The Middle Class Is Key to a Better-Educated Nation

A Stronger Middle Class Is Associated with Better Educational Outcomes

David Madland and Nick Bunker  November 2011
Introduction and summary

Education is key to America’s economic success as technological change and global competition increase exponentially. Unfortunately, where once our nation was atop the world academically, today American students rank in the middle of the pack. Fifteen countries now have higher college graduation rates than us, and our average test scores are lower than those of not just peer countries but also less-wealthy places such as Slovenia and Poland.¹

Not surprisingly, business leaders and the American public are concerned about the quality of American education.² There are myriad proposals about how to improve the U.S. education system. Yet a critical but often overlooked reason for our poor educational achievement is the decline of the American middle class over the past four decades.

America today is less of a middle-class society as the wealthy capture most of the economy’s gains. The top 1 percent’s share of income reached 23.5 percent in 2007, the last year before the Great Recession, up from 9.12 percent in 1974. Over this same time period, the share of income going to the middle class, defined as the middle 60 percent of the population, fell to 46.9 percent from 52.2 percent, and the share of income going to the bottom 20 percent stayed at roughly 3 percent, declining by less than 1 percentage point.³

When poor and lower-income Americans can’t work their way into the middle class, and when the middle class sees its share of income shrinking, that harms our nation’s educational achievement in several ways. Societies with a strong middle class make greater investments in education—as described in detail and quantified in our companion report, “Middle Class Societies Invest More in Public Education”—and all else being equal, higher levels of spending tend to boost educational performance.⁴

At the family level, people living in strong middle-class societies are more likely to get involved in making their children’s schools better, pushing to raise educational
standards, and putting pressure on school administrators to fire or transfer bad teachers. And some of the culture and behaviors that middle-class parents pass on to their children about education, such as valuing school achievement and attending school, are thought to come from their middle position in society with a level of income and security that makes them neither rich nor poor. All of this helps boost educational achievement. What’s more, in more middle-class societies, citizens—rich, poor, and middle class alike—tend to be healthier and healthier students do better academically.

Finally, expectations for educational performance can have a significant impact on educational outcomes. Societies sometimes have lower expectations for those at the bottom of the economic spectrum—an effect that may be more pronounced in societies with a weaker middle class. In contrast, societies that expect everyone to excel in school if given the opportunity boast more students doing better and going onto college.

To quantify the impact of the middle class on educational achievement, we examined math scores in all 50 states between 2003, the first year data on all states are available, and 2009, the most recent year complete data are available. We found that a weaker middle class is associated with significantly lower levels of math performance. Our results held even when controlling for a host of other factors that affect outcomes, such as the state’s income level, childhood poverty rates, and the percentage of students who are English language learners.

Our results indicate that a stronger middle class is associated with higher test scores, separate and above any effects of poverty, overall income levels, and the percentage of non-English speakers. In short, the “middle-classness” of a state directly influences its educational achievement.

Specifically, we found that each percentage point increase in the share of income going to the middle class boosts math scores by 0.69 points on the National Assessment of Educational Progress scale.

Our study suggests that if the middle class received the same share of income as it did in the 1960s—approximately 7 percentage points more—then the median state, which had a math score of 284 in 2009, would have a score 4.83 points higher today. If just a single state—for example, Florida, which currently ranks 16th from the bottom on standardized tests—boosted its middle-class income share by 7 percentage
points, the results suggest that its scores would rise to the level of the states with the median score—currently Delaware, Iowa, and North Carolina.

To put this in context, a $20,000 increase in a state’s gross domestic product per capita—the commonly used measure of a state’s income level—results in about an eight-point increase in math scores. Such an increase in per capita GDP would be about the same increase the United States experienced between 1967 and 2009.

In the pages that follow, we will present the array of academic research on this topic that supports the premise of our paper, and then detail the school and nonschool functions that a strong middle class supports in our education system and our society. We turn next in the paper to the specific results of our analysis, which find that a stronger American middle class is associated with higher levels of academic achievement.
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