

# Study on pay for young adults highlights plunge in US living standards

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A study released last week by a team of economists from Stanford, Harvard and the University of California at Berkeley found that the odds of American children growing up to earn more than their parents declined precipitously from 1970 to the present. Whereas in 1970, 92 percent of 30-year-olds earned more than their parents did at a similar age, that number fell to 51 percent by 2014.

The figures for males were even worse. As of 2014, only 41 percent of 30-year-old men earned more than their fathers at a similar age. The researchers also found that the decline in the ability of children to earn more than their parents was greatest in the Midwest, where decades of deindustrialization have had their most devastating social impact.

The economists concluded that even rapid economic growth would do little to reverse the downward trend because of the immense and ongoing growth of social inequality.

The authors of the study described their findings as a harsh verdict on the strength of what they called “the American dream.” In fact, their own findings add to a mass of social indices demonstrating that the much-vaunted but largely mythical “American dream” has turned into a nightmare. To the extent that this term, promoted to encourage illusions in American capitalism, ever corresponded to social reality, it was largely in connection with the belief that each young generation would enjoy a better standard of living than the one that preceded it.

Just last week, the federal Centers for Disease Control and Prevention (CDC) reported that overall life expectancy in the US declined for the first time in more than two decades in 2015. The fall reflected rising death rates for a variety of diseases, an increase in unintentional injuries, accelerating suicide rates and an

increase in infant mortality.

Earlier this year, a group of Harvard researchers reported that there was a 15-year life expectancy gap between men in the richest one percent of the population and those in the bottom one percent. Another reflection of the social crisis is the CDC’s finding that deaths from heroin overdoses surpassed gun homicides in 2015, while total annual deaths from all opioid overdoses quadrupled between 1999 and 2015.

The study on pay noted that the sharpest drop in the percentage of young adults earning more than their parents occurred from 1970 to about 1992—from 92 percent to 58 percent. The percentage stabilized for about a decade and began to fall again beginning in 2002.

There is a direct correlation between this downward trajectory in living standards and the decay of American capitalism. The 1970s was the decade when the unraveling of the post-World War II economic boom and the erosion of the dominance of American industry found open expression in the collapse of the Bretton Woods monetary system in 1971 and the growing share of global markets, including the US market, captured by rivals such as Germany and Japan.

At the end of the decade, the American ruling class initiated a major shift in its class policy, terminating the postwar period of relative class compromise and launching a class-war offensive aimed at breaking the militant resistance of the working class and reversing its previous social gains. A wave of plant closures and mass layoffs that began under the Democratic Carter administration was intensified under Reagan, who used the growth of unemployment along with union busting and wage cutting, made possible by the betrayals and collusion of the unions, to drive down working-class

living standards.

This ruling-class offensive has continued ever since, under Democratic no less than Republican administrations. The pace of decline in working-class living standards slowed somewhat in the 1990s, with Clinton presiding over a transient upward trend in economic growth based on the removal of virtually all restraints on financial speculation and parasitism. The resulting dot.com bubble imploded in 2000, fueling a new wave of mass layoffs and wage cutting under both the Bush and Obama administrations. This offensive was stepped up in response to the Wall Street crash of 2008.

It is this social catastrophe, rooted in the decline of American capitalism, that underlies the political crisis of both big-business parties in the 2016 election and the victory of Trump—the personification of the economic, political and moral decay of the American ruling class.

The election was dominated by the growth of popular anger and disgust with both parties and the political and economic status quo. The broad popular support, particularly among young people and workers, for the Democratic primary campaign of Bernie Sanders, who presented himself as a “socialist” opponent of the “billionaire class” and social inequality, reflected the initial stages of a movement of the working class to the left. Sanders worked to channel this opposition behind the Democratic Party, culminating in his endorsement of and campaign for Hillary Clinton.

Clinton’s campaign, the most right-wing in modern Democratic Party history, focused on scandalmongering against Trump and warmongering against Russia. She was broadly backed by Wall Street and the CIA and ran as the continuator of Obama’s supposed economic “recovery.” She utilized racial and gender politics to portray “white working class” support for Trump as motivated by racism and sexism and distract attention from the ongoing growth of social inequality and impoverishment of broad layers of working people.

In an election where the two candidates vied for the distinction of being the most despised presidential contenders in US history, and the biggest bloc of voters were those who saw no reason to vote, Trump was given a free path by the Democrats and Sanders to exploit the economic grievances of workers and middle-class people whose living standards had been

devastated by the policies of both parties.

Both the Obama administration and the Clinton election campaign were the outcome of nearly five decades, beginning at the end of the 1960s, during which the Democratic Party has repudiated any connection to policies of social reform and moved ever more sharply to the right.

It will not take long for workers, including those who voted for Trump, to realize that they have been taken for a ride and face in his administration the most ferocious enemy of the working class. His cabinet of billionaire reactionaries and warmongering generals already makes clear that his will be the most right-wing, anti-working class government in US history.

Trump’s policies of social counterrevolution and war will do nothing to resolve the underlying crisis of American and world capitalism. They will only exacerbate the social crisis. The working class will face immense shocks in the coming months. It will move into struggle against a government that is preparing an unprecedented level of state repression in defense of the corporate-financial elite.

The interests and needs of the working class can find no expression within the existing political system. The defense of democratic and social rights must assume the conscious form of a socialist political movement of the working class against the capitalist system.



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