

The Catastrophic Erosion of Middle-Class Life in America

Description

via [The 2023 Cost-of-Thriving Index](#)

While many economists argue that America's working families are more prosperous than ever before, families themselves feel that they have come under increasing economic pressure. The families are right.

Economists rely on inflation-based adjustments to compare costs of living over time, but this method measures the cost of buying the same set of things in different eras. Perhaps a family could more easily afford a 1985 quality of life in 2015 than in 1985, but being in the middle class in 2015 means affording a 2015 quality of life.

The Cost-of-Thriving Index (COTI) offers a better way to understand the challenge for working families. It avoids reliance on inflation adjustments by instead focusing on the ratio of nominal costs to nominal wages in each year. The Index measures the number of weeks a typical worker would need to work in a given year to earn enough income to cover the major costs for a family of four in the American middle class in that year: Food, Housing, Health Care, Transportation, and Higher Education.

In 1985, COTI was **39.7**. Costs totaled \$17,586, while median weekly income for a man aged 25 or older working full-time was \$443 (\$23,036 per year).

In 2022, COTI was **62.1**. Costs totaled \$75,732, while median weekly income for a man aged 25 or older working full-time was \$1,219 (\$63,388 per year).

For exact dollars, for each year, click on the chart.

 [A Flourish chart](#)

In 1985, a typical American man needed 40 weeks of income to cover his family's major costs, leaving 20% of his income for other things; in 2022, it was 62 weeks. A man working a comparable full year does not come to close to covering that same set of essentials as in 1985.