

[\(http://newswire.net/\)](http://newswire.net/)

# America's Middle Class Is Think

By Boris Djuric ([http://newswire.net/profile/boris\\_djuric](http://newswire.net/profile/boris_djuric)) September 12, 2014

Like

 
 
[RSS \(/rssfeeds/channels\)](#) [PDF \(/newsroom/news/00085028-america-s-middle-class-is-poorer-than-you-think.pdf\)](#)

In terms of wealth, Americans rank fairly low among major industrialized countries and the problem could just be getting worse.



Reuters

(Newswire.net (<http://newswire.net/>) -- September 12, 2014) -- Americans tend to think of their middle class as being the richest in the world, but it turns out, in terms of wealth, they rank fairly low among major industrialized countries," said Edward Wolff, a New York University economics professor who studies net worth.

Americans' median wealth is a mere \$44,900 per adult -- half have more, half have less. That's only good enough for 19th place, below Japan, Canada, Australia and much of Western Europe.

The US has 42% of the world's millionaires, and 49% of those with more than \$50 million in assets.

Middle class Americans were also hurt greatly by the housing collapse at the end of the last decade. The median wealth of families was \$77,300 in 2010, nearly a 40% drop from 2007, according to Federal Reserve statistics.

Middle class Australians, by comparison, are leading the pack. The country's residents have the highest median net worth, coming in at \$219,500. Australia also has low wealth inequality.

Americans, meanwhile, are having trouble building wealth because wages have stagnated for more than a decade. Median household income was \$51,017 in 2012, compared to \$56,080 in 1999, according to the Census Bureau's most recent statistics.

There are many reasons why middle class incomes are suffering, including the decline of unions' power, the shift of jobs overseas and the increasing use of technology in the workplace, said Kenneth Thomas, professor of political science at University of Missouri, St. Louis.

Also, Americans have to pay more out of pocket for basics, such as health care and higher education, reducing their ability to build better households.

Meanwhile, the super rich get ever richer as the gap between them and the rest of Americans has continued to widen over the last few years, according to a new Federal Reserve report.

In its Study of Consumer Finances, released every three years, the Fed found that the wealthiest 3% of American households controlled 54.4% of the nation's wealth in 2013, a slight increase from its last survey in 2010. It's also substantially higher from the 44.8% they held in 1989, showing how quickly the income divide has been growing over the past decade or so.

"Data confirm that the shares of income and wealth held by affluent families are at modern historically high levels," the report said. "The gains in income and wealth shares have been concentrated among the top few percentiles."

The report also says that the typical African American household has accumulated less than one-tenth of the wealth of a typical Caucasian one. And it's only getting worse.

Over the past 25 years, the wealth gap between African Americans and Caucasians has nearly tripled, according to research by Brandeis University.

African Americans also typically have lower incomes than Caucasians, which also makes it harder for them to save and build wealth. The median income for African American households is less than 60% that of white ones.

All of these factors combine to push many African Americans into poverty.

America's 15% poverty rate masks the underlying racial differences. More than one in four African Americans live in poverty, while fewer than one in 10 whites do.

Source: <http://newswire.net/newsroom/news/00085028-america-s-middle-class-is-poorer-than-you-think.html> (<http://newswire.net/newsroom/news/00085028-america-s-middle-class-is-poorer-than-you-think.html>)