

HIGHER EDUCATION

More grads feel far from middle class

Poll: Many who hold college degrees feel trapped by debt, rising costs

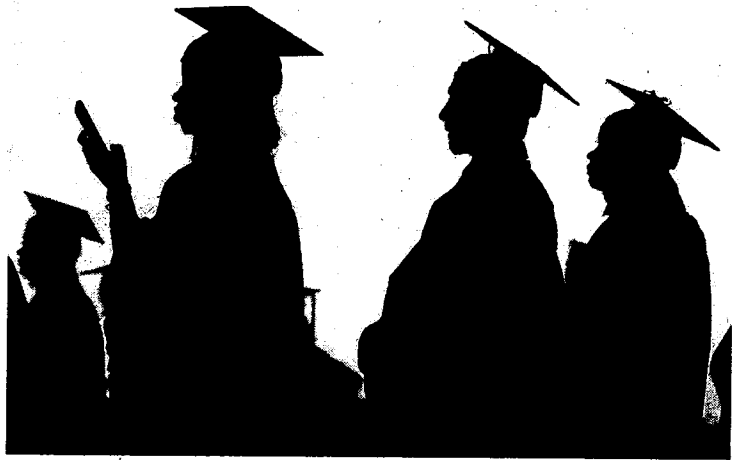
JOSH BOAK AND EMILY SWANSON
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WASHINGTON — A college degree has long been a ticket to the U.S. middle class.

It typically confers higher pay, stronger job security, greater home ownership and comparatively stable households. Those benefits have long been seen as worth the sacrifices often required, from deferred income to student debt.

Yet college graduates aren't as likely as they once were to feel they belong to the middle class, according to a collaborative analysis of the 2018 General Social Survey by The Associated Press-NORC Center for Public Affairs Research and GSS staff. The survey found that 35% of graduates described themselves as working or lower class, up from just 20% who felt that way in 1983. By contrast, only

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Graduates line up before the start of the Bergen Community College commencement May 17, 2018, at MetLife Stadium in East Rutherford, N.J. A college degree has long been considered a ticket to the U.S. middle class. Yet a new survey shows that college graduates aren't as likely as they once were to feel they belong to the middle class.

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64% of college grads say they feel they belong to the middle or upper class.

The findings might seem surprising given that the nearly decade-long U.S. economic expansion is on the verge of becoming the longest on record and unemployment is an ultralow 3.8 percent. Yet the financial insecurities that afflict many college graduates point to the widening gap between the richest Americans and everyone else. Dan Black, an economist at the University of Chicago, suggested that the consequences of the trend could include delayed family formation, lower levels of consumer spending and, eventually, slower economic growth.

"Concerns like this will definitely have impacts for the economy," Black said.

Less movement upward

The survey shows that Americans — both college graduates and those without degrees — have broadly benefited as the country healed from the Great Recession, which ended in 2009. But across age groups, a college degree has become less of an assurance of upward mobility. College graduates ages 50 and over, as well as those under 35, are less likely than they were in 1993 to describe themselves as middle or upper class.

Not surprisingly, Americans without a college degree have long felt even less connected to the middle class. Last year, six in 10 of them described themselves as working or lower class, about the same as the proportion who said so in 1983. (The survey didn't define middle class; respondents replied based on their own perceptions.)

All of which suggests that while college still offers a path upward, that route has been narrowed by student debt loads, an outpacing of home prices relative to wages and widening economic inequality.

The income disparities go well beyond the gap between the top 1% of earners and all other households. Disparities are widening even within many occupations, including financial advisers, lawyers and physicians. The result is that an ostensibly middle class job title may provide a pay level more associated with a lower middle class job.

The survey finds that Americans' satisfaction with their personal finances has finally regained its pre-recession levels even though this hasn't led to increased identification with the middle class. Both people who have graduated from college and those who haven't are now as likely as they were before the recession to say

their financial situations have improved in the past year.

'Chipping at marble'

Among college graduates who feel untethered from the middle class is Justin Provo of Chicago. At age 28, Provo says student debt has inhibited his path to the middle class. He borrowed a total of \$58,000 to graduate in 2017 from Roosevelt University with a degree in economics and philosophy.

Now a portfolio manager for a mortgage servicing company, he says his income-based loan repayment plan isn't enough to fully cover the interest on his loans. So his debt load keeps rising even though Provo is making his regular loan payments. Just last week, he received a real estate license in hopes of earning extra income to reduce his debts.

"I'm chipping at marble with a spoon," Provo said. "I'm making some progress, but I don't feel like I'm getting anywhere."

'American Dream'

Fed researchers concluded that the increase in education debt between 2005 and 2014 has prevented home ownership for roughly 400,000 young people. At the same time, many surveys show that student debt has also delayed marriages and household formation. The problem has emerged as an issue for the 2020 presidential election, with multiple Democratic candidates — most prominently Sen. Elizabeth Warren — calling for some form of student debt forgiveness.

Economists have noted that rising college debt has, in effect, become an entry fee for the job market. Nearly 80% of the net 2 million job gains last year went to college graduates, even though just a third of adults hold a degree. But roughly 60% of college graduates in 2017 had student loans, with the average borrower leaving college with about \$30,000 in debt, according to the College Board.

"Young people are facing unprecedented challenges that are preventing them from achieving what we all consider to be the American Dream," said Soncia Coleman, a senior director at Young Invincibles, an advocacy group for millennials. "They need the education, but the cost to get it is astronomical."

● *The General Social Survey has been conducted since 1972 by NORC at the University of Chicago, primarily using in-person interviewing. The most recent survey was conducted April 12 through Nov. 10, 2018, and includes interviews with 2,348 American adults. Results for the full sample have a margin of error of plus or minus 3.1 percentage points.*