The Vanishing U.S. Middle Class and Soaring Poverty: A Primer
U.S. Middle Class Decline

The erosion of the middle class, high poverty, hunger, and homelessness, and the steep decline of the American dream are among the most important domestic challenges of our times and profoundly impact other critical issues like health, education, racial inequity, economic competitiveness, gender inequality, and national security.

Median household income was $63,179 in 2018, not statistically different from the 2017 median (U.S. Census Bureau).

Given that the average U.S. household income was flat — and many middle-class families can't afford housing, health care, child care, and other basic living expenses — it's clear that the nation is suffering from an income versus expenses gap that is fueling our mass poverty and hunger, which are higher, per capita, than in any other industrialized Western nation. This new data provides the latest proof that the decline of the middle class is the top reason so many Americans suffer from poverty and hunger.

Americans are working hard, but as the Economic Policy Institute's chart below proves, the massive increases in US worker productivity have been coupled with a sharp decline in the purchasing power of those same workers' wages.
Public polices reducing unionization have accelerated the decline of the middle class.

38.1 million Americans lived below the meager federal poverty line of $20,780 for a family of three in 2018 (U.S. Census Bureau). While the poverty rate in 2018 was slightly lower than in 2017, the number of Americans living in poverty was still higher than in 2007, before the recession, and 66 percent higher than in 1973, when — due to both broad-based economic growth and the War on Poverty — poverty reached its lowest level in modern times.
In contrast, in 2018, the wealthiest 400 Americans had a combined net worth of $2.9 trillion (Forbes). That $2.9 trillion figure is the equivalent of $76,115 for each of the 38.1 million Americans in poverty.

100M = 1/3

# OF AMERICANS LIVING NEAR OR IN POVERTY

OF ALL AMERICANS

Earning 200 percent of the meager poverty threshold or lower, or below $41,560 for a family of three (U.S. Census Bureau)
The decline in income among the lowest-income Americans from 2004 to 2018*:

All other Americans saw financial gains during the same time period.

*According to Groundwork Collaborative and the Center on Poverty and Social Policy (CPSP) at Columbia University
Many middle class Americans fall into poverty one or more times in their lives. Countless Americans are solidly middle class one day — but after the car that takes them to work breaks down, their home catches fire, someone in their family gets very sick, their company announces layoffs, or they go through a tough divorce — they are soon impoverished. Tens of millions of families are only one or two setbacks away from financial disaster, especially since the U.S. is the only industrialized Western nation with no paid family or medical leave.

485 COUNTIES

20 PERCENT OR MORE OF THE POPULATION HAS BEEN LIVING BELOW THE MEAGER POVERTY LINE FOR THE LAST 30 YEARS
Many people assume that most poor American families are impoverished for long, continuous periods of time, often over multiple generations, but that’s just not the case for most people in poverty America. In the 48 months spanning the years 2009 to 2012, only 2.7 percent of families were poor for all of those 48 months, but more than a third (34.5 percent) of all U.S. families experienced poverty in at least two of those months (U.S. Census Bureau). In other words, while only one in 37 Americans were poor the entire four years, more than one in three Americans were poor sometimes. That means that the number of Americans who sometimes live in poverty dwarfs the number of those who always do.
The rural poverty rate is higher than the urban poverty rate. Of the 485 counties where 20 percent or more of the population has been living below the poverty line for the last 30 years, the vast majority are rural. In 2009, these counties were represented in Congress by 43 Democrats and 84 Republicans. These counties mired in persistent poverty are as diverse as our great nation: Appalachian communities in Kentucky and North Carolina, Native American communities in South Dakota and Alaska, Latino communities in Arizona and New Mexico and African American communities in Mississippi and South Carolina (Office of U.S. Rep. James Clyburn).
“Because low socioeconomic status leads people to be sicker and to die earlier, poor Americans have far less chance of shaping political life — or of pursuing the policies that would help improve their health and lengthen their lives, such as improvements in health care, education, child care, neighborhood safety, nutrition, working conditions and so forth.”

Fully 37.2 million Americans – more than the combined populations of Ohio, Georgia, and the five states of New England – lived in households in 2018 defined by the federal government as “food insecure,” unable to always afford enough food (USDA).

While food insecurity is highest in the U.S. South and Southwest, it is a serious problem in all 50 states, the District of Columbia, and Puerto Rico. Even in the state with the lowest level of hunger – New Hampshire – one in thirteen state residents live in households that can’t always afford enough food.
The number of food insecure Americans in 2018 reflects a dip from 2017, when 40 million Americans struggled against hunger, but it is still three percent higher than the 36.2 million level in 2007, just before the recession, and 20 percent higher than the 31 million level in 1999, during the President Bill Clinton-era economic boom (USDA).

In 2018, 11.1 million American children (one in seven children) lived in food insecure households, down slightly from 12.5 million in 2017 (USDA). Advocates attributed this decline to both stronger economic conditions for parents and increased participation in the National School Breakfast Program.

Nearly 10 percent of employed U.S. adults — a total of nearly 15 million people — lived in homes that couldn’t always afford enough food in 2015-2017 (Hunger Free America).
High housing costs significantly contributed to U.S. hunger.

Rural and small town households are more likely to participate in the Supplemental Nutrition Assistance Program (SNAP), formerly known as the Food Stamp Program than are metropolitan ones (Food Research and Action Center).

If the top 100 counties ranked by the share of population that participated in SNAP in 2015, 85 are rural (U.S. Census Bureau).

Some rural stores earn up to 30% of their income from SNAP (Food Marketing Institute).

Out of the 10 states with the highest percentage of their populations receiving SNAP, eight voted for food for Donald J. Trump in the 2016 election (Hunger Free America).

Rural areas suffer from more food insecurity than metropolitan areas and have about as much food insecurity as principal cities (USDA).
The largest number of Americans who live in poverty, suffer from hunger, and receive government assistance are white, but people of color are disproportionately more likely to live in poverty and suffer from its symptoms.

In 2018, real median incomes of non-Hispanic White Households ($70,642) was 71 percent higher than that of Black households ($41,361), and 37 higher than that of Hispanic households ($51,450) (U.S. Census Bureau).

The poverty rate in 2018 was 8.1 percent for non-Hispanic Whites, 10.1 percent for Asians, 20.8 percent for Blacks, and 17.6 percent for Hispanics. In other words, the Black and Hispanic poverty rates were double the White poverty rate (U.S. Census Bureau).

The household food insecurity rate in 2018 was 8.1 percent for non-Hispanic Whites, 21.2 percent for Blacks, and 16.2 percent for Hispanics. In other words, the Black food insecurity rate was about two and a half times the White rate, and Hispanic food insecurity rate was double the White rate (USDA).

While the racial income, poverty, and hunger gaps are vast, the gaps in assets — what people own — are far vaster. In 2016, white families had the highest level of both median and mean family wealth: $171,000 and $933,700, respectively. Black and Hispanic families have considerably less wealth than White families. Black families' median and mean net worth is less than 15 percent that of White families, at $17,600 and $138,200, respectively. Hispanic families' median and mean net worth was $20,700 and $191,200, respectively. Other families — a diverse group that includes those identifying as Asian, American Indian, Alaska Native, Native Hawaiian, Pacific Islander, other race, and all respondents reporting more than one racial identification — have lower net worth than white families but higher net worth than Black and Hispanic families (Board of Governors Federal Research System).
The 2018 real median earnings of men who worked full-time was $55,291, compared to $45,097 for women who worked full-time. Women earned only 82 cents for every dollar men earned (U.S. Census Bureau).

The poverty rate for female-headed households in 2018 was 24.9 percent, about two and a half times more than the overall family poverty rate, 9 percent (U.S. Census Bureau).

The food insecurity rate in 2018 for female-headed households was 27.8 percent, nearly three times the rate for all households, 11.1 percent (USDA).
Many Americans falsely equate hunger and poverty with homelessness; their mental images of poverty and hunger are often of people panhandling by highway off-ramps or on street corners. However, the reality is that most Americans suffering from poverty and hunger do live in homes (although often tenuously), and the number of Americans without homes (while vaster, even per capita, than in any other industrialized nation) is far smaller than the number of Americans who suffer from poverty and food insecurity.

While there are no exact statistics on how many Americans are homeless, the best estimate is that a total of 552,830 people were experiencing homelessness on a single night in 2018. This number represents 17 out of every 10,000 people in the U.S. An estimated half of all homeless people are White and non-Hispanic (U.S. Department of Housing and Urban Development).

Given that those numbers represent a single night, it is likely millions of Americans experience homelessness sometime during a year. Many homeless people work full or part-time. While many suffer from physical or mental illnesses, and/or substance addictions, many experience none of those things and are homeless simply because they can’t afford the high price of housing.
Because low-income and working families are perceived as politically powerless, their needs are always under-funded.
Meanwhile, the wealthiest get showered with ever-more tax cuts and corporate welfare.