THE SOCIAL RECESSION

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A social recession grips the United States two years after the economic recession bottomed out. More Americans now described themselves as “lower class” — 8 percent — than at any time since sociologists began asking about class in the late 1940s; the percentage middle class has fallen from 49 in 2004 to 42 percent now. Workers worry about layoffs and fear that, if they lose their current job, finding a comparable one will be next to impossible. These economic woes have spread to institutions. Bankers and CEOs have joined politicians as leaders who do not deserve America’s trust. Even religious leaders enjoy significantly less public confidence than a decade ago. The social recession is becoming personal as more Americans describe themselves as “not too happy.”

> Note: Data come from last year’s General Social Survey – the most comprehensive and authoritative inventory of Americans’ behaviors, values, and attitudes. Since 1972 the National Opinion Research Center at the University of Chicago has been interviewing representative American adults. A board of social scientists from around the country decides the content. We are the current project directors. All of the changes we describe are considered statistically significant by the standard measures.

A broad, inclusive middle class has long stood for the social and economic openness that Americans prize. Being middle class spoke of belonging and security. For the young and promising it was an aspiration and destination. For the truly affluent, identifying with the middle class was a refusal to become affected or elitist. In 2004, 49 percent of American adults described themselves as middle class. That has now fallen to 42 percent. They are moving down the social ladder; 47 percent are working class and 8 percent say they are lower class.

This is an old question, first asked in a national survey in 1945. Never before have so many Americans described themselves as lower class. The new lower-class Americans are disproportionately, but not exclusively, out-of-work.

The GSS asks “How likely is it that you might lose your job in the next twelve months?” Last year 48 percent of American workers thought it at least somewhat likely that they personally would get laid off. That is a lot more insecurity than usual. In 2000, 29 percent thought losing their job was likely. During past recessions this sense of job insecurity had gotten as high as 40 percent, but last year’s 48 percent was as bad as job insecurity has been, going back to when it was first measured in 1972.

Not only are more Americans worried about losing their jobs, they also fear that they will never have as good a job again. When asked “How hard would it be for you to find a job with another employer with approximately the same income and fringe benefits you now have?” 53 percent said replacing their current job would be “not easy” to do. A decade ago American workers were not nearly as worried; only 29 percent of them felt it would not be easy to find a comparable job.

The social recession has spread beyond personal concerns. Congress often gets very low marks in measures of popular esteem. True to form, 43 percent of Americans told the GSS last year that they had “hardly any” confidence in the people running Congress. And now, the people running banks and financial institutions are scoring almost as badly; 41 percent had hardly any confidence in them. At first CEOs look to be doing better; only 25 percent of Americans had “hardly any” confidence in people leading major companies. But this compares to 11 percent who had hardly any confidence in CEOs in 2000. Even religious leaders are less inspiring than a decade ago; 25 percent of Americans had hardly any confidence in them in 2010, down from 19 percent a decade ago.

Given the hardship, downward mobility, and eroding confidence in institutions, it is hardly shocking to note that Americans are not as happy as they were ten years ago. Last year 29 percent said they were very happy compared with 34 percent very happy in 2000. A five percentage-point drop might seem quite modest, but economists have written for decades about the paradox of steady happiness. Every year from 1972 to 2006, in good times and bad, one-third of Americans – plus or minus a percentage point – were very happy. Affluent people were happier than poor people in any given year, but the rising and falling economy had no effect on overall happiness. Now, though, Americans are gloomier. It is not the recession per se, but likely a reflection of the broader effects we document here.

This country weathered economic swings many times in history. The Great Recession of 2007-2009 was deeper than any but the Great Depression. Now we see it is wider too. Two years into recovery Americans feel a loss of status and security. It has shaken their confidence in major institutions. America is in a social recession.

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