

Economic Insecurity and the American Dream

When trying to understand how society works, a central question asked by sociologists is how social class background and economic resources shape a person's life experiences. Sociologists typically focus on things like income, level of education, and job type as significant factors that predict whether a person will have greater economic security (and encounter more opportunities) or whether they will face economic insecurity (and encounter more obstacles). More opportunities mean a better chance at achieving the American Dream. Researchers today highlight how more and more Americans feel that the American Dream is just that: a dream that fewer people can actually attain.

How can we know whether a person thinks of themselves as having more opportunities or more obstacles as the result of their economic background? We ask them! Three key questions about a person's actual experiences with economic insecurity are as follows:

1. During the last year, did your family have to make use of a social safety net or welfare program at least once?
2. Did your family dip below the poverty line (<https://aspe.hhs.gov/poverty-guidelines>) at some time during the last year?
3. Did the main wage earners in your family experience an involuntary loss of employment at some point during the last year?

Sociologists do not rely on the answers from just one person or even a few people to draw conclusions. In their recent book *Chasing the American Dream: Understanding What Shapes our Fortunes*, Mark Rank, Thomas Hirschl, and Kirk Foster explored these questions with data collected over five decades (1968-2008) and found the following:

Economic Insecurity Measures

Age Category	Welfare Use	Poverty/Near Poverty	Unemployment	Combined Measure (one or more of the three)
25-34	32.3%	41.3%	46.8%	64.7%
35-44	29.8%	32.0%	34.8%	53.3%
45-54	25.7%	25.8%	28.2%	48.2%
55-64	27.5%	29.3%	21.7%	50.3%

These numbers are striking. Across every age category, more than 20 percent of people had experienced each type of economic insecurity. Those in younger categories were especially likely to do so. Almost half or more of the people in each category experienced one or more of these events cumulatively. This implies that more than half of Americans face some level of economic insecurity every year.

Thinking about who can make the American Dream a reality is an important sociological question that we are addressing as a society. These data also raise some equally disturbing questions. For instance, if you come from a family facing economic insecurity, what does this mean for your ability to go to college? Will you be able to afford to buy your own home in a safe neighborhood one day? Economic insecurity is not always something we can see in the people around us, but living with it can impact our health, our performance in school or at work, and even shape our aspirations for the future.

