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Mittelschicht unter Druck?

Christoph Burkhardt
Markus M. Grabka
Olaf Groh-Samberg
Yvonne Lott
Steffen Mau

Summary: The Middle Class – Increasingly under Pressure?

For several decades, expanding and strengthening the middle class has been a core feature of developments in Western welfare states. Today, a stable, let alone growing middle class can no longer be taken for granted. In Germany, the class of middle-income earners, measured in terms of disposable household income, has contracted considerably since 1997. Whereas middle-income households comprised 65 percent of all households in the mid-1990s, this percentage fell to 58 percent in 2010. The trend of downward mobility has been dominant in the last 20 years. At the same time, the outer brackets of income stratification have grown increasingly immobile. Those who have fallen out of the middle-income range face increasing difficulties to move up the income ladder. This overall shrinkage of the middle class affects people in Germany's eastern states more significantly than those in its western states. Further evidence of a shrinking middle class can be found in developments regarding wealth. From 1995 to 2010, for example, the number of moderately wealthy Germans contracted by 6 percent age-points. Again, there are regional discrepancies here, with the western states showing greater contraction than the eastern states. However, wealth in the eastern states remains considerably lower than that found in the western states.

The historical development of a middle-class society can be attributed to a continued trend of upward mobility. In recent years, however, the dynamic of absolute mobility appears to have lost traction. Despite the ongoing educational expansion, access to upward mobility has not improved, in particular among the socio-economically disadvantaged. This means that the middle class is no longer growing through an influx of people moving up the income scale. At the same time, however, there are still opportunities for those in the middle to

move up to the higher income classes. This upward shift of a few from the middle overshadows the fact that opportunities of upward mobility for those at the lower end of the income scale are disappearing.

The limits of an expanding middle class go hand-in-hand with emerging uncertainties about the future. This can be observed in the growing concerns about future prosperity among a middle class which, until recently, found itself comfortably positioned. Indeed, a significant share of middle income earners – and lower income earners in particular – are skeptical of increasing or ensured prosperity in the long run. Nonetheless, the findings show that in cross-national comparison, the state of the middle class in Germany is relatively good. Compared in particular with East European and southern European states, Germany's middle class continues to fare relatively well. The same is true for the level of concern expressed by the middle class, which is considerably higher in some European countries. Whereas only 18 percent of Germany's middle class find it difficult to live on their monthly income, the share of the middle class reporting difficulty in this regard is much higher in other countries such as France (65%), Poland (75%), Italy (78%) and Romania (88%). Unexpected financial burdens also pose major challenges to the middle class in several countries. More than one-half of middle-income households in Poland, Bulgaria, Hungary and Latvia report not being in a position to meet unexpected expenditures. In Germany, the share of those households reporting the same is at 30 percent. Unsurprisingly, the personal evaluation of one's own economic situation tends to be more positive in Germany.