

# Social Class in America

*In life, we are all passengers on the Titanic, but some have better life chances than others.*

—Diego del Rio, Sociologist

On the night the *Titanic* sank on her maiden voyage across the Atlantic in 1912, **social class**<sup>1</sup> proved to be a key determinant of who survived and who perished. Among those who lost their lives were 40 percent of the first-class passengers, 58 percent of the second-class passengers, and 75 percent of the third-class passengers. The class differences were even starker for women and children (who were given priority access to the lifeboats): Just 7 percent of first-class, but over half of third-class women passengers, went down with the *Titanic* (U.S. Senate 1912).

The divergent fates of the *Titanic*'s passengers present a dramatic illustration of the connection between social class and what pioneer sociologist Max Weber called **life chances**. Weber invented the term to emphasize the extent to which our chances, not just for survival, but more generally our chances for the good things in life, are shaped by class position.

Contemporary sociology has followed Weber's lead and found that the influence of social class on our lives is indeed pervasive. Table 1.1 gives a few examples. These statistics compare people at the bottom, middle, and top of the class structure. They show, among other things, that people in the bottom 25 percent are less likely to be in good health, less likely to own their homes, more likely to have physically punishing jobs, and more likely to be the victims of violent crime. Those in the top 25 percent are healthier, safer, more likely to graduate college, and more likely to find their lives engaging.

This book is an analysis of the American class system. We explore class differences in wealth, power, and social life. We look at patterns of **social mobility**—movement up or down within the class system. And we trace the ways the system has changed over time, focusing, in particular, on evidence of growing inequality.

We begin by consulting two major theorists of social stratification, Karl Marx and Max Weber, to identify the major facets of the subject. Marx (1818 to 1883) and Weber (1864 to 1920) established an intellectual framework that strongly influenced subsequent scholars. (**Social stratification**, by the way,

<sup>1</sup>Terms that appear in bold print are defined in the Glossary at the end of the book.

**TABLE 1.1** Life Chances by Social Class<sup>a</sup>

	Bottom	Middle	Top
In excellent/very good health <sup>b</sup>	40%	52%	69%
Victims of violent crime per 1,000 population <sup>c</sup>	33.6	17.0	11.6
Own home (household heads 35 to 54) <sup>d</sup>	34%	63%	85%
College graduate by age 24 <sup>e</sup>	12%	28%	58%
Job requires lifting, pulling, pushing, bending <sup>b</sup>	71%	49%	33%
Find life “exciting” (not “routine” or “dull”) <sup>b</sup>	46%	47%	67%

a. Classes defined by income: bottom 25 percent, middle 50 percent, and top 25 percent.

b. General Social Survey 2010. Computed for this table.

c. U.S. Department of Justice, Bureau of Justice Statistics 2015.

d. www.Zillow.com.

e. Pell Institute 2017. By parents' income.

refers to social ranking based on characteristics such as income, wealth, occupation, or prestige.)

## Karl Marx

Although the discussion of stratification goes back to ancient philosophy, modern attempts to formulate a systematic theory of class differences began with Marx's work in the nineteenth century. Most subsequent theorizing has represented an attempt either to reformulate or to refute his ideas. Marx, who was born in the wake of the French Revolution and lived in the midst of the Industrial Revolution, was both a radical activist and a scholar of social and political change. He saw the study of social class as the key to an understanding of the turbulent events of his time. His studies of economics, history, and philosophy convinced him that societies are mainly shaped by their economic organization and that social classes form the link between economic facts and social facts. He also concluded that fundamental social change is the product of conflict between classes. Thus, in Marx's view, an understanding of classes is basic to comprehending how societies function and how they are transformed.

In Marx's work, social classes are defined by their distinctive relationships to the **means of production**. Taking this approach, Marx defined two classes in the emerging industrial societies of his own time (the mid-to-late 1800s): the capitalist class (or **bourgeoisie**) and the working class (or **proletariat**). He describes the bourgeoisie as the class that owns the means of production, such as mines or factories, and the proletariat as the class of those who must sell their labor to the owners of the means to earn a wage and survive. Marx maintained that in modern, capitalist society, each of these two basic classes tends toward an internal homogeneity that obliterates differences within them. Little businesses lose out in competition with big businesses, concentrating ownership in a small bourgeoisie of monopoly capitalists. In a parallel fashion,

gradations within the proletariat fade in significance as machines get more sophisticated and do the work that used to be done by skilled workers. As the basic classes become internally homogenized, the middle of the class structure thins out and the system as a whole becomes polarized between the two class extremes.

But notice that these broad generalizations refer to long-range trends. Marx recognized that at any given historical moment, the reality of the class system was more complex. The simplifying processes of homogenization and polarization were tendencies, unfolding over many decades, which might never be fully realized. Marx's descriptions of contemporary situations in his writings as a journalist and pamphleteer show more complexity in economic and political groupings than do his writings as a theorist of long-term historical development.

We have noted that Marx defined the proletariat, bourgeoisie, and other classes by their relationship to the means of production. Why? In the most general sense, because he regarded production as the center of social life. He reasoned that people must produce to survive, and they must cooperate to produce. The individual's place in society, relationships to others, and outlook on life are shaped by his or her work experience. More specifically, those who occupy a similar role in production are likely to share economic and political interests that bring them into conflict with other participants in production. Capitalists, for instance, reap profit (in Marx's terms, *expropriate surplus*) by paying their workers less than the value of what they produce. Therefore, capitalists share an interest in holding down wages and resisting legislation that would enhance the power of unions to press their demands on employers.

From a Marxist perspective, the manner in which production takes place (that is, the application of technology to nature) and the class and property relationships that develop in the course of production are the most fundamental aspects of any society. Together, they constitute what Marx called the **mode of production**. Societies with similar modes of production ought to be similar in other significant respects and should therefore be studied together. Marx's analysis of European history after the fall of Rome distinguished three modes of production, which he saw as successive stages of societal development: *feudalism*, the locally based agrarian society of the Middle Ages, in which a small landowning aristocracy in each district exploited the labor of a peasant majority; *capitalism*, the emerging industrial and commercial order of Marx's own lifetime, already international in scope and characterized by the dominance of the owners of industry over the mass of industrial workers; and *communism*, the technologically advanced, classless society of the future, in which all productive property would be held in common and the exploitation of many by a privileged minority would be impossible.

Marx regarded the mode of production as the main determinant of a society's **superstructure** of social and political institutions and ideas. He used the concept of superstructure to answer an old question: How do powerful minorities maintain their positions and contain the potential resistance of exploited majorities? His reply was that the class that controls the means of production typically controls the means of compulsion and persuasion—the superstructure. He observed that in feudal times, the landowners monopolized military and political power. With the rise of modern capitalism, the bourgeoisie

gained control of political institutions. In each case, the privileged class could use the power of the state to protect its own interests. For instance, in Marx's own time, the judicial, legislative, and police authority of European governments dominated by the bourgeoisie were employed to crush the early labor movement, a pattern that was repeated a little later in the United States. In an insightful overstatement from the *Communist Manifesto* (1848), Marx asserted, "The executive of the modern State is but a committee for managing the common affairs of the whole bourgeoisie" (Marx 1978:475).

But Marx did not believe that class systems rest on pure compulsion. He allowed for the persuasive influence of ideas. Here, Marx made one of his most significant contributions to social science: the concept of **ideology**. He used the term to describe the pervasive ideas that uphold the *status quo* and sustain the ruling class. Marx noted that human consciousness is a social product. It develops through our experience of interacting with others to produce and to sustain social life. But social experience is not homogeneous, especially in a society that is divided into classes. The peasant does not have the same experience as the land owner and therefore develops a distinct outlook. One important feature of this differentiation of class outlooks is the tendency for members of each group to regard their own particular class interests as the true interests of the whole society. What makes this significant is that one class has superior capacity to impose its self-serving ideas on other classes.

The class that dominates production, Marx argued, also controls the institutions that produce and disseminate ideas, such as schools, mass media, churches, and courts. As a result, the viewpoint of the dominant class pervades thinking in areas as diverse as the laws of family life and property, theories of political democracy, notions of economic rationality, and even conceptions of the afterlife. In Marx's (1978) words, "The ideas of the ruling class are in every epoch the ruling ideas" (p. 172). In extreme situations, ideology can convince slaves that they ought to be obedient to their masters, or poor workers that their true reward will eventually come to them in heaven.

Marx (1978) maintained, then, that the ruling class had powerful political and ideological means to support the established order. Nonetheless, he regarded class societies as intrinsically unstable. In a famous passage from the *Communist Manifesto*, he observed,

The history of all hitherto existing society is the history of class struggles. Freeman and slave, patrician and plebeian, lord and serf, guild master and journeyman, in a word, oppressor and oppressed stood in constant opposition to one another, carried on an uninterrupted, now hidden, now open fight, a fight that each time ended either in a revolutionary reconstitution of society at large, or in the common ruin of the contending classes.

In the earlier epochs of history, we find almost everywhere a complicated arrangement of society into various orders, a manifold gradation of social rank. . . .

Our epoch, the epoch of the bourgeoisie, possesses, however, this distinctive feature: It has simplified the class antagonisms. Society as a whole is more and more splitting up into two great hostile camps,

into two great classes directly facing each other: Bourgeoisie and Proletariat. (pp. 473–474)

As these lines suggest, Marx saw the struggle between classes as the basic source of social change. He coupled class conflict with economic change, arguing that the development of new means of production (for example, the development of modern industry) implied the emergence of new classes and class relationships. The most serious political conflicts develop when the interests of a rising class are opposed to those of an established ruling class. Class struggles of this sort can produce a “revolutionary reconstitution of society.” Notice that each epoch creates within itself the growth of a new class that eventually seizes power and inaugurates a new epoch.

Two eras of transformation through class conflict held particular fascination for Marx. One was the transition from feudalism to modern capitalism in Europe, a process in which he assigned the bourgeoisie (the urban capitalist class) “a most revolutionary part” (Marx 1978:475). Into a previously stable agrarian society, the bourgeoisie introduced a stream of technological innovations, an accelerating expansion of production and trade, and radically new forms of labor relations. The feudal landlords, feeling their own interests threatened, resisted change. The result was a series of political conflicts (the French Revolution was, for Marx, the most dramatic instance) through which the European bourgeoisie wrested political power from the landed aristocracy.

Marx believed that a second, analogous era of transformation was beginning during his own lifetime. The capitalist mode of production had created a new social class, the urban working class, or proletariat, with interests directly opposed to those of the dominant class, the bourgeoisie. This conflict of interests arose, not simply from the struggle over wages between capital and labor, but from the essential character of capitalist production and society. The capitalist economy was inherently unstable and subject to periodic depressions with massive unemployment. These economic crises heightened awareness of long-term trends widening the gap between rich and poor. Furthermore, capitalism’s blind dependence on market mechanisms built on individual greed created an alienated existence for most members of society. Marx was convinced that only under communism, with the means of production communally controlled, could these conditions be overcome.

The situation of the proletarian majority made it capitalism’s most deprived and alienated victim and therefore the potential spearhead of a communist revolution. However, in Marx’s view, an objective situation of class oppression does not lead directly to political revolt. For that to happen, the oppressed class must first develop **class consciousness**—that is, a sense of shared identity and common grievances, requiring a collective response. Some of Marx’s most fruitful sociological work, to which we will return in Chapter 9, is devoted to precisely this problem. What intrinsic tendencies of capitalist society, Marx asked, are most likely to produce a class-conscious proletariat? Among the factors he isolated were the stark simplification of the class order in the course of capitalist development; the concentration of large masses of workers in the new industrial towns; the deprivations of working-class people, exacerbated by the inherent instability of the capitalist economy; and

the political sophistication gained by the proletariat through participation in working-class organizations such as labor unions and mass political parties.

What, in sum, can be said of Marx's contribution to stratification theory? His recognition of the economic basis of class systems was a crucial insight. His theory of ideology and his conception of the connection between social classes and political processes, although oversimple as stated, proved a fruitful starting point for modern research. As for his conception of change, a series of twentieth-century revolutions—including those in Mexico (1910), Russia (1917), and China (1949)—established the significance of class conflict for radical social transformation. However, social revolutions have typically occurred in peasant societies during early stages of industrialization under foreign influence rather than in the advanced industrial countries where Marx anticipated them. In the advanced industrial countries, the proletariat used labor unions and mass political parties to defend its interests, thus rechanneling the forces of class conflict into the legal procedures of democratic politics.

More than a century after his death, it is apparent that Marx was a better sociologist than he was a prophet. He identified many of the central processes of capitalist society, but he was unable to foresee all the consequences of their unfolding, and his vision of a humane socialist future has not been realized in any communist country.

## Max Weber

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The great German sociologist Max Weber, who wrote in the early years of the twentieth century, was interested in many of the same problems that had fascinated Marx—among them, the origins of capitalism, the role of ideology, and the relationship between social structure and economic processes. Weber, who was beginning his career about the time that Marx died, frequently benefited from Marx's work, even while reaching rather different conclusions. In the field of stratification, his special contributions were (1) to introduce a conceptual clarity that was often lacking in Marx's references to social classes and (2) to highlight the subjective aspects of stratification, as expressed in everyday interactions.

Weber made a crucial distinction between two orders of ranking or stratification: *class* and *status*. Class had roughly the same meaning for both Weber and Marx. It refers to groupings of people according to their economic position. Class situation or membership, according to Weber, is defined by the individual's strength in economic markets (for example, the job market or capital markets), to the extent that these determine individual life chances. By life chances, he meant the fundamental aspects of an individual's future possibilities that are shaped by class membership, from the infant's chances for decent nutrition to the adult's opportunities for worldly success. (Table 1.1 provides other examples of life chances.)

Following Marx, Weber stressed that the most important class distinction is between those who own property (land, small businesses, corporate stock, etc.) and those who do not. However, he noted that many significant distinctions can be made within each of these categories. Among the propertied elite, for example, there are rentiers, who support themselves with income from

stocks, bonds, and other securities, and entrepreneurs, who depend on profits from businesses they create, own, and operate. The propertyless can be differentiated by the occupational skills that they bring to the marketplace: The life chances of an unskilled worker are vastly different from those of a well-trained engineer. This suggests that the vast population of wage earners whom Marx lumped into the proletariat were really a highly differentiated group.

For Weber, a social class, then, becomes a group of people who share the same economically shaped life chances. Notice that this way of defining a class does not imply that the individuals in it are necessarily aware of their common situation. It simply establishes a statistical category of people who are, from the point of view of the market (and the sociologist), similar to each other. Only under certain circumstances do they become aware of their common fate, begin to think of each other as equals, and develop institutions of joint action to further their shared interests.

Status, the second major order of stratification defined by Weber, is ranking by social prestige. In contrast with class, which is based on objective economic fact, status is a subjective phenomenon, a sentiment in people's minds. Although the members of a class may or may not have a sense of shared identity, the members of a status group generally think of themselves as a social community, with a common **lifestyle** (a familiar term we owe to Weber). In a classic essay on stratification, Weber (1946) outlined these distinctions:

In contrast to the purely economically determined "class situation," we wish to designate as "status situation" every typical component of the life fate of men that is determined by a specific, positive or negative, social estimation of honor. . . .

Status groups are normally communities. . . . In content, status honor is normally expressed by the fact that above all else a specific style of life can be expected from all those who wish to belong to the circle. Linked with this expectation are restrictions on "social" intercourse. . . . These restrictions may confine normal marriages to within the status circle. . . . Of course, material monopolies provide the most effective motives for the exclusiveness of a status group. . . . With an increased enclosure of the status group, the conventional preferential opportunities for special employment grow into a legal monopoly of special offices for the members. . . .

With some oversimplification, one might thus say that "classes" are stratified according to their relations to the production and acquisition of goods; whereas "status groups" are stratified according to the principles of their consumption of goods as represented by special "styles of life." (pp. 186–193)

In those passages, Weber specified many of the interrelations between class and status, between economy and society. Because of class position, a person earns a certain income. That income permits a certain lifestyle, and people soon make friends with others who live the same way. As they interact with one another, they begin to conceive of themselves as a special type of people. They restrict interaction with outsiders who seem too different

(they may be too poor, too uneducated, too clumsy to live graciously enough for acceptance as worthy companions). Marriage partners are chosen from similar groups because once people follow a certain style of life, they find it difficult to be comfortable with people who live differently. Thus, the status group becomes an ingrown circle. It earns a position in the local community that entitles its members to social honor or prestige from inferiors.

Status groups develop the conventions or customs of a community. Through time, they evolve appropriate ways of dressing, of eating, and of living that are somewhat different from the ways of other groups. These ways are expressed as moral judgments reflecting abstract principles of value that separate “good” from “bad.” The application of these principles to individuals establishes rankings of social honor or prestige. These distinctions often react back on the marketplace; to preserve their advantages, high-status groups attempt to monopolize those goods that symbolize their style of life—they pass consumption laws prohibiting the lower orders from wearing lace, or they band together to keep Jews or Blacks out of prestigious country clubs. (Weber regarded invidious distinctions among ethnic groups as a type of status stratification.)

A status order tends to restrict the freedom of the market, not only by its monopolization of certain types of consumption goods, but also by its monopolization of the opportunities to earn money. If they can get the power, status groups often restrict entry into the more lucrative professions or trades and access to credit. For example, entry into the electricians’ union might be restricted to sons of current members. The local bank might be more willing to grant a loan to a member of the country club than to a social nobody, especially if the bank officer is also a member of the club. More generally, birth into a high-status family gives children advantages of social grace and personal contacts that eventually help their careers.

Weber observed that, in theory, class and status are opposed principles. In its purest form, the class or economic order is universalistic and impersonal; it recognizes no social distinctions and judges solely on the basis of competitive skill or accumulated wealth. Status, in contrast, is based on particularistic distinctions: Some people are “better” than others.

But Weber recognized that, in practice, class and status are intertwined—at least in the long run. Historically, the status order is created by the class order; consumption, after all, is based on production. Although the established social elite might react against the status claims of the newly rich, it typically accepts their descendants if they have properly cultivated the conventions of the higher status group. On another level, the appearance of classes based on new sources of wealth—for instance, the emergence of an industrial bourgeoisie in Europe and America in the nineteenth century—signals a future restructuring of the status order as a whole.

Weber, like Marx, was interested in the relationship between stratification and political power. It would be accurate to say that for both men, stratification was essentially a political topic. But Weber was highly skeptical of the implication in Marx’s work that all political phenomena could be traced back to class.

Weber opposed what he called the “pseudo-scientific operation” of Marxist writers of his day, who assumed an automatic link between class position and



class consciousness (Weber 1946:184). He noted that a shared economic situation can and sometimes does lead to an awareness of shared class interests and a willingness to engage in militant class action, but it need not. Indeed, the very notion of class interest was highly ambiguous for Weber. In his view, there are multiple classes in modern societies, and they are continually changing. Under such conditions, individuals may think of their own identities, and shared or conflicting interests with others, in varied ways. Someone whom sociologists would identify as working class might think of himself as white and middle class, because he believes he has nothing in common with minority workers and supposes himself to be a middle-income, average American. Or he might strongly identify with other workers, whatever their race, and become class conscious in the Marxian sense. Neither would surprise Weber.

Implicit in Weber's approach to stratification is the idea that status considerations can undermine the development of class consciousness and class struggle. For example, the politics of the American South has long been shaped by the tendency of poor whites to identify with richer whites rather than with poor Blacks who share their economic position. Weber noted that political parties can develop around class, status, or other bases for conflict over power. The major American political parties are amorphous coalitions that have never been as clearly oriented toward the pursuit of class interests as have, for example, the working-class parties of Western Europe. Again, none of this would have surprised Weber.

In sum, Weber accepted Marx's idea of the underlying economic basis of stratification. But Weber's conception of social class was much more flexible than Marx's and probably better adapted to the complexities of modern societies. Weber also identified another order of stratification, by differentiating between class and status. He argued that the two interact with each other and with the political process in ways not fully recognized by Marx.

## Three Issues and 10 Variables

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Marx's and Weber's writings suggest three broad issues in the study of social class:

1. *Economic basis.* How do class distinctions arise from economic distinctions? And how, in particular, does economic change transform the class system? These were central concerns for both theorists.
2. *Social basis.* How are economic class distinctions reflected in social distinctions and social behavior? Weber's discussion of status groups is relevant here. He noted their tendency to become social communities with distinctive lifestyles and values. He was intrigued by the complex relationship between class and status.
3. *Political implications.* How does the class system affect the political system? How do economically dominant classes interact politically with the other classes in society? For both Marx and Weber, class was ultimately a political topic.

These issues led us to organize our examination of the class system around a series of related sociological variables. With regard to the economic issue, we will be looking at occupation, wealth, income, and poverty; with regard to the social issue, we look at prestige, association, **socialization**, and social mobility; and with regard to the political issue, we look at power and class consciousness. These variables are more precisely defined in the appropriate chapters and included in the glossary at the end of the book, along with other terms we consider important.

## What Are Social Classes?

We define social classes as grouping of families or households, more or less equal in rank and differentiated from other households above or below them with regard to characteristics such as occupation, income, wealth, and prestige.<sup>2</sup> Our approach raises two questions: (1) Why conceive of stratification in terms of *discrete classes*? (2) Why think of classes as groupings of *households*?

The first question arises because it is logically possible for a society to be stratified in a continuous gradation between high and low without any sharp lines of division. In reality, this is unlikely. The sources of a family's position are shared by many other similar families; there are only a limited number of types of occupations or of possible positions in the property system. One holds a low-skill job in a service, factory, or office setting; lives by manual skill or professional expertise; or manages people and money. People in similar positions are likely to have similar education and similar incomes. They often mix socially with one another and become similar in their thinking and lifestyle. Such similarities are shared within families and inherited by children. In other words, the various stratification variables tend to converge and jell; they form a pattern within which social classes begin to form. (We say "tend to converge" because we are describing a general process with frequent inconsistencies.)

The pattern formed by the objective connections among the variables is heightened by the way people think about social matters, because popular thought tends toward stereotypes. Doctors are viewed as a homogeneous group, and distinctions among them tend to be ignored. Similarly, the working poor tend to lump all bosses together, and the privileged may overlook the many distinctions that exist among those who labor for an hourly wage.

The second question arises because it is logically possible to study stratification of individuals rather than **households**. Why not define classes as discrete groupings of *individuals* of equal rank? The simple answer, implied earlier, is that the members of a household live under the same roof, pool their resources, share a common economic fate, and tend, for all these reasons, to have a similar perspective on the world. This answer is not quite as persuasive as it was 30 or 40 years ago. What made it seem self-evident in the past was that family households were largely dependent on income produced by the

<sup>2</sup>At times we will use the terms *family* and *household* interchangeably. When discussing income, we will sometimes invoke the Census Bureau's more rigorous distinction between a group of related people residing together (family) and the broader concept that encompasses families, individuals residing alone, and unrelated individuals residing together (households).

“male head of household.” The sociologist could determine the class ranking of a family on the basis of his occupation, which tended to be a good predictor of the family’s economic condition and its political outlook. Women, of course, were largely ignored in this conception of the class structure, but it was arguably a reasonable approach to a world in which women’s public economic role was of limited significance.

In the last few decades, women’s economic and family roles have changed radically. Increasing numbers of women, especially young women, live alone. A growing proportion of family households are headed by single women. Husband-breadwinner/wife-homemaker families are less common than they once were, so we can no longer confidently place families in the class hierarchy based on the job or income of a male head of household. And if a family is dependent on two working spouses who have very different jobs (say, school-teacher and truck driver), which one counts for determining the household’s place in the class hierarchy?

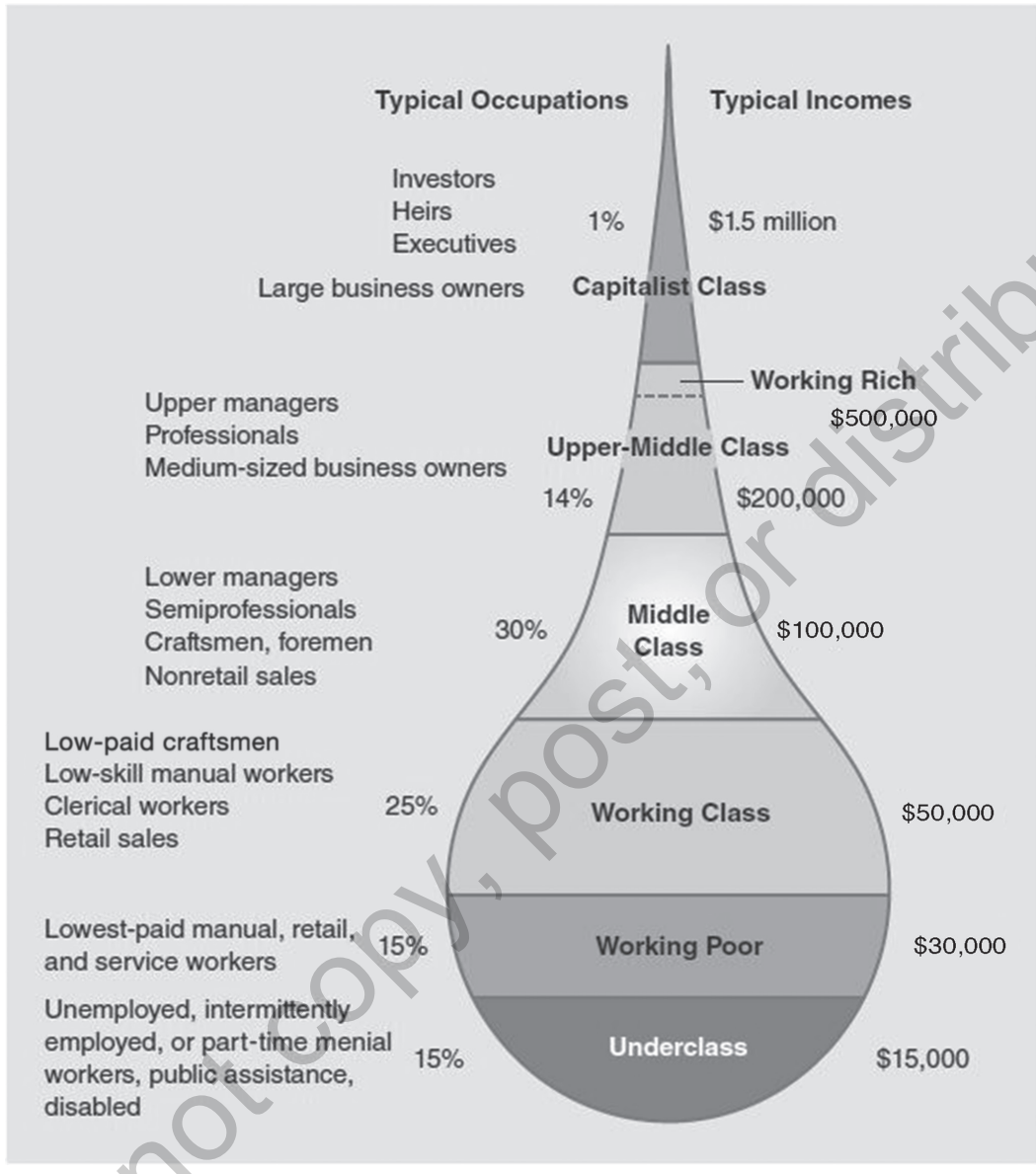
There are no fully satisfactory answers to such questions—the social world is complicated and inconsistent. But there are, again, tendencies toward convergence. Family members (whatever disparities exist among them) still depend on common resources. They are viewed by outsiders as sharing the same position within the community. Husband–wife couples have grown increasingly dependent on wives’ earnings, but husbands are still the most important providers in the majority of families. Working couples, both gay and straight, tend to have similar levels of education and similar jobs. In the chapters that follow, we will repeatedly return to these issues, exploring the changing economic role of women in some detail. But we will continue to regard households as the basic units of stratification analysis and define classes as groups of households.

In sum, we will interpret the stratification system in terms of its economic, social, and political dimensions and discrete social classes of similar households. We will usually assume that the class position of a household is defined by the occupation of the member who is the largest income earner. We recognize that we will inevitably find inconsistencies and ambiguities in the system. For example, high-income households are usually, but not always, accorded high social status. However clearly we define the boundaries between classes, we will find that the placement of some families remains elusive. The reason for this incoherence is not so much the inadequacy of the variables or definitions we use as the vague, fluid character of the stratification system itself. This book emphasizes the tendencies toward convergence, toward crystallization of the pattern, despite the many disturbing influences, often the result of social change, that keep the patterns from becoming as clear-cut in reality as in theory.

## **An American Class Structure**

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As some readers will already suspect, both science and art go into any description of the class system. We can make factual statements about, say, the proportion of female-headed families, the distribution of income, or patterns of association. But efforts to combine such information into broader

**FIGURE 1.1** Gilbert–Kahl Model of the Class Structure

statements about the system run up against the inherent inconsistencies of social reality and are inevitably influenced by the viewpoint of the author.

We will be examining several general models of the class structure. Each tells us how many classes there are, how they can be distinguished from one another, and who belongs in each class. Some class models are more convincing than others because they are clear, make better use of the facts, and illuminate matters that concern us. Some are obviously worthless. But there is really no way to distinguish the one “true” model.

Our own model of the American class structure represents a synthesis of what we have learned writing this book. We summarize it here and reconsider

it in greater detail in the last chapter. The **Gilbert–Kahl model**, diagrammed in Figure 1.1, stratifies the population into six classes and one subclass. The diagram shows the occupations and household income levels *typical* of each class. But our main concern, as we emphasize below, is not with the level of income but a family's principal *source* of income. We do not intend to define classes based on their income level, both because there is considerable variation of incomes within every class and because the income ranges of classes overlap.

Drawing from Marx, we distinguish a very small top class, whose income derives largely from return on assets—the **capitalist class**. These are people who own lucrative businesses, investment real estate, and securities such as stocks and bonds. They may hold jobs—some are top corporate executives—but ownership is the key to their high incomes. Drawing from Weber, we recognize multiple class distinctions among the relatively unpropertied majority below the capitalist class. Most depend, not on income from assets, but on income from jobs. We sort them into classes based on the occupation of the principal income earner in each household.

Immediately below the capitalist class is an **upper-middle class** of well-paid, university-educated managers and professionals: people with responsible positions in business organizations, along with lawyers, doctors, accountants, and other specialists. At the very top of this class, we distinguish a small but growing stratum of very successful professionals (for example, physician-specialists, corporate lawyers), business owners, money managers, and mid-ranking corporate executives; they typically have incomes in the hundreds of thousands of dollars, sometimes higher. We call this subclass of the upper-middle class the **working rich** because their incomes would largely disappear if they stopped working.

Next are the two largest classes, the **middle class** and the **working class**. Among those we place in the middle class are lower level managers, insurance agents, teachers, nurses, electricians, and plumbers. Our working class includes unskilled factory workers, office workers without specialized training, and many retail sales workers. The boundary between these two classes cannot be sharply drawn. Note that we do not depend on the traditional blue-collar–white-collar (manual versus nonmanual) distinction; there are blue-collar and white-collar workers in both classes. Instead, we have delineated the two classes based on the levels of skill or knowledge and independence or authority associated with occupations.

At the bottom of the class structure are the **working poor** and the **underclass**. The working poor are employed at very low-skill, low-wage, often insecure jobs that do not pay benefits such as health insurance. Fast-food workers, home health aides, maids, janitors, and many unskilled construction workers fall into this class. Because their jobs are poorly paid, precarious, and devoid of benefits, their lives are marked by financial instability.

Members of the underclass may have job income, but they are likely to work part-time or erratically. They may be dependent on public assistance or disability payments. A few draw income from criminal activities. As we will show in Chapter 10, the population receiving traditional public assistance (“welfare”) is much smaller than it was in the 1990s; welfare is harder to get and time-limited. On the other hand, the food stamp program is much expanded and serves many working poor and underclass families.

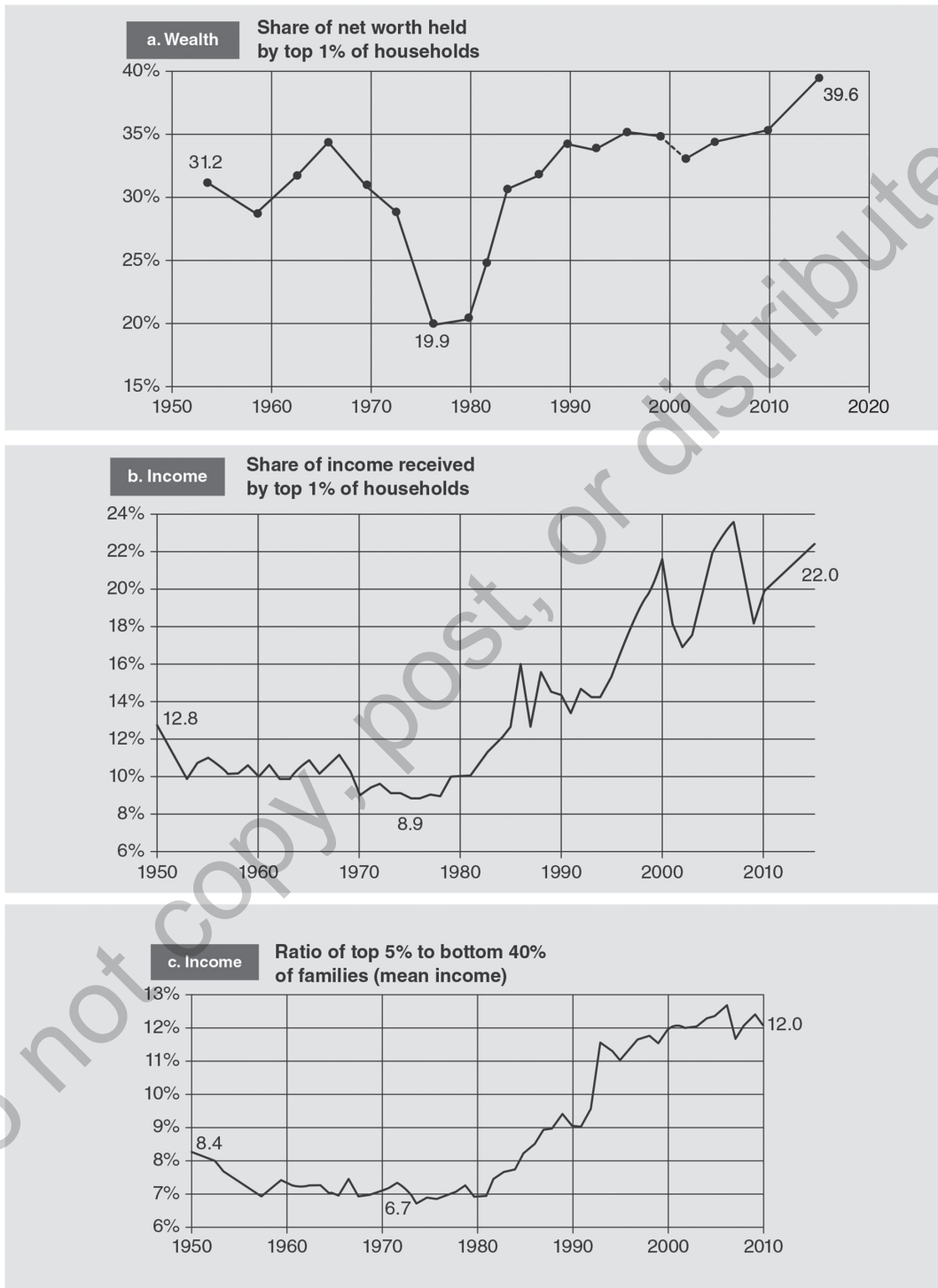
Note that this model or map of the class system is based entirely on economic distinctions. We do not incorporate prestige differences (in Weber's terms, status distinctions) because we believe they derive, in the long run, from economic differences. Our model is built around *sources of income*: The top class draws income from capitalist property, the bottom class depends on a mix of unstable job income and government payments, while the other classes rely on earnings from jobs at differing occupational levels. Again, the emphasis here is on the *source* rather than the *level* of income. In fact, there is inevitably some overlap in income level between classes as we have defined them. In the middle of the model, *occupation* is the decisive variable, separating those who depend on jobs into distinct levels.

The distinction between middle class and working class—traditionally portrayed by division between office and factory—was long regarded as the critical dividing line in the class structure. But today many office jobs are simplified and routinized like jobs in the factory. We believe that the line separating the capitalist class and the upper-middle class from the classes below them has become the most important boundary. One reason is that economic returns on capitalist property and on the advanced education typical of the upper-middle class have grown rapidly in recent years, while rewards for lower levels of education or skill have stagnated or shrunk. With this in mind, we divide our model into three broad strata: the **privileged classes** (capitalist and upper-middle), the **majority classes** (middle and working), and the **lower classes** (working poor and underclass).

## Is the American Class Structure Changing?

We will return to this question repeatedly as we move from topic to topic in this book. In particular, we will want to find out how the transformation of the U.S. economy since the mid-1970s has affected the class structure. In recent years, growing inequality has become a national political issue. Critics argue that the United States is becoming a less egalitarian, more rigidly stratified society. They say that poverty is increasing, the middle class is shrinking, social mobility is declining, wages are stagnating, and wealth is becoming more concentrated. We agree with most, but not all of these claims. We will examine trends in the distribution of wealth and income, wage differentials, the occupational structure, social mobility, poverty rates, political attitudes, and other factors to see how the American class system is changing. Among the questions we ask are these: Is the gap between the well-off and the rest of the population growing? Are opportunities to get ahead better or worse than they were in the past? Are neighborhoods becoming more segregated by social class? Is the balance of political power between classes shifting?

The charts in Figure 1.2 preview some of our findings. They tell a story of a disquieting reversal: Class inequalities, which fell through the 1960s and early 1970s, rose steeply after 1975. This turnaround is explicit in the three U-shaped curves. Individually, the charts in Figure 1.2 tell us the following about the years since the early 1970s: (a) wealth is increasingly concentrated in the hands of the richest 1 percent of households; (b) the share of income claimed by the top 1 percent has more than doubled; (c) the income advantage

**FIGURE 1.2** From Shared Prosperity to Growing Inequality

Sources: (a) Wolff 2002 and Wolff 2017b, data points before and after 2000 not compatible. (b) Piketty and Saez 2003, data updated at <http://elsa.berkeley.edu/~saez/>, (c) U.S. Census, Current Population Survey. (See Note on Statistical Sources.)

of the top 5 percent over the bottom 40 percent of families soared after the mid-1970s.

We take a more careful look at these trends and their consequences in the chapters that follow. For now, we want to drive home the lesson of what has been called “the great U-turn” and distinguish two periods in recent history. We will call the years after World War II, from 1946 to approximately 1975, the **Age of Shared Prosperity**, and the years since 1975, the **Age of Growing Inequality**.

## Conclusion

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We finish most chapters with a summary of the main points and some general conclusions. That’s a little hard to do for this first chapter because it is actually a conceptual summary of the book. Much of what we will have to say about the American class system and the way we approach the subject are foreshadowed here. Our advice to serious readers is simply to reread this chapter. The effort will be rewarded as you move through the rest of the book.

At the end of each subsequent chapter, you will also find a list of the key terms that were used. These terms appear in bold the first time they are used and are defined in the Glossary, which begins on page 243. We will forgo that list here except to reemphasize from this chapter our definition of social class, our outline of the Gilbert–Kahl class model, and the distinction we make between the Age of Shared Prosperity and the Age of Growing Inequality.