

Middle Class on Shaky Ground

by ANDREE ZALESKA AND CHUCK COLLINS

Jan Burdell joined a “Common Security Club” at her Concord, N.H., church in February 2008 because her “world was turned upside down.”

“In one month, my husband lost his job and half of our retirement savings evaporated,” said Ms. Burdell, a new grandmother who has worked most of her life in human services. “We thought we were stable and middle class.” Her Common Security Club is a group of 20 that meets every two weeks to study the economic crisis, support each other

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personally with a variety of mutual aid, and engage in social action. Ms. Burdell found she was not alone in her sense of anxiety.

The economic crisis of the last year has exposed just how precarious the middle class experience is in the United States. Millions of people have lost their jobs, homes and modest savings. But even prior to September 2008, the middle class standard of living had been eroding for decades.

What does it mean to be middle class these days? Researchers describe “middle class” as a standard of living that enables a household to meet its basic obligations, invest in the future, and access opportunities for themselves and their children. The organizations Demos and the Institute on Assets and Social Policy developed a “Middle Class Security





Index” to measure the characteristics of middle class security. The five factors of the index include access to affordable housing or homeownership, private savings, retirement security, access to higher education, and adequate health insurance to prevent an illness or injury from wiping out one’s livelihood.

How many of us really feel securely middle class anymore?

Middle class boom years

In the 30 years after World War II, we saw an unprecedented expansion of the number of stable middle class households. Between 1945 and 1965, the percentage of households that owned their own home expanded from 44 to 65 percent.

The number of households sending sons and daughters to college increased dramatically, thanks to programs like the GI Bill and federal grants that reduced the cost of higher education.

The personal savings rate — the amount people saved beyond their expenses — grew steadily to 11 per-

cent in 1980. The number of households with employer-sponsored pensions increased, allowing elders to retire with a decent standard of living.

Public policies after World War II encouraged this broadening of prosperity and opportunity. We taxed ourselves at considerably more progressive rates than today and made broad investments in education, housing and infrastructure that propelled millions of families to a stable middle class standard of living.

Eroding middle class

Since the late 1970s, we have reversed direction with the real indicators of middle class prosperity declining. While many people may personally characterize themselves as middle class, the percentage of households that have the optimal level of financial security on their Middle Class Security Index has shrunk since 1980.

Employer-sponsored pensions and health insurance were replaced with private individualized pensions and health plans. The mes-

sage to middle class workers was, “You are on your own; it’s up to you to figure out how to build security in the changing economy.”

Real wages for U.S. middle class workers have remained stagnant since the late 1970s. At the same time, families by the early 2000s were spending twice as much on mortgages and housing costs as they did a generation ago. Health care, child care and other basic costs rose, even as wages stayed flat.

Families survived by taking on additional debt and working more hours in the paid labor force, with women contributing more to household income. Credit card debt exploded and those fortunate enough to own homes borrowed against equity in their homes to maintain the appearance of the middle class standard of living. Overwork and borrowing masked the reality of the United States’ declining middle class standard of living.

By 2006, the U.S. savings rate was -1 percent, meaning that we were borrowing more than our annual in-



AP Photo/Paul Sakuma/File

Left, during middle class boom years, college attendance rose. Today, the middle class faces the fallout of the economic downturn.

than 120,000 families file for bankruptcy. Half of these households declare bankruptcy because they are unable to pay medical costs after an accident or illness.

These are the indicators of a middle class at the brink. To worsen matters, we've spent the last two generations weakening the public social safety nets that low- and middle-class people depended on during hard times. There is now an urgent need to strengthen food stamps, unemployment insurance, assistance to needy families, and housing and child care programs.

Just as our public safety net is in tatters — our mutual aid networks and civic institutions are also weaker. We've gotten out of practice when it comes to pulling together as neighbors to help one another through hard times. Many factors contributed to this erosion of "social capital," including the rise of two-working-parent families, and the seductions of television and other media. Our families and communities are more fragmented — and even our churches are less equipped to support one another than previous generations. But the mini-movement of Common Security Clubs, like the one Jan Burdell participated in, is one of the hopeful

signs that people are coming together to overcome isolation and shame, help one another, and revive their communities.

The gradual erosion of the middle class has been slow and sometimes invisible. People experience their declining security as a personal failing rather than as the result of structural changes in the economy. We are now facing the prospect of a United States with a significantly smaller middle class.

What would it mean to have a healthy middle-class nation? If we look at Northern Europe, we find countries with higher taxes, more social benefits, fuller employment and shorter work hours. There is less concentrated wealth *and* less poverty.

In order to achieve this in the United States, we need to remind ourselves of the lessons of the post-World War II generation. A healthy economy should work for everyone, not just the very wealthy. Public investments in education, infrastructure and housing contribute to a fertile ground for wealth expansion and shared prosperity. It is our job to commit to rebuilding our communities and to ensure our government is accountable to building opportunities for all. ■

come. The consumption engine in the U.S. economy was driven by borrowing, not real wage growth. The meaning of middle class became at best muddled, at worst, totally false.

Middle class bust: The impact of the Great Recession

With the economic meltdown starting in the fall of 2008, millions of households have moved from middle class to very shaky ground.

One-in-five Americans is unemployed or underemployed. The official unemployment rate, which is more than 10 percent, doesn't include discouraged workers who have given up seeking jobs, the underemployed, or the unhappily employed.

More than \$5 trillion in private savings and pension funds have evaporated from the accounts of U.S. households. One-in-eight mortgages is in foreclosure or default. One-in-five homeowners owe more than what their home is worth.

One-in-nine families is unable to make the minimum payment on their credit card. Each month, more



Resources

Report: "Battered By the Storm: How The Safety Net is Failing Americans and How To Fix It," Institute for Policy Studies, et. al. Available at www.ips-dc.org/reports.

Report: "From Middle to Shaky Ground: The Economic Decline of America's Middle Class, 2000-2006," by Demos and the Institute on Assets and Social Policy. Available at <http://iasp.brandeis.edu>.

Common Security Clubs: Go to www.commonsecurityclub.org to view facilitator's materials and examples of activities congregations are doing together in response to the current economic crisis.



COMMON SECURITY CLUBS

compiled from Common Security Club Facilitator's Guide

As the economic crisis continues we are all seeking relief. We are affected as individuals, families, churches and a nation part of a global financial system. This month *Response* brings you a helpful tool to specifically address personal economic concerns and more far-reaching economic impacts: *Common Security Clubs*. They are a place to come together to:

- Grapple with our personal security in a rapidly changing world;
- Learn about the root causes of our economic and ecological challenges;
- Explore ways to increase our personal/economic security through mutual aid and shared action;
- Build on what we have together — and strengthen the institutions that we all depend on; and
- In the process make friends, find inspiration, have fun and strengthen community.

Consider using the resources reprinted here in your local United Methodist Women unit or circle. The complete *Common Security Club Facilitator's Guide* is available at www.commonsecurityclub.org.

COMMON SECURITY CLUB INTRODUCTORY SESSION

Real Security In Hard Times

This introductory session is a way to bring people together and gauge interest in starting a club. We have designed it to give people a flavor of the benefits of being together.

Objectives

- Introduce the concept of the Common Security Club: the goals, expectations and an overview of how they work.
- Give people an opportunity to connect with one another around the ways the economic crisis is touching them.
- Establish the theme of a “fork in the path,” that we

have choices in how we respond to the stress of the “great recession,” and that we can increase our personal security by joining a Common Security Club.

- Enable participants to imagine other ways to respond to our personal and community situations.
- Identify those who want to form a Common Security Club and plan the next meeting.

Preparation

- Familiarize yourself with the Common Security Club concept. [www.commonsecurityclub.org and the full facilitator's guide are excellent resources for this.]
- Read the facilitator's guide through at least once to get an idea of the material the educational sessions will cover.
- Review the agenda for the introductory session. Adapt talking points to the specific needs of your community and host organization.

Materials

- Poster paper or blank flipchart and easel
- Markers

INTRODUCTION

Welcome everyone formally, thank the host, and introduce yourself. Have participants briefly introduce themselves with their name and where they live.

BRAINSTORM

What Signs of the Times Do We See?

(5 minutes)

Post or flip to some blank poster paper to take notes during this activity. At the top of the paper, write the title “Signs of the Times.”

Pose this question to the whole group: “What are the signs of economic insecurity that you see in these times?” Write responses on the poster paper as participants say them.

MINI-PRESENTATION

Why a Common Security Club?

(20 minutes)

Facing Economic and Ecological Change*Begin with a short talk on the theme of "Facing Economic and Ecological Change." Talking points could include:*

- The fundamentals are bad. It is unlikely that our economy will ever return us to the standard of living that we had gotten used to in the United States.
- We are living in "borrowed times" and we have run up against our credit limits as a society.
- Individuals, companies, banks, even nations have borrowed more than they can ever pay back. Our financial assets were overvalued and foreclosures, bankruptcies, layoffs and service cut-backs are mounting.
- Humanity has borrowed from the past (energy stored as fossil fuels for eons), and we have borrowed from the future (fouling the atmosphere with carbon that won't dissipate for a century).
- We need to think now about how we can prepare ourselves for change — both personally and as a global society.

Cultural Messages About the Economy*Post or flip to some blank poster paper to take notes during this activity. At the top of the paper, write the title "Cultural Messages."**Pose an open question to the group: What messages have we heard about the economy? What's the "old story" about how we respond to economic trouble? Make a list of cultural messages on the blank poster paper. Allow no more than 10 minutes for a brief discussion.**If participants don't mention them, the facilitator can add these media messages to the list:*

- You are on your own (YO-YO)
- You need to figure this out *alone*. Economic struggles are a reason for personal *shame*.

- Don't talk about your economic reality with anyone else — it is either shamefully bad, embarrassingly better or just terribly inappropriate and uncomfortable.
- Interdependence is reflection of failure; mutual aid doesn't work and is inconvenient; your pain is private.
- The playing field of economic competition is level. You can pull yourself up by your bootstraps; be a self-made person.
- Economic winners deserve to take the best place; losers don't deserve anything.
- Watch out for other people less fortunate or less hard working — they will want to take your stuff. Hoard, barricade, cut yourself off from others.
- The government tends to reward the lazy instead of the hard working.
- Infinite growth and expansion is the sign of a healthy economy. Limits, conservation and frugality are for losers and occasional bad times.

**Personal Responses:
Two Paths***One option for beginning this section is to draw a quick picture of two diverging paths on a blank piece of poster paper. Explain that the concept of two paths illustrates the difficult choices we face. Talking points could include:*

- When faced with adversity, our instincts offer two choices: fight or flight. In these uncertain times, we can see these choices reflected in the choice between fear and hope, isolation and social action, self-protection and common security.
- One path: Self-protection — Retreat into fear, isolation, self-blame, scapegoating, individual action, or a "hunkering down" fortress mentality. This is the "old story" about how we can be secure.
- The Other Path: Banding together — Working together we can accomplish things that no one person or family can accomplish — like a barn-raising



COMMON SECURITY CLUBS

a century ago. This is a “new story,” a story that shows how inventive, creative and cooperative we can be, even during hard times.

Forming a Club: What Have We Got?

Once you have introduced the idea of “Two Paths,” begin to explain how forming a Common Security Club could help us follow a path toward working together to solve our economic problems. Talking points could include:

- The winners-and-losers economy has left us insecure, isolated, disconnected, exhausted and anxious.
- Our well-being grows when we feel connected to our community.
- We feel more secure, resourceful, empowered and supported when we participate in some group activity.
- We have more than we think we do. Each of us is part of various networks that we can call upon. Perhaps there was an organization that brought this group together (religious congregation, union, etc.). We do still have basic social services like health care and education. And there is strength to be found in our democratic government and civil society.
- We can learn to live differently in changing times.
- What we can’t do on our own, we can start to do together — we have the potential to create common security.

PRESENTATION

Club Ground Rules

(5 minutes)

In the next section of this introductory session, participants will be asked to speak about how the economic crisis is affecting them personally. First, though, it’s important to establish these ground rules. Read aloud these Ground

Rules and ask for all to agree to abide by them:

- You don’t have to share or personally disclose anything you don’t wish to share.
- We are creating a space of respect and personal safety.
- Confidentiality within the group is required. You should not share any information about anyone else outside the group.
- Only offer advice when it is asked for or welcomed by another person.
- We assume that people are experiencing the economic crisis differently depending on their class, culture, race, gender and other differences. Let us honor and celebrate our differences. Regardless of our differences, we all can benefit from strengthening our common security.

PAIRS DISCUSSION

Personal Sharing about the Economic Crisis

(10 minutes)

Ask participants to pair off and introduce themselves to the person next to them. In turn, each person should take four to five minutes to respond to the question, “What are one or two ways the economic crisis is touching you personally?”

After five minutes have passed, remind the pairs to trade roles, so that the speaker becomes the listener and vice-versa.

SHARING BACK

How the Economic Crisis Is Touching Us

(10 minutes)

After 10 minutes have passed, gently interrupt the conversations to ask participants to come back together in the large group. Ask for a short silence

while people think about their conversations. Ask for a couple of volunteers to share with the large group how the economic crisis is touching them personally. Ask the volunteers to limit their comments to a minute or two. Remind the group that no one is obliged to share.

Note: Remind the volunteers, if necessary, that we want to hear what they learned about *themselves*, not what they learned about the other person in their pair.

PRESENTATION

Forming a Club

(20 minutes)

How the Club Would Work

Outline the workings of a Common Security Club:

- Those who are interested in forming a Common Security Club agree to meet for five more sessions.
- After that, the group can decide whether it wants to continue meeting — or form subgroups to pursue specific activities and interests. [Suggestions are available at www.commonsecurityclub.org.]
- Clubs are self-managing, so we will need volunteers to help coordinate, schedule and host meetings.
- There will be co-facilitators for the first five sessions. After that, the club will be self-facilitating.

Overview of the Five Facilitated Sessions

[Write the session titles and themes on poster paper or flip chart for everyone to read.]

SESSION 1: How Did We Get Here (And Where Are We?)

Theme: “When the Bubble Bursts”

Explore “bubble economics,” the immediate causes of the economic meltdown and the structural problems that limit reform options.

SESSION 2: Facing Change Together

Theme: “Living in ‘Borrowed Times’”

Because of economic and ecological shifts, we are not going back to some past model of economic growth. How do we prepare ourselves and our communities for change?

SESSION 3: Building Real Security

Theme: “We Can Find New Security Together”

What makes us secure? What can we do together? What can we remember, relearn, revalue, reinvent from an earlier time or from other places?

SESSION 4: What We’ve Got

Theme: “Mapping our Community Resources and Tapping our Creativity”

Explore both the power of mutual aid and community level solutions, and recognize the need for larger scale efforts.

SESSION 5: Taking Action Together

Theme: “Local Solutions Alone Won’t do the Trick”

The Risk Shift — from government on to your back. Changes over 30 years can be reversed. Meaningful action.

Should We Start a Club?

Ask participants who can commit to coming to the five facilitated sessions.

Enlist Volunteers and Assign Roles

Ask for volunteers to take on group roles for the next meeting. For example: Three people for snacks for next meeting, two people for reminder calls or e-mails, one or two for making charts, one secretary to type up the contact list, one or two for co-facilitating.

Schedule Future Sessions

Determine the best times for the club to meet, and decide how often you want to meet: weekly, bi-weekly or monthly.

CLOSING

Thank everyone for coming and bring the meeting to a close with a song, prayer or inspirational reading. ■