Just a Dream?

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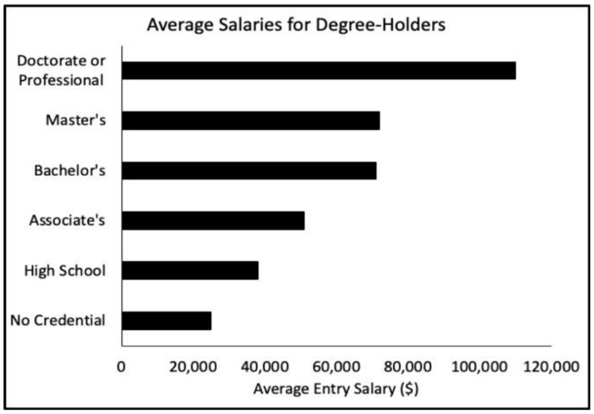
"I'm living the American Dream". This is the true pinnacle of residing in the United States, having the ability to become successful through hard work, opportunities, and some good old fashioned American freedom. The term was initially coined in 1931 by author James Truslow Adams in his book *"The American Epic".* However, that was over ninety years ago; is this so called "American Dream" still relevant? Growing up I was always grateful knowing that I lived in the US, and that I'd have a higher likelihood of thriving in my adulthood. Now that I am old enough to see everything through a different lens, I am unsure if success can still be achieved as easily as once before. Taylor Tepper (2024), a senior writer in banking and investing for the news outlet *Forbes*, dove into the data and spoke out his opinion in the article, "What Is The American Dream—And Can You Afford It?". Tepper explores multiple different categories in terms of their economic fluctuations over the past thirty years. He assesses them based on their price compared to one's income, then determines whether it has gotten cheaper, or more expensive. Some of these categories include family income, buying a house, and going to college. After looking through the data, he judges each category on whether the dream is still alive for it. In the end, he concludes that the American dream is alive, but it is incredibly close to succumbing to the ever-changing financial state. I agree with Tepper on most of his arguments and his concluding thoughts. I think looking at them economically is the most logical way to go about it; however, I believe that there is more to add before closing the books.

In the beginning of the article, Tepper explores the average family income and the overall health of the job market. After adjusting for inflation, he finds that the average family of four is bringing home an extra $22,000 every year compared to 1990. While this is a positive change, just because families are bringing home more money, it does not mean that they are or will be better off than before. We need to look at how the money is being spent and see if it is being used to better prepare themselves for the future. According to USA Facts (2023), in the article "Americans aren't saving as much as they used to", the US savings rate is approaching an all-time low. As of September 2023, the average amount saved per American was 3.4% which is under half of the September 1990 rate of 8.1%. This is a big deal for American families because, "households may have difficulty weathering an economic downturn or a prolonged government shutdown if they have limited savings" (USA Facts, 2023). Along with this, families will then be contributing less to their retirement accounts and relying more on social security. With the population density shifting more towards the older ages, there won't be enough young workers to maintain the needs of SS benefits, which can lead to failure. Many people believe that we are already starting to experience this, and younger generations will be unable to access it. Tepper includes that the "The overall job market also seems healthier. The unemployment rate is 4.1% now compared to 5.4% at the start of 1990" (Tepper, 2024). While this is also a good measurement of success in the economy, requests for unemployment assistance are still rising. In an article "More Americans file for unemployment benefits last week, continuing claims highest in 3 years" by Matt Ott from *AP News* (2025), he explains how Americans are continuously increasing the count of unemployment claims. Despite the strong unemployment rate, individuals find it challenging to land a job, forcing them to use government assistance. 1.9 million is the nationwide total for those in need which is the highest it's been since 2021. Tepper believes the American dream is alive and well when it comes to income. I agree with him, but I don't think that it is as good as he portrays it to be. Just because families are bringing home more money and the unemployment rate is low, does not mean that overall finances and the job market are holding a strong position concerning the past.

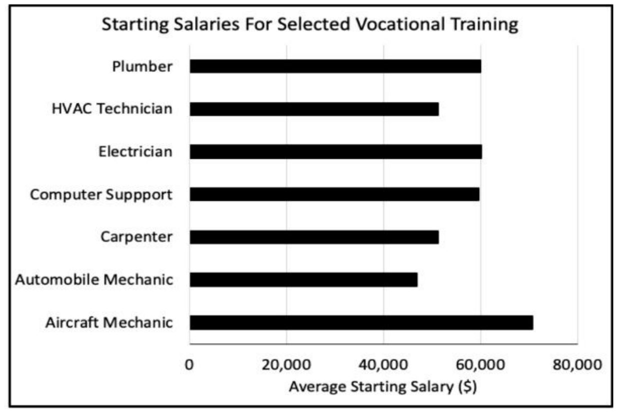
Next, Tepper explores the "pinnacle totem of the American Dream" (Tepper, 2024), which is buying a home. His approach to justifying his answer is basing the median home sale price with its respective income for the year. He deducts that "the average home cost about 3.05x more than the average income for a family of four in 1990, compared to 3.64x now." (Tepper, 2024). While this is true, there is a notable flaw in looking at it in this way, which he does address. The average size of a household has increased by a fair amount compared to thirty years ago. To combat this, I figured the most logical way was to compare the median cost per square foot of a home. This will rule out changes in size but will still show alterations in pricing. According to the article, "2023 Data: The Price per Square Foot for U.S. Homes Has Increased 368% Since 1980" by Sam Huisache (2023), the median floorplan in the year 2000 was 2077 square feet, with the median price being $138 per sq. foot. Compared to 2022 where it was 2383 square feet with a price of $192 per sq. foot. After calculating the difference, this shows a 39% increase in cost after adjusting for inflation. This $54 gap can be the difference of nearly $130,000 for the median house in 2022. One could make the counter argument that they used the data from the year 2000 instead of 1990 making it incorrect. But according to Wallach (2024), the ratio between salary and housing price was very similar. In 1990 the ratio was 4.14, and in 2000 it was 3.94. This correlates to the difference of only .2, or a minute 4.83% change. Using this, you can draw the conclusion that it would not have varied by much. While houses have become much larger over the years, the size does not offset the increase in overall price. Because of this, I am led to agree with Tepper in saying that the dream of owning a modest house in the US is much harder to accomplish than before.

In addition to purchasing a home, going to college is also a big milestone that a lot of people strive for in hopes of pursuing a better career. Tepper explains that the number of

Americans over the age of twenty-five that hold a college degree has more than doubled since 1990. Along with this, tuition for public colleges has remained similar, but the private sector has increased by 8% in relation to a family's income. His final thoughts on this were that "College attendants have higher career earnings, but also take on more debt" (Tepper, 2024), leaving it in a "generally okay" position. Despite the typical narrative that you need a bachelor's degree or better to live a comfortable life, trade schools are becoming extraordinarily popular and are constantly proving themselves to be a very viable option for secondary education. Trade schools are centered around a specific career and "usually requires 1-3 years of study while only costing about 25% of a traditional college education." (ASO 2023). Although the schooling is cheaper and shorter, on average you are more likely to earn a lower salary. However, this does not mean that it is an unmanageable wage. I went to a career fair a few years ago in high school and there was an electrician program that was recruiting. If you were accepted, you would go to school part time for two days a week and work the other three days for four to five years. During this time, the program would pay for your schooling, along with a wage of $22 an hour. Once your apprenticeship program is completed, you will become a journeyman electrician making $55 an hour with an additional $30 per hour going into benefits and retirement. While college is still feasible for the average American, trade schools are on the rise with how accessible they are, while still resulting in fantastic careers. The opportunities for secondary schooling are endless, which provides options for everyone regardless of your background. This is why I slightly both agree and disagree with Tepper's analysis that the dream for college is somewhat alive.



(Everything Policy, 2023)



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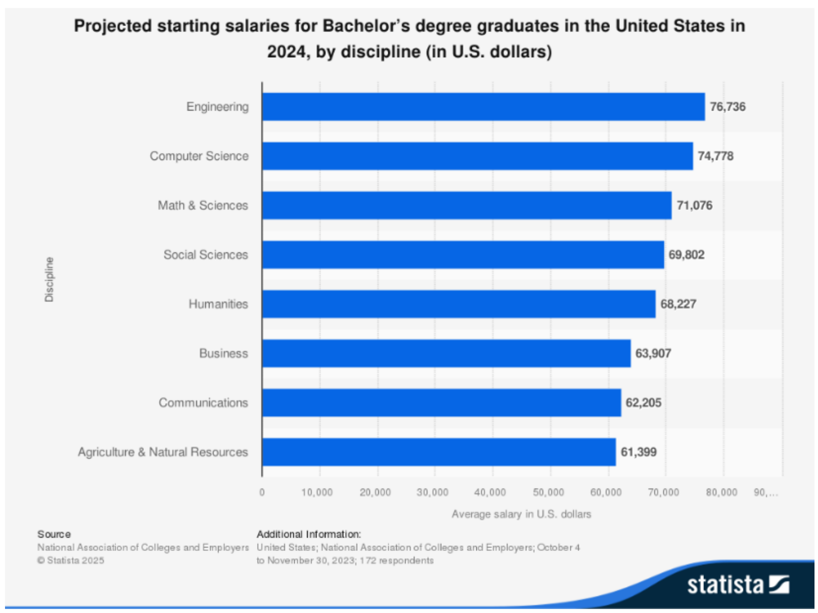

(Korhonen, 2024)

Although I agree with Tepper's arguments, he uses minimal data to draw conclusions. This does not always lead to a well-established opinion. After further looking into his claims that the dreams of having a modest income and going to college are alive, but buying a home is not. I have realized that the differences between 1990 and current times are not as drastic as people seem to make it. However, I have also realized that dreams of financial freedom, and desires for materialistic happiness are often crushed in the face of economic wide hardships. I often reflect on my dad telling my siblings and me that, given the current market, he doesn't know how younger generations like us will ever be able to afford to purchase a new house. The thought of that scares me, but I am hopeful that I will succeed through hard work, dedication, and making smart financial decisions. Tepper (2024) explains that "Just 53% of respondents to a 2024 Pew Research Center poll said that they could still achieve the American Dream". Ultimately, I think the sun is coming up, beginning to peak through the window blinds and we are on the verge of waking up from the American Dream.

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