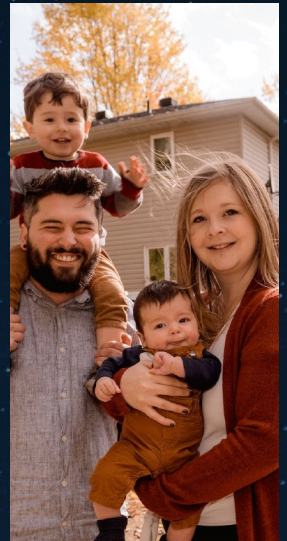


# The American Middle Class

Issue # 007

Summer 2023





## Chapter 1

# Defining the Middle Class

“Maybe it’s a Midwestern belief, but just hope for average.  
If it goes above that, **lucky you.**”

-Kyle Kinane, comedian

# Introduction

## Background

Depending on who you ask, the middle class is made up of 83M people or 199M, defined by income or defined by status, economically important or a dying breed. But almost everyone agrees that it's important and it's struggling right now.

It's undeniable the middle class makes up a giant chunk of our population, but our complete collective confusion about who they are means we don't understand the vast majority of consumers.

We don't know what their hopes, dreams and challenges are. As a result, we don't know how they want to be spoken to by brands. We sought to examine the following questions about a group that likely represents more than half our consumer base:



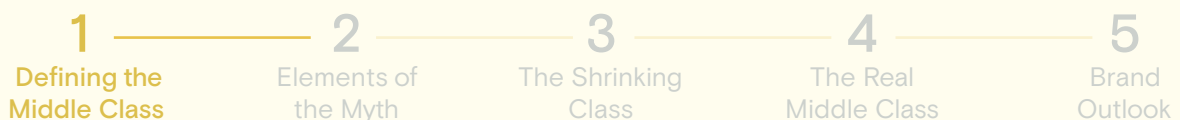
1. Who is the middle class?
2. What assumptions do we make about them?
3. What are their goals and barriers to achieving them?
4. What are their lives actually like?
5. How can we resonate better with them?

## Methodology

To answer these questions, we surveyed 1,600 Americans across all genders, races and age brackets. Over 1,000 of them identified as middle class. We built on what they told us through:

- Extensive interviews of middle class Americans (six of whom you'll see profiled in a later chapter)
- In-depth analysis of social media and search trends
- A review of existing academic research
- A healthy dose of inward soul searching to understand media's current and historical role

As we'll see in the subsequent five chapters—one dedicated to each question above—media and marketing have had huge roles historically in answering all these questions, and even bigger ones in solving them moving forward. What you see today is Chapter 1 of five, dedicated to defining and understanding this cohort:



An audit of the many ways, economic and cultural, we define the middle class, and a historical look at how we've landed where we are.



Soundtrack:  
"Everyday People"  
Sly & The Family Stone



We all seem to agree that a strong American middle class is vitally important. We disagree wildly, however, on who that middle class actually is.

## Our Consensus: "Middle Class" = ~\\_ (") \\_ / -

We see the term "middle class" everywhere: the news, movies, books, neighbors, friends, etc. We all use it freely, too. Stop for a second and try to define it. Be specific. Is it a percent of the population? Is it people who earn a certain income? Is it shorthand for "normal people," and if so, what is "normal?" What if we care about subdivisions of upper middle class and lower middle class?

What definition you use is kind of important: Depending on the metric, the middle class makes up anywhere from 25% to 75% of American households. When you ask actual Americans whether they are middle class, 89% say yes—way more than could really qualify as "middle" (Source: Pew Research). It's no surprise then that one in five people in our survey said they had no idea if they belonged to the middle class, and a bunch of others said they didn't have the words to define it.

Their confusion is valid. It turns out neither the "middle" nor the "class" part of "middle class" is as simple as it sounds, yet we all feel like we totally know what it means. We've got meme accounts dedicated to it and political campaigns hinging on it. And for millions of Americans, we also have a lot of self-worth depending on it, too.

 **President Biden**   
@POTUS

For decades, the middle class – the backbone of America – has been hollowed out.

That's why our economic plan focuses on creating good jobs you can raise a family on, jobs that don't require a college degree.

And we're making progress.

2:30 PM · Feb 4, 2023 · 1M Views

1,709 Retweets   236 Quotes   8,258 Likes   16 Bookmarks

**Hello Middle Class**  
@hellomiddleclas

The Middle Class is the majority in the U.S. Here we share news, advice, information, laughs and just plain old common sense. Enjoy!

📍 USA   📅 Joined January 2015

 **middleclassfancy**  Follow Message

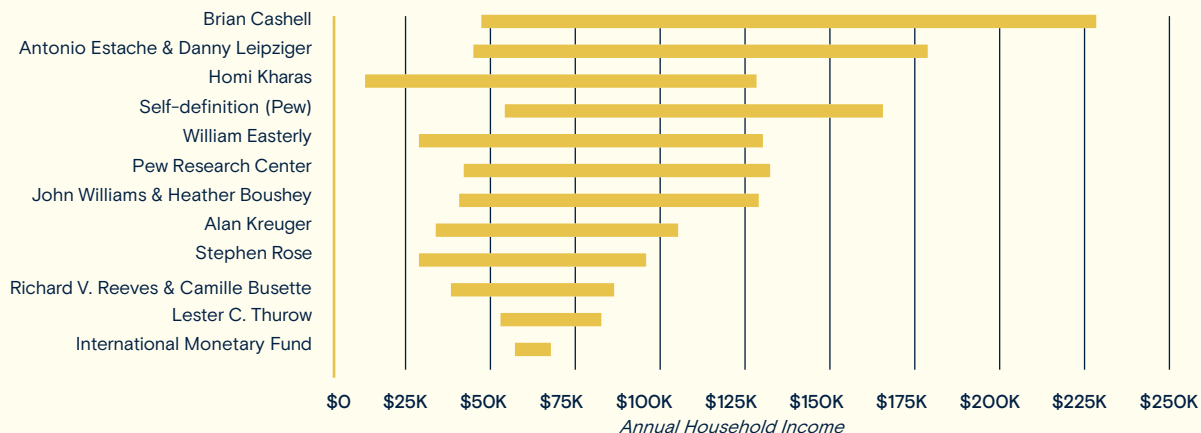
5,636 posts   3M followers   57 following

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# Definition Economics

## Household Income

In theory, the definition is simple: the economic middle of the country. But how to calculate that is so complicated that there is no official definition of what the middle class is. The simplest way is to look at just annual household income. But what are the upper and lower bounds? In 2018, the Brookings Institute asked several economists what the limits were. Every single one had a different answer:



And even if we settled on an income range, this definition ignores a lot of things. Take the following two hypothetical people, for example:

### Maggie

*Maggie and her husband, both in their late 40s, earn collectively \$75,000 a year. They are renters in New York City with their four children. A medical emergency a couple of years ago has left them \$150,000 in debt.*

### Latoya

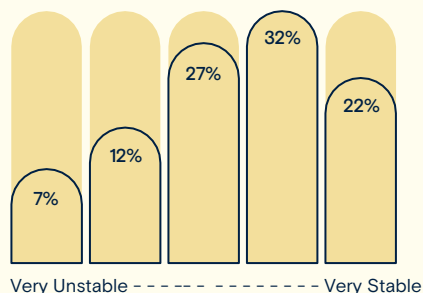
*Latoya also makes \$75,000 a year. She is a couple of years out of college and living alone in a small town in Nebraska. Last year, her grandmother left her \$1M in an inheritance. She used 1/4 of it to buy a house and has invested the rest.*

On paper, both of these households qualify as “middle class,” but Maggie and Latoya’s lives couldn’t be more different, both financially and otherwise. Latoya is at the beginning of her career, likely to get big raises in the future and living debt-free at the moment. Maggie, meanwhile, has to spend a chunk of her income each month toward debt repayment, lives in an extremely expensive city, and has six people to take care of with the same amount of money that Latoya has for just herself.

This isn’t just hypothetical: We saw differences like this all throughout our survey data. People who actually earned around \$75,000 per year had a wide range of financial experiences. Some felt unable to confidently handle daily expenses while others were investing heavily in their future. Some had medical bills that derailed their financial plans for years while others were saving for down payments. Some were a little too cavalier with their credit cards when they were young while others were diligently maintaining a full year’s worth of emergency savings.

The point is, everyone’s life is different, and money goes further for some than others.

How Financially Stable Respondents Feel (\$60-75K HHI)



# Other Economic Metrics

As we saw, there are too many factors at play for income alone to tell us much about a person or their financial situation. But what if we looked at that person's finances relative to those of others? In other words, measures of inequality. Economists have a number of different ways of assessing this—the Gini coefficient, the 20:20 ratio, the Hoover index, the Palma ratio—all of which involve complicated formulas and have their own costs and benefits. We get the same problem here that the Brookings Institute had with using income: Every economist has their own metric of choice and they all have a different time and place where they are helpful.

Pew Research Center has a multi-input calculator that lets you determine your class based on income, location, and household size. It then lets you see how you stack up against others in your demo. None of it matches how real people assess their own class.

**STEP 1:** See where you are in the distribution of Americans by income tier. Enter the location that best describes where you live, your household income and the number of people in your household. The calculator adjusts for the cost of living in your area.

**State:**

**Metropolitan area:**

**Household income before taxes:**

**People in my household:**

**SHARE OF AMERICAN ADULTS IN EACH INCOME TIER**

Upper	19%
Middle	52%
Lower	29%

**STEP 2:** Now compare yourself to others in the U.S. with your demographic profile

**Education**  Less than high school  High school graduate  Two-year degree/Some college  Bachelor's degree or more

**Age**  18 to 29  30 to 44  45 to 64  65 or older

**Race/ethnicity**  White  Hispanic  Black  Asian  Other or multiracial

**Marital status**  Married  Not married

Other economists have chosen completely different tactics. While the U.S. government has steered clear of making any official definitions, the United Kingdom has a blunt classification system based entirely on your employment. It assigns you a literal social class depending on your industry, your level of seniority and the size of the company you work for. It still ignores how many mouths you've got to feed at home, where you live and a bunch of other things that impact how far your money goes.

But the bigger problem is that real people don't relate to their fellow Americans in terms of economic formulas. Our survey respondents were very clear that when asked how they define the middle class, their definition is usually less specific and more of a vibe:

**"I think it means living comfortably but not extravagantly."**

-Female, Black, Age 21

**"Able to afford a house and at least one car. And live in the town/area you choose."**

-Male, White, Age 51

**"Middle class means people like me, I think."**

-Male, Asian, Age 22

**"Not rich but not poor, either."**

-Female, White, Age 63

# Definition Culture

Clearly income is far too one-dimensional to really tell us much. So why do we keep using it? Because it's easy. But it's not how most Americans think about being middle class in practice. Instead, it's usually a stand-in for an ideal average American household, their hopes, values and lifestyle.

Case in point: The vast majority of our survey respondents described the middle class in purely aesthetic terms: the number of people in the home, the house they live in, the car they drive, the job they hold.

“Middle class’ in the U.S. has historically stood for something less concrete: the American Dream.”

-NPR, 2016

“The middle-class label is as much about aspirations among Americans as it is about economics.”

-The New York Times, 2015

When a politician or journalist talks about the middle class, they're not specifically speaking of Maggie or Latoyas. They're talking about the typical person. And when they tell you the middle class is shrinking, they're not talking about raw numbers. They're actually saying that things are getting harder for the average American. In other words, the definition of the middle class that matters isn't economic, but cultural.

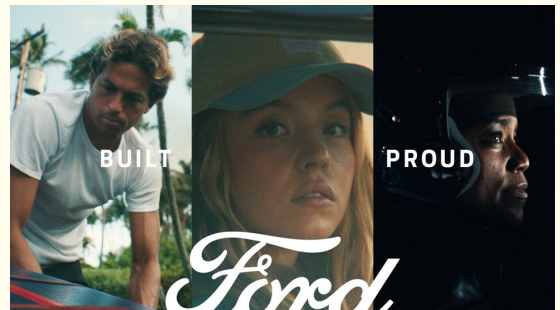
## The Role of Media & Marketing

So who gets to define what that cultural definition is? The simple answer: As brand marketers, we do. Media and marketing shows people image after image of “regular” people whose lives are just a little better than yours. Their homes are a little nicer, their work ethic a little stronger and their grit just a little grittier. We're constantly shaping what the American public thinks the typical American looks like...and in turn, what they think they should look like:

How brands show middle class life:



Modelo celebrates the self-made American business owner as the average American.



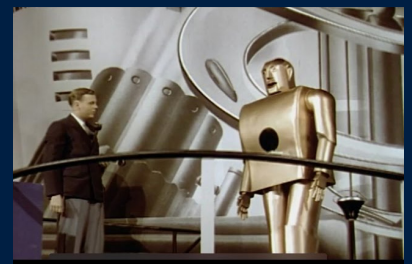
Ford showcases pride in a hard day's work as essential to the identity of a typical American.

How people then see the middle class:



# A History Lesson The 1939 World's Fair

While technically the term “middle class” has been around in some form for centuries, if we want to understand what our cultural definition of it is, we have to start almost a century ago. The mainstream idea of the American middle class was invented by media and marketers at the 1939 New York World's Fair.



“Business is using the Fair to show off the marvels of its industrial technology. Since technology is pretty wonderful, the Fair will be full of wonderful things.”

-Life Magazine, 1939

At the time, America was coming out of the Great Depression and the world was on the brink of World War II. Between the bleak economics of the past decade and the global rise of communism, brands were worried that (a) Americans were disheartened by their prospects, and (b) were no longer interested in buying things.

If America was the land of opportunity, then it needed a depiction of what was possible with all that opportunity. A singular cultural vision of what you could (and maybe should) aspire to. The American Dream in the age of consumerism. At the 1939 New York World's Fair, we found just that.

## The Middletons

The Westinghouse Company wanted to show what was possible for the average family thanks to its brand (and in turn, American capitalism). Enter, The Middleton Family, a one-hour movie about a fictional family from Indiana. The Middletons were just that: in the middle. Neither rich nor poor, urban nor rural, and politically centrist. Truly average. But at the Fair, they learned of a whole host of inventions with the power to make their lives fantastical. Cars sped husbands to work in a jiffy, vacuum cleaners tidied homes in a fraction of the time, microwaves whipped up meals in minutes. Modern technology and capitalism was powering a life of luxury previously reserved just for the economic elite.

Through the course of the film, the family brings their two children and their older daughter's boyfriend to the Fair. The narrative follows the boyfriend, a self-described socialist, being slowly brought around to the benefits of consumerism through all the things modern technology empowers at the Fair. Aside from being an obvious propaganda piece for American industry, it was also one of the first, self-conscious depictions of a so-called “middle class family.”



# The Typical American Family Contest



The judges at the 1940 season of the New York World's Fair felt quite literally that the typical American family had a white picket fence.



In the second year of the Fair, The Westinghouse Company decided to find real-life counterparts to The Middletons in each U.S. state. The winners were literally gifted a white picket fence (they each won a house) and got to visit the Fair to reenact the Middletons' fictional journey. With only a couple of exceptions, they painted a largely homogenous picture of what was to be considered the typical American family: a heterosexual, white, Protestant couple living in a suburban home with a well-behaved son and daughter.

We've built on these images (and thus our concept of the middle class) a lot in the intervening eight decades. But ever since, we've been using the term "middle class" as a stand-in for the typical family, the average family, and critically, the ideal family. And brands have followed Westinghouse's lead in crafting and perpetuating our definition of the middle class.

Over nearly 70 years, our images of middle class household products still imagine a largely similar definition of what that household looks like—an image marketers have promoted. Where it goes from here is also up to marketers to define:



"Cleanest" 1954



"Love the Look of Laundry" 1983



"Tide Kick" 2001



"Earning the Title" 2022

# Defining the Middle Class TL;DR

The average American has some idea of what the middle class is, but when pushed to articulate it, they're at a loss. When we strain ourselves to come up with something concrete, what we're often left with is a brand-constructed picture of the ideal American family.

## 1 Culture—not income—is the most helpful way to define the middle class.

Income alone doesn't really tell us much about a person's life, or even their finances. Yet it's often the only metric we use when targeting people based on affluence. There has to be a more accurate way to assess a person's purchasing power and preferences.

**For Brands:** A more nuanced way of defining audiences' socioeconomic status leads to more effective targeting.

## 2 Media and marketers created the cultural definition we all hold of the middle class.

We should be a lot better at understanding middle class audiences considering we as brand professionals built what they look like in the first place. The imagery we use, the talent we cast, and even the products we develop have a huge cultural impact in signaling to middle class Americans what their identity is. This identity, though, isn't a reflection of how Americans' lives actually are, but what their lives could be.

**For Brands:** It's vital not to let an aspirational vision of the future turn into a judgmental view of the present.

## 3 How marketers depict the middle class impacts how the middle class sees itself.

When we show people what they should strive for, it's impossible for them not compare what they have now with what they want to have in the future. They begin to define success as achieving this aspirational vision, rather than living the best life possible with their actual circumstances.

**For Brands:** A better understanding of the gap between this aspiration and reality will help brands develop a more positive relationship with consumers, rather than one rooted in shame and inadequacy.

## *Next Time On The American Middle Class...*

We've established that brands have a **huge impact** not just in defining our lasting image of the middle class, but also in setting the tone for their identity and their definition of success. Next time, we'll explore the impact media has had in reinforcing this image, the elements of this cultural definition, the extent to which they have always been unrealistic and the ways in which the gap between myth and reality has grown over time.