

A Review on Improvement for the Middle Class

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Abstract

The middle class plays a vital role in driving economic growth, fostering social stability, and shaping the future of nations. However, in recent decades, this group has been increasingly challenged by stagnant wages, rising living costs, housing unaffordability, student debt, and limited access to healthcare and quality education. Without targeted reforms, the erosion of the middle class threatens not only individual households but also broader economic and social systems. This study explores pathways for strengthening the middle class through improvements at three levels: personal strategies, community-based initiatives, and government policies. At the personal level, financial literacy, lifelong education, entrepreneurship, and healthier lifestyle choices are emphasized as tools for resilience and upward mobility. At the community level, affordable housing solutions, cooperative systems, public infrastructure, and digital inclusion are highlighted as essential supports. At the policy level, tax reforms, affordable healthcare, accessible education, and employment generation programs are identified as critical interventions for long-term stability. The findings suggest that a thriving middle class requires a holistic approach that balances individual responsibility with collective support and structural reforms. Strengthening the middle class not only improves household well-being but also contributes to national prosperity, social equity, and intergenerational opportunity. This research underscores the urgency of prioritizing middle-class improvement as a foundation for inclusive and sustainable development.

Keywords: *Middle class; economic stability; financial literacy; income inequality; affordable housing; education access; skill development; healthcare affordability; community support; social mobility; entrepreneurship; digital inclusion; government policy; taxation reform; sustainable development*

1. Introduction

1.1 Definition of the Middle Class

The term middle class refers to the social and economic group that lies between the working class and the upper class. It is often considered the backbone of a nation's economy because it represents stability, productivity, and consumer demand. However, the definition of the middle class can vary depending on income levels, lifestyle, education, and occupation.

1.2 Economic Definition

Economists usually define the middle class by **income range**.

- In many countries, middle-class households earn enough to cover basic needs while having some discretionary income for savings, leisure, and investments.

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- In the United States, the **Pew Research Centre** defines the middle class as households earning **two-thirds to double the median national income**.

1.3 Sociological Definition

From a social perspective, the middle class is defined not just by income but by

- **Education level** (college or vocational training)
- **Occupations** (teachers, nurses, small business owners, professionals, office workers, skilled labourers)
- **Values and aspirations** (emphasis on stability, homeownership, education for children, upward mobility)

1.4 Relative Definition

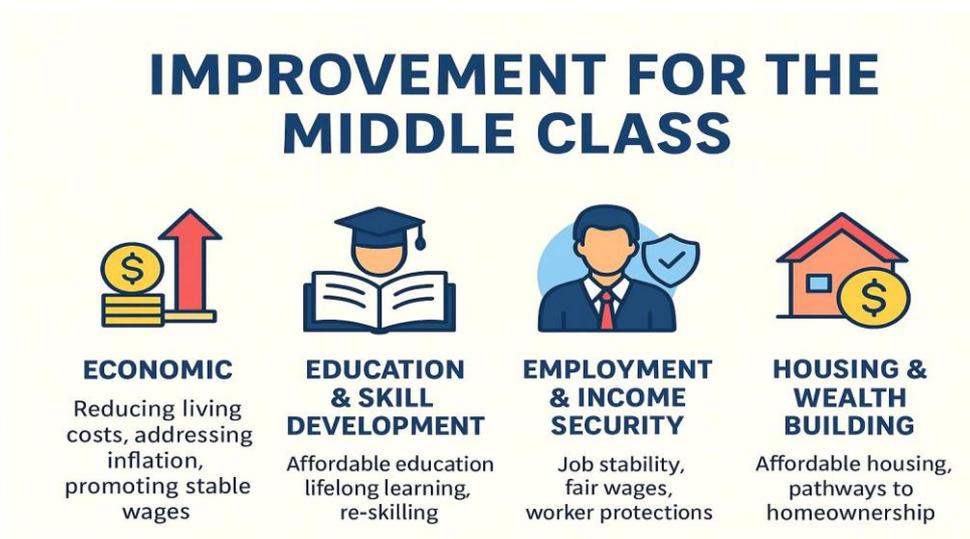
The middle class is also understood **relatively**, meaning it depends on the country's standard of living:

- In high-income nations, the middle class enjoys modern housing, cars, vacations, and access to advanced healthcare.
- In developing nations, the middle class may be defined as those who have escaped poverty but are still vulnerable to economic shocks.

1.5 Symbolic Meaning

Beyond income, the middle class often represents

- **Economic stability** (they pay taxes, drive consumption, and support markets)
- **Social balance** (reducing extremes of wealth and poverty)
- **Political influence** (they are often the largest voting bloc, shaping democracy and public policy)



2. Importance of the Middle Class for Economic Growth and Social Stability

The middle class is widely regarded as the foundation of modern societies. It plays a central role in both economic development and social stability, making it essential for sustainable national growth.

2.1 Driving Economic Growth

- **Consumer Spending:** The middle class forms the largest group of consumers. Their purchasing of homes, cars, and education, healthcare, and leisure goods stimulates business activity.
- **Entrepreneurship & Innovation:** Many small businesses are started by middle-class individuals, fuelling innovation and job creation. These businesses often grow to become significant contributors to the economy.
- **Tax Contributions:** The middle class provides a stable and significant portion of government tax revenues. This helps finance public goods such as schools, infrastructure, and healthcare systems.

2.2 Promoting Social Stability

- **Reducing Inequality:** A strong middle class reduces the wealth gap between rich and poor. This balance lowers the risk of social unrest, protests, and political instability.
- **Encouraging Democracy:** Historically, nations with a strong middle class have healthier democracies. Middle-class citizens demand transparency, accountability, and fair governance.
- **Community Building:** The middle class often invests in neighbourhoods, schools, and civic organizations, strengthening the social fabric and creating environments where future generations can thrive.

2.3 Enabling Upward Mobility

- The middle class is the “ladder” that allows people to rise from poverty to prosperity. Access to education, stable jobs, and homeownership are hallmarks of middle-class life, and they create opportunities for children to achieve higher standards of living.
- Countries with a weak middle class tend to experience a “hollowing out” of opportunities, where wealth becomes concentrated among elites while the majority struggle.

2.4 Global Perspective

- In developed countries, the middle class sustains advanced economies through consumption, innovation, and taxes.
- In developing countries, the rise of a middle class marks a shift away from poverty and creates demand for better governance, infrastructure, and global trade. For example, the growth of the middle class in India and China has transformed them into major global markets.

3. The Current Challenges Facing the Middle Class

Although the middle class has historically been the backbone of economies and societies, in recent decades it has come under increasing strain. These challenges vary by region but share common themes of economic insecurity, rising living costs, and limited opportunities for upward mobility.

3.1 Stagnant Wages and Income Inequality

- Over the past few decades, wages for middle-class workers have failed to keep pace with productivity growth.

- Wealth has become concentrated in the top 1%, leaving middle-income earners struggling to maintain their standard of living.

3.2 Rising Cost of Living

- **Housing:** Homeownership, once considered the hallmark of middle-class stability, has become increasingly unaffordable due to soaring property prices.
- **Healthcare:** Medical expenses and insurance premiums continue to burden families, often wiping out savings during emergencies.
- **Education:** Tuition fees and student debt have placed enormous strain on families seeking to provide quality education for their children.

3.3 Job Insecurity and Changing Work Patterns

- The shift toward **automation, artificial intelligence, and globalization** has disrupted traditional middle-class jobs, especially in manufacturing and clerical work.
- The rise of the **gig economy** (short-term, contract, and freelance work) often provides flexibility but lacks benefits such as health insurance, pensions, and job security.
- Outsourcing and corporate downsizing further reduce stable career paths that once supported the middle class.

3.4 Erosion of Social Safety Nets

- In many countries, government support programs (affordable housing schemes, pension systems, subsidies for healthcare and education) have been reduced.
- Without strong social protections, the middle class becomes more vulnerable to economic shocks like job loss, illness, or global crises.

3.5 Global Crises and Inflation

- The **COVID-19 pandemic** exposed how fragile middle-class financial security can be, with millions losing jobs or facing reduced incomes.
- Inflation and supply chain disruptions have raised the price of essentials such as food, gas, and utilities, squeezing household budgets.
- Climate change and global instability also threaten long-term stability, with middle-class families often bearing the brunt of rising costs.

3.6 Generational Struggles

- Younger generations (Millennials and Gen Z) find it harder to achieve the same financial stability their parents enjoyed.
- Student loan debt, underemployment, and high housing costs delay milestones like marriage, homeownership, and starting a family.

- This creates frustration and a sense that the “middle-class dream” is slipping out of reach.

4. Economic Pressures on the Middle Class

The middle class has long been seen as the pillar of economic prosperity, but in the 21st century, it is increasingly burdened by a range of economic pressures. These pressures limit families’ ability to save, invest, and maintain financial security, while also restricting opportunities for upward mobility.

➤ Wage Stagnation

- Over the past few decades, wages have not kept up with the cost of living.
- In the United States, productivity rose by over 70% between 1979 and 2020, yet wages for the average worker increased by less than 15% during the same period.
- Similar patterns exist in Europe, Asia, and Latin America, where rising living costs have outpaced income growth, leaving households struggling to preserve their standard of living.

➤ Housing Affordability Crisis

- Home ownership, once a central marker of middle-class status, has become increasingly out of reach.
- Rising rents also consume a large share of monthly income, preventing families from saving for the future or investing in education and healthcare.

➤ Healthcare Costs

- A single medical emergency can push families into debt or bankruptcy, even with insurance coverage.
- High out-of-pocket costs for prescription drugs, treatments, and insurance premiums eat away at middle-class incomes, reducing disposable income.

➤ Education Expenses and Student Debt

- Education is considered the key to social mobility, but tuition fees have risen dramatically.
- Families in developing countries also struggle, as quality education often requires costly private schooling or overseas studies.

➤ Inflation and Rising Everyday Costs

- Inflation has pushed up the price of basic necessities such as food, fuel, and utilities.
- Even when wages rise, inflation erodes purchasing power, leaving families no better off.
- Global supply chain disruptions and energy crises have further increased costs for middle-class households.

➤ Savings and Wealth Gap

- The top 10% of wealthy households own a disproportionate share of global wealth, while the middle class struggles to accumulate assets.
- This wealth gap reduces economic security and makes the middle class vulnerable to shocks like job loss or recessions.

5. The Impact of Inflation and Global Economic Shifts

- One of the most pressing challenges for the middle-class today is the combined effect of inflation and global economic shifts. While inflation is not new, recent years have seen unusually sharp rises in prices, especially for basic necessities such as food, fuel, rent, and healthcare. Inflation disproportionately hurts the middle

class because their income levels often do not rise at the same pace as prices. When everyday goods and services become more expensive, families are forced to cut back on discretionary spending, savings, and investments. This undermines their ability to build wealth and maintain financial security.

- Beyond inflation, global economic shifts have also reshaped the middle-class experience. Globalization has brought new opportunities but also new vulnerabilities. Manufacturing jobs in developed countries have been outsourced to lower-wage economies, eroding traditional middle-class employment bases. At the same time, emerging economies such as China and India have built growing middle classes of their own, altering global trade dynamics and consumption patterns.
- Technological change is another factor. Automation, artificial intelligence, and digitization are transforming industries at a rapid pace. While these shifts create new job opportunities, they also displace many middle-class workers who lack the training to transition into high-tech roles. Global crises — such as the COVID-19 pandemic, energy shortages, and climate-related disruptions — add further instability, exposing how fragile middle-class livelihoods can be in the face of external shocks.
- In summary, inflation and global economic shifts have combined to squeeze the middle class from multiple directions. Rising costs reduce purchasing power, while global restructuring of labour markets and industries creates uncertainty about long-term employment security. Without targeted policies and support systems, the middle-class risks losing its stability and its role as the foundation of economic growth.

6. Education & Skill Development

- Education has long been recognized as the most powerful tool for upward mobility, especially for the middle class. It provides not only the skills required for employment but also the foundation for innovation, entrepreneurship, and long-term economic security. However, the middle class today faces growing obstacles in accessing affordable and high-quality education, while also grappling with the need for continuous re-skilling in a rapidly changing labour market.



7. Importance of Affordable and Quality Education

For generations, access to education has been the hallmark of middle-class life. Parents often view schooling as the most important investment for their children, as it opens doors to better employment and higher earnings. Yet rising tuition fees and underfunded public education systems have made quality learning harder to afford. In many countries, middle-class families spend a significant share of their income on private schools or tutoring to compensate for weaknesses in public education. Without affordable, high-quality schooling, middle-class children risk losing their competitive edge in an increasingly globalized job market.

➤ Lifelong Learning and Re-skilling for Changing Job Markets

- The traditional model of education — completing school or university and then entering the workforce for life — is no longer sufficient. Advances in technology, particularly in automation, artificial intelligence, and

digital platforms, are reshaping industries at an unprecedented pace. Jobs that were once stable are disappearing, while new ones demand different skills. This creates a need for **lifelong learning** and flexible re-skilling opportunities. Middle-class workers must continuously update their knowledge to remain employable, whether through vocational training, online courses, or employer-sponsored programs. Without these opportunities, many risk being left behind in the modern economy.

➤ **Social & Community Improvements**

- While personal financial discipline and education are important, the middle class cannot thrive in isolation. A strong and supportive community environment is equally essential for creating stability and upward mobility. Social and community improvements focus on strengthening collective resources, fostering solidarity, and building systems where middle-class families can share burdens and opportunities. Such improvements reduce costs, increase resilience, and build a sense of belonging that empowers households to navigate economic and social challenges together.

➤ **Community Networks and Mutual Support**

- One of the most effective ways to strengthen the middle class is through community networks that provide shared resources and mutual aid. Historically, middle-class families have benefitted from tight-knit communities that foster trust and cooperation.

- **Neighbourhood Support Systems**

- ✓ Childcare cooperatives, carpooling arrangements, and food-sharing programs lower the cost of living for families.
- ✓ Local volunteer groups also support vulnerable households during crises such as illness or unemployment.

- **Social Capital**

- ✓ Networking within communities often creates job referrals, mentorship opportunities, and collective problem-solving.
- ✓ Stronger social ties reduce isolation and stress, leading to better overall well-being.

- **Affordable Housing and Shared Living Solutions**

- ✓ Housing remains one of the biggest financial burdens for the middle class. Rising real estate prices and rent inflation make it increasingly difficult for families to own or maintain a home. Community-driven solutions can help alleviate these pressures.

- **Cooperative Housing Models**

- ✓ Groups of families can collectively invest in shared housing complexes that provide affordability while maintaining quality.
- ✓ Cooperative ownership reduces speculation and keeps housing costs stable.

- **Community Land Trusts (CLTs)**

- ✓ Non-profit organizations purchase land and lease it at affordable rates to middle-class families.
- ✓ This prevents displacement from gentrification and secures long-term housing affordability.

- **Public Infrastructure and Transportation**
 - ✓ Affordable, reliable, and efficient public infrastructure directly benefits the middle class by lowering living costs and increasing access to opportunities.
- **Public Transport Systems**
 - ✓ Well-designed bus, rail, and metro systems reduce dependency on private vehicles, lowering commuting expenses.
 - ✓ Reduced travel times also improve work-life balance and productivity.
- **Green Spaces and Recreational Facilities**
 - ✓ Parks, sports complexes, and cultural centres provide affordable leisure opportunities that strengthen community bonds.
 - ✓ Access to clean, green environments improves mental and physical health.
- **Digital Infrastructure**
 - ✓ Affordable internet and widespread Wi-Fi access allow middle-class families to engage in online education, remote work, and digital entrepreneurship.
 - ✓ Bridging the digital divide ensures equal access to opportunities in the modern economy.
- **Education and Community Learning Hubs**
 - ✓ Education is not only an individual responsibility but also a collective asset. Communities that invest in educational systems create long-term benefits for all members.
- **Public Schools and Community Colleges**
 - ✓ Well-funded schools provide quality education regardless of household income, ensuring upward mobility for future generations.
 - ✓ Affordable community colleges allow adults to re-skill without excessive debt.
- **Community Learning Centres**
 - ✓ Libraries, digital hubs, and vocational centres give residents access to free or low-cost learning resources.
 - ✓ Lifelong learning opportunities strengthen employability across all age groups.
- **Parent and Teacher Collaboration**
 - ✓ Active parent-teacher associations (PTAs) ensure accountability and continuous improvement in local education systems.
 - ✓ Mentorship programs connect students with professionals, creating pathways for career success.
- **Digital and Social Inclusion**
 - ✓ In the modern world, digital connectivity is essential for middle-class survival. Without access to technology and online platforms, family's risk being left behind in education, job opportunities, and financial services.

- **Affordable Internet Access**
 - ✓ Governments and communities can negotiate with service providers to lower internet costs for middle-income households.
 - ✓ Public Wi-Fi in libraries, transport hubs, and community centres reduces barriers.
- **Digital Literacy Programs**
 - ✓ Training programs for children, adults, and seniors ensure that everyone can use technology effectively.
 - ✓ Digital inclusion also protects families from scams, fraud, and misinformation.
- **Social Media for Community Building**
 - ✓ Online community groups help families share resources, opportunities, and local information.
 - ✓ Crowd funding and mutual aid via digital platforms provide emergency support for households in need.

8. Purpose

The purpose of this study on improvement for the middle class is to explore the challenges faced by middle-income families and to identify practical strategies, community initiatives, and policy reforms that can strengthen their stability and growth. The middle class is often regarded as the backbone of societies, contributing to economic productivity, social cohesion, and political balance. However, rising living costs, wage stagnation, technological disruption, and limited access to affordable healthcare and education are placing increasing pressure on this group.

By examining solutions at the **personal**, **community**, and **policy** levels, this work seeks to provide a comprehensive framework that empowers middle-class families to achieve financial security, access upward mobility, and enjoy a sustainable quality of life. The study aims to:

- Highlight the economic and social significance of the middle class.
- Identify the key challenges threatening its stability and growth.
- Recommend actionable improvements that individuals, communities, and governments can adopt.
- Contribute to ongoing discussions on reducing inequality and fostering inclusive development.

Ultimately, the purpose is to ensure that the middle class not only survives but thrives in the modern era, thereby supporting broader economic resilience, social equity, and long-term national progress.

9. Conclusion

The middle class remains the backbone of every economy, driving consumption, innovation, and social stability. Yet, in many parts of the world, it faces mounting challenges—rising living costs, wage stagnation, unaffordable housing, expensive education, and inadequate healthcare. Without targeted action, these pressures risk eroding not only the financial well-being of families but also the broader social fabric that depends on a thriving middle class. Improvements for the middle class must come from a multi-dimensional approach. On a personal level, households can strengthen their financial security through savings, debt management, lifelong learning, and entrepreneurship. At the community level, cooperative systems, affordable housing initiatives, digital inclusion, and strong social networks can reduce vulnerabilities while enhancing collective resilience. At the policy level, governments must enact reforms

in taxation, healthcare, education, and infrastructure to ensure fair opportunities for upward mobility and long-term stability.

The future of the middle class also depends on its ability to adapt to global transformations such as automation, digitalization, and the transition to green economies. By embracing new skills, innovative business models, and sustainable practices, middle-class families can not only survive but thrive in a rapidly changing world.

Ultimately, strengthening the middle class is not just about improving individual livelihoods—it is about creating balanced societies where prosperity is shared, opportunities are accessible, and resilience is collective. When the middle-class flourishes, nations grow stronger, communities become more cohesive, and future generations inherit a foundation of stability and hope.

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