

Workers struggle to cope as pay gap grows

By Rich Miller and Michelle Jamrisko, Bloomberg

Rising income inequality is starting to hit home for many American households as they run short of places to reach for a few extra bucks.

As the gap between the rich and poor widened over the last three decades, families at the bottom found ways to deal with the squeeze on earnings. Housewives joined the workforce. Husbands took second jobs and labored longer hours. Homeowners tapped into the rising value of their properties to borrow money to spend.

Those strategies finally may have run their course as women's participation in the labor force has peaked and the bursting of the house-price bubble has left many Americans underwater on their mortgages.

The result has been a downsizing of expectations. By almost two to one – 64 percent to 33 percent – Americans say the U.S. no longer offers everyone an equal chance to get ahead, according to the latest Bloomberg National Poll. The lack of faith is especially pronounced among those making less than \$50,000 a year, with close to three-quarters in the Dec. 6-9 survey saying the economy is unfair.

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