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

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

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.

Conducting Sociological Research

When we think about the challenges college students face today, chief among them is how the changing economic conditions in Indiana and in the country as a whole are creating situations where students and their families find themselves on “thin ice” or on “thick ice” economically. The more economic obstacles and insecurities your family faces, the more likely you are to be on “thin ice” where families can barely pay their bills, much less afford college tuition costs. Other students, however, come from families firmly on “thick ice.” While paying for college is not always easy, for these families it is still possible and it does not require having to decide between paying for food or shelter and paying for tuition.

Regardless of what they study specifically, sociologists spend their careers collecting data about important social issues and then making conclusions based on the evidence. Here is your chance to try some sociological research. Take the three questions about economic insecurity from the other side and ask 10 people how they would answer them. Be sure to turn the raw numbers into percentages and enter them in the table below (i.e., if three people reported that their families needed to use a social safety net program, record that as 30%). As you conduct your survey, keep the following principles of research in mind:

- People may find questions like this difficult or uncomfortable. Preface your survey with an explanation of the project. Promise beforehand that they can refuse to answer any questions and/or refuse to participate at any time if they wish. Ensure them that their answers will never be identified individually, only summarized. This is called getting “informed consent.”
- As you solicit responses, be sure to note the number of people who decline to be part of your study compared to the number who agree. This gives context for weighing whether you are getting responses only from people who are “comfortable” with the questions.
- Note any other common traits or limitations about the group of people you are surveying. If they all share similar traits (geographic, racial, age, education, etc.) your findings are no less valid, only more limited in scope and not necessarily representative of what is actually happening out in the world.

What did you find out? What conclusions can you draw? How many of the people with whom you spoke were on “thin ice” (facing economic insecurity) and how many were on “thick ice” (facing economic security)? What do you think the implications are for the people with whom you spoke? Does it mean some will face greater challenges in school? Do those facing economic insecurity face greater levels of stress and anxiety than others? Will some make decisions about their future that reflect tough choices?

All of these issues concern sociologists because access to economic resources like income, education, and good jobs shapes many other aspects of a person’s life experience. Since the Occupy Movement popularized the distinction between the top one percent and the remaining 99 percent in economic terms, more and more people have expressed concerns about the growth of economic inequality in America. How about you? Is this something that concerns you? Are you interested in looking at how the gap between the rich and the poor will affect you and your ability to achieve the American Dream? Sociology is an important area where these questions are asked and answered. We also address how these things work for different racial groups, for women and men, and for those in societies other than our own. These are questions that are important to ask in business, health care, sports, social work, etc. Sociology is a perfect entry for all of these areas.