



Tracking the Decline: Middle-Class Security in the 2000s

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The security of the middle class has faltered in the wake of the recession, a trend expected to have long-lasting effects as Americans move toward retirement. Among working-age middle-income families, the proportion defined as “secure” fell by 38 percent from 2004 to 2010 and the proportion defined as “vulnerable” grew by 42 percent.

These findings are based on a new Middle Class Tracking Index that measures five factors important to middle-class security: income, health insurance coverage, housing affordability, money for extras and savings, and assets to cover an emergency. Created for this report, the Index shows the following:

- Middle-class workers age 45–64, or “preretirees,” saw a 32 percent drop in their overall security between 2004 and 2010. Among those younger than 45, overall security fell by 47 percent.
- The percentage of middle-income households that were income secure declined from 10 percent to 5 percent. The percentage that were income vulnerable increased dramatically, from 17 percent to 27 percent.
- Households with a high school education were the least likely to be secure. Security declined most among middle-income households with more than high school but less than a college education; among such households security fell 51 percent, and the number defined as vulnerable jumped 68 percent.
- Fifty-nine percent of African-American households were income vulnerable in 2010, as were 57 percent of Latino families—twice the percentage among whites.
- Single parents had by far the lowest levels of security; couples without children in the home, the highest. Households headed by a married couple were much more secure than households headed by a single person, and each type was less secure if children were in the household.