

## ONE

### The Missing Class

Valerie Rushing starts her shift at midnight. A train pulls into the station, and she hops on it, mop in hand. The thirty-three-year-old mother of one is an employee for the Long Island Rail Road, the busiest commuter railroad in North America, which every morning carries an army of groggy suburbanites to their Manhattan offices, and every night shuttles them back home. When their day ends, hers begins. Most nights she'll mop twenty cars. Tonight it's twice that because she's working a double shift—midnight to 8 A.M., and 8 A.M. to 4 P.M.

Toilet duty, of course, is the worst. Long Islanders are a more slovenly sort than the city's notorious subway riders, Valerie grouses. "You figure that they would have some consideration for the next person that is going to use the bathroom, but they don't. They'll throw their whatevers there in the garbage, in the toilet. . . . And they are the most alcoholic people that I know." Every night, an eclectic assortment of paper-sheathed beer cans and bottles awaits her.

But don't feel sorry for Valerie Rushing. With a union card in her pocket, she makes \$13.68 an hour, plus full benefits.<sup>1</sup> Her earlier life at the minimum wage—as a child-care worker, shoe-store employee, and fast-food cashier—is a distant memory.

Two years with the Long Island Rail Road have broadened Valerie's outlook. Before, she hardly ventured into the other boroughs; now she feels comfortable traversing the city and doesn't think twice about heading out to Manhattan to shop. Yes, it's janitorial work, but Valerie doesn't complain. "If it's sweeping, it's sweeping," she says. The point is, it pays the bills.

And Valerie has a lot of bills. She has sole responsibility for her daughter and has custody of her niece's six-year-old son because his own grandmother, Valerie's crack-addled sister, can't be bothered. Valerie

sets aside part of every paycheck for the children's clothes, toys, and excursions. She puts aside another part to pay for her \$700-a-month Brooklyn apartment, and she stashes away what she can toward that suburban house she hopes to buy someday soon.<sup>2</sup>

Valerie is not poor, but she is not middle class. Instead, she occupies an obscure place between rungs of the nation's social ladder—somewhere between working hard and succeeding, between dreaming big and living in the shadow of her ambitions. People like Valerie don't make the headlines. They aren't invited to focus groups. Blue-ribbon commissions on poverty do not include them. They are a forgotten labor force—too prosperous to be the “working poor,” too insecure to be “middle income.”

They are America's Missing Class.

They are people like Tomás Linares. A year shy of fifty, he is still clocking in seven days a week at two jobs in centers for people with developmental disabilities, where Tomás spends his days patiently demonstrating to his charges how to brush their teeth, reprimanding them for stealing and scratching, and occasionally wrestling an unruly resident to the floor. For his efforts, he makes a little less than \$20,000 a year.

Tomás is not poor, but a look at his rundown Brooklyn apartment might suggest otherwise. He lives in an urban borderland sandwiched between two extremes: the concentrated poverty of rampant drug dealing, sporadic gang violence, and shuttered factories that Tomás has known since his youth and the collateral prosperity that middle-class newcomers and mounting real estate prices bring to Brooklyn these days. Divorced and lacking a college education, Tomás has few prospects for rising much higher in life and no illusion that he'll ever leave his seedy corner.

Gloria Hall is part of the Missing Class as well, but perhaps for not much longer. An employee of the city's health department, she stopped working after falling seriously ill. She has insurance, but her policy won't cover the specialized treatment recommended for her rare form of cancer. So Gloria is a frequent visitor to the local teaching hospital, a drab health-care assembly line where patients like her are nonchalantly wheeled from room to room, waiting interminably for their release. For Gloria, living in near poverty means walking a tightrope over

this frayed safety net, unsure of what each new step in her treatment will bring.

It also means worrying about what her deteriorating health will mean for her two adolescent sons, who suffer from the affliction of a deadbeat dad. What will happen to them if she dies? Who will care for them when she's not there? She knows that the odds are stacked against children like hers, those who are unlucky enough to be born black and male and statistically at risk—as crime victims and perpetrators, developmentally disabled and dropouts. Her two boys are unluckier still: they live in a household that is not poor but near poor. “I know some parents that are in worse situations than I am, financially,” Gloria says. “And they get everything. Every year their kids go away to summer camp.

“You either got to be on the bottom, or you’ve got to be on the top.”

Thirty-seven million Americans live below the poverty line. We know a lot about them because journalists, politicians, think tanks, and social scientists track their lives in great detail. Every time the poverty rate goes up or down, political parties take credit or blame for this important bellwether.

Yet there is a much larger population of Americans that virtually no one pays attention to: the near poor. Fifty-four million Americans—including 21 percent of the nation's children—live in this nether region above the poverty line but well below a secure station.<sup>3</sup> This “Missing Class” is composed of households earning roughly between \$20,000 and \$40,000 for a family of four.<sup>4</sup>

The hard-won wages of Missing Class families place them beyond the reach of most policies that speak to the conditions of life among the poor. Yet they are decidedly *not* middle-class Americans. In decades past we might have called them working class, but even that label fails to satisfy, now that many Missing Class workers toil in traditionally white-collar domains like health clinics and schools, even as their incomes, households, and neighborhoods lack the solidity of an earlier generation's blue-collar, union-sheltered way of life. Missing Class families earn less money, have few savings to cushion themselves, and send their kids to schools that are underfunded and crowded. The near poor live

in inner-ring suburbs and city centers where many of the social problems that plague the truly poor constrain their lives as well. Crime, drugs, and delinquency are less of a problem in near-poor neighborhoods than they are in blighted ghettos, but they are down the block, within earshot, and close enough to threaten their kids.

Sending Missing Class teens to college, the single most important fault line in determining their long-range prospects, is difficult for the near poor. Many are unaware of the financial aid that might await their children. Parents who have never navigated the shoals of college admission are poorly prepared to offer advice, and the schools that might take over this stewardship are overwhelmed with the task of getting kids to graduate in the first place. Near-poor kids are the ones who work many hours while still in high school, who hardly ever see their guidance counselor, and who struggle to complete homework assignments that no one nearby can help them with.

Yet, because their earnings place them above the poverty line, the Missing Class is rarely on the national radar screen. We just don't think about them. This needs to change. The fate of Missing Class families is a test for this country of what it can offer to those citizens—immigrants and native-born alike—who have pulled themselves off the floor that poverty represents. If they can move up, they clear the way for those coming behind them. If they can at least stay where they are, their example will matter to others. But if their children fail to advance—if they fall back into the hole that the parents labored so hard to escape from—we will have defaulted on the promise of this wealthy nation. We will have seen a temporary respite in a single generation from the problems of poverty, only to see it emerge again in the children of the Missing Class. The danger is real—and growing with every new crack in our increasingly open and vulnerable economy.

Ironically, some of their problems stem from what most would agree is an entirely positive aspect of Missing Class life. Near-poor parents are firmly attached to the world of work. While many arrived in the Missing Class as graduates from the ranks of the welfare dependent, they are now lodged in jobs as transit workers, day-care providers, hospital attendants, teachers' aides, and clerical assistants. They pay their taxes and struggle to keep afloat on wages that are better than the min-

imum—if not by a huge margin. Yet even as these men and women dutifully turn the wheels of the national economy, their devotion to work takes a toll on their family life, especially on their children, who spend long hours in substandard day care or raise themselves in their teen years.

Of necessity, Missing Class families live fairly close to the margins. They have a hard time saving to buffer themselves from downturns in the economy because a large portion of their income disappears into the pockets of landlords and cash registers of grocery stores every month. As long as the adults—and many of the teens—stay on the job, they can manage. But the slightest push can send them hurtling down the income ladder again. In fact, even in the prosperous years of 1996–2002, about 16 percent of the nation's near-poor families lost a tenth or more of their income. It is important to recognize that the majority actually went in the other direction: they gained income in excess of 30 percent. These upwardly mobile families are headed out of the Missing Class for something much better. Nonetheless, the group that slides is not insignificant, and its ranks have probably grown, now that the economy has cooled.<sup>5</sup>

Missing Class Americans live in safer communities than the truly poor. Indeed, many look out upon their neighborhoods in amazement because they are barely recognizable from the destitute and crime-ridden days of yore. As gentrification has taken root in overheated real estate markets, once-affordable enclaves are now almost beyond the reach of the Missing Class. The arrival of affluent new neighbors brings with it more attention from city officials and the police, more investment in the aesthetics of the community, and something closer to a rainbow of complexions on the streets. For the African Americans, Dominicans, and Puerto Ricans who used to “own” these neighborhoods, this is mainly a blessing. Still, some wonder whether they still belong—whether they are still welcome on their own turf.

Sixty-eight percent of Americans are now the proud owners of their own homes. The near poor must struggle to join their ranks. Many of them missed out on the great run-up in housing prices that created so much wealth in the 1990s and the first five years of this decade. Trapped in a renter's limbo, the Missing Class cannot feather its nest for retire-

ment or borrow against houses to pay for children's college educations. What's more, the children won't enjoy anything approaching the inheritance—in property, cash, or other assets—that their middle-class counterparts will surely reap. These wealth differences are crucial: savings are the safety net that catches you when you falter, but Missing Class families have no such bulwark.<sup>6</sup> As a result, they experience an odd fusion of optimism and insecurity: the former from their upward mobility, the latter from the nagging concern that it could all disappear if just one thing goes wrong. One uninsured child sick enough to pull a parent off the job; one marriage spiraling into divorce; one layoff that shuts off the money spigot.

Like most American consumers, the Missing Class is impatient for just rewards. No one wants to sit on a couch with holes in it, but for the near poor, a new couch is beyond their means. The answer, too often, is debt. Missing Class families are generally uneducated in the ways of credit, and credit card companies are all too happy to indulge them. They deluge the mailboxes of Missing Class families with offers; they avert their eyes as Missing Class households rack up outrageous bills. (In 2005 Congress passed bankruptcy laws that prevent consumers from shielding their assets from creditors, making this kind of debt even more lethal.)<sup>7</sup> What's more, Missing Class families live in neighborhoods that are chronically underserved by financial institutions and scrupulously avoided by grocery chains and other major retail outlets. Denied even the most basic infrastructure for savings or loans at reasonable rates and forced to pay a premium on virtually everything they buy, these harried workers turn to check-cashing stores that exact a cut before handing over their wages. They purchase their food, household goods, and furniture at corner bodegas and other small shops with high margins.

At the same time that the pull of rising wages and the push of welfare reform have drawn millions of low-income parents deeper into the labor market, new policies governing the lives of their children have emerged that clash with the demands of the adult work world. The No Child Left Behind Act has thrust the burly arm of the state into third-grade classrooms, where kids used to the demands of finger paints and Autoharps are now sweating high-stakes tests every year. Eight-year-

olds wake up with stomachaches because they are afraid of being held back in school if they cannot pass these exams. Missing Class kids do not fret needlessly; the failure rates on statewide tests are high in their neighborhoods.

School district officials have their own problems to contend with. If their charges do not show significant improvement every year, they find their schools on watch lists, threatened with the loss of funds. How do they exact these improvements? Not by themselves. School systems see parents as an auxiliary teaching force. Notes come home every day explaining to parents that they must take their children to the library, read to them, and drill them on their arithmetic. For those who have the time and the skills to tutor their kids, this is not an onerous task. For the immigrant factory worker who leaves home at 7 A.M., commutes ninety minutes each way to a bottle-packing plant, and works a back-breaking eight-hour shift on an assembly line, the additional burden of helping her son with his reading every day is simply too much. All this “neglect” adds up in the end and yields dismal outcomes on high-stakes tests. For teenagers, it also means a license to misbehave. When Mom and Dad are working every hour they can find, no one is around to make sure that Johnny is doing his homework, and now that he’s fourteen, there is no longer an after-school program to occupy him. Johnny may live in a safer, higher-income community than his poorer cousins, but chances are his neighborhood abuts rougher enclaves.<sup>8</sup> This sets up temptations and risks that snare many a Missing Class teen.

The kinds of jobs that sustain the near poor may not come with health insurance or retirement benefits attached. For the more fortunate whose employers do bestow these perks, the versions they enjoy are likely to be of lower quality than the middle-class kind. Medical insurance often comes with very high deductibles, amounting to something closer to catastrophic coverage.<sup>9</sup> It’s a big step beyond no insurance at all, but it often exposes the Missing Class to medicine of middling quality, not to mention a host of bureaucratic complications not unlike what the uninsured face, including delayed care and expensive emergency-room treatment. And yet Missing Class families, more so than their wealthier counterparts, *need* first-rate health care. They live in apartments laden with lead paint and plagued by roaches.

Asthma is epidemic in low-income neighborhoods in part because the housing there is in shambles and situated near highways belching out exhaust fumes.<sup>10</sup> When it comes to health, the near poor and the real poor can be hard to tell apart.

Every family has its own way of making decisions about finances and responsibilities, but among the fragile households of the Missing Class the negotiations are especially contentious and complex.<sup>11</sup> Figuring out who does what and for whom is no easy matter where “recombinant families”—made up of stepparents and children by different fathers—are concerned. What is a stepfather’s financial responsibility for his wife’s child from an earlier relationship? Is he supposed to buy him new Nikes? Or is that the responsibility of the boy’s “real” father? What is a mother to do if her new man doesn’t feel like paying for a school uniform? Should she take some of the money that he gives her for the phone bill to cover the cost? And how, exactly, should a mother feel when her tight household budget has to stretch even further because her husband has obligations to the children he had with his first wife?

Millions of divorced Americans cope with these sticky questions, albeit with difficulty. But many Missing Class families have only enough to get by, even when two parents are working. The stress of their dicey finances never bodes well for their marriages. Secrecy is rife. Husbands don’t tell their wives what they make; they just dole out money for approved purposes. Working wives keep their earnings to themselves as well. Single mothers lean on boyfriends for help and may make their continued affection contingent on some form of support. Men who live alone make regular cash donations to their girlfriends. Thrusting monetary considerations into relationships of intimacy can lead to mutual wariness, even distrust. It is one of the many ways that life in the Missing Class is so delicately held together, even if it is clearly more comfortable than living below the poverty line.

With all these complexities and uncertainties, one might imagine that being near poor is a bleak existence. Not so. Missing Class families know far too many people who are genuinely mired in hardship to think that they deserve pity. In general, they see a good deal of promise in their lives. Comparisons with others who are in distress are always at



hand because the near poor live cheek by jowl with the real poor. Chances are good that the less well-off members of their own extended family are among the truly disadvantaged.<sup>12</sup> *The Missing Class* sees itself as a success story from this vantage point—albeit one hanging on by its fingernails.

To understand what inspires members of the Missing Class to work long hours every day, what drives them to seek a better life for the next generation, and how precarious their good fortune truly is, we dwell here on nine families in four New York City neighborhoods. For seven years—roughly 1995 to 2002—our research team followed their lives from home to work and from parent to child.<sup>13</sup> We interviewed the community leaders and service providers who tend to the Puerto Rican families of Sunset Park, the Dominicans of Washington Heights, and the African Americans in Fort Greene and Clinton Hill. We got to know the teachers who instruct their children, the police officers who patrol their streets, and the managers who supervise them at work. Most of all, we came to know the nine families themselves.

In many respects, they represent hopeful evidence of upward mobility. As this book shows clearly, the problems of the near poor are not the same as those who live below the poverty line. They are not living in socially isolated neighborhoods, working jobs that have no future, or standing on the welfare lines. They are as likely to stroll past the gleaming new espresso bar on the corner as they are to be frequenting the seamy check-cashing storefront on the other side of the street. Indeed, these are the families for whom the nation's promise of opportunity has actually worked. But did it work well enough? Have they graduated from poverty for good? The question for the Missing Class is not whether they are doing better than their counterparts in the income bracket below them. The question is whether the gains they have made will endure, or disappear in the maelstrom of an increasingly uncertain economy.