

Why does the American middle class continue to struggle financially?

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Since the mid-1980s, unrestrained household spending has damaged American family finances—despite the fact that globalization and technological change have caused consumer prices to fall widely, says Queens College sociologist Joseph Nathan Cohen. In his paper, "The Myth of America's 'Culture of Consumerism': Policy May Help Drive American Household's Fraying Finances," which Cohen will present at the 108th Annual Meeting of the American Sociological Association, he examines the factors that keep American families from tightening their belts.

A brief summary:

- Household spending on goods that fulfill pleasure, self-esteem, or social status needs have generally been falling, including personal care items, apparel, home furnishings, and automobiles.
- However, consumption spending has risen most in four product categories that shape families' health, safety, and [economic viability](#): health care, education, housing, and commuting costs.
- Prices in these four product markets have greatly outpaced both wages and prices in general.
- Americans may be systematically pressed to overspend on housing because access to better schools, public services, and [transportation infrastructure](#) varies considerably across communities, and better-heeled communities often restrict affordable housing developments. Americans may face a relatively high well-being penalty for living in more modestly-

priced homes.

- Compared to other highly-developed countries, the U.S. does considerably less to control the personal financial burden borne by households to ensure access to these products and services essential to well-being.
- Soaring tuition and [health care costs](#) are not the principal drivers of household [financial distress](#), but they constitute the fastest-growing problem.
- Cohen argues that our penchant to blame household spending problems on wastefulness or frivolities obscures the fact that Americans increasingly face a lose-lose dilemma in which they must choose between sustainable finances and access to quality schools, child care, medical care, public safety, and employment opportunities.

Cohen, a Canadian with a business background who studied at Princeton (Ph.D. sociology, 2007), also examines how other countries tackle the provision of essential services in different and potentially less financially damaging ways. "Canada's policies control the personal financial burden of accessing essential services, which might be why household finances are in better shape there," he says.

More information: The paper, "The Myth of America's 'Culture of Consumerism': Policy May Help Drive American Household's Fraying Finances," will be presented on Sunday, Aug. 11, at 2:30 p.m. EDT in New York City at the American Sociological Association's 108th Annual Meeting.

Provided by American Sociological Association

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