

## The 66%: America's Growing Underclass

- [Richard Florida](#)
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Income and wealth inequality have risen to record levels in the United States. Even as cities have become the new social and economic organizing units of our [increasingly spiky world](#), their inequalities [are approaching levels found in Third World nations](#).

Over at the [Midwesterner](#), Richard Longworth [alerts us](#) to this growing crisis:

Leave Manhattan and the Loop, head east from Seattle or north from the Bos-wash Corridor, hit the interstates through the Midwest and the South, plunge into the empty and echoing hearts of Detroit or Cleveland or the arid reaches of the Great Plains, and another America emerges. ...

This is the land of double-wides and dollar stores, of closed mills and mines, of bankrupt towns, of casinos paying minimum wage to laid-off auto workers, of once-vibrant cities - - from Newton in Iowa to Rockford in Illinois, to Terre Haute and Muncie in Indiana to Mansfield and Lima in Ohio, and onto Syracuse and Buffalo in New York -- all created to serve industries or corporations that have gone away. ...

This includes inner-city blacks stranded in their ghettos, a million Hispanic immigrants scrambling for a toehold, and many of the city's whites, high school grads or even college grads tending bars or stocking shelves at Target. Not that they're unemployed: many of these people have jobs, sometimes two or three jobs. They used to be middle class. If they owned a home, it's foreclosed now. Their kids won't go to college.

America's stark class divides are a product of its ongoing economic transformation. As the ranks of the [working class](#) have shrunk due to the devastating one-two punch of automation and globalization, two other classes have swelled. On the one hand, there is the [creative class](#) of scientists and engineers; business professionals and knowledge workers; artists, entertainers, media workers and cultural creatives. Numbering more than 40 million, they account for almost a third of the American workforce. With average annual earnings of more than \$70,000, they collect almost half of all U.S. wages and salaries and control some 70 percent of the nation's discretionary income.

But in parallel, another much larger class has arisen. More than 60 million Americans belong to the service class. These are some of America's fastest-growing job categories, such as food preparation, personal care, and retail sales, but on average they earn just over \$30,000 in annual wages, and many quite a bit less than that.

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The math is terrifying. Add the ranks of the unemployed, the displaced, and the disconnected to these tens of millions of low-wage service workers, and the population of post-industrialism's left-behinds surges to as many as two-thirds of all Americans. This is a much larger, and perhaps more permanent, version of the economic, social, and cultural underclass that [Michael Harrington](#) long ago dubbed "[the other America](#)." In fact, it is our majority.

Yes, it's that many and it's that bad.

Worse yet, the ranks of the 66 percent are a product of the very structure of post-industrial capitalism. If the top third of America's workers are navigating and prospering in the knowledge economy, the other two-thirds are disconnected and sinking. And if things continue to go in the direction that they have been, their children and their grandchildren will be too.

You'd never know this from our politicians, who either ignore or elide both the depths of these workers' troubles and the staggering extent of their numbers. For all the deserved criticism Republican presidential nominee Mitt Romney received for his remarks about the [47 percent](#), Democrats are just as deep in denial. President Obama might have bailed out the car companies, but [manufacturing's glory days are in the past](#). Just [6.5 percent of domestic workers](#) are involved in directly producing manufacturing products.

These economic divides are the product of the unmitigated workings of our increasingly spiky global economy. If left unheeded and untended, this kind of economic Balkanization may well lead to economic, social, and political chaos.

America once had a dream. For almost two-thirds of us, that dream is either dead or dying. Those are the cold, hard facts. We can't begin to move forward until we acknowledge them.

What is desperately needed is a [new social compact](#), which treats service workers as a source of innovation and productivity improvement, and turns the millions upon millions of low-wage jobs into higher-paying, productivity-enhancing, family-supporting middle class work.

It won't be cheap and it won't be easy. We'll need to tap the creativity of our entire workforce, make serious investments in education and in the social safety net. It's the only way we'll ever bring the American dream back to life.

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