

1 out of 3 American households can no longer afford rent, food, and transportation. The biggest rise in expenditures comes from rising housing costs.

By mybudget360

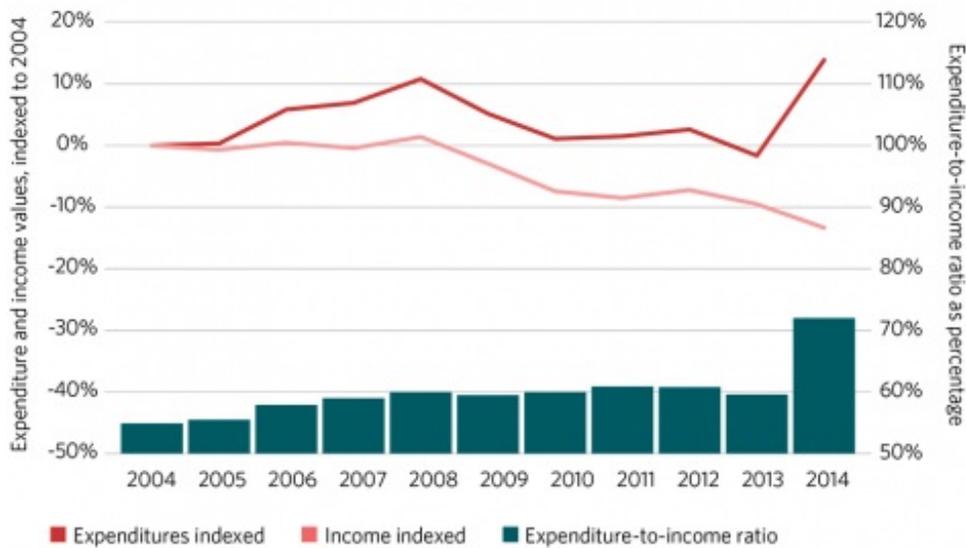
The driving force in this political movement is anger and many American families need only look at their bank statements to understand why. Since 2004 median income has fallen by 13% while expenditures have risen by 14% according to latest figures pulled by Pew Research. That strikes at the heart of why the **middle class is now a minority**. People are struggling to get by and while the Fed is obsessed with interest rates, most families are seeing the impact of crony capitalism devastating their wallets. One perfect example is the banking bailouts. The bailouts simply allowed the too big to fail banks to get even bigger and allowed large investors to purchase many homes as investments. This happened while regular families were struggling. The end result is **higher housing costs** but no real underlying gain in income. Since housing eats up the biggest part of your budget this has had a major impact. 1 out of 3 American can no longer afford rent, food, or transportation.

Incomes down and expenses up

Americans are struggling to get by. All you need to do is look at income versus expenses:

*“(ZH) According to Pew, households spent more in 2014 than they did in 1996, after adjusting for inflation; this holds whether the figures are based on averages (means) or medians. **The typical household saw its expenditures grow by more than 25 percent, from \$29,400 in 1996 to \$36,800 in 2014.** Mean expenditures grew 27 percent since 1996, rising from \$43,200 to \$54,800.”*

Figure 2
Expenditures Grew and Income Dropped Since the End of the Great Recession
 Trends, 2004-14



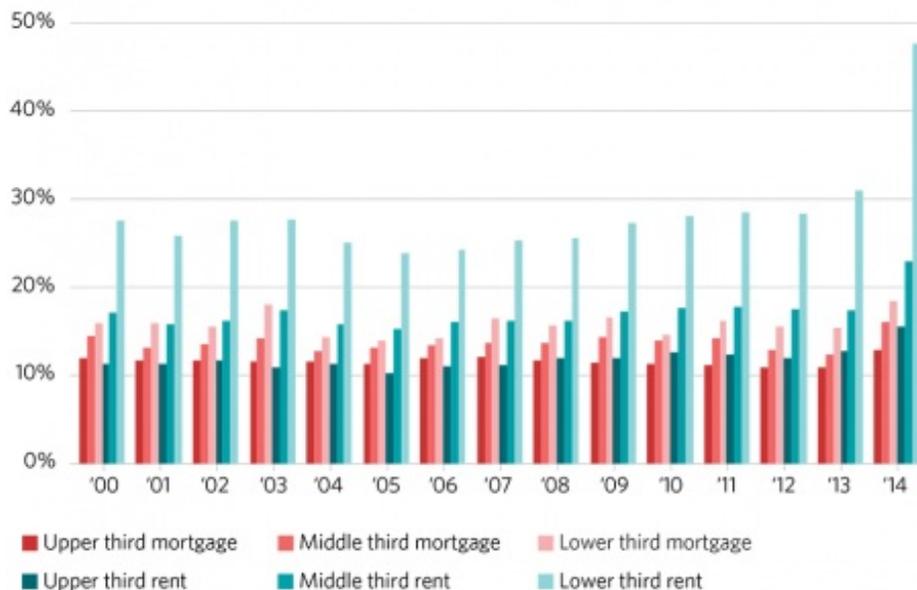
Notes: Data are adjusted for inflation using the Bureau of Economic Analysis' Personal Consumption Index; population is limited to households in which the respondent or spouse is between the ages of 20 and 60.

Sources: Pew's analysis of Bureau of Labor Statistics Consumer Expenditure Survey Public-Use Microdata, 2004-14

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That is one part of the equation. But the other part of the equation is the rising costs with housing:

Figure 6
Lower-Income Renters Spent Close to 50% of Their Income on Rent in 2014
 Percentage of income used for shelter by income third and housing status, 2000-14



Notes: Data are adjusted for inflation using the Bureau of Economic Analysis' Personal Consumption Expenditure Price Index; population is limited to households in which the respondent or spouse is between the ages of 20 and 60. For homeowners, housing costs include mortgage principal and interest and property taxes; for renters, they include rent.

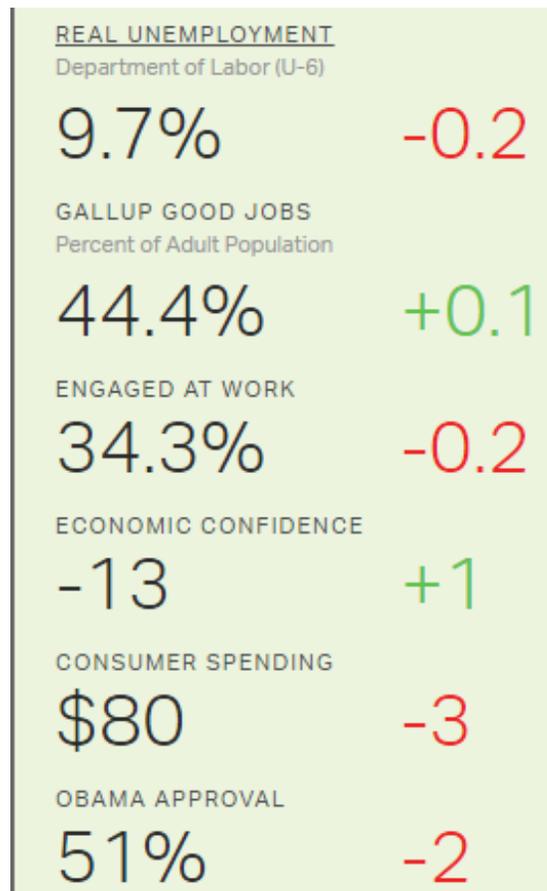
Sources: Pew's analysis of Bureau of Labor Statistics Consumer Expenditure Survey Public-Use Microdata, 2000-14

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Lower income renters spent half of their income on rent. This is not typical. What happened in 2014 and also in 2015 is that the bailouts have finally come home to roost. A massively manipulated market has allowed banks to have access to crony capitalist policies while the rest of the public has had to deal with painful austerity. And ultimately all that is happening is more money is being siphoned off the public and flowing into the banking and rentier class.

This is actually a disturbing trend. We still have over 45 million Americans on food stamps. Does that sound like a recovery? We've also highlighted that most retirees would be out on the streets in abject poverty if it were not for **Social Security**. Is that something you envision when you think of booming economy?

Americans are angry and rightfully so.



Source: Gallup

The real unemployment rate is nearly twice as high as the stated headline unemployment rate. Only 44 percent of the adult population is engaged in full-time employment. This is also reflected in the 94 million Americans that are part of the **“not in the labor force”** category. When you have 1 out of 3 Americans being unable to afford rent, food, or transportation then it is understandable that you are going to have anger.



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