The Secret Shame of Middle-Class Americans

Nearly half of Americans would have trouble finding $400 to pay for an emergency. I'm one of them.

Hugh Kretschmer

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SINCE 2013, THE FEDERAL RESERVE BOARD has conducted a survey to "monitor the financial and economic status of American consumers." Most of the data in the latest survey, frankly, are less than earth-shattering: 49 percent of part-time workers would prefer to work more hours at their current wage; 29 percent of Americans expect to earn a higher income in the coming year; 43 percent of homeowners who have owned their home for at least a year believe its value has increased. But the answer to one question was astonishing. The Fed asked respondents how they would pay for a $400 emergency. The answer: *47 percent* of respondents said that either they would cover the expense by borrowing or selling something, or they would not be able to come up with the $400 at all. *Four hundred dollars!* Who knew?

Well, *I* knew. I knew because I am in that 47 percent.

I know what it is like to have to juggle creditors to make it through a week. I know what it is like to have to swallow my pride and constantly dun people to pay me so that I can pay others. I know what it is like to have liens slapped on me and to have my bank account levied by creditors. I know what it is like to be down to my last $5—literally—while I wait for a paycheck to arrive, and I know what it is like to subsist for days on a diet of eggs. I know what it is like to dread going to the mailbox, because there will always be new bills to pay but seldom a check with which to pay them. I know what it is like to have to tell my daughter that I didn't know if I would be able to pay for her wedding; it all depended on

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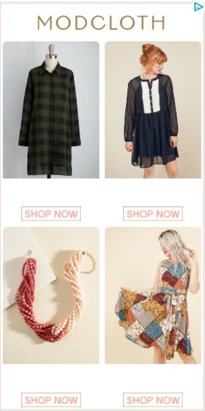

whether something good happened. And I know what it is like to have to borrow money from my adult daughters because my wife and I ran out of heating oil.

You wouldn't know any of that to look at me. I like to think I appear reasonably prosperous. Nor would you know it to look at my résumé. I have had a passably good career as a writer—five books, hundreds of articles published, a number of awards and fellowships, and a small (very small) but respectable reputation. You wouldn't even know it to look at my tax return. I am nowhere near rich, but I have typically made a solid middle- or even, at times, upper-middle-class income, which is about all a writer can expect, even a writer who also teaches and lectures and writes television scripts, as I do. And you certainly wouldn't know it to talk to me, because the last thing I would ever do—until now—is admit to financial insecurity or, as I think of it, "financial impotence," because it has many of the characteristics of sexual impotence, not least of which is the desperate need to mask it and pretend everything is going swimmingly. In truth, it may be more embarrassing than sexual impotence. "You are more likely to hear from your buddy that he is on Viagra than that he has credit-card problems," says Brad Klontz, a financial psychologist who teaches at Creighton University in Omaha, Nebraska, and ministers to individuals with financial issues. "Much more likely." America is a country, as Donald Trump has reminded us, of winners and losers, alphas and weaklings. To struggle financially is a source of shame, a daily humiliation—even a form of social suicide. Silence is the only protection.

I know what it's like to have to borrow money from my daughters because my wife and I ran out of heating oil.

So I never spoke about my financial travails, not even with my closest friends—that is, until I came to the realization that what was happening to me was also happening to millions of other Americans, and not just the poorest among us, who, by definition, struggle to make ends meet. It was, according to that Fed survey and other surveys, happening to middle-class professionals and even to those in the upper class. It was happening to the soon-to-retire as well as the soon-to-begin. It was happening to college grads as well as high-school dropouts. It was happening all across the country, including places where you might least expect to see such problems. I knew that I wouldn't have $400 in an emergency. What I hadn't known, couldn't have conceived, was that so many other Americans wouldn't have the money available to them, either. My friend and local butcher, Brian, who is one of the only men I know who talks openly about his financial struggles, once told me, "If anyone says he's sailing through, he's lying." That might not be entirely true, but then again, it might not be too far off.

Hugh Kretschmer

Part of the reason I hadn't known is that until fairly recently, economists also didn't know, or, at the very least, didn't discuss it. They had unemployment statistics and income differentials and data on net worth, but none of these captured what was happening in households trying to make a go of it week to week, paycheck to paycheck, expense to expense. David Johnson, an economist who studies income and wealth inequality at the University of Michigan, says, "People studied savings and debt. But this concept that people aren't making ends meet or the idea that if there was a shock, they wouldn't have the money to pay, that's definitely a new area of research"—one that's taken off since the Great Recession. According to Johnson, economists have long theorized that people smooth their consumption over their lifetime, offsetting bad years with good ones—borrowing in the bad, saving in the good. But recent research indicates that when people get some money—a bonus, a tax refund, a small inheritance—they are, in fact, more likely to spend it than to save it. "It could be," Johnson says, "that people don't have the money" to save. Many of us, it turns out, are living in a more or less continual state of financial peril. So if you really want to know why there is such deep economic discontent in America today, even when many indicators say the country is heading in the right direction, ask a member of that 47 percent. Ask me.

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FINANCIAL IMPOTENCE goes by other names: financial fragility, financial insecurity, financial distress. But whatever you call it, the evidence strongly indicates that either a sizable minority or a slim majority of Americans are on thin ice financially. How thin? A 2014 Bankrate survey, echoing the Fed's data, found that only 38 percent of Americans would cover a $1,000 emergency-room visit or $500 car repair with money they'd saved. Two reports published last year by the Pew Charitable Trusts found, respectively, that 55 percent of households didn't have enough liquid savings to replace a month's worth of lost income, and that of the 56 percent of people who said they'd worried about their finances in the previous year, 71 percent were concerned about having enough money to cover everyday expenses. A similar study conducted by Annamaria Lusardi of George Washington University, Peter Tufano of Oxford, and Daniel Schneider, then of Princeton, asked individuals whether they could "come up with" $2,000 within 30 days for an unanticipated expense. They found that slightly more than one-quarter could not, and another 19 percent could do so only if they pawned possessions or took out payday loans. The conclusion: Nearly half of American adults are "financially fragile" and "living very close to the financial edge." Yet another analysis, this one led by Jacob Hacker of Yale, measured the number of households that had lost a quarter or more of their "available income" in a given year—income minus medical expenses and interest on debt—and found that in each year from 2001 to 2012, at least one in five had suffered such a loss and couldn't compensate by digging into savings.

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You could think of this as a liquidity problem: Maybe people just don't have enough ready cash in their checking or savings accounts to meet an unexpected expense. In that case, you might reckon you'd find greater stability by looking at net worth—the sum of people's assets, including their retirement accounts and their home equity. That is precisely what Edward Wolff, an economist at New York University and the author of a forthcoming book on the history of wealth in America, did. Here's what he found: There isn't much net worth to draw on. Median net worth has declined steeply in the past generation—down 85.3 percent from 1983 to 2013 for the bottom income quintile, down 63.5 percent for the second-lowest quintile, and down 25.8 percent for the third, or middle, quintile. According to research funded by the Russell Sage Foundation, the inflation-adjusted net worth of the typical household, one at the median point of wealth distribution, was $87,992 in 2003. By 2013, it had declined to $54,500, a 38 percent drop. And though the bursting of the housing bubble in 2008 certainly contributed to the drop, the decline for the lower quintiles began long before the recession—as early as the mid-1980s, Wolff says.

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Wolff also examined the number of months that a family headed by someone of "prime working age," between 24 and 55 years old, could continue to self-fund its current consumption, presuming the liquidation of all financial assets except home equity, if the family were to lose its income—a different way of looking at the emergency question. He found that in 2013, prime-working-age families in the bottom two income quintiles had no net worth at all and thus nothing to spend. A family in the middle quintile, with an average income of roughly $50,000, could continue its spending for … six days. Even in the second-highest quintile, a family could maintain its normal consumption for only 5.3 months. Granted, those numbers do not include home equity. But, as Wolff says, "it's much harder now to get a second mortgage or a home-equity loan or to refinance." So remove that home equity, which in any case plummeted during the Great Recession, and a lot of people are basically wiped out. "Families have been using their savings to finance their consumption," Wolff notes. In his assessment, the typical American family is in "desperate straits."

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Certain groups—African Americans, Hispanics, lower-income people—have fewer financial resources than others. But just so the point isn’t lost: Financial impotence is an equal-opportunity malady, striking across every demographic divide. The Bankrate survey reported that nearly half of college graduates would not cover that car repair or emergency-room visit through savings, and the study by Lusardi, Tufano, and Schneider found that nearly one-quarter of households making $100,000 to $150,000 a year claim not to be able to raise $2,000 in a month. A documentary drawing on Lusardi’s work featured interviews with people on the street in Washington, D.C., asking whether they could come up with $2,000. Lusardi, who was quick to point out that a small number of passerby interviews should not be mistaken for social science, was nonetheless struck by the disjuncture between the appearance of the interviewees and their answers. “You look at these people and they are young professionals,” Lusardi said. “You expect that people would say, ‘Of course I would come up with it.’ ” But many of them couldn’t.

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In the 1950s and ’60s, American economic growth democratized prosperity. In the 2010s, we have managed to democratize financial insecurity.

IF YOU ASK ECONOMISTS to explain this state of affairs, they are likely to finger credit-card debt as a main culprit. Long before the Great Recession, many say, Americans got themselves into credit trouble. According to an analysis of Federal Reserve and TransUnion data by the personal-finance site ValuePenguin, credit-card debt stood at about $5,700 per household in 2015. Of course, this figure factors in all the households with a balance of zero. About 38 percent of households carried some debt, according to the analysis, and among those, the average was more than $15,000. In recent years, while the number of people holding credit-card debt has been decreasing, the average debt for those households carrying a balance has been on the rise.

Part of the reason credit began to surge in the '80s and '90s is that it was available in a way it had never been available to previous generations. William R. Emmons, an assistant vice president and economist for the Federal Reserve Bank of St. Louis, traces the surge to a 1978 Supreme Court decision, *Marquette National Bank of Minneapolis v. First of Omaha Service Corp*. The Court ruled that state usury laws, which put limits on credit-card interest, did not apply to nationally chartered banks doing business in those states. That effectively let big national banks issue credit cards everywhere at whatever interest rates they wanted to charge, and it gave the banks a huge incentive to target vulnerable consumers just the way, Emmons believes, vulnerable homeowners were targeted by subprime-mortgage lenders years later. By the mid-'80s, credit debt in America was already soaring. What followed was the so-called Great Moderation, a generation-long period during which recessions were rare and mild, and the risks of carrying all that debt seemed low.

Financial impotence has many of the characteristics of sexual impotence, not least of which is the desperate need to mask it.

Both developments affected savings. With the rise of credit, in particular, many Americans didn't feel as much need to save. And put simply, when debt goes up, savings go down. As Bruce McClary, the vice president of communications for the National Foundation for Credit Counseling, says, "During the initial phase of the Great Recession, there was a spike in credit use because people were using credit in place of emergency savings. They were using credit as a life raft." Not that Americans—or at least those born after World War II—had ever been especially thrifty. The personal savings rate peaked at 13.3 percent in 1971 before falling to 2.6 percent in 2005. As of last year, the figure stood at 5.1 percent, and according to McClary, nearly 30 percent of American adults don't save any of their income for retirement. When you combine high debt with low savings, what you get is a large swath of the population that can't afford a financial emergency.

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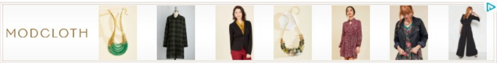

So who is at fault? Some economists say that although banks may have been pushing credit, people nonetheless chose to run up debt; to save too little; to leave no cushion for emergencies, much less retirement. “If you want to have financial security,” says Brad Klontz, “it is 100 percent on you.” One thing economists adduce to lessen this responsibility is that credit represents a sea change from the old economic system, when financial decisions were much more constrained, limiting the sort of trouble that people could get themselves into—a sea change for which most people were ill-prepared.

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It is ironic that as financial products have become increasingly sophisticated, theoretically giving individuals more options to smooth out the bumps in their lives, something like the opposite seems to have happened, at least for many. Indeed, Annamaria Lusardi and her colleagues found that, in general, the more sophisticated a country’s credit and financial markets, the worse the problem of financial insecurity for its citizens. Why? Lusardi argues that as the financial world has grown more complex, our knowledge of finances has not kept pace. Basically, a good many Americans are “financially illiterate,” and this illiteracy correlates highly with financial distress. A 2011 study she and a colleague conducted measuring knowledge of fundamental financial principles (compound interest, risk diversification, and the effects of inflation) found that 65 percent of Americans ages 25 to 65 were financial illiterates.

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CHOICE, OFTEN IN the face of ignorance, is certainly part of the story. Take me. I plead guilty. I am a financial illiterate, or worse—an ignoramus. I don’t offer that as an excuse, just as a fact. I made choices without thinking through the financial implications—in part because I didn’t know about those implications, and in part because I assumed I would always overcome any adversity, should it arrive. I chose to become a writer, which is a financially perilous profession, rather than do something more lucrative. I chose to live in New York rather than in a place with a lower cost of living. I chose to have two children. I chose to write long books that required years of work, even though my advances would be stretched to the breaking point and, it turned out, beyond. We all make those sorts of choices, and they obviously affect, even determine, our bottom line. But, without getting too metaphysical about it, these are the choices that define who we are. We don’t make them with our financial well-being in mind, though maybe we should. We make them with our lives in mind. The alternative is to be another person.

But even having made those choices, which involved revolving credit, for the better part of my life I was not drowning in debt (maybe treading in it … okay, barely treading). Until about five years ago, when I stopped using my credit cards altogether and started paying them off little by little with the help of a financial counselor, I’d always managed to pay at least the monthly minimum and sometimes more. I didn’t have savings, but not because I thought I could rely forever on credit instead or because I chose to spend my money extravagantly rather than salt it away. In retrospect, of course, my problem was simple: too little income, too many expenses. Credit enabled me to forestall this problem for a time—and also to make it progressively worse—but the root of the problem was deeper.

In the 1950s and ’60s, economic growth democratized prosperity. In the 2010s, we have democratized financial insecurity.

I never figured that I wouldn’t earn enough. Few of us do. I thought I’d done most of the right things. I went to college; got a graduate degree; taught for a while; got a book contract; moved to a small, inexpensive, rent-controlled apartment in Little Italy to write; got married; and bumped along until I landed a job on television (those of you with elephant memories may remember that for three years, I was one of the replacements for Gene Siskel and Roger Ebert on the PBS movie-review show *Sneak Previews*). Then my wife and I bought a small co-op apartment in Brooklyn, which we could afford, and had our two daughters. My wife continued to work, and we managed to scrape by, though child care and then private schools crimped our finances. No, we didn’t have to send our girls to private schools. We could have sent them to the public school in our neighborhood, except that it wasn’t very good, and we resolved to sacrifice our own comforts to give our daughters theirs. Some economists attribute the need for credit and the drive to spend with the “keeping up with the Joneses” syndrome, which is so prevalent in America. I never wanted to keep up with the Joneses. But, like many Americans, I wanted my children to keep up with the Joneses’ children, because I knew how easily my girls could be marginalized in a society where nearly all the rewards go to a small, well-educated elite. (All right, I wanted them to be winners.)

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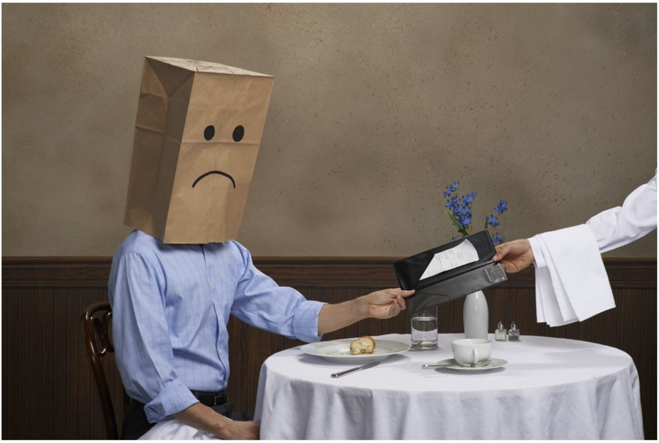
Still, we moved to the tip of Long Island, in East Hampton, where we wouldn’t have to pay that exorbitant private-school tuition and where my wife could eventually quit her job as a film executive to be with the children, the loss of her income offset a little by not having to pay for child care. (When people look at me admiringly after I tell them I live in the Hamptons, I always add, “We live there full-time like the poor people, not only in the summer like the rich people.”) We rented a house and made a go of it. After Martin Scorsese bought the movie rights to my biography of the gossip columnist Walter Winchell, we even managed to put together a down payment to buy the house we’d been renting.

But the problem with finances is that life doesn’t cooperate. In our case—and I have a feeling in the case of just about every American—there were unforeseen circumstances. I couldn’t sell our co-op in the city, because the co-op board kept rejecting the buyers, which meant I had to carry two mortgages for years. The housing market in New York soured, and I eventually sold the apartment for a steep loss, because I had no choice. I suppose I could have slashed the price sooner to bring in more would-be buyers—in retrospect, that would have been the wisest choice—but I wanted to cover what I owed the bank. I lost my television job because, I was told, I wasn’t frivolous enough for the medium, which was probably true. (Or at least I felt better thinking it was true.) I still had my books, but they took longer to write than I had calculated, and cutting corners to turn them out faster, I knew, would be cutting off my career. (I tell the M.F.A. writing students whom I now teach, part-time, that anyone can write a book quickly: Just write a bad book.) The girls grew up, but my wife had been out of the workforce so long that she couldn't get back into her old career, and her skills as a film executive limited her options. In any case, with my antediluvian masculine pride at stake, I told her that I could provide for us without her help—another instance of hiding my financial impotence, even from my wife. I kept the books; I kept her in the dark.



Hugh Kretschmer

And then, on top of it all, came the biggest shock, though one not unanticipated: college. Because I made too much money for the girls to get more than meager scholarships, but too little money to afford to pay for their educations in full, and because—another choice—we believed they had earned the right to attend good universities, universities of *their* choice, we found ourselves in a financial vortex. (I am not saying that universities are extortionists, but ... universities are extortionists. One daughter's college told me that because I could pay my mortgage, I could afford her tuition.) In the end, my parents wound up covering most of the cost of the girls' educations. We couldn't have done it any other way. Although I don't have any regrets about that choice—one daughter went to Stanford, was a Rhodes Scholar, and is now at Harvard Medical School; the other went to Emory, joined WorldTeach and then AmeriCorps, got a master's degree from the University of Texas, and became a licensed clinical social worker specializing in traumatized children—paying that tariff meant there would be no inheritance when my parents passed on. It meant that we had depleted not only our own small savings, but my parents' as well.

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There was worse to come. Because I lived largely off the advances my publisher paid me when I commenced research on a book, the bulk of my earnings were lumped into a single year, even though the advance had to be amortized to last the years it would take to write the book. That meant I was hit by a huge tax bill that first year that I could not pay in full without cannibalizing what I needed to finish the book. When I began writing a biography of Walt Disney, as my two daughters headed toward college, I decided to pay whatever portion of my taxes I could, then pay the remainder, albeit with penalties added, when the book was published and I received my final payment. The problem is that the penalty meter keeps running, which means that the arrears continue to grow, which means that I continue to have to pay them—I cannot, as it happens, pay them in full. I suppose that was a choice, too: pay my taxes in full, or hold back enough to write the book and pay my mortgage and buy groceries. I did the latter.

And so the hole was dug. And it was deep. And we may never claw our way out of it.

PERHAPS NONE OF THIS would have happened if my income had steadily grown the way incomes used to grow in America. It didn't, and they don't. There was a good year here or there—another television job, a new book contract, that movie sale. But mostly my wages remained steady, which meant that, when adjusted for inflation, their buying power dipped. For magazine pieces, I was making exactly what I had made 20 years earlier. And I wasn't alone. Real hourly wages—that is, wage rates adjusted for inflation—peaked in 1972; since then, the average hourly wage has essentially been flat. (These figures do not include the value of benefits, which has increased.)

And so the hole was dug. And it was deep. And we may never claw our way out of it.

Looking at annual inflation-adjusted household incomes, which factor in the number of hours worked by wage earners and also include the incomes of salaried employees, doesn't reveal a much brighter picture. Though household incomes rose dramatically from 1967 to 2014 for the top quintile, and more dramatically still for the top 5 percent, incomes in the bottom three quintiles rose much more gradually: only 23.2 percent for the middle quintile, 13.1 percent for the second-lowest quintile, and 17.8 percent for the bottom quintile. That is over a period of 47 years! But even that minor growth is somewhat misleading. The peak years for income in the bottom three quintiles were 1999 and 2000; incomes have declined overall since then—down 6.9 percent for the middle quintile, 10.8 percent for the second-lowest quintile, and 17.1 percent for the lowest quintile. The erosion of wages is something over which none of us has any control. The only thing one can do is work more hours to try to compensate. I long since made that adjustment. I work seven days a week, from morning to night. There is no other way.

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In a 2010 report titled “Middle Class in America,” the U.S. Commerce Department defined that class less by its position on the economic scale than by its aspirations: homeownership, a car for each adult, health security, a college education for each child, retirement security, and a family vacation each year. By that standard, my wife and I do not live anywhere near a middle-class life, even though I earn what would generally be considered a middle-class income or better. A 2014 analysis by *USA Today* concluded that the American dream, defined by factors that generally corresponded to the Commerce Department’s middle-class benchmarks, would require an income of just more than $130,000 a year for an average family of four. Median family income in 2014 was roughly half that.

Hugh Kretschmer

In my house, we have learned to live a no-frills existence. We halved our mortgage payments through a loan-modification program. We drive a 1997 Toyota Avalon with 160,000 miles that I got from my father when he died. We haven’t taken a vacation in 10 years. We have no credit cards, only a debit card. We have no retirement savings, because we emptied a small 401(k) to pay for our younger daughter’s wedding. We eat out maybe once every two or three months. Though I was a film critic for many years, I seldom go to the movies now. We shop sales. We forgo house and car repairs until they are absolutely necessary. We count pennies.

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I don’t ask for or expect any sympathy. I am responsible for my quagmire—no one else. I didn’t get gulled into overextending myself by unscrupulous credit merchants. Basically, I screwed up, royally. I lived beyond my means, primarily because my means kept dwindling. I didn’t take the actions I should have taken, like selling my house and downsizing, though selling might not have covered what I owed on my mortgage. And let me be clear that I am not crying over my plight. I have it a lot better than many, probably most, Americans—which is my point. Maybe we all screwed up. Maybe the 47 percent of American adults who would have trouble with a $400 emergency should have done things differently and more rationally. Maybe we all lived more grandly than we should have. But I doubt that brushstroke should be applied so broadly. Many middle-class wage earners are victims of the economy, and, perhaps, of that great, glowing, irresistible American promise that has been drummed into our heads since birth: Just work hard and you can have it all.

If there is any good news, it is that even as wages have stagnated, a lot of things, especially durable goods like TVs and computers, have been getting steadily cheaper. So, by and large, has clothing (though prices have risen modestly in recent years). Housing costs, as measured by the price per square foot of a median-priced and median-sized home, have been stable, even accounting for huge variations from one real-estate market to another. But some things, like health care and higher education, cost more—a lot more. And, of course, these are hardly trivial items. Life happens, and it happens to cost a lot—sometimes more than we can pay.

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Yet even that is not the whole story. Life happens, yes, but shit happens, too—those unexpected expenses that are an unavoidable feature of life. Four-hundred-dollar emergencies are not mere hypotheticals, nor are $2,000 emergencies, nor are … well, pick a number. The fact is that emergencies always arise; they are an intrinsic part of our existence. Financial advisers suggest that we save at least 10 to 15 percent of our income for retirement and against such eventualities. But the primary reason many of us can't save for a rainy day is that we live in an ongoing storm. Every day, it seems, there is some new, unanticipated expense—a stove that won't light, a car that won't start, a dog that limps, a faucet that leaks. And those are only the small things. In a survey of American finances published last year by Pew, 60 percent of respondents said they had suffered some sort of "economic shock" in the past 12 months—a drop in income, a hospital visit, the loss of a spouse, a major repair. More than half struggled to make ends meet after their most expensive economic emergency. Even 34 percent of the respondents who made more than $100,000 a year said they felt strain as a result of an economic shock. Again, I know. After the job loss, the co-op board's rejections, the tax penalties, there was one more wallop: A publisher with whom I had signed a book contract, and from whom I had received an advance, sued me to have the advance returned after I missed a deadline. (Book deadlines are commonly missed and routinely extended.)

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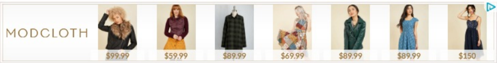

In effect, economics comes down to a great Bruce Eric Kaplan *New Yorker* cartoon that was captioned: “We thought it was a rough patch, but it turned out to be our life.”

OUR LIFE. And for many of us—we silent sufferers who cannot speak about our financial tribulations—it is our lives, not just our bank accounts, that are at risk. The American Psychological Association conducts a yearly survey on stress in the United States. The 2014 survey—in which 54 percent of Americans said they had just enough or not enough money each month to meet their expenses—found money to be the country’s No. 1 stressor. Seventy-two percent of adults reported feeling stressed about money at least some of the time, and nearly a quarter rated their stress “extreme.” Like financial fragility itself, that stress cut across income levels and age cohorts. Not surprisingly, too much stress is bad for one’s health—as, of course, is too little money. Thirty-two percent of the survey respondents said they couldn’t afford to live a healthy lifestyle, and 21 percent said they were so financially strapped that they had forgone a doctor’s visit, or considered doing so, in the previous year.

> **Perhaps none of this would have happened if my income had grown the way incomes used to grow in America. It didn’t, and they don’t.**

But financial fragility’s most insidious effects extend beyond physical health, to our larger sense of well-being. “Financial insecurity is associated with depression, anxiety, and a loss of personal control that leads to marital difficulties,” says Brad Klontz, the financial psychologist. I know about that, too. Money may change everything, as Cyndi Lauper sang. But lack of money definitely ruins everything. Financial impotence casts a pall of misery. It keeps you up at night and makes you not want to get up in the morning. It forces you to recede from the world. It eats at your sense of self-worth, your confidence, your energy, and, worst of all, your hope. It is ruinous to relationships, turning spouses against each other in tirades of calumny and recrimination, and even children against parents, though thankfully that is one thing that never happened to me. The rest, however, did happen and still does. I consider myself pretty tough and resilient. What of those who aren’t? To fail—which, by many economic standards, a very large number of Americans do—may constitute our great secret national pain, one that is deep and abiding. We are impotent.

ARTICLE CONTINUES AFTER ADVERTISEMENT

And while the affliction is primarily individual and largely hidden from public view, it has perhaps begun to diminish our national spirit. People want to feel, *need* to feel, that they are advancing in this world. It is what sustains them. They need to feel that their lives will improve, and, even more, that the lives of their children will be better than theirs, just as they believed that their own lives would be better than their parents’. But people increasingly do not feel that way. A 2014 *New York Times* poll found that only 64 percent of Americans said they believed in the American dream—the lowest figure in nearly two decades. I suspect our sense of impotence in the face of financial difficulty is not only a source of disillusionment, but also a source of the anger that now infects our national politics, an anger that gets displaced onto undocumented immigrants or Chinese trade or President Obama precisely because we are unable or unwilling to articulate its true source. As the Harvard economist Benjamin M. Friedman wrote in his 2005 book, *The Moral Consequences of Economic Growth*, “Merely being rich is no bar to a society’s retreat into rigidity and intolerance once enough of its citizens lose the sense that they are getting ahead.” We seem to be at the beginning of just such a retreat today—at the point where simmering financial impotence explodes into political rage.

Many Americans still remain optimistic—at least publicly. In a 2014 Pew survey revealing that 55 percent of Americans spend as much as they make each month, or more, nearly the exact same percentage say they have favorable financial circumstances, which may just mean some of them are too frightened to admit they don’t. Or perhaps they are just too financially illiterate to understand the severity of their predicament. Many of the scholars I have talked with are optimistic too. “People have this ingenuity to solve so many problems,” Annamaria Lusardi told me. “I think we are finally getting it that the brain does not work around money naturally,” Brad Klontz said, believing that Americans are realizing they have to take more control of their financial lives.

But optimism won’t negate the fact that wages continue to stagnate; that the personal savings rate remains low; and that a middle-class life seems increasingly hard to maintain. (A pre-recession survey by the Consumer Federation of America and the Financial Planning Association found that 21 percent of Americans felt the “most practical” way for them to get several hundred thousand dollars was to win the lottery.) I try to hang on to hope myself while still being a realist. Yet hope doesn’t come easily anymore, even in a nation of dreamers and strivers and idealists. What so many of us have been suffering for so many years may just seem like a rough patch. But it is far more likely to be our lives.

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ABOUT THE AUTHOR

NEAL GABLER is a visiting professor in the MFA Creative Writing and Literature Program at the State University of New York, Stony Brook. He is the author of a forthcoming biography of Edward Kennedy and five other books.

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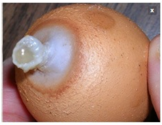
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In Ferguson, the Seeds of Trump's Defeat

MOLLY BALL

FERGUSON, Missouri—For a lot of people this year, but maybe especially for black people, the election seemed like a joke until it stopped being funny.

“I mean, is it even real? What's going on?” said Corey Moore, 27, otherwise known as Memphis the Barber. At Freestyle Barber & Beauty, less than a mile from where Michael Brown was fatally shot by police in August 2014, Moore was laughing as he applied clippers to a young boy's

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The 'Quid Pro Quo' on Hillary Clinton's Emails

RUSSELL BERMAN

A quid pro quo is kind of like *Fight Club*: If you're offering up a shady quid pro quo to the FBI, you probably shouldn't actually call it a quid pro quo.

Yet that's what a senior State Department official allegedly did in the days after the existence of Hillary Clinton's email server was made public, according to notes the FBI released on Monday from its investigation of the former secretary of state. The notes include an assertion from an unnamed FBI official that Patrick F. Kennedy, the State Department's

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Sympathy for the Melania

SPENCER KORNHABER

As more women come forward with allegations of harassment against Donald Trump, more scrutiny is also being directed toward the women who are still standing with him. Female ally No. 1 is Trump's wife, Melania, and even though she's remained relatively quiet throughout the presidential campaign, her cultural footprint seems to be growing. The caricature that's arisen is both empathetic and insulting, rooted in horror at what Trump represents but also in stereotypes about trophy wives and Eastern

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Amy Schumer: The Comical Is Political

MEGAN GARBER

"The show became political," Ryan Atwood explained of his dissatisfaction with Amy Schumer's Sunday-night show in Tampa, Florida, after some 200 members of the show's audience walked out in protest of jokes she made about Donald Trump. "I don't want to hear that," said Bryon Infinger, who added that "we wanted to have a good night without distractions with the politics." Bryon's wife, Chrissy, agreed: "It's a bit much," she said.

It's unclear, though, why the people who left the show were

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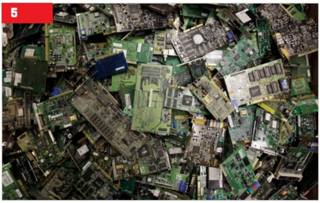

How the Internet Wrecked College Admissions

ANNE KIM

Over the last decade, the internet has made it much easier for students to apply to college, especially thanks to services like the "Common App." For the nearly 700 schools now part of the Common Application—the nation's leading standardized online college-application portal—students can browse by name, state, or region, by the type of institution (public or private), and by whether it's co-ed or single-sex. Clicking on a college takes students to a brief profile of the school and then an invitation: "Ready to

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Why Is Dating in the App Era Such Hard Work?

JUDITH SHULEVITZ

Americans are now considered prime candidates for dating from age 14 or younger to close to 30 or older. That's about 15 years, or roughly a fifth of their lives. For an activity undertaken over such a long period of time, dating is remarkably difficult to characterize. The term has outlasted more than a century's worth of evolving courtship rituals, and we still don't know what it means. Sixth-graders claim to be dating when, after extensive negotiations conducted by third parties, two of them go out for ice cream. Many

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How a Hillary Clinton Presidency Would Affect the Supreme Court

CONOR FRIEDERSDORF

Should the fate of the Supreme Court cause conservatives to support Donald Trump? That's the message touted by a number of commentators on the right, who insist that judicial appointments are the stakes that matter most in the 2016 election.

To evaluate that position, I've scrutinized the arguments of its most formidable proponent, law professor Hugh Hewitt, who has made his case in columns and on talk radio, where he has fleshed out his argument in debates with

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Masters of Love

EMILY ESFAHANI SMITH

Every day in June, the most popular wedding month of the year, about 13,000 American couples will say "I do," committing to a lifelong relationship that will be full of friendship, joy, and love that will carry them forward to their final days on this earth.

Except, of course, it doesn't work out that way for most people. The majority of marriages fail, either ending in divorce and separation or devolving into bitterness and dysfunction. Of all the people who get married, only three in

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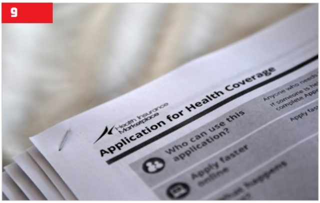
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Health Insurance Marketplace
Application for Health Coverage
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The Delayed Gratification of Obamacare

VANN R. NEWKIRK II

With the national rate of uninsured people at historic lows, why isn't Obamacare more popular? Over the course of the last two years, which saw around 20 million Americans gain health insurance coverage, public opinion of the Affordable Care Act nevertheless remains negative. Its unfavorability rating in a Kaiser Family Foundation poll hovered at 47 percent in both September 2014 and 2016, and over the same time span favorability has increased from 35 percent to just 44 percent, though it was higher in 2015 than today.

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How 'Unprecedented' Are Trump's Claims of a Rigged Election?

DAVID A. GRAHAM

Donald Trump spent much of the last few days insisting that the presidential election is rigged. The press, in turn, spent the same days warning darkly that Trump's statements could gravely undermine faith in American democracy, even if—especially if—he loses in November. Many news stories quoted Republican officials dismayed by Trump's comments.

Somehow, that did not dissuade Trump, who started the day

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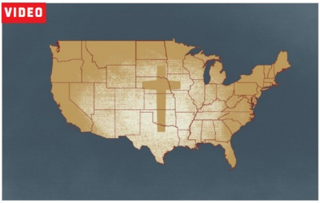

We've Reached the End of White Christian America

DANIEL LOMBROSO AND **CAITLIN CADIEUX**

The decline of a once-powerful majority is going to have profound implications.

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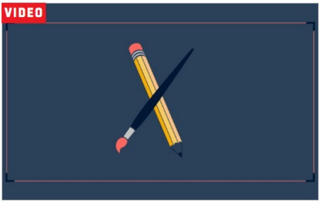

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LEAH VARJACQUES

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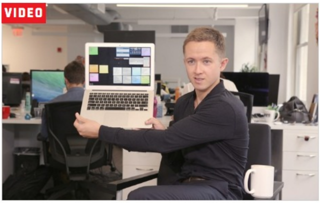

How an Editor Stays at Inbox Zero

NICOLAS POLLOCK AND **JAMES HAMBLIN**

A few simple rules could help you spend less time answering emails.

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