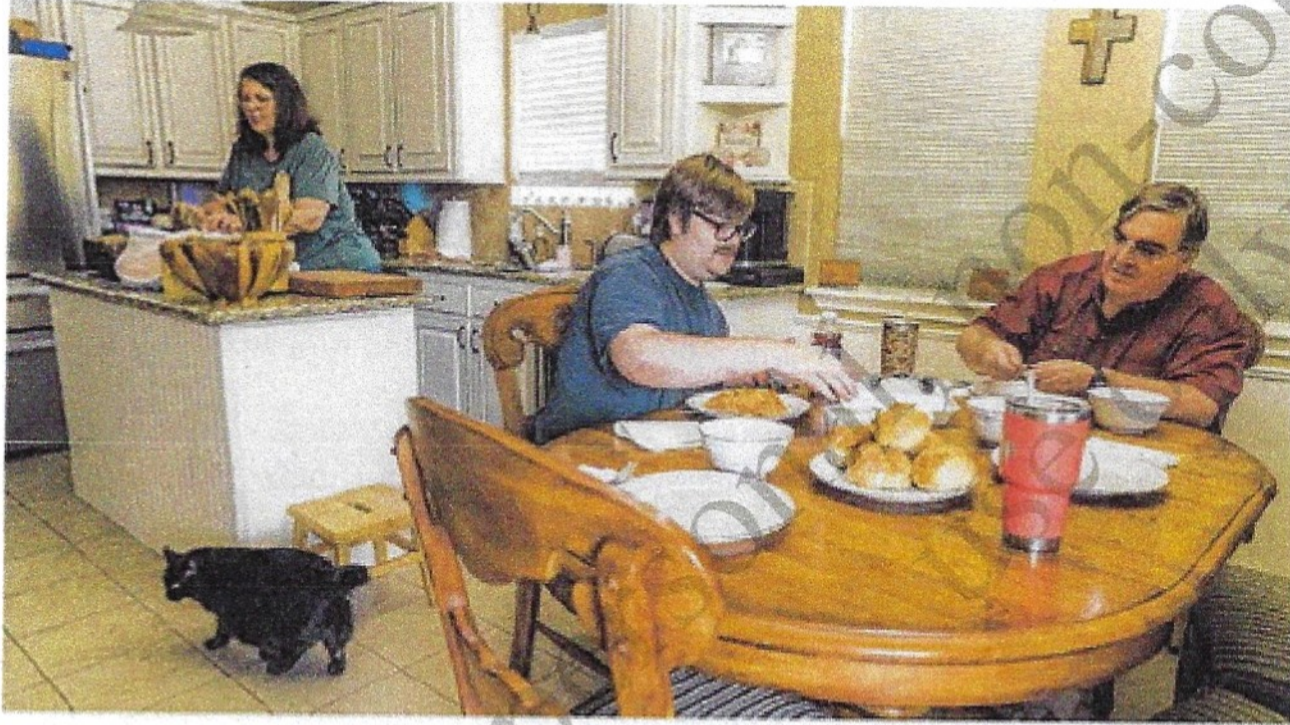


2026-4-6
ECO / GTK

image



'I view myself as an average Joe. I don't have to have a fancy car. I don't have to have the greatest TV,' said Randy Shilling, above right, with his wife and son. 'But when I want something, I go get it.' Gabriel Martinez, below, now can easily cover one-time costs. FROM TOP: JOSEPH BUI FOR WSJ, ANNA MARTINEZ



More Americans Rise To Upper Middle Class

BY RACHEL LOUISE ENSIGN

Randy Shilling went to public high school in Corpus Christi, Texas. He graduated from Texas A&M University with a petroleum- engineering degree.

For the first decade of his career, he lived in an apartment and worried about paying for vacations. Then, in his early 30s, he landed a job at a chemical plant that paid about 15% more plus bonuses, and life felt smoother. Around the same time, he bought a house on a golf course in the Houston suburb of Humble, Texas. Promotions and pay raises followed,

and he saved more than \$3 million for retirement. Almost without realizing it, Shilling ascended into the upper middle class.

“I view myself as an average Joe. I don’t have to have a fancy car. I don’t have to have the greatest TV,” said Shilling, who is 58. “But when I want something, I go get it.”

America’s middle class is becoming wealthier as more families scale the economic ladder into higher-earning groups. New research shows that the ranks of the affluent have grown markedly over the last 50 years or so, while the lower rungs of the middle class have shrunk.

In 2024, about 31% of Americans were part of the upper middle class, up from about 10% in 1979, according to a report released this year by the right-leaning American Enterprise Institute. Note - AEI

There is no single, standard definition of middle class, or upper middle class, and what counts as a hefty income in one city can feel paltry in another. The AEI report, by Stephen Rose and Scott Winship, classified a family of three earning \$133,000 to \$400,000 in 2024 dollars as upper middle class. Households earning more were categorized as rich. The analysis looked just at incomes.

The rise in affluence is powering a U.S. economy built on consumer spending, and transforming the types of products and services companies offer.

These tend to be the people buying \$1,700 bassinets that rock their babies to sleep, artisanal food for their dogs, pricey gym memberships, luxury cruises and spots on business-class airplane cabins.

These are also people who fret about the high cost of top colleges, and might still feel strained by rising expenses.

The gains span generations. Many baby boomers, born to parents who grew up in the Great Depression, are living well on their savings, aided by steady Social Security checks and decades of stock-portfolio gains that they can now tap. Millennials, who everyone worried would be permanently set back by the 2008-09 financial crisis, are earning solid incomes, buying homes and surpassing their parents.

Many families are surprised to find that they have moved into this new economic tier, and see themselves as comfortable, not rich. They tend to have jobs that are white collar but not flashy—think accountants, not tech founders.

This doesn’t mean that all Americans are climbing the ladder. Entrenched inflation and higher prices on major necessities have pushed many families closer to the financial edge, or locked them out of homeownership. Those costs weigh on high-earning families too, and for many are the reason they don’t feel wealthy. - Note

The AEI report divided families into five different groups by income. Three groups were in the middle: lower middle class, core middle class and upper middle class.

The authors found that more families now fall into the two highest-earning groups— upper middle class and rich— and fewer fall into the three lower-earning categories.

In 2024, about 19% of U.S. families were considered “poor or near poor,” according to the AEI report, down from about 30% in 1979. The report defined that group as a family of three earning about \$40,000 or less in 2024 dollars. - Note

The report’s analysis used the federal poverty guidelines to determine which group a family fell into. The economists considered a family earning between five times and 15 times the poverty guideline to be in the upper middle class— thus their parameters of \$133,000 to \$400,000. - Note

Upper-income groups are swelling because wages have grown faster than prices over time, especially for white-collar workers with college educations, Winship said. }

Married or cohabitating couples have a better shot at getting into the upper middle class—in part because they often have two incomes, and can split costs and pool their savings. More than 80% of people in the upper middle class and rich categories were in married or cohabitating households, the Urban Institute analysis found.

Gabriel Martinez's first job out of college in 2015 was in logistics and paid \$50,000 a year. The 34-year-old now earns \$180,000 a year at a big technology company after a series of raises and promotions, with bonuses and stock-based compensation on top of that.

Martinez went into debt to buy an expensive car early in his career. His wife, Anna, took on more than \$100,000 in student loans to pay for her master's degree. He downgraded to a cheaper car and the couple cut expenses—such as going out to eat or buying clothes—to pay off her student loans.

Together, they now have a flush emergency savings fund and own a 1,700-square-foot home in Boerne, Texas, a town outside of San Antonio. They tithe 10% of their income to their church and can easily cover one-off costs, like a \$4,000 medical bill from the birth of one of their two young children or a \$1,200 HVAC system repair. "We both grew up in households where costs like that were catastrophic," said Martinez, whose father earned less than \$40,000 a year working for the state of Texas. "I'm very grateful to live in a nation where I don't have to stay where my dad was."

Instead of worrying about paying for groceries, Martinez said, they worry about how to make sure their children aren't spoiled in a town where some teens drive luxury cars to high school.

A Pew Research Center analysis using a different methodology also discovered that the share of U.S. families in the higher-income group is growing. The analysis found that in 2023, 19% of Americans fell into an "upper income" group, up from 11% in 1971.

Pew classified upper income as those earning more than twice the median household income, so more than roughly \$200,000 or more for a family of three in 2024. While inflation-adjusted incomes grew substantially for all groups, they rose much faster for the well-off families.

"Everybody is doing better, but the upper income households are especially," said Richard Fry, a senior researcher at Pew. This group has also experienced particularly big gains in wealth thanks to rising home prices and a stock market that increased in recent years.

Even those who are happy with their own personal finances are often pessimistic about the broader economy.

Shilling and his wife, Nanci Shilling, who works in an accounting department at a different chemical plant, bring in about \$220,000 a year. He drives a 2015 Ford F-150 but splurged on an in-ground pool about five years ago.

Shilling thinks he undeniably is doing better than his own parents, who didn't go to college. But he isn't confident that son Blake, a 23-year-old student living at home, will be able keep the upward trajectory going. "I think they're going to struggle," he said of his son's generation, citing the current cost of living.

Copyright (c)2026 Dow Jones & Company, Inc. All Rights Reserved. 4/6/2026

Powered by TECNAVIA

The following is a digital replica of content from the print newspaper and is intended for the personal use of our members. For commercial reproduction or distribution of Dow Jones printed content, contact: Dow Jones Reprints & Licensing at (800) 843-0008 or visit djreprints.com.

