



## ***The biggest obstacle to financial security is...***

**CNBC**

By Jessica Dickler - November 13, 2015

Most Americans consider themselves middle class, and rightfully so.

But being in the middle isn't necessarily an indicator of financial stability. Many families say making ends meet is a constant battle.

"Even those with good salaries are feeling more financial pressure than they thought they would and they don't have the things they thought they would have," noted David Madland, managing director of economic policy at the Center for American Progress and author of "Hollowed Out."

Three-quarters, or 76 percent, of Americans identified as middle class, according to a recent survey by Elevate, a Texas-based provider of credit solutions. But, at the same time, 80 percent said it is harder to be middle class today than it was 25 years ago.

Being in the middle class is mostly a measure of income, although the specific definition varies. Generally, the middle class is considered everyone except the poorest 20 percent and wealthiest 20 percent on the spectrum. Still, even families with six-figure — or seven-figure — salaries, say they feel financially constrained.

Just more than half, or 51 percent of those with family incomes of \$100,000 a year or more said they belong in the middle class, according to a 2015 study by the Pew Research Center. In a separate CNBC survey earlier this year, 44 percent of millionaires polled also described themselves as middle class.

That's because they identify with feeling financially squeezed, Madland explained.

"Incomes have been stagnant for some time and, at the same time, basic costs of health care, housing and higher education are going up much, much faster than inflation," he said.

One quarter of those who called themselves middle class said the biggest obstacles keeping them from achieving financial security are health-care costs, closely followed by housing and credit card debt, according to Elevate's report.

It's no wonder. In 2015, employees paid 134 percent more for health insurance premiums and out-of-pocket medical bills than they did a decade ago, according to a recent report from human resources company Aon Hewitt.

Meanwhile, home prices are once again on the rise, up 5.5 percent from a year ago, according to the most recent report Federal Housing Finance Agency. And credit card debt, which spiked during the Great Recession and then receded, is also heading higher — up 14 percent from last year, according to credit card-comparison website Card Hub.

Almost two-thirds of those polled by Elevate said they spent half or more of their income on basic living expenses, even though most said they have a good understanding of how to manage their finances, keep to a strict budget, and regularly monitor and manage their credit score.

Thirty-five percent of Americans across all income levels reported having financial difficulties within the last six months, the report said.

"What defined the middle class in the past is changing and the issues that once only plagued lower-income Americans are now prevalent across a large percentage of the population," said Ken Rees, CEO of Elevate. "Today, it is not uncommon for those at both the higher and lower ends of the spectrum to run into financial stress that can have a real impact on their ability to meet financial responsibilities."

"Income instability, little to no savings and a lack of access to responsible credit has become the new normal," Rees said.

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