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WHAT MATTERS TODAY



SMART CHARTS

By the Numbers: The Incredibly Shrinking American Middle Class

September 20, 2013
by Karin Kamp

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A typical American household made about \$51,017 in 2012, according to [new figures](#) out from the Census Bureau this week. That number may sound familiar to anyone who remembers George H. W. Bush's first year as president or Michael Jackson in his prime. That's because household income in 2012 is similar to what it was in 1989 (but back then it was actually higher: you had an extra \$600 or so to spend compared to today).

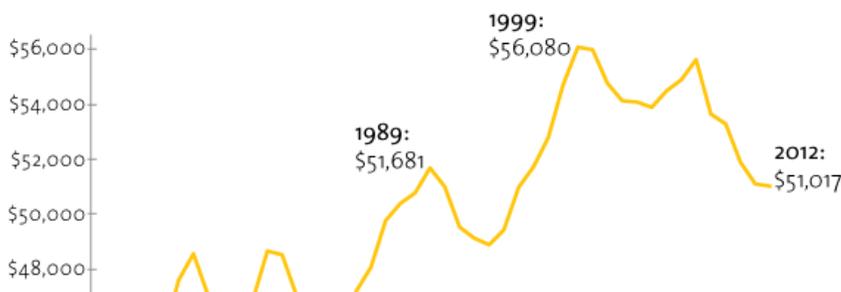
That sobering statistic gives an indication of where the American middle class appears to be headed. Take a look below at a snapshot of where the middle class is now, the problems they face and what our Facebook audience has to say about squeaking out a living these days.

A note on the term "middle class": There is no single, universal definition so we turned to economic analyst Robert Reich – who [spoke to us this week](#) – for some direction. Reich suggested defining middle class as those with income levels 50 percent above and below the median income. Median is a term that means the "middle of the middle." Median earnings are a key indicator of how the middle class is doing.

A Snapshot

Median Household Income, 1967-2012

in 2012 dollars



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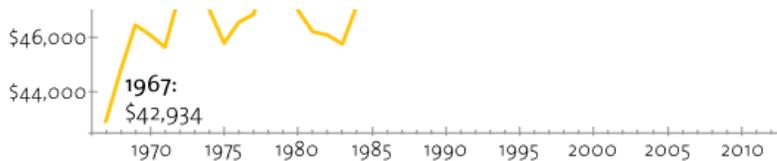
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SOURCE: CENSUS BUREAU

Mother Jones

The income range to be considered middle class: **\$25,500 – \$76,500**

The median middle class household income in 2012: **\$51,017**
and in 1989: **\$51,681**

Year inflation-adjusted median household income peaked at \$56,080: **1999**

Income needed in a two parent, two child home in St. Louis for an adequate living standard: **\$64,673**
and in New York City: **\$94,676**

The Problem

Share of self-described middle-class adults who say it's more difficult now than a decade ago for middle-class people to maintain their standard of living: **85**

Percentage of Americans that consider themselves to be "lower class" (the highest percentage ever): **8.4**

Percentage increase in salary growth for the median worker from 1979 to 2012: **5**

Percentage drop in average real income per family since 2007: **8.3**

The median net worth of a family in 2010: **\$77,300**
and in 2007: **\$126,400**

Percentage of Americans that are unemployed/underemployed rate: **14**

Number of states in which poverty rates rose between 2007 and 2010: **46**

Approximate poverty rate from 2009 to 2012: **15**

The last time it remained at or above 15 percent for three years running: **1965**

The Work

Average number of hours U.S. workers put in annually: **1,790**
what the Norwegians work: **1,420**
and the French: **1,479**

Percent increase in productivity from 1979 to 2012: **75**

What the median middle-class income (\$51,017) would be if wages grew at the same rate: **\$77,131**
(Check out this handy tool from EPI to see [what your income would be](#) if it had kept up with

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Number of guaranteed days of paid vacation given to U.S. workers: **0**

Number of vacation days U.S. workers are entitled to, but don't take, in a typical year: **175 million**

Number of paid maternity days in Germany: **98 (100% pay)**

Number of paid maternity days in France: **112 (100% pay)**

Number of paid maternity days in U.S.: **0**

Number of industrialized countries that do not mandate paid maternity leave: **1**

(yes, the U.S. is the only one that does not require paid leave.)

The Costs

Average out-of-pocket health care expenses per household in 2012: **\$3,600**

and in 2011: **\$3,280**

and in 2005: **\$2,035**

Average amount needed to send a child to an in-state college for the 2012-13 academic year: **\$22,261**

and for a private college: **\$43,289**

Percentage of Americans near retirement with less than \$30,000 in their retirement accounts: **75**

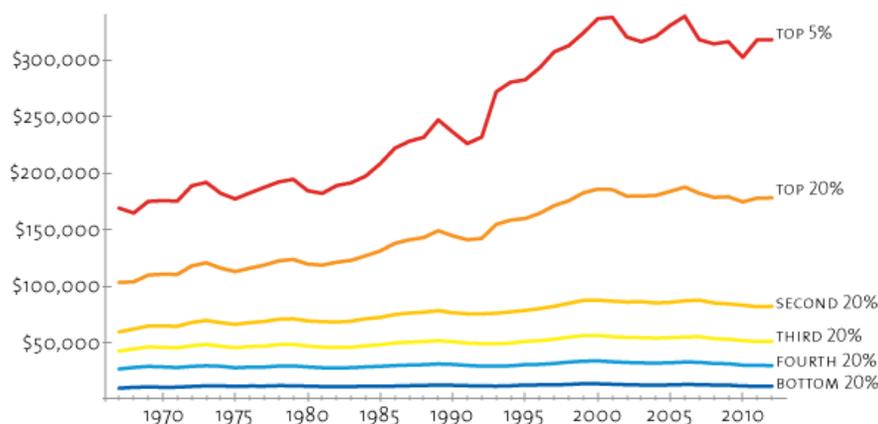
Percentage increase in housing prices since 1990: **56**

Share of Americans that do not have enough money saved to pay their bills for six months: **3/4**

The Inequality

Average Household Income, 1967-2012

in 2012 dollars, by percentile



SOURCE: CENSUS BUREAU

Mother Jones

Percentage of income gains captured by the top 1 percent in the first three years of the economic recovery: **95**

Percentage income growth since 1967 for the top 5 percent of earners: **88**

and for the top 20 percent of earners: **70**
and for middle-income households: **20**

Average income of top 1 percent: **\$1.2 million**

Average net worth of the top 1 percent: **\$16.4 million**

The share of wealth held by the richest 400 Americans: **1/2**

The median household net worth in 2010: **\$57,000**
and in 1983: **\$73,000**

Percentage of the 1 percenters who said they were “middle class at heart”: **76**

The total number of Americans living in poverty — with incomes of \$23,492 for a family of four or \$11,720 for an individual: **46.5 million**

What Our Viewers Say

Our Facebook audience told us how they're managing the middle class squeeze. See [more of their comments](#) or leave your own below.

The screenshot shows a Facebook comment section with the following content:

- Header: Like · Comment (232 comments)
- Like notification: Mary Hartenian, Dottie Harrelson, Gary Stevenson and 1,133 others like this. (Top Comments)
- Comment 1: **Charles Paul Becker** Corporate Terrorists control the United States puppet government. (70 likes, 12 hours ago)
- Comment 2: **Borohousing Freechoice** Feeling like crap. Corporations have outsourced every job they can, and are bringing in foreign workers to drive wages even further down. And please, let's not pretend the Democrats even care, they are pushing this awful immigration bill that will sink the middle class for good. (47 likes, 12 hours ago, 7 Replies · 11 minutes ago)
- Comment 3: **Lamar Wadsworth** \$25,000/year is not middle class, it is working poor. (22 likes, 12 hours ago via mobile)
- Comment 4: **Rachel Howell** \$25,000 is middle class? That's the ragged edge of poverty, even for a one-person household. Paycheck to paycheck, low standard of living, no financial security whatsoever, no disposable income whatsoever. Disaster is just one car wreck away or one serious illness away. (22 likes, 12 hours ago, 5 Replies · 2 hours ago)

“Tried to do the right thing all our lives — raised a great kid, had good paying jobs. It’s all gone now, we will probably lose the house. We’re working at jobs making a third of what we used to. There is no bail out for the middle class, just the banksters and gangsters like Mitt Romney and his class.”
– Stan Stritzel

“Seriously thinking of moving overseas. Economically, many countries are struggling, but they seem to still have better quality of life. Not everything is perfect, there is still crime, there are still rich stupid idiots, but there is less of the government being the evil empire as much as here in the U.S. and more support for smaller less, global corporations. Environmental concerns are evident in legislation and policies. Healthcare is a right which supersedes any right to carry a gun in public. Someone once wrote, ‘Americans have rights to protection; Europeans have rights to be protected from.’”
– Sandra Hopkins

“As a Union member I am at the top of the range — we made it through the recession so far and I’m feeling hopeful for my future, but the way union’s are vilified by so many of the 99% it is scary. I am fearful for the future of organized labor as a relevant force due to complacency of its members.”

– Matthew Buckley

” I’m a public school teacher in Los Angeles. I can’t support myself and my husband on what I make. We sink further and further into debt every month. I’m scared to death of illness, or of my 22 year old car breaking down.” — Ellen Abramson Cohen

“We’re a country on the verge of change and revolution: the fat cats and their puppets are forcing everybody’s hand.” — W Allan Goode

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TAGS: 99 percent, census, income inequality, middle class, one percent, poverty, robert reich, widget

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