Under Pressure: The Squeezed Middle Class

The shrinking middle class...

% of population in middle-income households by generation

- Baby boomers: 68%
- Generation X: 64%
- Millenials: 60%

Between 20-30 years old

Jobs at risk of automation...

1 in 6 current middle-income jobs are at high risk of automation

A significant share are financially vulnerable...

40% of middle-income households are financially vulnerable - they are either in arrears, or would not be able to absorb unexpected expenses or a sudden drop in income.

How can we help relieve the pressure?

Taxes
- Lower effective taxes on earnings
- Expand the taxation of capital and large inheritances

Housing
- Build more affordable housing
- Help young people accumulate wealth

Skills
- Modernise vocational education and training
- Develop adult learning to improve workers’ skills (particularly digital skills)