

TROUBLE FOR BRITISH MIDDLE-CLASS



British middle class citizens may be at risk for dealing with some of the same problems that Americans have been facing for quite some time. The source of the problem is job markets that are not strong. Economists are predicting that many middle class British individuals will be dealing with inactivity of economic growth in the future. Jared Bernstein, who was once a chief economist and economic adviser for the Vice President of the United States, has said that there are plenty of differences from the United States and the UK when it comes to the economy and how the economy grows. Jared Bernstein says, "The developments that have hurt the middle class the most here [in the US] – and they are related – are high levels of inequality and weak employment growth." As of right now, Bernstein is visiting the UK alongside of other economists. He will work together with other economists who are trying to help create more employment opportunities for the jobless individuals and are also trying to find out ways where they can prevent inactivity from taking place with the economy. During the summit, economists will display how income changes have been made within the past few years. The average income for the middle-class was once \$56,000 in the late 80's. However, since 2010, the average middle-class income is at \$55,200. One would expect that the income would increase especially since prices of products continues to increase. However, data shows that the annual income for the middle-class is decreasing, not increasing even when the economy was at a growth period. It is believed that, while this is nothing new for the United States, some of the patterns in the UK are quite familiar to what the United States has already been dealing with. Between the years of 2002 through 2008, the economy grew by a little over 15% yet wages for the middle-class decreased. To some, this just does not make sense. The trends that are showing for the UK could be a sign of some negative things that will occur in the future. The chief executive of the Resolution Foundation, Gavin Kelly, says, "Britain is very different to the US, but their experience shows the clear and present danger of an apparently successful economy failing its low- and middle-income families." He also says, "Quite rightly, the focus in the UK and elsewhere is on securing a recovery. But we must not lose sight of the need to ensure that when steady growth returns it lifts all boats. Recent history in the UK proves that has not always been the case. Bernstein and other economists want the UK to be aware of these signs and are hoping that the UK can avoid some of the difficulties that the United States has had to face.