



2014 Underground Railroad Free Press Survey of the International Underground Railroad Community

Later in 2014 *Free Press* will publish a book being written by *Free Press* publisher Peter H. Michael that deals in part with income and wealth inequality in the United States. This follows his prize-winning *Remembering John Hanson: A Biography of the First President of the Original United States Government*.

As Michael listened to what was on the minds of Americans on a 12,000-mile road trip around the United States, what people brought up more often than any other topic were their personal stories of economic stress, middle class erosion and, in some cases, poverty. The 2014 *Free Press* survey was designed to follow up on what these scores of Americans met had to say by gathering opinion from *Free Press* readers on growing United States economic disparity. The survey was formulated by a well qualified survey research firm and taken by respondents anonymously.

Participation in this brief survey has greatly informed the reporting of a topic of growing national importance. *Free Press* thanks 2014 survey respondents very much for their time and opinions.

The Book

A summary and brief excerpt of the draft of Peter Michael's road book are provided at the end of this report.

Survey Results

This survey primarily measures the extent to which Americans have on their minds the national economic disparity, in particular the contrasts in opinions, experiences, demographics and awareness of disparity between lower to lower middle class Americans more likely to be bearing the brunt of disparity versus upper middle class to upper class Americans who are more insulated from it. The survey sample consists of a coast-to-coast sample of Americans and some Canadian readers who responded. The resulting sample was closely representative of the United States middle class population in terms of income, social class and current financial situation after the Great Recession, and was somewhat older, female and better educated than the United States middle class as a whole.

As there is no widely accepted standard definition of social class categorizations, survey respondents self-identified their social class according to choices of lower, lower middle, upper middle and upper classes. The resulting distribution of respondents' social class was closely representative of the known overall United States class distribution. Respondents also identified their incomes according to known United States personal income decile ranges. In the United States, there is only a loose correlation between class and income. For example, a well-bred but poor widow can be upper class while a wealthy criminal is lower class.

Current United States Economic Disparity

This panel of questions asked about familiarity with several current household economic conditions in the United States. The following conditions are well documented by surveys, research and United States censuses, and are widely accepted as accurate statements of fact.

On awareness of current American economic disparity, the survey found minor but no marked differences on the seven following measures. All four respondent class groups were highly aware of the wealth shift since 1982, child poverty and offshoring of jobs. In all four groups strong majorities were aware of growing income disparity, but only a minority of 40 percent was aware of corporate tax avoidance, and 29 percent that more Americans live just above or just below minimum wage than in any other income category. Upper middle and upper class respondents were significantly more aware of corporate tax avoidance and poverty wages than were others.

1. Since 1982, income of the bottom 90 percent of United States households actually dropped by 5 percent while income of the top 1 percent rose by 135 percent. Aside from the exact numbers here, were you aware of this disparity?

Familiar with this	54.9%
Aware of this but not closely	32.9%
Unaware	12.2%

2. Over the same period, households in the top 1 percent gained \$673 billion in wealth while those in the bottom 90 percent lost \$786 billion. Again aside from the exact numbers here, were you aware of this shift of wealth?

Familiar with this	62.2%
Aware of this but not closely	23.2%
Unaware	14.6%

3. Nearly a quarter of all American children live in households where household income is below the poverty line.

Familiar with this	67.1%
Aware of this but not closely	25.6%
Unaware	7.3%

4. While the personal income tax has paid for a steady 40 to 50 percent of federal government expenses over the last 65 years, the share paid for by corporate income tax has dropped from 30 percent to 5 percent.

Familiar with this	42.0%
Aware of this but not closely	23.5%
Unaware	34.6%

5. In every year since 2000, large American companies have collectively reduced the number of Americans they employ and increased the number of jobs created overseas.

Familiar with this	79.0%
Aware of this but not closely	16.0%
Unaware	4.9%

6. The most common household income category in the 2010 United States census was \$15,000 to \$20,000 per year which is just above minimum wage.

Familiar with this	32.9%
Aware of this but not closely	35.4%
Unaware	31.7%

7. The second most common household income category in the 2010 census was \$10,000 to \$15,000 per year which is below minimum wage.

Familiar with this	29.3%
Aware of this but not closely	24.4%
Unaware	46.3%

Respondent Opinions

This panel of questions used a one-to-ten scale where one means least of what is being asked, and ten means most.

Here survey-takers were overwhelmingly decisive with social class making no statistically significant differences. In very heavy majorities, respondents believe that American economic disparity has become too great, tax loopholes should be eliminated, personal income tax rates should be more progressive, the poor are poor despite hard work, those lacking health insurance are not at fault, current economic disparity en-

dangers democracy, and campaign contributions buy influence and endanger democracy. Lesser but still strong majorities believe that income disparity affects the average family and that their children will have a more difficult time than they did getting ahead economically.

8. Your children will or won't have a more difficult time than you did getting ahead economically. Here a rating of 10 meant "definitely will" and a rating of 1 meant "definitely won't."

Mean Rating 7.2

9. The average annual income of \$1,019,089 of the top 1 percent of incomes, and that of the top 100th of one percent at \$23,846,950 do or do not end up having an effect on the average family. Here a rating of 10 meant "definitely does have an effect" and a rating of 1 meant "definitely doesn't."

Mean Rating 8.1

10. Economic differences between the very rich and everyone else in the United States have or haven't become too great. Here a rating of 10 meant "definitely have " and a rating of 1 meant "definitely haven't."

Mean Rating 9.2

11. The United States should or should not eliminate tax loopholes for corporations and the very wealthy. Here a rating of 10 meant "definitely should " and a rating of 1 meant "definitely shouldn't."

Mean Rating 9.5

12. The United States should or should not adopt personal income tax rates similar to those used from World War II up to the early 1980s that created a secure middle class. Here a rating of 10 meant "definitely should " and a rating of 1 meant "definitely shouldn't."

Mean Rating 8.9

13. The main reason that the working poor are poor is or isn't that they don't work hard enough. Here a rating of 10 meant "definitely do work hard enough" and a rating of 1 meant "definitely don't work hard enough."

Mean Rating 8.3

14. When people cannot get health insurance, it is or it isn't usually their own fault. Here a rating of 10 meant "definitely isn't" and a rating of 1 meant "definitely is."

Mean Rating 8.6

15. Unlimited political campaign contributions give or do not give more political influence to those with money. Here a rating of 10 meant "definitely do " and a rating of 1 meant "definitely don't."

Mean Rating 9.6

16. Those making large political campaign contributions are or are not likely to get special consideration from elected officials when they want it. Here a rating of 10 meant "definitely are likely" and a rating of 1 meant "definitely aren't likely."

Mean Rating 9.8

17. Unlimited political campaign contributions do or don't endanger democracy. Here a rating of 10 meant "definitely do" and a rating of 1 meant "definitely don't."

Mean Rating 9.5

18. High economic disparity such as the United States now experiences does or doesn't endanger democracy. Here a rating of 10 meant "definitely does" and a rating of 1 meant "definitely doesn't."

Mean Rating 9.2

Respondent Experiences

The next several questions asked respondents to describe their own situations.

In their life experiences, only 61 percent of upper middle class respondents said that after expenses they are able to save enough to fund retirement and children's college expense needs, while 94 percent of lower class respondents say that they are able to save some but not enough, meet expenses but can't save, must do without some things to get by, sometimes have to do without basic necessities or require public assistance.

All four class groups most often said that their incomes are now about where they were at the beginning of the Great Recession in 2008 but a third of lower middle and lower class respondents say their incomes are now lower and *none* in these two groups reported a significant income improvement since 2008. Regarding changes in wealth, upper middle and upper class respondents most commonly reported no improvement since the Great Recession and the most frequent outcome for lower middle and lower class respondents was net worth significantly lower than before the recession began.

Well more than half of people in this survey reported either no employer retirement plan or health coverage, recent elimination or reduction in one or the other, or reclassification of some employees from full time to part time to avoid providing employee benefits.

19. In which of the following social classes do you consider yourself to be? There is no standard definition of these often-used terms so please use your own judgment.

- Upper class..... 1.4%
- Upper middle class..... 52.8%
- Lower middle class..... 41.7%
- Lower class..... 4.2%

20. Social class and income don't always go hand in hand with each other. Which one of the following choices best describes your household income?

- After your expenses, you are able to save enough money during the year to adequately fund future needs such as retirement and children's college expenses. 36.5%
- After your expenses, you are able to save some money during the year but not enough for the future. 20.3%
- You meet your expenses and live comfortably but don't have enough left over to save..... 17.6%
- To meet your expenses you must economize carefully or do without some things. 12.2%
- Sometimes you can not meet your expenses and have to do without basic necessities..... 5.4%
- You require public, family or other assistance to get by. 8.1%

21. Thinking back to 2008 and the beginning of what is now called the Great Recession, which of the following best describes your current income situation?

- Your income is significantly higher now than it was before the recession began. 5.5%
- Your income is somewhat higher now than it was before the recession began. 13.7%
- Your income is about the same now as it was before the recession began..... 43.8%
- Your income is somewhat lower now than it was before the recession began. 16.4%
- Your income is significantly lower now than it was before the recession began. 20.5%

22. Thinking back to 2008 and the beginning of the recession, which of the following best describes your current financial net worth (the value of what you own minus what you owe)?

- Your net worth is significantly higher now than it was before the recession began. 9.6%
- Your net worth is somewhat higher now than it was before the recession began..... 24.7%
- Your net worth is about the same now as it was before the recession began. 28.8%
- Your net worth is somewhat lower now than it was before the recession began..... 17.8%
- Your net worth is significantly lower now than it was before the recession began..... 19.2%

23. Have you ever experienced any of the following? This question applies to both current and past employers. Please check all that apply.

Your employer stopped offering a retirement plan for its employees.	27.3%
Your employer changed its retirement plan from a defined benefit plan where you knew how much pension income you would receive upon retirement to a defined contribution plan such as a 401k.	18.2%
Your employer lowered or stopped its match to its employee retirement plan.	6.8%
You have never worked for an employer which offered a retirement plan.	6.8%
Your employer stopped offering a health plan for its employees.	59.1%
Your employer required a higher employee contribution for health coverage.	2.3%
You have never worked for an employer which offered a health plan.	6.8%
Your employer reclassified some employees from full time to part time to avoid providing them benefits.	34.1%

Respondent Demographics

The following questions permitted research on the opinions and experiences surveyed above according to particular demographic groups.

Median annual income of upper middle class respondents was \$84,082, of the lower middle class, \$47,289. Every seventh respondent had an income lower than the \$23,850 federal poverty line for a family of four, and every sixteenth respondent reported lowest-decile, deep-poverty annual income of zero to \$9,234. Those beneath the poverty line showed an unusual profile with most having at least partial college education, some with a graduate degree, 91 percent aged 60 or older, most of the very poorest having never had health insurance, a slight majority saying they are somewhat or very liberal, and over a third considering themselves upper middle class despite poverty. The most typical very poor person in this survey was an elderly, self-employed woman with some college identifying as upper middle class.

24. Which of the following choices best describes your highest level of education?

Some high school	0.0%
High school graduate.....	1.4%
Some college or a community college graduate	11.3%
Bachelor's degree	21.2%
Some graduate school.....	9.9%
Graduate degree	56.3%

25. In which of the following categories is your age?

20s	0.0%
30s	1.4%
40s	9.9%
50s	11.3%
60s	54.9%
70s	19.7%
80s or higher	2.8%

26. Which is your gender?

Female.....	66.7%
Male	33.3%

27. In which of the following employment sectors do you work? If retired, please indicate in which sector you were working when you retired.

Private sector but not nonprofit sector or self-employed.....	17.4%
Public sector	49.3%
Nonprofit sector.....	18.8%
Self-employed.....	13.0%
Unemployed but not retired.....	1.4%

28. Which of the following choices best describes your overall political position?

Very liberal or progressive	43.7%
Somewhat liberal or progressive	35.1%
Moderate or "middle of the road"	12.2%
Very conservative	0.0%
Somewhat conservative	6.8%
Independent but none of the above	4.1%

29. The following ranges show deciles (tenths) of the United States distribution of personal incomes. Please check the range of your 2013 personal (not household) income. If you are not sure, please estimate.

1st decile: \$0 to \$9,234 (The poorest 10 percent of Americans have annual incomes in this range.)..	8.7%
2nd decile: \$9,235 to \$16,357 (The next 10 percent have annual incomes in this range.)	2.9%
3rd decile: \$16,358 to \$23,872 (And so on through the top 10 percent of incomes . . .)	4.3%
4th decile: \$23,873 to \$32,187	2.9%
5th decile: \$32,188 to \$42,326	7.2%
6th decile: \$42,327 to \$57,212	11.6%
7th decile: \$57,213 to \$73,865	18.8%
8th decile: \$73,866 to \$97,297	21.7%
9th decile: \$97,298 to \$154,130	17.4%
10th decile: \$154,131 and up.....	4.3%

30. In the box below, please feel free to provide any comments that you would like to offer. Respondents could provide comments up to 4,000 characters long, the SurveyMonkey.com limit on text responses.)

Many respondents did offer comments here, most lamenting and some railing against the national economic state of affairs. The longest statement stood out. Its writer's most recent employer changed her from full time to part time before laying her off. Her annual income is now in the lowest decile of United States incomes, \$9,234 or less. In this anonymous survey, this unemployed, politically independent, woman college graduate on public assistance in her 50s had this to say. Her comments are provided anonymously under the next heading using the fictional pseudonym "Hope Winters."

31. If you would like to be notified when Peter Michael's book becomes available, please provide your email address in the box here or email it to Publisher@urrFreePress.com.

Many respondents asked to be notified. If you would like to be notified, please email the address above. The book is expected to be released in Fall 2014.

The Comments of "Hope Winters" from Question 30

"I had two part time jobs with irregular hours and low pay with employers that last year did not want anyone new on the payroll. Both are now gone so I no longer have any income. I'm being frugal, trying to get by until something changes for the better, and putting off household repairs. There have been no new car or vacation for years and years and years, and yet my neighbors still seem to be able to do it and I tell myself to be happy for them, and I am, but it's hard not to be jealous.

"I'm so tired of putting in job applications with no reply. I've applied to professional jobs similar to what I had before leaving work to raise a family and no one answers, have applied to the same jobs at entry level as if starting over, and for jobs similar to the volunteer work I did while raising my family and no one answers. I've gone to so many job clubs for the unemployed to share info about jobs, and to job fairs and classes on résumé writing and, at least for me, it just doesn't work and only makes me feel worse about myself. I've done LinkedIn and Monster, and seen nothing but tons of supposed job openings that I know from experience over the last 6 to 7 years will not result in anyone calling me even though I give it my best effort. Some applications include timed math and psychological tests. All of this work and hope seems to go into a black hole. Occasionally a company's software will acknowledge receipt of the application and even less often one will notify the applicant via email that he or she is no longer under consideration, but most of the time there is no courtesy reply at all. Often the online soft-

ware will require the year of graduation from high school and/or college which allows an employer to block certain age groups.

"I filled out an application for a minimum wage job for about two hours a week as an instructor at a craft store and did not get hired. It was the sort of job I would have looked down on when I was in my 20s and home from college for the summer, but now I've been reduced to applying for it and being rejected.

"I'm not stupid and I'm a hard worker but that does not seem to matter. There are laundry lists of must-haves for the good jobs and usually I don't have all of them but could easily learn if given half a chance or get the desired certificates if only I had a paying job to afford them. I cannot afford to get certificates in all of the things that I see on job postings in the hope that one of them might pay off. It's quite expensive and time consuming to get even one of them which doesn't make sense if you don't have the job.

"I don't know the answer. How I wish I did. I can't go on much longer like this. My one saving grace is that I paid off the mortgage before all of this happened."

Brief Excerpt From Peter H. Michael's Forthcoming Book

Steinbeck had his Rocinante, Least Heat-Moon his Ghost Whisperer, the Caputos their Fred and Ethel. Kerouac criss-crossed the country in a variety of thirties, forties and fifties automobiles used too interchangeably to be named. There is something about road writers that compels them to name their steeds and clearly an early comradeship that takes hold between rig and writer. As I would quickly learn, there is a palpable difference between going on a driving vacation in a nice sedan versus setting off in search of one's own country in something one lives in. We, too, fell under the spell of wanting to anthropomorphize our ride, to settle into a close friendship with it. It was Vicki the painter who early on came up with the artist's play-on-words Van Gogh as what we would call our camper. Only well into my note-taking on the trip did I realize that I was referring to Van Gogh not as "it" but as "he" or "him." The three of us did indeed buddy up.

Along the long American road, those we would meet gently spoke their minds as we were feted by a delight of uniquely personal stories, local history, yesteryear small towns, a tall tale or two, and a never ending run of American vignettes. At the same time, the full range of the continent's majestic geography would unfold—a mysterious desert amidst Great Plains grasslands, our crossing of Lake Michigan, Yellowstone splendor, several unintended days stranded in the mouth of the largest volcano, nights beside languid rivers, red rock Great Basin vistas, the High Sierra, Nevada ghost towns, a family in a house made of bottles, a huge forgotten inland delta, a rustic lodge in the Cascades backwoods, Cajun bayou towns disappearing to rising sea levels, juke joints, an emergency room, the largest cavern, scalped mountains and much, much, much more.

In meeting scores of Americans along the way, we would hear a particular, entirely unexpected disquiet persist: ranch hands, park staff, telephone linemen, nurses, executives, oystermen, college faculty, trailer park pensioners, couples with upside-down mortgages, the poorest county, the wealthiest county, Americans of all races would sing verses of the same song: at best growing apprehension over only treading water economically, at worst hard times from widening American economic disparity over the past generation. I wasn't looking for this repeated entreaty or anything in particular and was dismayed to hear it over and over.

We would hear that Americans are finally awakened to the income and wealth gaps which over the past 30 years have eroded the middle class and hit the poor hardest of all, and that this means them, those we met. Upon our return, I felt that, as candid as so many Americans had been with me and as insistent as their message had been, I owed it to them to make known what they had had to say. A moving example given by one person met is provided later here. After the journal entry of the trip's last day, I called on my economics and demographics background to dig into the American economic disparity which I had heard and seen on the trip. It was not difficult to demolish the arguments of the nation's economic one-percenters, trace the roots of economic inequality back to their source, and expose how the ultra-wealthy and largest corporations purchase it through the protection money called "campaign contributions."

This book joins a growing and vocal chorus of articles, books and studies on how economic disparity has been allowed to creep up on America for a generation and what may be done to correct it. My fondest hope is that this book makes its mark in helping to restore middle class hope and fend off political attacks on the poor.