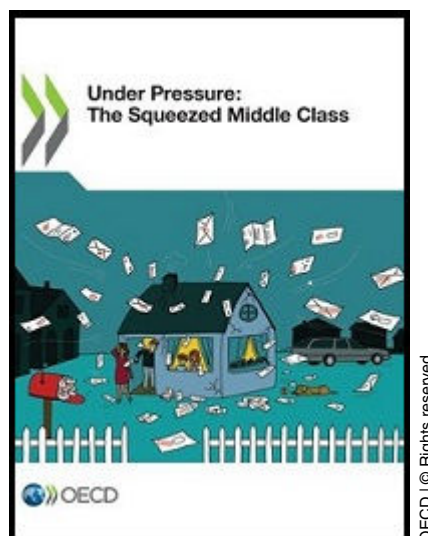


# Middling Through

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**Middling Through** | Image for the article middling through - cover of the OECD publication Under Pressure: The Squeezed Middle Class

Every generation since the baby boom has seen its middle class shrink and the economic influence of that class weaken. Should we care? Yes, according to *Under Pressure: The Squeezed Middle Class*, which shows why a strong, prosperous middle class is crucial for any successful economy and cohesive society. The middle class sustains consumption, drives investment in education, health and housing, and pays taxes that support social protection systems. Societies with a strong middle class have lower crime rates, enjoy higher levels of trust and life satisfaction, as well as greater political stability and good governance.

If that's the case, why does today's middle class feel so squeezed? One reason is the higher cost of living, which has hit the middle class hard: house prices have risen faster than household incomes, as have health and education costs. At the same time, middle-class wages have stagnated and job security has declined as globalisation and automation have reshaped the world of work. So it's not surprising that more than 1 in 5 middle-income households spend more than they

earn. Wealth is increasingly concentrated among richer groups too, with the top 10% in the income distribution holding almost 50% of all wealth.

Nor is it a surprise to see middle-class people in so many countries pointing the finger at the current socio-economic system as unfair and demanding their proper share from economic growth. This has translated into rising populism and social unrest.

This OECD report takes an in-depth look at the facts and figures behind the headlines and protests. It documents the pressures and growing risks facing the middle class – and it discusses solutions. It argues that tax and benefit systems need to be made fairer and recommends reforms to improve access to housing and education. It calls for addressing inequalities “at the root”, through education and training for fast changing workplaces. The report makes the case for policy action now, to ease the squeeze on middle-class households and restore the “middle class dream” once again.

## References

OECD (2019), *Under Pressure: The Squeezed Middle Class*, OECD Publishing, Paris, <https://doi.org/10.1787/689afed1-en>. <http://dx.doi.org/>