Follow-up to Biden Challenge: Revitalizing the Middle Class
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What does it mean to be in the middle class?

- 43% of American households are struggling to make ends meet
- 70% of Americans identify as Middle Class
Minimum to be Middle Class

• This threshold is built on a bare minimum budget for each U.S. county shows that, in addition to the 16 million households below the poverty line, 35 million households—the majority of which consider themselves middle class—are unable to make ends meet.

--- Stephanie Hoopes and Daniel Treglia, the Biden Challenge

Cost of living versus wages

- Fifteen of the top 20 occupations in the U.S. pay less than $20 per hour ($30,000/year)

- 11% of jobs pay enough for two working parents to support a family of four

14% of households with income below the Federal Poverty Level

$24,300 family of 4 in 2016

Source: United Way ALICE Project as reported in Axios, 2018; as referenced by Hoopes and Treglia (2018).
29% of households are Asset Limited, Income Constrained, Employed (ALICE). Poverty + ALICE = 43% households.

Source: United Way ALICE Project as reported in Axios, 2018; as referenced by Hoopes and Treglia (2018).
Average growth used to be a good proxy for most Americans


Average income growth has slowed in recent decades

Average annual growth of U.S. national income.

1.7% 1963-1979
1.4% 1980-2014

Only the top 10 percent have seen above-average growth

Average annual income growth for earners in each percentile of the U.S. population, 1980-2014.

Wealth is increasingly concentrated at the top

Shares of total wealth, 1913-2012


Equitable Growth
Lower inequality closes 70 percent of the mobility gap

Percent of children in each cohort who earn more than their parents with simulations

Conclusion

• Revitalizing our middle class is not only a moral obligation, but a necessity for a strong democracy.

• Let’s begin the discussion, what are the policies that will move us in revitalizing our middle class?