As the 2018 midterm elections near, the verities of life in America do not reflect the promise of liberalism and democracy. As a nation, the United States is ideologically divided. The country is engaged in the longest war of its history, the economy has grown increasingly volatile, while old wounds from apartheid America that never fully healed have been torn open. There is a growing distrust of government at nearly every level. So, when former Vice President Joe Biden called upon the leading scholars and thinkers from the Network of Schools of Public Policy, Affairs, and Administration to convene at the University of Delaware to address the “challenge of our time,” and think of ways to revitalize a declining middle class, he wasn’t issuing a simple call-to-action. He was asking a series of deeply epistemic questions: What does it mean to be in the middle class? What does the middle class represent; for American citizens; for American democracy? How has government failed the middle class? What will need to change if we are to fix it?

The conversation at the conference began with two seemingly divergent yet telling statistics. The first is that approximately 40 percent of Americans are struggling to make ends meet; the second is that 70 percent of Americans identify as belonging to the middle class. What we can glean from those two statistics is that there isn’t a clear measure for what it means to be in the middle class, and families that might consider themselves as part of the middle class are struggling to make ends meet. What one realizes from this is that the middle class is more than just a socio-economic indicator, it is an idea that represents the promise of opportunity; the middle class is the American dream; and it is financially insecure.
How then can you return optimism to economically destitute and struggling families? Many families do not have access to the resources needed to be competitive in the job market and as Harry Holzer explained, many employers are reluctant to provide the training to retain workers. Many jobs simply do not provide the salaries families need to meet week’s end and so they have to work multiple jobs, often taking out short-term loans with extraordinarily high interest rates, a topic covered by Lisa Servon.

Vanessa Fry presented on Pay for Success (PFS) financing, which is a novel tool that allows the not-for-profit sector the ability to provide social service programs to their target audience without having to devote resources to fundraising efforts. Since nonprofits tend to have limited staff but are mission driven organizations, Pay for Success financing affords them the ability to focus their efforts fully on their programs. It is a form of evidence-based grantmaking that can draw from public and private grantors. If the nonprofit organization is able to demonstrate the promised performance outcomes, they will continue to receive the necessary funding for their programs. Pay for Success is an innovative tool that can bring funding from other sectors to help provide support to those in need, but it is not enough to revitalize the middle class.

The economy is structured in a way that no longer allows for the sort of upward mobility that once made the middle class a measure for success in America. When considering the growth of economic inequality in the United States, the narrative has most frequently been focused on income and the great disparities that exist between the incomes of Fortune-ranked company CEOs and their workers. Heather Boushey signaled that while it is important to address the gap in income it is as important, if not more important, to focus on wealth inequality. Wealth can grow without the labor input that income requires, and it is not taxed like income. Therefore, as the wealth inequality gap widens, the frightening trend is that revenue on wealth will be greater than growth in the economy, which as Boushey indicated, can have the effect of distorting the labor market, disrupting the power of our institutions, and undermining our political system; subverting American meritocracy.

Similar to the challenges we face with climate change, the revitalization of the middle class will necessitate a multidisciplinary multi-stakeholder effort where we adapt old ideas, such as New Deal-era policies and infrastructure investments, but also rethink and innovate how we approach these
problems, through efforts such as life-long education investment to create
more flexible worker organizations and the taxation of wealth.

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