



Written by [Warren Mass](#) on December 10, 2015

Major Study Shows U.S. Middle Class No Longer a Majority

The U.S. middle class, which for more than  four decades comprised the majority of Americans, has declined to the point where it makes up slightly less than 50 percent of the U.S. adult population. These findings were reported in a new Pew Research Center analysis of government data released to the public on December 9.

According to the Pew figures, 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.

The analysis found that the shift in income away from the middle class since 1970 was even more dramatic, with the upper class gaining the most. Forty-nine percent of U.S. aggregate income went to upper-income households in 2014, up from 29 percent in 1970. The corresponding share going to middle-income households was 43 percent in 2014, dropping down significantly from 62 percent in 1970.

Furthermore, there was even worse news for the middle class (as well as the lower class) revealed by the study. While incomes in all categories rose between 1970 to 2014 (presumably due to inflation), middle- and lower-income households had much smaller gains than upper-income households. The median income of upper-income households increased by 47 percent from 1970 to 2014; middle-income households experienced a 34-percent gain; while lower-income households lagged far behind with only a 28-percent increase.

The outlook was also dim for the net worth of middle-income families, compared to upper-income families, a factor that Pew researchers attributed to where each family category had most of their assets invested during the Great Recession of 2007-09. Because middle-income families had a higher proportion of their assets invested in their homes, their losses were greater and more lasting than the losses of upper-income families, who had a larger proportion of their wealth invested in the stock market. The Pew report explains:

The disparate trends in the wealth of middle-income and upper-income families are due to the fact that housing assumes a greater role in the portfolios of middle-income families. The crash in the housing market that preceded the Great Recession was more severe and of longer duration than the turmoil in the stock market. Thus, the portfolios of upper-income families performed better than the portfolios of middle-income families from 2007 to 2013. When all is said and done, upper-income families, which had three times as much wealth as middle-income families in 1983, had seven times as much in 2013.

Because of those factors, the median net worth of middle-income families, after rising from \$95,879 in 1983 to \$161,050 in 2007, lost virtually all of its accumulated gains during the Great Recession and fell to about \$98,000 in 2010. Three years later, it still had not recovered the losses.

Upper-income families, who had more assets in the stock market, lost a proportionately smaller amount during the great housing-market crash. Their median net worth, after rising from \$323,402 in 1983 to



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\$729,980 in 2007, also lost ground during the recession. But because stocks recovered more quickly than real estate, their net worth rose to \$650,074 in 2013, which — while not a complete recovery — was still about double their median wealth in 1983.

The significance of the decline of the middle class goes beyond the obvious economic factors, however. A strong middle class has always been the hallmark of a free society and the health and strength of the middle class is essential to the workings of a free-market economy and the political freedom that stems from that sort of economy.

A key difference between a free society and an authoritarian one is that the former has a strong middle class, while the latter (whether organized in communist, fascist, socialist, or the rule of an authoritarian regime) has a few party elites at the top, a small or virtually nonexistent middle class, and everyone else living in poverty.

Findings such as those revealed by Pew (which should surprise no middle-class individual who has seen his net worth and income shrink in recent years) portend much more than a march toward economic ruin. They should also be setting off alarm bells regarding our nation's slide into socialism and the loss of our freedoms. This ongoing trend, which is the inevitable result of big government and the shrinking of the private portions of our economy, was forecast 45 years ago by Robert Welch, the founder of The John Birch Society (with which *The New American* is affiliated).

Welch wrote in *The John Birch Society Bulletin* for April 1970 that one of the most effective ways to "communize" a country is to "pauperize the middle class." He continued by dissecting the communists' strategy:

All communist regimes operate with a small and all-powerful oligarchy at the top, through a framework of cowering and fear-ridden bureaucracy, with some ninety-five or more percent of the population as abject slaves at the bottom. There is no more place for a middle class under a completely established communist tyranny than there is for salesmen. A most necessary step in the establishment of such a regime is to wipe out the middle class and all of its basic opposition to the socialist concept. And the ultimate repudiation and destruction of all money values is the easiest way to eliminate the middle class.

Welch had an uncanny gift for accurate predictions about the state of our nation and the rest of the world, based principally on his comprehensive study of history and his relentless analysis of contemporary events. On December 8, 1958, at the founding meeting of The John Birch Society, almost a month before Fidel Castro came to power in Cuba, he warned: "If you have any slightest doubt that Castro is a Communist, don't. If he is successful, time will clearly reveal that he is an agent of the Kremlin."

No, Welch was not a genius of prophecy (though he may well have qualified as an intellectual genius). However, the same keen intellect that enabled him to discern the truth about Castro lends credibility to his ability to decipher the collectivist plan to enslave America by destroying the middle class. And the fate of America, if the middle class is allowed to shrink into oblivion, is not very promising.

There is still hope, however, so long as sufficient numbers of Americans dedicate themselves to learning as much as they can about our system of government, and apply that knowledge to effective education and political action.



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