**Post-Deliberation Analysis: The Shrinking Middle Class**

**To: Pennsylvania Governor Tom Wolf**

In the course of recent decades, a general trend of stagnation and perhaps decline of the middle class has been evident in American society. In response to this trend and the implications of such a socioeconomic course, our section of Rhetoric and Civic Life at The Pennsylvania State University recently conducted a public deliberation regarding the evident decline of the middle class in American society, discussing three major approaches to address the issue: increasing wages, updating the modern tax structure, and something of a Laissez Faire approach to the issue. We assumed these would be mainly starting points for a discussion of the issue, as the issue itself is diverse with no easy answers. Indeed, professionals the world over make their life’s work the pursuit of solutions to this problem. Considering the fact that many college students will graduate and become working members of the middle class, we hoped to educate our attendees as well as gauge their opinions on the topic.

Our initial expectations were optimistic; we hoped for a fruitful and evenhanded discussion largely among invited peers rather than many participants from the State College Community at large, which surrounds our university. As class and the approaches to mitigate the decline of the middle class are often touchy subjects, appealing to the core, yet sometimes contradictory, American values of competition and fairness, there was an expectation that the diverse ideological backgrounds of those in attendance would come into play and reveal themselves, assuming willing participation in the discussion. We also hoped to avoid situations where extremely opinionated members of the audience completely dominate the discussion and as a result, make others avoid weighing in on the issue. With any luck, the effectively moderated discussion would present opportunities to overcome these ideologies and thereby reach commonplaces or overall group consensuses thereof. That said, the participants might leave the deliberation having been exposed to perspectives that had theretofore never crossed their minds, and hopefully would sway their future opinions on the matter.

We attempted to structure the deliberation in a way that would promote discussion from both ends of the spectrum. The first two approaches--progressive tax structure, and increasing minimum wages-- considering these ideas are more prevalent on the left side of the political spectrum, were more geared towards a liberal viewpoints, while the Laissez Faire approach was intended to speak to those who held conservative ideals. Though the focus of many deliberations in deliberation nation was to change people’s perspectives on a topic, or at least help de-polarize opinions, ours was also focused on providing an information base to give students and community members alike the ability to form an educated opinion on our topic. Our thought was that if we provided the foundational background information, and a brief history of class in America during the opening of the deliberation, we would have an educated audience that could contribute to discussion on a difficult, and highly controversial topic.

In order to encourage the most successful conversation, we planned to have the attendees introduce themselves and state their stake in the matter, as we understand it is difficult to discuss controversial issues in a public forum. These introductions, we hoped, would give everyone a sense of with whom they were conversing, and the experience they had or did not have as a member of the middle class. Each mini-team would present the three approaches in pairs, and it was their jobs respectively to briefly describe the implications of their proposed approach, after which they would pose framing questions to guide a discussion amongst the audience, but would not be dominant participants in the discussion. The final mini-team was to record the opinions and ideas that were shown throughout the debate by the audience, and create a summary, which would be presented at the end of the deliberation. It was also their job to review what had been discussed, as well as create a survey for our participants to complete at the end of the deliberation. This would help gauge what people had learned and how their opinions had shifted. Since our main goals in this deliberation would be to both shift people's opinions and inform them about the many facets of the issue, the idea was that we could use the surveys and general review to provide a metric for how successful our deliberation really was. This will help us in the long term and overarching goal of learning how to stage effective public deliberation.

**Approach 1: Make Earning Potential Equitable**

For the first approach to our group’s issue of the shrinking middle class, we discussed how raising the minimum wage could impact the status of the middle class. We had originally expected it to turn into a debate over whether or not the minimum wage should be raised and the consequences of either option. However, there wound up being a much greater focus on an option we hadn’t even considered: whether or not there should be a minimum wage at all.

In our introduction, we mentioned the statistic that 1.5 million people make minimum wage and one man in attendance immediately brought up the fact that it was only equivalent to one percent of Americans. He also had the opinion that most of that number were young people making a little extra money to get through high school. Looking at the statistics, his statements had a lot of truth. While it's true that most people making $7.25 an hour are young and do not represent a very large portion of the population, we also have to consider the larger numbers of people making wages between $7.25 and $10.10. At this point, it was difficult for the group of deliberators to get past the insignificant number of people making $7.25 an hour.

We wanted to understand what our deliberators thought about the business ramifications of raising the minimum wage and one individual understood this issue well. She mentioned that her family owned a small business and that if the minimum wage was raised, they would have a hard time keeping all of their employees. This observation assisted the side against raising the wage. First hand, she knew that it would be easier for large companies to handle this shift in the wage than small businesses and recognized the impact that it would have: more and more small businesses either being forced to close shop or cut corners in order to afford paying higher wages.

As a result of this conversation, we found that most people in the group agreed that on an individual level, raising the minimum wage was a good thing because that would mean more money for the same amount of hours worked per person. On the other hand, most in attendance also believed that the larger picture might potentially be affected negatively with a higher wage because long term, it wouldn't really help the middle class to grow.

Another interesting take on the subject was the idea that there should be no minimum wage at all, as it encourages individuals to stay at low-tier, “McDonalds Jobs”, rather than pursuing more highly valued careers. Tying into this, one individual believed that workers should simply be paid what they’re worth, in place of any sort of fixed minimum wage. In theory, this model would promote individuals to work harder to earn an increased wage and ultimately advance through the ranks to more and more desirable positions. However, while this is a valid way of thinking about the minimum wage situation, it can easily come off as more of an opinion on the way individual workers should behave, rather than an objective analysis of the situation as a whole. Others pointed out that even though society typically looks down on fast food and other minimum wage workers, at the end of the day, as long as they’re making enough money to get by, then for them it is a career. Most of the deliberators agreed that if any employee isn’t making enough to sustain him or herself, then he or she should probably be looking for a job with a higher wage.

The idea that workers should be paid what they’re worth seems to be a commonly accepted idea among many people; if I do well at my job for a long enough period of time, I’m going to expect, or hope for, a raise or a promotion of some sort. So then it seems that the real debate, as presented by this individual, is what the baseline of someone’s worth should be. In this person’s opinion, everyone should essentially start at zero and work to improve upon that over the course of their career. The minimum wage, on the other hand, serves as a cushion for workers, ensuring that they can afford the cost of living as they work towards the same goal.

So ultimately, it comes down to one’s opinion on what someone should hope to get out of a job. If you believe that workers should constantly be striving to improve and never settle for anything less than what they’re worth is or could be, then it makes sense that you might be in favor of a system that does not have any sort of minimum wage. However if you believe that everyone should be able to afford the cost of living so long as they make an effort to find and maintain a steady job, regardless of what society may deem their value as a worker to be, then you’d likely be in favor of keeping the minimum wage and making regular adjustments to ensure that it can always match the cost of living.

**Approach 2: Create a Progressive Tax Structure**

Some citizens feel that the current tax structure in the United States is one reason the middle class is shrinking. Many lower-income families barely have enough money to pay their daily living expenses let alone have enough money set aside for savings or investments. With salaries decreasing and the cost of childcare, housing, healthcare, and higher education increasing, how can the lower class ever have upward mobility in this country? One possible solution: a more progressive tax structure. Our country’s income tax structure right now is progressive, but some people wonder is it progressive enough? Even though lower income families pay less, these families have a lot less money to start with so paying their taxes is a lot more strenuous. Relief for them may be obtained through lowering their taxes and raising the income taxes of the rich. If the government were to place higher taxes on higher wage earners then they could use this money to decrease the cost of childcare, healthcare, and higher education, effectively supporting the creation of a larger middle-class. But do citizens agree with this? Do they feel that a more progressive tax-structure is fair? Do they believe this strategy will even work? Well, in the second part of our deliberation we found out what one group of citizens thought.

To begin this section of the deliberation we introduced some basic facts about taxes in the United States. We mentioned that nationwide averages show the poorest 20% of individuals and families have the highest state and local tax rates by income.1 Furthermore, the top 20% of taxpayers benefit the most from tax breaks and loopholes.2

Much of the discussion revolved around core values. One core value, fairness, was repeatedly brought into conversation. One person in attendance argued that the majority of tax revenue already comes from the wealthy, so it would be unfair to further increase the amount they must pay. In their opinion, it is only fair when everyone pays their share and contributes. Going along with the same thought, another person commented that they thought it would be unjust to penalize the upper-income earners with an escalated income tax rate while it is the lower-income earners who would benefit.

There was a strong disparity of opinions within the group. Others felt that it was the responsibility of the very wealthy to give money (in the form of taxes) to be re-allocated to lower income people; after all, if the money helps to grow the middle class then the economy will grow and everyone will benefit. However, one older gentleman strongly disagreed with this sentiment and felt that no amount of benefits or subsidies someone with a low paying job were to receive would help them break out of the cycle of poverty. We think that many older adults who have worked their whole lives in a different generation, a generation where the middle class was strong and generally easier to be a part of, share this opinion. It seemed that the only people with hope that tax-breaks and government subsidies would actually help the poor were college students from middle class families. Due to this, if the United States were to enact a new, more progressive tax policy, it would most likely be greatly opposed, especially since young voters often don’t make it to the polls. The only thing that most of the group could agree on concerning fairness was that the wealthy would most likely find a more progressive tax structure unfair while the poor would feel the opposite. However, representatives from the wealthy and poor were not represented, so further research into their actual stances would be constructive.

 We briefly mentioned earlier the (supposed) responsibility that comes with being a wealthy American citizen. More than once during the deliberation people mentioned the value that Americans place on self-sufficiency. One retiree, who had been through the military and worked his whole life, held the belief that hard work deserves reward and it is not in the interest of teaching self-sufficiency to help those who do not put in the effort to support themselves.

In contrast to those who found self-sufficiency the key to moving up the class ladder, there were some citizens who thought reducing taxes on the lower class would cultivate a stronger middle class. One individual stated that “happier” countries in Europe have higher taxes than in the United States. They said that the higher tax revenues allowed the government to provide more services to everyone, therefore making their citizens “happier”. One person reminded the group that increased spending by lower and middle class families would put more money back into the economy because if lower and middle income families had more money to spend then they would buy consumer products.

Many people agreed that boosting the economy would make the American Dream possible for a larger number of people. Everyone was in favor of the American Dream, however the group could not decide on how one was supposed to achieve it. A few feared that if they raised income taxes on the wealthy, then they would have less money to use to create jobs and the middle class would suffer. Overall, the group could not decide if it was fairer for the rich to help poor people so that everyone had an equal chance at the American Dream or if the poor should be self-sufficient and only deserve the American Dream if they can reach it through dedication and hard work.

Overall, the suggestion of a more progressive tax structure was fairly polarizing. Therefore, in this deliberation we were not able to come to a consensus if a more progressive tax structure was a good way to help grow the shrinking middle class. What we did learn, and what you can use to help enact policy that the majority of Americans will like, is that there are two main viewpoints on this issue. First, there is a group who thinks that it is unfair to make the wealthy pay very high taxes because the lower-income earners should be self-sufficient and make the right choices to project themselves to the middle class. Second, there is a large group of people who want to allocate funds to help the lower-income earners because they feel that it is unfair that people born into poverty do not grow up with the means to escape it. And of course, there are people with opinions that compromise both perspectives.

 **Approach 3: A Laissez Faire Approach**

Approach 3 focused on the belief that the economy was suitable where it is and that any problems it may have will sort themselves out or can be sorted out by policy makers. As such, Approach 3 is a laissez-faire approach under the idea that the shrinking middle class does not exist or it is simply not something to worry about. This is based on evidence supporting the idea that the economy is actually getting stronger, such as the increasing number of jobs (257,000 in January) and the slowly increasing pay wage of companies such as Wal-Mart (Neate) (Lobosco). Likewise, the US economy ranks 12th highest in economic freedom and overall people enjoy the economic freedom of our capitalist economy (2015 Index of Economic Freedom). On the other hand, although this particular approach has many positive aspects, like any approach it also comes with a fair share of drawbacks. Despite the fact that the shrinking middle class in the United States is partly due to people moving up the ranks to the upper class, it is also largely due to people moving down on the ranks and into the lower class. Some people argue that the reason for this is that the nature of the current United States capitalist economy requires a winner for every loser in the economic system (Horner). Furthermore, while the American economic system gives companies in the United States freedom to form own businesses, these companies can determine how much they pay their employees. Oftentimes, the senior managers and owners choose to pay their employees less than they should in order to keep more of the profit for themselves (Blodget). Corporate giants such as Wal-Mart and Microsoft also have the ability to form monopolies and monopsonies, which push down incomes for their suppliers and employees (Magnuson 283). These pros and cons that come along with the laissez-faire approach to the issue of the shrinking middle class were brought up as talking points and things to consider in the deliberation.

Since approach 3 came after the deliberation centered on the possible approaches of raising the minimum wage and creating a more progressive tax structure, this approach marked a shift in the discussion. Some emergent themes that came up about this approach were the values of hard work as well as the concept of equal opportunity. Initially, one participant in the deliberation challenged the claim made that for every person who moves up to the upper class there is another person who moves down to the lower class. This same participant then agreed with the fact that the current economy is not the issue, but that the mindset of people with regard to work should be changed rather than the economy itself. He argued that the lower class could be decreased without a change to the economy, but instead by people making better decisions such as waiting to get married and having children until after they find a sustainable job. Other people countered this argument, claiming that the economy is somewhat at fault, and that it still does not necessarily support the “American dream”. One participant cited the fact that 40% of people born into poverty remain there. Another participant made the argument that the government sometimes skews laws to their advantage, which ultimately winds up suppressing the middle class.

Another big stagnation throughout the deliberation on Approach 3 was whether or not there actually was a shrinking middle class. However, everybody did agree that there are (to at least some extent) problems with the economy that could potentially be the cause of the decline of the middle class. The most interesting thing is that nobody believed it was our economic system that is at fault; rather societal problems were the cause of the shrinking middle class, and that these, not necessarily the economy, need to be addressed. In fact most people seemed to agree that our economy is relatively strong and capable of sustaining the US population. Unfortunately, it remained clear as to what exactly the problem with society is that is causing the shrinking middle class. Ideas ranged from a corrupt government to poor life decisions on individual consumers, as well as a teaching of poor economic practices by parents. Overall, it was agreed that there are societal problems that negatively impact a person economically, but what these problems are and whether or not they are causing the shrinking middle class remains to be seen.

Following the deliberation on this approach, it became increasingly clear that the topic of the shrinking middle class in the United States is a very difficult one to deliberate about. However, based on the results that were drawn, as well as the general consensus that the participants came to, it may be in the best interest for policy makers to focus on solving the societal issues that may be causing the shrinking middle class more so than the economic issues. It may be beneficial to focus on improving the education of lower to middle class Americans so that they can have the ability to secure a high paying job. It may also be beneficial to focus on solving issues such as the high amount of college debt that many students are forced to pay off when they get older. This can be looked at as a contributing factor to the decline of the middle class, and may need to be addressed in the future.

Clearly, this deliberation was by no means perfect, and as such further research might behoove discussion on the topic. It would be beneficial to research how people’s life decisions can negatively impact them (albeit this may be hard to research), and how the people who are currently living in poverty actually got into poverty (i.e. born into it or for some personal reason). Understanding the small societal problems of our economy might help people understand the bigger picture, seeing as the deliberation rapidly deviated towards bringing up “talking points” that ultimately are the issues facing the economy that really needed to be studied more.

**Deliberation Overview**

 Even though the deliberation was well-planned, organized, and adequately moderated, there were some unforeseen variables that hindered a productive deliberation that we feel may help to inform Governor Wolf in his own quest for a solution to the shrinking middle class. These variables included a lack of interest, inadequate background knowledge, and the presence of a dominating, argumentative voice.

 The first of these variables -- a lack of interest in the community -- was a fear of the deliberation group from the beginning, so as much as possible was done to generate awareness and participation in our event ahead-of-time. Despite many emails, flyers, and online campaign messages being distributed throughout the community, attendance at the event was very low. This may reflect feelings of indifference of the general public towards deliberating important topics about political or social change. Unfortunately, it seems that citizens of the Commonwealth (and beyond) would rather criticize in private or online forums instead of taking a public stand on the issues that face Pennsylvania. Nevertheless, public deliberating is a way to build a stronger connection between the public and politicians. When public deliberations are held, people’s input is considered. When people feel that their input in being considered, their feeling of anonymity diminishes, and they are more likely to vote and to volunteer in their community. This is one way that Governor Wolf could encourage civic engagement and activism for his causes.

Once again, those citizens who were interested in our deliberation seemed to lack the necessary amount of background knowledge in the topic that would allow them to equally and meaningfully participate. Deliberations call for every participant to interact so that they may all affect the outcome. Without proper preparation and background knowledge, which was provided as much as possible, discussions resulted in circular arguments and inaccurate commonplaces being accepted in place of actual fact. The middle class is a complex issue, so a brief introduction to the topic was probably not enough to prime the participants. If at all possible, it would be beneficial for the Commonwealth of Pennsylvania to make resources readily available for citizens to gather statistics and further quantifications of the status of our middle class; it is known that it is shrinking, but the how and why is elusive in political discussion.

Because deliberations are held to reach common ground rather than a compromise or a consensus, participants needed to abide by the guidelines we provided for an orderly and successful deliberation. In our deliberation, one participant from the community stood out in that he dominated the conversation, preventing a common ground from being established. This may be the issue in greater bodies of civic discussion, such as Congress, and this can lead to the political gridlock that is so common in our governing bodies today. A readiness to listen, respect others’ views, and compromise are the very cornerstones of a democratic society. Each is entitled to his own opinion, but only after considering all viewpoints can a practical solution be reached.

 Planning, conducting, and participating in deliberations in the State College community has opened our eyes to the importance of civic mindedness in decision-making. In a civic community, members engage in discussion and choice making that is necessary to solving problems that affect citizens’ lives. Before a choice concerning the community is made, the values and interests that we have as citizens need to be taken into consideration for the most effective outcome. In our Rhetoric and Civic Life class, we have found that deliberations work best when all participants abide by the deliberative guidelines, gather adequate background knowledge, and take an active rather than passive role in their communities.

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