealth of middle-income families remained unchanged from 1983 to 1992, experienced a sharp upturn from 1992 to 2001, and continued to grow in the 2001-2007 period. However, "net worth of middle-income families dropped 39 percent in the later years of the decade as the housing market crash and Great Recession wiped out the previous advances. Over the 1983 to 2010 period, only upper-income families registered strong increases in wealth."

The survey calls the "lost decade" of 2000-2010 "unique in the modern era. It is the only decade in which real incomes fell for all families combined as well as for families in every economic stratum examined." This merely points to the fantastic level of social inequality in America, families in "every income stratum" suffered a loss in real income, including the higher-income tier, yet the tiny fraction at the very top of society enriched itself immensely.

The report explains that "disparate trends in income and wealth emerged in the Great Recession. The recession caused income to fall by similar percentages in all three income tiers. However, the loss in wealth was much sharper for the lower- and middle-income tiers. Those setbacks were large enough to turn the clock back on the net worth of lower- and middle-income households by about two decades or more."

A sharp rise in the wealth gap has taken place between the three income tiers, especially since 2001. "The wealth of upper-income families was three times the wealth of middle-income families in 1983 and four times as high in 2001. By 2011, this ratio had risen to six-to-one. The ratio of the wealth of upper-income families to the wealth of lower-income families was 28-to-1 in 1983, 31-to-1 in 2001 and 57-to-1 in 2010."

Not surprisingly, the opinions recorded by the Pew pollsters do not entirely match, so to speak, the harsh economic realities. Such polls, which present the existing political and social set-up as the only possible reality, are inevitably tilted by their methodologies and the questions asked toward results that tend to "discover" acceptance of the status quo. And the population itself lags behind the realities, engages in a certain degree of wishful thinking and, in typical American fashion, remains more optimistic than it has a right to be.

Nonetheless, the Pew survey found increasing pessimism and gloom. Some 85 percent of those interviewed say it is more difficult today than 10 years ago to maintain a middle class standard of living. Sixty-two percent blamed Congress for the situation, 54 percent faulted banks and financial institutions and 47 percent, large corporations.

Six in ten of those polled had to reduce household spending in the past year "because money was tight," compared to 58 percent who said so in 2008.

Only a quarter of those questioned are very confident they will have enough income and assets to last throughout their retirement, while 32 percent are not too or not at all confident.

Only one in ten "middle class" Americans is very optimistic about the country's long-term economic future, and 41 percent are somewhat or very pessimistic.

Of those who indicate they have not recovered from the Great Recession, three in ten "say it will take four years or less for them to get back to where they were before the recession. An additional 24 percent expect it will take five to nine years, while 19 percent say 10 years or more. Eight percent say they expect to never fully recover from the Great Recession, and an additional 20 percent say they are unsure or do not know how long it will take."

The Pew study notes, "While both parties present themselves as champions of the middle class, neither has closed the deal with a majority of the middle class itself. Only about a third of all middle-class adults identify with the Democratic Party (34 percent), while a smaller share are Republicans (25 percent). About a third (35 percent) say they are independents. These breakdowns are virtually identical to the partisan divisions among all adults."

In its 2000 election statement, on the eve of a hijacked election and one year before the events of 9/11, the Socialist Equality Party pointed to the significance of these general trends, trends that have accelerated enormously in the intervening decade:

"The decline of the middle class has definite political consequences. A substantial and prosperous middle class buffer has always been the main social base of capitalist democracy. Such a layer has served to moderate the bitter antagonism produced by the division of society between the workers who produce the wealth and the capitalists who possess it. Without that social buffer, the class conflicts inherent in capitalism inexorably develop to the point of open warfare."

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