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• Evidence-based policy making OPINION PIECE: The Unhappiness of the Working Class in the US

The American Dream is a national ethos of the US which includes the opportunity for prosperity and success, as well as an upward social mobility. However, the rhetoric surrounding the recent presidential election highlighted anger and division amongst its citizens. In a new opinion piece publishing today on <u>IZA World of Labor</u>, US economist Carol Graham looks at the situation of working-class whites for whom the American Dream is anything but.

World of Labor

## The unhappiness of the US working class

The US is in crisis. The political divisions are crippling; income and opportunities are as unequally shared as they have ever been; and society is divided in terms of the different lives, hopes, and dreams that the rich and the poor have. The starkest marker of this crisis of societal ill-being is the rising rate of mortality due to premature deaths (suicide, opioids, and alcohol poisoning, among others) primarily among less educated whites [...]

There are many explanations for this sad story, and they include differences across races, places, and jobs. My research finds that poor blacks and Hispanics are much more optimistic about their futures than are poor whites [...] Place is also important. Metropolitan areas on the coasts are, on average, much more economically vibrant and racially diverse, and have healthier behaviors and lower mortality rates than do rural areas in the heartland.

A critical factor is the plight of the white blue-collar worker, for whom hopes for making it to a stable, middle-class life have largely disappeared. Due in large part to technology-driven growth, blue-collar jobs in the traditional primary and secondary industries—such as coal mines and car factories—are gradually disappearing [...]

Yet the most difficult problem to solve in the decline of the white blue-collar worker may be the loss of identity and hope. This is a cohort that expected to live the American dream; with a high school education, one could remain in the occupation of one's (usually) father, do slightly better, and have a stable, middle-class existence. Discrimination gave blue-collar whites better access to those lifestyles than other groups. Today, minorities are gradually catching up and, perhaps due to their constant challenges in the past, they seem to be better at multitasking in the labor force [...]

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There is nothing in the nature of the tattered US social welfare system, meanwhile, which encourages societal support for those who fall out of the labor force or otherwise behind. Most of these programs are managed at the state level. Funding has been shrinking in the past decade, particularly in Republican states where, rather ironically, the needs of this cohort are the greatest [...]

While there are challenges for many low-skilled workers in changing economic times, and minorities still face significant disadvantages, among blue-collar whites, due to trends in the economy, the labor and marriage markets, and in health, the fall from the American dream has been a longer and harder one, at least in relative terms. The negative consequences, which include short-sighted voting trends, have implications for the entire society's well-being. The land where opportunity (in theory) and individual success are both paramount is woefully unequipped to deal with the challenge of large parts of its population falling into desperate straits.

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#### Notes for editors:

IZA World of Labor (http://wol.iza.org) is a global, freely available online resource that provides policy makers, academics, journalists, and researchers, with clear, concise and evidence-based knowledge on labor economics issues worldwide.

The site offers relevant and succinct information on topics including diversity, migration, minimum wage, youth unemployment, employment protection, development, education, gender balance, labor mobility and flexibility among others.

Established in 1998, the Institute of Labor Economics (<u>www.iza.org</u>) is an independent economic research institute focused on the analysis of global labor markets. Based in Bonn, it operates an international network of about 1,300 economists and researchers spanning more than 45 countries.