Read our research on: Economy | Russia | COVID-19



Search pewresearch.org... Q

RESEARCH TOPICS ▼ ALL PUBLICATIONS METHODS SHORT READS TOOLS & RESOURCES EXPERTS ABO

Home > Research Topics > Economy & Work > Income, Wealth & Poverty > Middle Class

APRIL 20, 2022



How the American middle class has changed in the past five decades

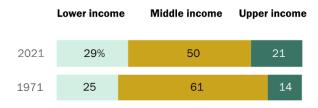
BY RAKESH KOCHHAR AND STELLA SECHOPOULOS

The middle class, once the economic stratum of a clear majority of American adults, has steadily contracted in the past five decades. The share of adults who live in middle-class households fell from 61% in 1971 to 50% in 2021, according to a new Pew Research Center analysis of government data.

From 2020: Are you in the American middle class? Find out with our income calculator



% of adults in each income tier



Note: Adults are assigned to income tiers based on their size-

adjusted household incomes in the calendar year prior to the survey year. Shares may not add to 100% due to rounding. Source: Pew Research Center analysis of the Current Population Survey, Annual Social and Economic Supplement (IPUMS).

PEW RESEARCH CENTER

The shrinking of the middle class has been accompanied by an increase in the share of adults in the upper-income tier – from 14% in 1971 to 21% in 2021 – as well as an increase in the share who are in the lower-income tier, from 25% to 29%. These changes have occurred gradually, as the share of adults in the middle class <u>decreased in each decade</u> from 1971 to 2011, but then held steady through 2021.

The analysis below presents seven facts about how the economic status of the U.S. middle class and that of America's major demographic groups have changed since 1971. A <u>related analysis</u> examines the impact of the <u>coronavirus pandemic</u> on the financial well-being of households in the lower-, middle- and upper-income tiers, with comparisons to the Great Recession era. (In the source data for both analyses, demographic figures refer to the 1971-2021 period, while income figures refer to the 1970-2020 period. Thus, the shares of adults in an income tier are based on their household incomes in the previous year.)

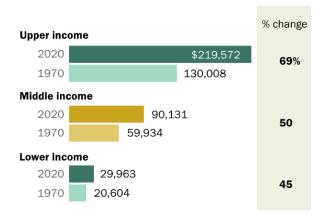
How we did this \oplus

Who is middle income or middle class? \oplus

Household incomes have risen considerably since 1970, but those of middle-class households have not climbed nearly as much as those of upper-income households. The median income of middle-class households in 2020 was 50% greater than in 1970 (\$90,131 vs. \$59,934), as measured in 2020 dollars. These gains were realized slowly, but for the most part steadily, with the exception of the period from 2000 to 2010, the so-called "lost decade," when incomes fell across the board.

Incomes rose the most for upper-income households in U.S. from 1970 to 2020

Median income, in 2020 dollars and scaled to reflect a three-person household



Note: Households are assigned to income tiers based on their sizeadjusted incomes in the calendar year prior to the survey year. Source: Pew Research Center analysis of the Current Population Survey, Annual Social and Economic Supplement (IPUMS).

PEW RESEARCH CENTER

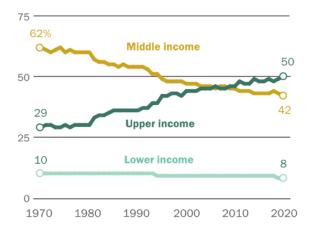
The median income for lower-income households grew more slowly than that of middle-class households, increasing from \$20,604 in 1970 to \$29,963 in 2020, or 45%.

The rise in income from 1970 to 2020 was steepest for upper-income households. Their median income increased 69% during that timespan, from \$130,008 to \$219,572.

As a result of these changes, the gap in the incomes of upper-income and other households also increased. In 2020, the median income of upper-income households was 7.3 times that of lower-income households, up from 6.3 in 1970. The median income of upper-income households was 2.4 times that of middle-income households in 2020, up from 2.2 in 1970.

Share of aggregate income held by U.S. middle class has plunged since 1970

% of U.S. aggregate household income held by lower-, middle- and upper-income households



Note: Households are assigned to income tiers based on their size-adjusted income in the calendar year prior to the survey year. Their unadjusted incomes are then totaled to compute the share of U.S. aggregate household income held by each income tier. Shares may not add to 100% due to rounding.

Source: Pew Research Center analysis of the Current Population Survey, Annual Social and Economic Supplement (IPUMS).

PEW RESEARCH CENTER

The share of aggregate U.S. household income held by the middle class has fallen steadily since 1970. The widening of the income gap and the shrinking of the middle class has led to a steady decrease in the share of U.S. aggregate income held by middle-class households. In 1970, adults in middle-income households accounted for 62% of aggregate income, a share that fell to 42% in 2020.

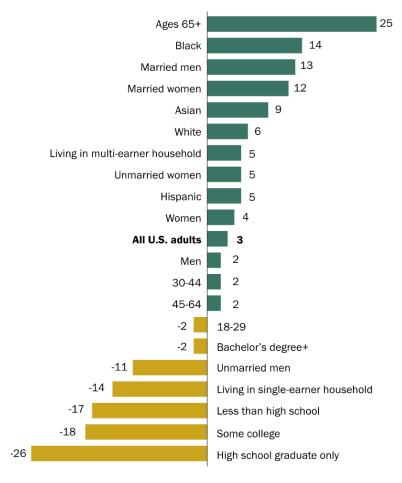
Meanwhile, the share of aggregate income accounted for by upper-income households has increased steadily, from 29% in 1970 to 50% in 2020. Part of this increase reflects the rising share of adults who are in the upper-income tier.

The share of U.S. aggregate income held by lower-income households edged down from 10% to 8% over these five decades, even though the proportion of adults living in lower-income households increased over this period.

Older Americans and Black adults made the greatest progress up the income ladder from 1971 to 2021. Among adults overall, the share who were in the upper-income tier increased from 14% in 1971 to 21% in 2021, or by 7 percentage points. Meanwhile, the share in the lower-income tier increased from 25% to 29%, or by 4 points. On balance, this represented a net gain of 3 percentage points in income status for all adults.

Black adults and those older or married saw some of the biggest gains in income status from 1971 to 2021

Change in a group's share that is upper income minus the change in the group's share that is lower income from 1971 to 2021 (percentage point change)



Note: Adults are assigned to income tiers based on their size-adjusted household incomes in the calendar year prior to the survey year. The change for Asian adults was calculated from 1991 to 2021 because data for 1971 was not available. "Some college" includes those with an associate degree and those who attended college but did not obtain a degree. White, Black and Asian adults include only single-race non-Hispanics. Hispanics are of any race. Asian adults include Native Hawaiians and Pacific Islanders.

Source: Pew Research Center analysis of the Current Population Survey, Annual Social and Economic Supplement (IPUMS).

PEW RESEARCH CENTER

Those ages 65 and older made the most notable progress up the income ladder from 1971 to 2021. They increased their share in the upper-income tier while reducing their share in the lower-income tier, resulting in a net gain of 25 points. Progress among adults 65 and older was likely driven by an <u>increase in labor force participation</u>, <u>rising educational levels</u> and by the <u>role of Social Security payments</u> in reducing poverty.

Black adults, as well as married men and women, were also among the biggest gainers from 1971 to 2021, with net increases ranging from 12 to 14 percentage points.

On the other hand, not having at least a bachelor's degree resulted in a notable degree of economic regression over this period. Adults with a high school diploma or less education, as well as those with some college experience but no degree, saw sizable increases in their shares in the lower-income tier in the past five decades. Although no single group of adults by education category moved up the income ladder from 1971 to 2021, adults overall realized gains by boosting their education levels. The share of adults 25 and older who had completed at least four years of college stood at 38% in 2021, compared with only 11% in 1971.

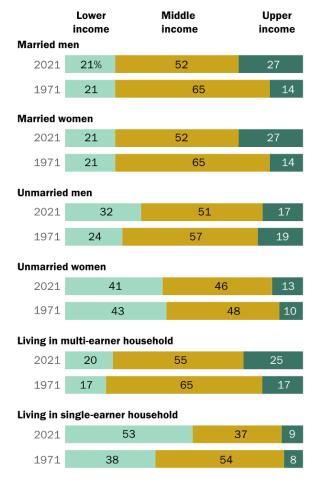
Progress up the income ladder for a demographic group does not necessarily signal its economic status in comparison with other groups at a given point in time. For example, in 2021, adults ages 65 and older and Black adults were still more likely than many other groups to be lower income, and less likely to be middle or upper income.

Married adults and those in multi-earner households made more progress up the income ladder from 1971 to 2021 than their

immediate counterparts. Generally, <u>partnered adults have better outcomes</u> on a range of economic outcomes than the unpartnered. One reason is that marriage is increasingly <u>linked to educational attainment</u>, which bears fruit in terms of higher incomes.

U.S. adults who are married or in households with more than one earner are more likely to be upper income

% of adults in each income tier



Note: Adults are assigned to income tiers based on their size-adjusted household incomes in the calendar year prior to the survey year. "Unmarried" includes married (spouse absent), never married, divorced, separated and widowed. "Married" refers to opposite-sex couples only in 1971 but includes same-sex couples in 2021. Shares may not add to 100% due to rounding. Source: Pew Research Center analysis of the Current Population Survey, Annual Social and Economic Supplement (IPUMS).

PEW RESEARCH CENTER

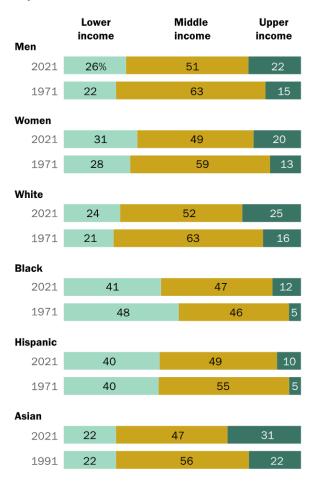
Married men and women were distributed across the income tiers identically to each other in both 1971 and 2021. Both groups nearly doubled their shares in the upper-income tier in the past five decades, from 14% in 1971 to 27% in 2021. And neither group experienced an increase in the share in the lower-income tier.

Unmarried men and women were much more likely than their married counterparts to be in the lower-income tier in 2021. And unmarried men, in particular, experienced a sizable increase in their share in the lower-income tier from 1971 to 2021 and a similarly large decrease in their share in the middle-income tier. Nonetheless, unmarried men are less likely than unmarried women to be lower income and more likely to be middle income.

Adults in households with more than one earner fare much better economically than adults in households with only one earner. In 2021, some 20% of adults in multi-earner households were in the lower-income tier, compared with 53% of adults in single-earner households. Also, adults in multi-earner households were more than twice as likely as adults in single-earner households to be in the upper-income tier in 2021. In the long haul, adults in single-earner households are among the groups who slid *down* the income ladder the most from 1971 to 2021.

Black and Hispanic adults, women are more likely to be lower income

% of adults in each income tier



Note: Adults are assigned to income tiers based on their size-adjusted household incomes in the calendar year prior to the survey year. The estimate for Asian adults is from 1991 because data for 1971 was not available. White, Black and Asian adults include only single-race non-Hispanics. Hispanics are of any race. Asian adults include Native Hawaiians and Pacific Islanders. Shares may not add to 100% due to rounding.

Source: Pew Research Center analysis of the Current Population Survey, Annual Social and Economic Supplement (IPUMS).

PEW RESEARCH CENTER

Despite progress, Black and Hispanic adults trail behind other groups in their economic status. Although Black adults made some of the biggest

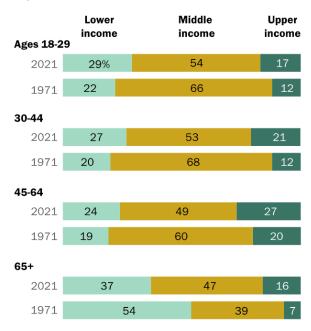
strides up the income tiers from 1971 to 2021, they, along with Hispanic adults, are more likely to be in the lower-income tier than are White or Asian adults. About 40% of both Black and Hispanic adults were lower income in 2021, compared with 24% of White adults and 22% of Asian adults.

Black adults are the only major racial and ethnic group that did not experience a decrease in its middle-class share, which stood at 47% in 2021, about the same as in 1971. White adults are the only group in which more than half (52%) lived in middle-class households in 2021, albeit after declining from 63% in 1971. At the top end, only about one-in-ten Black and Hispanic adults were upper income in 2021, compared with one-in-four or more White and Asian adults.

The relative economic status of men and women has changed little from 1971 to 2021. Both experienced similar percentage point increases in the shares in the lower- and upper-income tiers, and both saw double-digit decreases in the shares who are middle class. Women remained more likely than men to live in lower-income households in 2021 (31% vs. 26%).

Despite gains, older adults in the U.S. remain most likely to be lower income

% of adults in each income tier



Note: Adults are assigned to income tiers based on their size-adjusted household incomes in the calendar year prior to the survey year. Shares may not add to 100% due to rounding. Source: Pew Research Center analysis of the Current Population Survey, Annual Social and Economic Supplement (IPUMS).

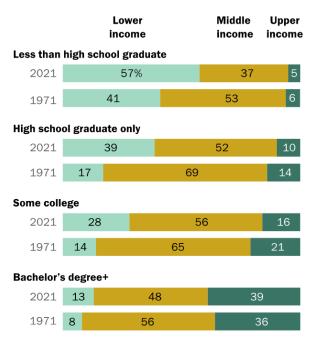
PEW RESEARCH CENTER

Adults 65 and older continue to lag economically, despite decades of progress. The share of adults ages 65 and older in the lower-income tier fell from 54% in 1971 to 37% in 2021. Their share in the middle class rose from 39% to 47% and their share in the upper-income tier increased from 7% to 16%. However, adults 65 and older are the only age group in which more than one-in-three adults are in lower-income households, and they are much less likely than adults ages 30 to 44 – as well as those ages 45 to 64 - to be in the upper-income tier.

All other age groups experienced an increase in the shares who are lower income from 1971 to 2021, as well as a decrease in the shares who are middle income. But they also saw increases in the shares who are upper income. Among adults ages 30 to 44, for instance, the share in upper-income households almost doubled, from 12% in 1971 to 21% in 2021.

About four-in-ten college-educated adults in the U.S. are in the upperincome tier

% of adults in each income tier



Note: Adults are assigned to income tiers based on their sizeadjusted household incomes in the calendar year prior to the survey year. "High school graduate" refers to those who have a high school diploma or its equivalent, such as a General Education Development (GED) certificate, and those who had completed 12th grade, but their diploma status was unclear. "Some college" includes those with an associate degree and those who attended college but did not obtain a degree. Shares may not add to 100%

Source: Pew Research Center analysis of the Current Population Survey, Annual Social and Economic Supplement (IPUMS).

PEW RESEARCH CENTER

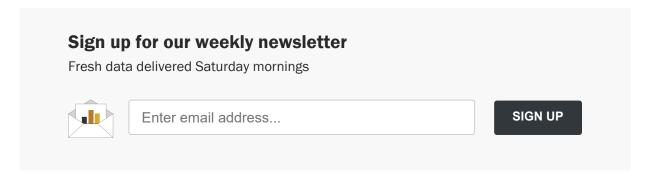
There is a sizable and growing income gap between adults with a bachelor's degree and those with lower levels of education. In 2021,

about four-in-ten adults with at least a bachelor's degree (39%) were in the upper-income tier, compared with 16% or less among those without a bachelor's degree. The share of adults in the upper-income tier with at least a bachelor's degree edged up from 1971 to 2021, while the share without a bachelor's degree either edged down or held constant.

About half or a little more of adults with either some college education or a high school diploma only were in the middle class in 2021. But these two groups, along with those with less than a high school education, experienced notable drops in their middle class shares from 1971 to 2021 – and notable increases in the shares in the lower-income tier. In 2021, about four-in-ten adults with only a high school diploma or its equivalent (39%) were in the lower-income tier, about double the share in 1971.

Note: Here is the methodology for this analysis.

Topics Income & Wages, Economic Inequality, Middle Class SHARE THIS LINK: https://pewrsr.ch/30qlWSd Rakesh Kochhar is a senior researcher at Pew Research Center. POSTS | BIO | TWITTER | EMAIL Stella Sechopoulos is a former research assistant focusing on social and demographic trends research at Pew Research Center. POSTS | BIO | EMAIL



RELATED

REPORT | APR 20, 2022

COVID-19 Pandemic Pinches Finances of America's Lower- and Middle-Income Families

SHORT READ | JUL 21, 2021

Are you in the global middle class? Find out with our income calculator

REPORT | MAR 18, 2021

The Pandemic Stalls Growth in the Global Middle Class, Pushes Poverty Up Sharply

FEATURE | JUL 23, 2020

Are you in the American middle class? Find out with our income calculator

REPORT | DEC 11, 2019

Most Americans Say the Current Economy Is Helping the Rich, Hurting the Poor and Middle Class

OPICS

Economic Inequality

Income & Wages

Middle Class

MOST POPULAR

- 1 Key facts about Title 42, the pandemic policy that has reshaped immigration enforcement at U.S.-Mexico border
- Quiz: Where do you fit in the political typology?
- Are you in the American middle class? Find out with our income calculator
- Global population projected to exceed 8 billion in 2022; half live in just seven countries
- What the data says about gun deaths in the U.S.

Pew Research Center 💥	RESEARCH TOPICS		FOLLOW US
1615 L St. NW, Suite 800 Washington, DC 20036	Politics & Policy	Family & Relationships	Email Newsletters
USA (+1) 202-419-4300 Main	International Affairs	Economy & Work	Facebook
(+1) 202-857-8562 Fax (+1) 202-419-4372 Media	Immigration & Migration	Science	Twitter
Inquiries	Race & Ethnicity	Internet & Technology	t Tumblr
	Religion	News Habits & Media	■ YouTube
	Generations & Age	Methodological Research	₹ RSS
	Gender & LGBTQ	Full topic list	

ABOUT PEW RESEARCH CENTER Pew Research Center is a nonpartisan fact tank that informs the public about the issues, attitudes and trends shaping the world. It conducts public opinion polling, demographic research, media content analysis and other empirical social science research. Pew Research Center does not take policy positions. It is a subsidiary of The Pew Charitable Trusts.

Copyright 2022 Pew Research Center About Terms & Conditions Privacy Policy Reprints, Permissions & Use Policy Feedback Careers