



# Pew Research Analysis Shows Middle Class Is Losing Ground

A new study released on May 11 by the Pew Research Center indicates that middle-class Americans are losing ground as a share of the population, especially in metropolitan areas. Pew's analysis was based on its study of U.S. government statistics found in the 2014 American Community Survey and the 2000 Decennial Census. During the period bracketed by those two surveys, the percentage of Americans whom Pew would classify as "middle class" fell in 203 of the 229 metropolitan areas in the United States.



The decrease in the middle-class share measured six percentage points or more in 53 metropolitan areas, compared with a four-point drop nationally.

These findings reinforced a previous analysis completed by the Pew Research Center, released to the public last December 9, indicating that the U.S. middle class had declined to the point where it makes up slightly less than 50 percent of the U.S. adult population. According to that study, in early 2015, 120.8 million adults were in middle-income households, compared with slightly more — 121.3 million adults — who were in lower- and upper-income households combined.

"It is a very, very widespread phenomenon. North, south, or west, the middle class was losing ground in almost every metropolitan area," CBS News quoted Rakesh Kochhar, associate director of research at Pew. "It wasn't that more populated areas or poorer communities were disproportionately affected. This was a change affecting almost every community in the country."

Not all of the people who left the middle class fell into poverty, however. Some climbed into the upper-income category. The share of wealthy households rose, from 17 percent in 2000 to 20 percent in 2014, as did the share of poor households, which increased from 28 percent to 29 percent during the same time period.

"The other commonality isn't just the shrinking of the middle class, but a movement both up and down the ladder," Kochhar told CBS. "There's a polarization. There are more in the upper tier and more in the lower, and fewer in the middle."

As for how Pew determined who was a member of the middle class, it was based on a formula classifying those with an annual household income between two-thirds to double the nation median, which is about \$42,000 to \$125,000 for a family of three. The article on the Pew website contains a link to an "income calculator" that enables the reader to determine whether his family is middle class or not. The calculator takes not only income into consideration, but also the size of the household and the metropolitan area where the individual lives. The larger the size of the household and the higher the cost of living in the area, the higher a family's income must be to achieve middle-class economic status.



#### Written by Warren Mass on May 12, 2016



The article explains how the income calculator adjusts for family size and the geographic cost of living:

The calculator takes your household income and adjusts it for the size of your household. The income is revised upward for households that are below average in size and downward for those that are above average....

The cost-of-living adjustment for an area was calculated as follows: Jackson, Tennessee, is a relatively inexpensive area, with a price level that is 17% less than the national average. The Hawaii metropolitan area known as Urban Honolulu is one of the most expensive areas, with a price level that is 22.5% higher than the national average. Thus, to step over the national middle-class threshold of \$42,000, a household in Jackson needs an income of only about \$34,600, or 17% less than the national standard. But a household in Urban Honolulu needs a reported income of about \$51,000, or 22.5% more than the U.S. norm, to join the middle class.

In another survey taken by Pew last December 8-13, 62 percent of respondents said the federal government does not do enough for middle-class people, compared with just 29 percent who said it does the right amount and six percent who said it does too much.

The question was phrased: "How much help does the federal government provide to each group?" The groups about which participants were asked were older people, middle-class people, children, poor people, and wealthy people.

In addition to middle-class people, a majority of those surveyed said the federal government doesn't do enough for older people, poor people, or children. However, 61 percent said the government does too much for wealthy people.

While the answers provided to these questions are, or course, limited by the phrasing of the question — which presumes that it is the federal government's responsibility to "help" one or more segments of the population — it is nevertheless disturbing to the strict constitutionalist that an overwhelming majority of those polled obviously buy into that philosophy.

A review of the 10th Amendment (which might be considered to be the strict constitutionalist's rule of thumb) states: "The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people." This amendment expresses the principle of federalism, under which the federal government possesses only those powers delegated to it by the United States Constitution, with all others being reserved for the states or the people.

If we read the Constitution from beginning to end, we find that the document does not grant any power to any branch of government to "help" anyone, other than by protecting their legal rights.

There is a classic story about Davy Crockett, who was a congressman before gaining fame for his brave death at the Alamo, who gave a speech in Congress in opposition to appropriating money for the benefit of a widow of a distinguished naval officer — on constitutional grounds. A key part of his argument was:

I will not go into an argument to prove that Congress has no power to appropriate this money as an act of charity. Every member upon this floor knows it. We have the right, as individuals, to give away as much of our own money as we please in charity; but as members of Congress we have no right so to appropriate a dollar of the public money....

Mr. Speaker, I have said we have the right to give as much of our own money as we please. I am the poorest man on this floor. I cannot vote for this bill, but I will give one week's pay to the object, and if every member of Congress will do the same, it will amount to more than the bill asks.



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If every individual surveyed by Pew was familiar with the principle expressed by Davy Crockett on the floor of Congress long ago, and was also familiar with the U.S. Constitution (especially the 10th Amendment) then the results of the poll should have been unanimous. One hundred percent of those responding should have said that the federal government is doing *too much* to help everyone — including older people, middle-class people, children, poor people, and wealthy people.

What few people understand is, if the federal government would cease doing so much to "help" all of these groups of people, then the money spent to pay for these programs would be left with the states and the people, who could then better afford to help themselves, and each other. In such a scenario, a future Pew poll would very likely indicate that the middle class was growing instead of shrinking.

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