

Defining 'middle class'

Is it a flush toilet? A cell phone? A shiny car in the garage? Experts use different factors to define the middle class.

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Even experts can't agree on what the middle class really is. Is it income, or the way it's spent? Education, or social status? Can salary denote more intangible characteristics of the middle class, like being cultured and idealistic? The answers are complex and imprecise at best.

"[In India,] there is no direct correlation between your studies and what you are earning, what you are earning and what you are spending, what you are spending and how you are spending," says Yashwant Deshmukh, an Indian pollster with Team CVoter. Instead, spending is sometimes a function of social insecurity among relatively poor families or groups. "Even if they have this much of earning," he says, pinching his fingers close together, "in order to buy that kind of social equality they will spend." For example, the most luxury cars are sold in the debt-ridden state of Punjab.

In China, most analysts and economists use criteria such as disposable income; occupation; education; and home-, car- or stock-ownership, and end up with largely white-collar workers.

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Brazil's middle class is more modest. "It's a world middle class," says economist Marcelo Neri – one you'd find if you lumped the world together and then divided it into rich, middle class, and poor. "Being in the Brazilian middle class is to be able to consume what public services offer – education, health, social security – but with better quality in the private sector. It also can mean having a car, computer, access to credit, a cellphone. The main symbol is formal employment, a work contract."

But even comparing the relative value of salaries is complicated. If you earn \$100 a day in China, where dinner costs \$5, how does that compare with a Brazilian who only earns \$20 but can fill up on a \$2 meal? To even out the numbers, economists use purchasing power parity (PPP), which is basically how much \$1 will buy in that country. But even then, economists can't agree. Some define the middle class as those who spend as little as \$2 a day in PPP terms; others go as high as \$100 a day.

What's important is how the purchases, perspectives, and pressures of this loosely defined global class are shaping the future.

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