

THE BROOKINGS INSTITUTION

WEBINAR

REFRAMING THE NARRATIVE OF THE MIDDLE CLASS:  
REAL VOICES PRE- AND POST PANDEMIC

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**Opening Remarks:**

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President  
The Brookings Institution

**Panel Discussion:**

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## P R O C E E D I N G S

MR. ALLEN: Good afternoon, ladies and gentlemen. I'm John Allen, I'm the president of the Brookings Institution. It's with great pleasure that I welcome you all today to our event, "Reframing the narrative of the middle class: Real voices pre- and post-pandemic."

As the first part of a series entitled, "A New Contract with the Middle Class," today's event could not be timelier. Having spent most of 2020 amidst the COVID-19 pandemic, the American middle class has been forced to endure social and economic conditions from privation to devastation on a scale rarely seen in living memory.

As the country continues to mourn the loss of nearing 250,000 lives, and deals with the latest frightening surges in cases, more Americans each and every day face issues of unemployment, insecurity and despair.

Now as the country prepares for the leadership of President-elect Joe Biden and Vice President - elect Kamala Harris next January, questions remain as to how the incoming administration can and will handle the necessary response to combat the disease as well as to restore our flagging economy.

Today's event, which will highlight early findings of a forthcoming report, "'What if Something Happens?': A Qualitative Study of the Hopes and Anxieties of the American Middle Class Before and During COVID-19" will speak to some of these concerns. By listening and interviewing members of the middle class from five different areas in the United States, the authors, many of whom are joining us today, have gathered a better understanding of how COVID-19 as a pandemic has impacted American lives and perspectives.

Importantly, this project moves forward Brookings broader and shared interest in improving the lives of the American middle class. Over the years, Brookings has taken proactive steps to study how different policies affect this vital group of people in our country. Including the creation of our Future of the Middle Class Initiative in 2018 and the naming of this as a presidential research priority.

Indeed, under the leadership of Brookings Senior Fellow Richard Reeves, the initiative has created a robust and dynamic research agenda. And Richard, alongside scholars from both within and outside Brookings, have concluded that by creating a more equally shared prosperity for the middle

class, all America is better supported in the process.

Now before I turn the floor over to Richard himself, I'd like to quickly remind everyone that we're streaming live and we're on the record. And audience members are welcome to and can submit questions to [events@brookings.edu](mailto:events@brookings.edu). That's [events@brookings.edu](mailto:events@brookings.edu) or via Twitter using #MiddleClassVoices. So, with that let me turn the floor over to you, Richard, and the floor is yours and thank you very much for leading this effort. We're so grateful to all of you.

MR. REEVES: Thank you, John, for that kind welcome. Let me add my welcome to all of you who are joining us today. And my thanks to you, John, for supporting this work and this initiative from the outset and making that such a priority for you as the president of the Brookings Institution.

When we launched this initiative two and a half years ago, then Vice President Joe Biden said that the reason for our social and political stability has been in no small part because of a strong aspiring and growing middle class. That is obviously a theme that now President-elect Joe Biden has continued to speak about even in recent days. In fact, he mentioned it again when he accepted victory in the recent election as the importance of the strength of the middle class as well as coming to terms with a moment of profound racial reckoning.

One of the things he said really struck me in light of the conversation we're about to have. He said, that we need to see each other again. We need to see each other again. And what occurred to me is that in order to see each other, we also need to hear each other.

And from the beginning of this initiative, we've really been on a mission. Not just to collect quantitative data although that's hugely important and there's lots of that in our work as you'll see but also qualitative data, voices, to listen and to learn and to be informed by that as we approach policy. It feels to us as if the very way in which we conduct policy research and policymaking is in and of itself a process that can build respect and build bridges or can add to the sense of division and isolation that President-elect Joseph Biden was talking about.

And so, the sea of voices has been huge for us today as the first fruit of a huge research effort around this combining interviews and focus groups and an ongoing research effort that my colleague Bel Sawhill who we're going to hear from shortly in collaboration with some of our scholars. Including junior scholars and I have to mention Tiffany Ford, especially and Morgan Welch who have

been working so hard on this in order to bring this together.

Please check it all out, as John says, join in the conversation at #MiddleClassVoices.

And my job really now is to get out of the way. We'll moderate some conversation and questions and I'm delighted to introduce some colleagues to speak to you.

First, you're going to hear from Jen Silva who has been one of the lead authors on this work and is a well-established qualitative researcher in her own rite. I won't list her bio, please check it out but do actually read her last two books is the one thing I will say if you want to understand America. She's an assistant professor at O'Neill School at Indiana University.

And then you're going to hear from Molly Kinder who is a David Rubenstein fellow here at Brookings Institution. Then you're going to hear from Camille Busette who is a senior fellow in Governance Studies and runs our Race, Prosperity and Inclusion Initiative and is on the steering group for the Future of the Middle Class. So, thank you, Camille.

And then Isabel Sawhill, my close colleague on the initiative and in the Center on Children and Families who has been leading this project from within the institution from the outset. So, they're each going to give a few thoughts then we're going to have a discussion and we're going to hand to each other as we go through. So, let's kick straight to you, Jen.

MS. SILVA: Thank you so much. Before I begin, I do want to recognize our research analyst, Tiffany Ford and Morgan Welch who basically were essential to every stage of the research process. So, thank you it was amazing working with you.

So, in 2019, I was invited to join this mixed method studies that brings together interviews, survey data, focus groups and also quantitative analysis to better understand how the middle class is fairing across five core domains. Time, money, health, respect and relationships.

And as a qualitative researcher, my role has been to help build on what we know about the middle class. So, we know that they have stagnant incomes, we know they experience a work in family time squeeze, that marriage rates are declining. But to also help uncover the experience of their everyday life. So, all the rich and poignant and sometimes messy and confusing details.

We wanted to know how middle class Americans are forging a meaningful life. How they're coping with their fears and disappointments and how they hustle and sacrifice to live up to their

own definitions of what it means to be a good person and a good spouse and a good parent.

And we were also interested, especially in this time in understanding how race and gender pattern people's opportunities and constraints. So, also looking at differences within the American middle class.

So, for the first phase of the study, this was pre-COVID, we hadn't imagined this could happen to us yet. We conducted 12 focus groups in five locations across the United States. So, we had a total of 127 participants. And in these pre-COVID focus groups, our participants described this perpetual sense that they called teetering on the edge of financial disaster. Always wondering, what if something happens.

So, for example, a man in Pennsylvania who works in a factory described his family budget as having "no margin for error". So, if the roof blew off in a storm, we're in trouble. Another woman in a Kansas focus group working in the service industry echoed this fear of: never having enough money, never being financially stable. What if something happens, am I going to lose my house? And workers that we talked to really were critical of corporations in the way that they seem to relentlessly pursue profit rather than kind of create a system where American middle class could meet their basic necessities.

So, one man who works on commission in pest control told us that working on commission was like chasing the carrot in front of the horse and eventually the horse collapses. It never gets the carrot and it gives up because it's unattainable. He says, you know, maybe I'll get 10% commission but if you sell a job for \$140, you'd do all the hard work, you'd get \$14, that's not even enough food for everybody at Taco Bell.

People pre-COVID also talked about the hard trade-offs they made in their daily lives. So, for example, should they leave unfulfilling stagnant jobs for riskier or more rewarding self-employment? Should they choose sleep, work or spending time with their children or did they really even have a choice at all.

So, even at the very top of our middle class income bracket where people technically qualified for family leave and paid vacation, we see people basically fearing retaliation and being afraid to take time off of work. So, a corporate lawyer said, you know, I had a month paternity leave but I only took

two weeks because of the pressure demands. He said sure, they tell you you have unlimited vacation but that means you have no vacation. If I say I finish all my work they're going to fire me because I'm not working enough.

And, you know, in the pre-COVID focus groups, we also heard tension surrounding racial discrimination and racial resentment. Those were building in fall 2019 but those came out very powerfully later on.

So, I'm going to shift now to talk about the 14 in-depth interviews we conducted with focus group members. So, we had planned for me to travel in person to interview participants about their lives one on one but then COVID hit so we had to do a lot of restructuring. We quickly shifted to Zoom interviews and that allowed us to be there in May and June as people were confronting COVID.

No one really knew what was going on but we were there listening to them work through it. And what we find is that we found that these early days of the COVID pandemic allowed us to see that intense yet often taken for granted in invisible pressures and vulnerabilities of the middle class both during and before the pandemic.

So, for example, you know, we interviewed Brian, a Black man in Houston who works on government contracts performing technical assistance. He had never had health insurance or retirement contributions, he told us in the focus group, and he had also substantially invested in his own career, thousands of dollars on online courses. And he told us since COVID-19, he had been trying to get two certifications, maybe three because it was very hard to get a job and even the unemployment office was closed, you can't even go online.

Another person we emailed to talked about setting up a one-on-one interview during COVID actually wrote back saying can we do it today. My phone has WiFi but it will be disrupted tomorrow and she had lost her job so she wouldn't have internet access after that.

Despite these anxieties, I think the most interesting finding was how some people shared with us that COVID, they had a guilty secret and this was that COVID had actually freed up some hours in their day motivating them, for example, go buy a laptop at the pawn shop and try to work remotely while their children napped. Or maybe saved up some money because they weren't going out to dinner ever.

And most powerfully, we thought is that some of the women of color we interviewed

during COVID actually because they were so accustomed to worrying about their children and navigating racism in their daily lives, COVID was a silver lining. Because the stay at home orders kept their children at home and they felt more protected from the threat of being pulled over, harassed or killed by law enforcement.

I will just say in conclusion, you know, we don't really know how the middle class will emerge from this crisis. But as gloomy as this sounds, I think there is some hope in these stories as well because people were pointing at much needed changes in remote work and flexibility in wages, healthcare and paid leave. So, this may also be a time to seize the opportunity for that as well.

Many of the people ended their stories or interviews by saying hopefully next year, we'll be in a better place. So, I think there was some optimism among the middle class that they could improve their lives. Okay thank you, I'm going to hand this off to Molly now.

MS. KINDER: Great. Thank you so much, Jen, and it's a particular honor to follow Jen because it was some of Jen's work several years ago on the book, "Our Kids," which I read a few years ago. And that was one of the books that convinced me to totally change my career from my international tract to a U.S. focus on mobility and all the issues I work on now.

So, Jen's powerful work where she brings the voices of real people to bear on these pressing social issues has already made a big difference on my life. And I was really so delighted to see the Future of the Middle Class Initiative take this approach to these important problems. As somebody who at Brookings, a lot of my approach is also qualitative and bringing the voices of lower wage workers into my own research and policy writing. It's just wonderful to see this ambitious effort and I read the report with so much interest.

And actually, I think my remarks are going to sound very positive and uplifting. Because while Jen was doing those in-depth focus group in May and June and early in the pandemic with middle class workers, I've been holding dozens of interviews with lower wage workers in the pandemic.

And reading the final report, I was just struck over and over by the difference in tone and in the difference in the themes that emerged from the frontline low wage workers that I've interviewed. And some of the frankly more uplifting and more resilient stories from some of the middle class workers.

There was obviously a lot of overlap in the themes of economic insecurity. I was really

struck, for instance, on Dahlia's story from Las Vegas where she lost an entry level middle class job and now, she's looking at Best Buy and some of these retail jobs that I focus on. But overall, I was actually surprised in the same way I think Jen was saying in her remarks. That there were these almost guilty pleasures. There were some positives for some of the middle class workers in the pandemic.

And actually, I heard the absence of some of the more anguished themes I heard from low wage workers. So, I'm going to surface a few of those as a point of comparison. And basically, my main takeaway was that the contrast in our work affirmed why we care so much about Americans being in the middle class.

That the resiliency in some of the ways in which the middle class has not suffered the worst of the pandemic whether it's job losses or some of the immense sacrifices of having to work in risky jobs. I mean, even some of the same health impacts, I think shows in ways in which this is why we care so much about expanding middle class opportunity to more workers.

And so, just a few of those themes are first, the data shows that frontline workers who are in these essential jobs that require workers to risk their lives by in large they are disproportionately low wage. So, in our analysis we found almost half of all of what our colleagues at Brookings define (inaudible) they define about 50 million workers as central frontline workers. Just under half of them make low wages so they wouldn't classify for this study because they're just under that \$40,000 a year threshold.

That's the workforce I interviewed. So, retail workers, grocery workers, home health aides, cleaners and cooks in hospitals, meat packing plant workers, Walmart staff. And some of the themes, when I interviewed a lot of these workers who are disproportionately women and workers of color, you know, there was so much darkness to the stories they told. That so many of them feared showing up at their jobs and feared bringing the virus back to their families.

And a lot of that fear came from that fact that the workers I interviewed either themselves or the people they love and the families in the same household they live in, have these underlying vulnerabilities to COVID. I heard over and over things like asthma and diabetes, heart conditions. So, the fear of the virus was real, it was lethal.

And because these workers feel they have no economic cushion, they have no choice



but to go to these deadly jobs and then fear bringing this home to the same people they're just trying to keep a roof over their heads for their kids and grandchildren. And that very act of trying to keep them financially afloat is suddenly laden with this deadly risk. Created so much heartache and anguish for the workers that I interviewed.

And something that a theme I didn't see emerging from the report that was launched today was really that serious fear of the virus. That sense of needing to go into these deadly jobs or having some of these underlying health conditions. And the truth is, that is data driven in a sense because lower income workers have more of these underlying health vulnerabilities and they're disproportionately in these jobs that risk their health.

The other thing that I didn't see as much as strongly in some of the stories from the focus groups was really intense economic anguish. Even in the interviews that I've held with essential workers, so in theory they have jobs. So, you'd think they were the ones who were not feeling this intense burden of the deep pandemic recession. They are still struggling financially because often they live in households where someone else in their household lost a service job, lost a hospitality job. And we know that these intense job losses have been very disproportionately felt by the lowest wage, the least educated workers.

And so, the themes that came out of that were food insecurity. You know, one worker I interviewed said, "Thank God for noodles. You know, my family doesn't have enough to eat right now, I'm skipping medicines. I'm 60 years old, I'm a home health aide, I have these underlying health conditions but I cannot afford to be the sole provider of my family of seven on \$12.75 an hour when one of two of my children have lost jobs in the pandemic."

There was just so much more of this suffering from the combination of health risks, job losses and all the related financial instability and food insecurity that came along with it that emerged in some of the interviews I've done. Which is all very, this is the world I live in as talking to these workers who are bearing the worst burdens of this pandemic.

So, to be honest, I found it fairly uplifting to read the different ways in which the middle class through these stories that Jen just talked about have had more resiliency. That, in fact, they're able to see the blessings in a life that's less pulled in so many different directions. That they're in some ways

able to in some cases able to save a bit of money. Which is, of course, now universal. There's still people even picked up in the survey and in the focus groups who've lost their jobs and they've plunged down out of the middle class.

So, I think there's some universality again into the precarity of even just being in the middle class that certainly the pandemic has plunged people over the edge. You know, health insurance, spotty access to that is going push even more people over the edge into this pain that we're seeing so concentrated amongst lower wage workers.

But I'm really walking away reaffirming why in my work I'm fighting to so hard for raising wages to a living wage. Because I think the more workers had some of that resiliency that we're seeing in the middle class, when things like a pandemic comes, they're not immediately plunged into some of the worst circumstances that we're seeing.

The last thing I would just point out that I saw as a different theme is so many of low wage workers that I interviewed had especially difficult circumstances because they had to work and their kids were at home and they couldn't afford childcare. So whereas again, I saw some sort of more uplifting stories about people saving time and be able with their partner to work different hours and cobble together something that was working. The resiliency of some of the lower wage workers I interviewed was just so much less.

So, while definitely some common themes of anxiety and insecurity, I do think that again, the contrast in my mind surfaces some of the strengths of the middle class and reaffirms why we're even having this conversation. And with that, I'm going to turn it over to Camille.

MS. BUSETTE: Great. Well it's such a joy to follow Molly and Jen and to be part of this incredible panel focusing on what I think is a really excellent, excellent study. There is nothing like actually hearing the voices of people who you're studying in order to best understand all the nuances of what it means to be middle class at this moment in the U.S. And so I, you know, just really commend my colleagues, Bel especially, Jen, Richard, Tiffany and Megan on a really excellent study.

I want to spend some time talking about some of the other kinds of insights I saw in this report. And I want to start by saying that I think we're at a very critical inflection point in the economy at the moment. And not only because of where things are headed with respect to the virus and the

trajectory of the virus but also because we have to make some very serious policy choices. About whether or not our economic response is going to be able to get people back on their feet, create a path to the middle class for people who are not there as Molly has mentioned and allow folks who are in the middle class to thrive or to regain their footing in the middle class.

And so, I think some of the insights we've gotten from this report are going to be critical to framing what that pathway looks like. Let me talk about a few things that struck me in this report.

The first was throughout the numerous interviews was the idea of people needing help with transitions. So, a number of folks had some fairly significant changes in their work life that, you know, I think was, it was kind of a theme throughout these interviews. And it struck me how each of these folks was trying to navigate those transitions without actually a lot of help and a lot of mentoring.

And it just seems like particularly for middle class folks and the folks that were interviewed here and I would say it's probably true for people lower down on the economic ladder as well. There is no scaffolding to really help them transition and that seemed to come out pretty clearly. Particularly there was one person who had just recently graduated, I think her name was Katie and she had had a couple of jobs and was yet having to transition again. And the fact that there was just no, she had no strategy, no plan for how to do that, I think optimized that sense of lack of guidance around transitions. It was true, I think, throughout the pool of folks that were interviewed.

So, that's something that, you know, we really want to think about particularly now that we're going to have to reformulate our economy. Once COVID has left which is probably 18 to 20 months from now, there are going to be whole industries that, you know, aren't going to exist or are going to be so much smaller that we have a whole pool of folks in the, you know, prime of your working age who will need to transition. And so, that, you know, figuring out how to do that creatively, having the funds to do that and the investments to do that I think is going to be very important to national as well as state and local policy.

The second theme which struck me was the way in which people viewed the role of government. And I found this particularly interesting given how much government is going to be important to how we navigate ourselves back to a healthy economy. There was just a diversity of world views on that and that was particularly encapsulated by some of the interviews with younger people who

were, you know, either suspicious or, you know, rather agnostic about the role of government.

And I think what's important here, you know, when I'm speaking here from a perspective of how you create political coalitions both at the national, state and also the local levels is we need to refresh everyone's memory about what government actually is. It's not this like hulking, you know, sort of dead weight loss on the economy, it also is, you know, all the people who clean your streets. It's the police officers, it's the community health centers, it's, you know, creating infrastructure in our local communities. It's just a whole range of things that people don't really think about because government is your healthcare if you're a person who is either on Medicare or Medicaid or ACA.

But I think just refreshing everybody's memories about what it is, what is the role of government, I think would be an important public affairs goal. Particularly as we try to roll out at a national level a strategy that's going to try to get the middle class back on their feet. So, that was my second observation.

The third was around the continuing fragility of people who have not attained more than a high school degree. And even people who have just made it and just gotten college degree but don't have the kinds of networks, social networks that they need to be able to leverage that college degree. And so, you know, from my perspective, it also calls into question the way we think about educational policy in this country which is pretty balkanized and there's very little role actually for federal and national authorities beyond sort of guiding things.

But that balkanized approached to education can also leave us extremely vulnerable and it leaves huge pockets of people who will have a harder time withstanding downturns in the economy. And it made me think that we really need to rethink, you know, how we think about education, particularly the K-12 level.

So, the fourth theme that really struck me was different views of affirmative action which I thought was absolutely fascinating, right. So, you had people of color who were part of this pool of participants talking about affirmative action in a way that was not positive. And I just want to point that out, right.

So, people were saying, well I know they interviewed me or they hired me because the government was breathing down their backs and they needed to have a token and so they hired me. So, I know, you

know, I wasn't hired for my skills or anything else, I was hired here as a checkmark.

And so, really viewing, you know, the way in which employers respond to affirmative action mandates regulations etc. with a degree of derision I would say. And then if you looked at white respondents, the way they talked about affirmative action was essentially it was a handout and hand up for people of color and it disadvantaged whites.

And so, again when we think about what our next steps are going to be nationally, examining why people have these different views of opportunity structures, opportunity regulations, opportunity law, equal employment law, etc., is going to be important in getting the kind of buy in you need to have to create a more equitable set of economic policies. So, I'm going to stop there but I thought it was a fantastic report, very illuminating. Looking forward to the rest of the discussion and I'm going to hand things over to Bel.

MS. SAWHIL: Thank you very much, Camille. I think everything you just said was really hit the mark for me anyway. Your four themes were just terrific. Before I start here, I really want to give a shout out to all the people who have been working on this project. Jennifer Silva, as Richard said at the beginning, is one of the leading iconographers, qualitative researchers in this country and we are really privileged to have her working with us. And as she said, she's gotten tremendous support from Tiffany Ford and Morgan Welch and I want to give a shout out to both of them as well.

Let me say that I want to kind of end talking about why I think qualitative work is such an important ingredient if we are going to understand the middle class in America and some of the challenges we now face. And even talk a bit about our current political moments and how qualitative work can fit into that political moment when we have a new president-elect but a still divided country and a probably much divided Congress going forward.

First reason I think qualitative work is so important is because I think it can actually have an impact on the mindset or the experience of a researcher. Too often, I think we all operate from our ivory tower if we're an academic or from behind the glass doors that are just behind me in my picture at Brookings there on Massachusetts Avenue.

And, you know, our primary incentive is to do good work, to get published in the right places, to influence policy if we're at a think tank. But, you know, I think that's not enough and I'm

guessing that Jen Silva has a very different lens on the middle class than do some of her colleagues who've never gotten out of the classroom and into the real world. She may want to say something about that if she gets a chance.

I can certainly attest to the impact that getting out and listening to people had on me when I wrote my last book, "The Forgotten Americans" and went out and did focus groups around the country with working class Americans. And I think it was because that experience had such a big impact on me that I felt it was important that we try to do something similar in our current project.

I think, for example, economists like to think mostly about people's economic situation. And we, of course, had a big focus on people's economic conditions as part of our middle class project. We focused on money. It's very important, it matters. But we've also focused on what we call the time squeeze and on relationships and people's health and on the extent to which people know each other and respect one another.

And we think those ingredients of middle class well-being are just as important as money. And I think it's only by getting out and talking to people that you begin to see their importance and also see the tradeoffs. There are no simple answers here. If you want more time, you may have to give up some money. If you want more money, you may have to work harder than you'd like and neglect your family. So, those tradeoffs are really critical and finding the right balance is really what it's all about.

I think finally story telling is one way to communicate to a broader audience than we normally do at Brookings on what is the import of our work. We, for example, wrote a paper on what we call the middle class time squeeze and it was full of data and charts and it's really a very strong paper and I recommend it to all of you. But I think that it is not going to have that much impact if it isn't combined with the kind of work that Jennifer Silva has done, that Molly has talked about and that Camille has just so nicely summarized these four themes that I love that she brought out here.

You know, how do people handle transitions? They don't get a lot of help with that. How do people think about their government? As she noted and I've been struck by this as well the younger generation in particular is losing confidence in our political institutions as well as in our economic institutions. And that is a very divergent view that people have of affirmative action is a tremendously good example of why this type of work matters.

So, to conclude here, like a lot of people I've been ruminating recently about why nearly half of all Americans voted for President Trump. I mean he has arguably been one of the worst presidents we've ever had. He's been incompetent, he's been self-centered, he's been mendacious, he's been divisive. I don't mean to be partisan about this but I think that it would be hard to argue that he hasn't been all of those things.

And so why, many of us ask ourselves, did so many people vote for him and why did the polls that were done before the election really do a bit of misreading of where the public was at. I've been thinking about that a lot, I don't have any magic answers but I suspect the reasons are at least partially if not totally cultural.

I'm reminding that back in 2004, Thomas Frank wrote a book called, "What's the Matter with Kansas?" He was struck by the fact that people in Kansas were voting against their own economic self-interest and he concluded that the reasons were cultural. It was about things like abortion, about guns, about race, about religion. And I think that if we don't pay attention to those cultural issues, we will miss a lot of the story.

So, I think right now, a lot of people like me are asking what's the matter with the United States of America? Why are we so divided? And one way to find the answer is to talk to more people, to listen to more people as Richard said at the beginning because we're not going to understand all of this just by looking at hard data as important as it is. So, thanks to everyone and now I'm going to turn it back to Richard.

MR. REEVES: Thank you, Bel and thank you to all of you. That was just a feast of ideas. I've written down 1416 questions which I'd love to ask but we're going to open to the audience soon so I won't get to all 1416. I just want to come back on a couple of things and maybe Jen come back to you first on some of the themes that have come up.

I think one of the tensions I think that Molly pulled out between her work and the work that you've been leading on with Bel is a sense of, I'll put it this way. The tradeoffs that are made by the middle class are almost kind of a luxury, right. Some of the people that kind of Molly works with it's not really like well should I do this or this it's like I have to do this, right.

And so, some of the tradeoffs are on time and family and so on which are real tradeoffs with real

costs. Is that part of the difference do you think and how does that relate to this issue of insecurity? So, in other words is one of the tradeoffs you have to make if you are middle class is a bit less security, a bit less money but a bit more time and so on. But what's your kind of response to that general frame and in particular, to that difference perhaps that Molly polled out which is that tradeoffs are a luxury of the middle class is a very simplistic way to put it.

MS. SILVA: That's very interesting. One thing I want to just say more cautiously is that we did do these interviews in May and it is possible that if we went back and talked to the same people, they have experienced a lot more insecurity. This was kind of like the early days when I don't know if many of them had realized how long and terrible this would be for them.

But aside from that, you know, I think that's like -- I think that is a good point. I don't know if part of it also is that they've sort of trained, this is why I like qualitative research which is we also think about the way people see the world and they do. They did seem pretty insistent on seeing the world as having many opportunities that they wanted to seize. I think maybe that might be part of being middle class and hopeful in America.

And so, sometimes I wonder like do they do a lot of work to make it seem like they have more choices than they do. You know, if you can't afford to work because you have children you have to take care of and your spouse is gone all day or your partner is gone all day and you get to choose to work because you like are nursing your baby and he's sleeping on you and you're logging in really late at night and then you're taking classes online. I don't know I think they is some choice but there's a lot more constrain in that then maybe people want to admit to.

MR. REEVES: So, they're clearly constrained choices.

MS. SILVA: I think so. And, you know, they're like I need to, you know, some of them are happy about COVID because that meant their rent wouldn't go up again this year so they might be able to like afford to keep living where they were and keep the system going. So, I do think there's more nuance in their stories that almost they want us to see.

MR. REEVES: Do just push a little bit more on that because it relates to this guilty secret thing that I think kind of comes out too. And I think, I can't remember there's this kind of one woman, I think, kind of describes the fire drill between 6 a.m. and 9 a.m., right. Between getting herself ready,



getting her kids ready, getting this school, that school, work etc. and how there's sort of this temporary relief. Now, of course, you go back to her you might say well actually she might miss those days now to some extent.

But in some sense, it's the sort of artificial, you know, halt that we brought everyone's life to expose some of those costs, right, that people were kind having to kind of pay. And so, in some ways it was (inaudible) in that sense which is only way stopping it did we realize what it took to kind of even remain that, keep that perch in the middle class. Is that a fair reflection of what you saw?

MS. SILVA: I think that's a really good way of putting it. So many of the things like getting children ready, making lunches, driving them across town to school, picking them up. Once there was a pause on that, it's like I was expecting them to have more complaints about homeschooling. But it was such a relief for them actually because it saved them about two hours a day where they could maybe log in and make some money or, you know, spend it with family in other ways. So, that was definitely true.

MR. REEVES: Yeah, I think it's important that we take those lessons away as well actually. There are lots of lessons from COVID. One other thing I wanted to push on a bit related to Camille's question on I think I love the way you put around scaffolding to kind of navigating change and so on. And the people who are able to do that and how we're going to need more of that so this has been a sort of test for that.

Maybe this comes a bit back you, Molly, as well actually. Because it does feel as if that is something that we historically promised. We're going to help you transition, we know there's going to be change but don't worry, this workforce development.

Actually, there's one question from someone who obviously knows your work very well because they talk about your work on human centered design in workforce development. So, that's someone that's read your stuff, right. But how did you respond, in light of this work and your own work, to kind of Camille's observation about this support for transition and the ability to pivot potentially kind of quite quickly and what it means for things like workforce development and training more broadly.

MS. KINDER: I mean, I just second everything Camille said. She said it much more eloquently than I could. But those same themes, I led a research project when I was at New America just

before I came to Brookings where we, similar to what Jen was doing, we interviewed about I think 40 workers across the country in the kind of prototypical jobs we expect automation to change.

So, the jobs we think who study sort of the future work, we think that change is coming whether it was a grocery cashier, fast food workers or administrative clerical workers. And I wanted to get a better sense of well how are they thinking about their future and what would change mean to them?

And I just want to second everything Camille said. You know, it's really hard for people to imagine a change, especially if they've been in it for a while. So, particularly, some of the younger folks we talked to who were still trying to get through some sort of schooling or get back into schooling, they might have some big, bold dreams that they were trying to tackle but a lot of obstacles were coming in their way. Finances, mental health, all sorts of things got in their way.

But this idea of being able to reach for something where you have no personal network, no social network, no one is going to, you know, give you that scaffolding or even plant the seed. Was such a problem particularly for folks who the train was already moving in their career and they're in something where then they're going to have to change.

And that's something I really worry about with this COVID recession is choices have become more limited. People are in much more dire constraints and this idea that magically in your spare time you're going to be able to reinvent yourself when now your kids are at home. I mean, there's so many more constraints but I do think this what Camille was talking about with the very real network and social capital and the ability to even make those career jumps, I think is such an important challenge and one that our workforce system typically does not really address.

MR. REEVES: Thanks. Okay so we're going to open this up a little bit to some questions. I've already had a couple come in which I've used already but please keep them coming but please keep them coming. We actually have some questions that are coming that are going to be on video and live. So, it's sort of an abracadabra moment.

Hopefully we're going to be able to bring up some students who are from Indiana University, no coincidence, Jen. But also, from University of Maryland, no coincidence Tiffany who have some questions. So, I don't know if they're going to be visible to us, I'm hoping to that they will be. Are they visible to us now, yes, they are, great. They're all there. Thank you so much for joining us and again, I'll

put you slightly on the spot here in terms of what you've heard so far and what you've read. So Megan, what was your question or take?

MS. MEGAN: I think that with like interns in the middle class as well as like the lower income class, I was just like curious like how do they -- how do you guys think like raising the minimum wage would affect that class? And like would higher wages like have people want to work less because now they're making more money for an hour rather than two hours or is that increase of wage going to affect our economy in a greater way.

MR. REEVES: Great, thanks Megan. Actually, I'll take the questions from all you and then maybe kind of point them at various folks. I'm already pointing that one first you, Bel, if that's okay. Rayna, your question or observation. I'm going to do all three first.

MS. RAYNA: So, my question is since the middle class has to work more often and to maintain a lifestyle with their family a society, how do we allow time for them to still get paid and also take care of their mental health without the fear of losing their job?

MR. REEVES: Good time squeeze question, great thank you. Rachel.

MS. RACHEL: Hello everyone, thanks so much for your really awesome talk. My question is surrounding, you brought up a lot of great differences in gender with the middle and lower classes. And I was just curious if you could go into a little bit more describing differences between generations as well as differences you saw in the different regions where you conducted interviews.

MR. REEVES: Great. So actually, I will bring that one to Jen and it's important people know that the focus groups were stratified by race and gender as well as being geographically diverse. That's a great question. So, I'll point some of these different questions at different members of the panel but then invite other panelists to come in.

So Bel, why don't you take Megan's question on the minimum wage, not least because we've argued about that in our new contract for the middle class and it's a bit of a live issue right now anyway. So, your response to how much that will or could help the middle class.

MS. SAWHILL: I think it's a very important issue. President-elect would like to increase the minimum wage to \$15 an hour. It's right now \$7.25 at the national level although some states do have a higher minimum wage. We've had a big debate over the last couple of decades about this with

conservatives saying, well you can't raise the minimum wage because if you do, employers won't hire and we'll have less employment, especially amongst the disadvantaged and the young.

And liberals arguing that the effects on hiring and employment are really much less than conservatives assume. My own reading of the evidence is that it increasingly shows quite rigorously actually that the employment affects are, any negative employment affects are quite small.

So, for that reason in our new volume called, A contract with the middle class, that Richard and I co-authored, we proposed to raise the minimum wage not to \$15 but to \$12 an hour. And we did that because we think that in some communities, \$15 might be too high and that states and local communities can set a higher minimum wage if they want to.

That said, I also want to say something about the cultural aspect of this. When I did focus groups myself with working class Americans in 2018, I asked them specifically about whether they wanted an increase in the minimum wage. And they had all complained about low earnings and insufficient benefits. But they were very divided about whether they wanted an increase in the minimum wage.

And I what I picked up which I did not know as an economist is that the reason those who didn't want it, didn't like it is because many of them were 40 and 50 years old and still earning \$10, \$12 an hour. They did not like the idea of some 18 or 20-year-old coming in and making as much as they did. So, it was about relative status, not just about absolute well-being and that was an eye opener to me. And Megan, I see you nodding so maybe you want to say more about that.

MR. REEVES: Sounds like Megan agrees with that. Do you agree with that, Megan?

MS. MEGAN: It's just definitely interesting as an 18-year-old who's in the work force and I'm making \$7 an hour and I work alongside 30 and 40 year olds. Just to see how their perspective would definitely have an influence on how the minimum wage would change. I never really thought of that so that's very interesting.

MR. REEVES: I will say, it sort of speaks to the work that we're also doing an initiative and I think it overlaps strongly with some of Molly's work on intragenerational mobility. This sort of sense not just how people are making it one moment in time but what's their trajectory like. All right, so where are you at 25, where are you at 30, where are you at 35, right. To put it bluntly, it's one thing to be at

position X when you're 18 and another maybe to be there when you're 38.

So, I just also, by the way, I just want to give you all A's in all the courses you're doing. I don't know if I'm allowed to that because these are great questions and great answers. So, I'm just going to unilaterally give you that.

MS. KINDER: Richard, can I just say one really quick thing on that question?

MR. REEVES: Please do. And actually, while you're on it actually if you have anything to say on the question about time as well, I was going to pivot that maybe to you as well.

MS. KINDER: Well, I was just going to say, I have a piece that we just put out, my days are blending but it was in the last few days about what the election said about raising the minimum wage. And Florida, there was a ballot initiative that passed with over 60% of people supporting it to raise the minimum wage in Florida from \$8 something an hour to \$15 over several years.

And I did the math for it and it's about a million voters voted for Trump and the ballot initiative. And it's in a red state with Republican senators, Republican governor, Republican controlled legislature. And I did a little bit of homework on public opinion and public opinion has swung a lot since the start of the pandemic.

So, especially among Republicans independents, there was a survey done in February and then again in September that showed a big swing in a positive direction in support of raising the minimum wage. And I think that's pretty obvious where everyone is aware of the sacrifices of essential workers and how much people are struggling. But now a majority of Republicans support raising the minimum wage. It's a little over 7 in 10 according to this joint USA Today poll.

But it's a new piece out in Brookings and so it's really interesting that we seem so divided as a country. And from a partisan perspective, we're still divided on minimum wage but we're increasing the united as a country in supporting increasing wages for workers.

MS. BUSETTE: Can I just add something to that?

MR. REEVES: Please do.

MS. BUSETTE: So, one of the things that I think we have sort of realized as a result of all the changes that have happened due to the pandemic is that at the previous economic sort of upswing pre-COVID in certainly the last year or two was really an inhumane kind of trajectory. And I say that in,

you know, because when you really look at it, what was going on was the stock market was doing really well. So, people whose most of their income comes from investments were doing very well.

People who are at the bottom end and working these hourly jobs were stringing them together, you know, multiple jobs together and didn't have any benefits. And then you had people in the middle class who might have had one job but the level of tradeoffs and the stress that they were under has just become, you know, I mean, it's really come to light as a result of COVID.

And so, to me this question about \$15 an hour is not so much about, you know, should we be, you know, paying people more but it's really about what kind of an employment environment do we want? Do we want one where people are just, you know, killing themselves to buy basics? I mean, is that the sort of employment environment we want or do we want one where people can actually thrive, do things for their family that we consider to be fairly normal and expected and where they actually have disposable cash that they can use and circulate in the economy. So, to me when you think about \$15 an hour as a concept, it's about what kind of employment environment, what kind of consumer driven economy do we want?

MR. REEVES: Right. I think also, I think that gets some way to answering Rayna's question about this time question too. One of the things that Karl Marx was right about was the relationship between time and money and the trade union movement kind of ever since. And so, the sharpness of these tradeoffs around time is affected by how much you can get from the labor market.

And you see actually the work that Bel referred to on the time squeeze shows that the average middle class married couple now is putting in an extra day and a half a week into the labor market compared to in the 70s. Now that's largely because of the rise in women's employment which is entirely welcome but nonetheless, that's an extra day and a half, right.

So, that day and a half is coming from somewhere and then, of course, you have parents who are raising their kids on their own, you can sort of triple whatever those sort of time pressures are as well. So, I think Rayna is sort of speaking exactly to that point, Camille, around the relationship between money, time and tradeoffs. They're not separate issues. We can't treat the issue of time as separate from the issue of money.

MS. BUSETTE: Right, exactly.

MR. REEVES: That's very helpful. Actually, particularly on this last one about generations, Jen I think you might be best placed to answer to kind of question. This because also we stratified in various different ways but you yourself have highlighted this generation.

It shows also something that's kind of incredibly important in your previous book and that the risk of praise inflation around Jen Silva, you know. Your book coming up shore which speaks specifically about the transitions into adulthood was really just, I think a fantastic piece of work in this area. But was there anything either from your previous work or from this study on this generational question that Rachel asked that you'd like to add?

MS. SILVA: Yeah, and I think that's a great question. I would say that for the older people we talked to there may have been a little bit more of a sense of working within existing systems or, you know, identifying with a political party. And I think that among the younger people we talked to, there was just much more of a sense of wanting to create new systems all together.

So, Katie was one of our young adults we talked to and she was like very observant, you know, I always learn so much from the people I talk to. And she told me how COVID has reinforced inequality, right, so there's families who can't afford laptops and families who are able to be so protected from it, she says because their job let them work from home and they don't lose any money and they keep their benefits.

And all of the young people we talked to were actually dreading the presidential election because they said, you know, we know we're under a system that benefits people who are more wealthy, benefits corporations. I don't want to work -- elect someone whose working within the current system, I want to elect someone who is outside of it. And so, I would say the young people are kind of more disillusioned but maybe also more like creative or more radical in their thinking of how change might happen.

MR. REEVES: Okay. I want to ask a question and I'll throw this open to anybody who wants to answer it. And the question is framed more politely than this but I'll put it more sharply. This is all very well but isn't this all about money, right?

Bel has just said it's not just about money it's just about income redistribution. And one of the things that the federal government can do is take money off some people and give it to other people.

There are lots of things that's hard for government to do but moving money around actually isn't that hard for people to do. And that's what you do you look at inequality, you look at the trends in inequality, you know, enough blah blah about time and respect and navigation and all these think tanky words. Why don't we just move the money? Bring the genie coefficient down, income redistribution is the story here that lies behind everything else.

I'd love anyone's reaction to that. Maybe starting with you, Molly, because I think this speaks a lot to your work too. You talked about training. I'm being slight injustice to the questioner so I apologize but the sharp version of the question is, why don't we just redistribute money and stop talking about all this other stuff because that's probably 80 percent of the problem.

MS. KINDER: I mean, I can't Richard, I can't disabuse you of the notion that a lot of this could be solved is we were serious about fixing inequality and fixing the financial constraints that do that. So, I mean I personally back a \$15 minimum wage when I look at what's happening now. I've done a lot of writing, for instance, on hazard pay. It's a stop gap measure but it's a way to address the fact that there are so many millions of workers risking their lives for the rest of us. They're deemed essential because we cannot survive in this country without people doing what we would often consider as menial jobs. But this pandemic has revealed they're actually essential to our society to the rest of us.

Hazard pay is a really easy way to make sure that these workers right now as they're risking their lives would make a living wage. And for the rest of us who have not had our incomes hurt, if you look at this recession, it's a K shaped recession. Those who are harmed the worst have the least. Those with the most, their stock prices are going up, high wage people have almost entirely regained any job losses. They're saving money, they're buying more expensive homes with these low interest rates.

As a society, this pandemic shows just how extraordinarily unequal the burdens are. And there are ways to redistribute to those who are sacrificing the most. And it could be through more generous government supported benefits, it could be through requiring minimum wage. I have a huge report that's about to come out in a few days looking at the really successful retail companies and their huge profits and to the extent to which they've compensated workers.

So, there's a lot of things I think we need to address as a society and recognize that those who have the least are sacrificing the most and those with the most are not giving as much. But



that's only part of the story. Everything we're talking about with networks and social capital and respect and all sorts of other things are absolutely part of the plumbing that's going to allow people to move up. But I think we need to hit it head on and say this inequality is going to need a lot more than that.

MR. REEVES: Well, that's something I think between the difference between a higher minimum wage and just doing it through income tax credits, for example. So, I think a strict redistribution agenda might say well, we'll just do it through tax credits, we don't need to use the minimum wage. But you're saying there's something else going on there as well which is valuable.

So, already you've moved away from a very purist redistribution only agenda and said it's about other things too. But Camille, I'd love to bring you in on this and then maybe Jen and then Bel has done a lot thinking about this too so let's do that.

MS. BUSETTE: No, I'll Bel go. I don't think we've heard enough from her.

MR. REEVES: Bel has thought a lot about this.

MS. SAWHILL: Well, if I could waive a magic wand or be a czar or a dictator, I would redistribute income a lot especially from the top 1%. Richard likes to talk about the 20% but it's where the money really is, is in the top 1% but some of it is in the top 20. That's a side debate.

Now, it's not going to happen. It is, you know, this is why I talked about earlier the fact that almost half of Americans voted for Trump. And I can tell you that when I did my focus groups earlier, we got into these issues and people want to be paid more but they do not like redistribution. They want to earn an income. So, if we're going to get redistribution, it's going to have to be through the back door of worker tax credits, higher minimum wages, bribing corporations to share profits with their workers, to train them more, to advance them more.

And so, I guess I think that it would be a lot easier and a lot simpler to just tax the very wealthy a whole lot and give the money in the form of a universal basic income to all the people that Molly is concerned about and I'm concerned about as well. I'm just here to suggest that our politics right now, it has something to do with the culture in this country are not going to make it a reality.

MR. REEVES: Well, I'd say two things. One is that the idea of a Sawhill dictatorship is probably one that, you know, even Democrats might live with for a couple of years at least. And history is on your side too which is that, you know, after the election of President Barak Obama in the wake of a

huge financial crisis and galloping income inequality we didn't see a very radicle agenda of redistribution. There was some but I think it would be fair to say that there wasn't a massive shift.

MS. SAWHILL: Yeah, but I do want to say in the defense of President Obama because I'm so tired of my liberal friends telling me that Obama failed or didn't do enough. He didn't have a choice. He was stuck with a majority leader whose major goal and he articulated it, Mitch McConnel, that his major goal was to make Obama a one-time president.

And I've been reading a lot of articles about this recently and I am fearful right now that we're about to go through a similar period. But that's probably too much of a down note for this very upbeat event.

MR. REEVES: Well, I think a balanced event would be the right way to put it. Jen, I'd love for you to kind of weigh in on this point because I know that your previous work as much as anything has talked about the relationship between people's experience and the kind of background effect of inequality.

MS. SILVA: So, I would say this will also get in variation in our focus groups. I would say we have to think about the social reception or social consequences of how people perceive redistribution to be working.

So, for our white working class men in Pennsylvania, one of them had attended Unite the Right rally in Charlottesville. Even though they were economically pretty left, they did have a sense that all of the redistribution was going to minorities and quote filling that they were being left behind. I think it was actually like creating this, they said there's this bizarre focus on race, we're not white people we're just people. And so, their reaction some of them was to like embrace violence and, you know, far right groups. And so, I agree with Bel that we have to think very seriously about the political climate in that way.

MR. REEVES: Of course, it was in some people's interest to racialize the idea of redistribution as a way to kind of make it harder. So, I think the politics of redistribution have taken on that kind of strong and, obviously, your own work and work of others shows that very clearly.

So, it's my sad duty now to bring this event to a close. Also, please those who are watching, there's much more coming out of this work over the next weeks and months. This is the first

fruits of it. Brookings, I think as an institution is really shifting in the direction of taking voices and qualitative work much more seriously.

And you've heard about that already and we have scholars like Molly and Camille and others who are really kind of leading the charge in all of this. So, you can expect to see more of this kind of work. But thank you for our panelists especially and our authors for bringing this work together and to all of you who joined us today and have a great rest of the day. Be safe.

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