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George Kuney

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Student Discussion About Money and the Middle Class¹

**The University of Tennessee
College of Law**

Spring 2006

[Moderator:] Ms. C you said you wanted to get started early. So the general discussion here today is money and, maybe, just to start with, how about a show of hands, how many people think that they are part of the middle class? (Everyone on the room raises their hand.)

I don't feel like I make middle class income but I feel like I live a middle class lifestyle.

[Moderator:] Okay so middle class means something different that just how much money you make?

I think so.

[Moderator:] Okay anybody, I mean what is the middle class, what is it to be middle class?

_____, 30, African-American, female, 3rd year law student. To me I think being middle class is more than just a net worth that you and your family have, I think it is also a mentality and a mindset that comes into play with it. And I think that mindset impacts how you choose to

¹ This discussion group was moderated by George W. Kuney, W.P. Toms Distinguished Professor of Law and Director of the James L. Clayton Center for Entrepreneurial Law.

spend your money, how you choose to invest your money, and basically what you do with your money.

[Moderator:] Could you be more specific, like examples, what do middle class people do with their money?

I think middle-class people value home ownership. I think they value having a good credit score and maintaining their credit. I think they value a family vacation that you plan for; I think their um somewhat less likely to be as spontaneous with their spending and I think they would likely have a budget.

[Moderator:] And you consider yourself to be part of a middle class family?

Yes.

* * *

[Moderator:] Anyone have contrasting view points or agreement? (Silence)

Um, ____, 26, white male, 1st year law student. I agree with her but I think both lower class people and upper class people as far as income levels tend to be more spontaneous with their money than middle class people. I think there's a sense of you know middle class people have enough worth protecting but they don't have enough to go crazy.

[Moderator:] And on the lower of the spectrum?

I've lived on the lower end and it's harder to be worried about it, it's like oh well it's my last buck anyway I might as well have fun with it.

* * *

[Moderator:] Okay, are there any different views on...

I'm D___, 2nd year law student, 23 year old white male. I think it's also like a whole package deal; it's like the whole middle class American dream. M___ mentioned home ownership also the idea of a family vacation—having a couple of weeks to get away, take one or two of weeks of vacation time. The one thing I haven't heard anybody mention is, like, good public schools and in some cases, like, affordable private schools, but, like, a good public school system is really important, taxes tend to be a really big deal like property taxes use and sale taxes, and stuff like that. M___ already mentioned this too home ownership, like in a nice safe, secure type area you know, like a good neighborhood, good schools, kids play soccer.

* * *

I'm a 28 year old, Arabic-American, single mother from Tennessee, grew up in Tennessee. Going back to the middle class mentality, I think ah, I think how you grow up has a lot to do with how you spend money. If you grew up, you know, valuing those things in life and not caring so much about how much you spend, even later if you don't have that much money you still tend to try to

spend it the way you used to spend it, if that makes sense, but um going back to uh, just uh that whole mentality I think a lot of it has to do with how you were raised.

[Moderator:] Well if I could take off on that point, what do you remember being taught by your parents about money?

Well my mom and dad have different views of money and that also comes from the fact that my mom comes from a very, very wealthy—was raised in a wealthy household. Whereas my dad, his father died when he was in medical school and, ah, he had to struggle a little bit more so, um, they have different views of money even 'til now. But my mom always, um, never, never really wanted to deprive us of things. She used to say, "I want to compensate for those things because you know you are not out with the bad kids you're not doing all these other things so I want to somehow compensate that and try not to deprive you of the things that you want," and, so, after you get used to kinda growing up like that and, ah, you know taking vacations and things—and even later, if you don't have the money to do that, you are still doing it you know because you know that's just what you're used to.

[Moderator:] What was you dad's view? You described your mom's view.

I mean, exactly, my dad was not, was not so much that way and it seems, um, as he's getting older he's kinda

regressing to the way he grew up. I mean there was a period when I think also with the economy and the stock market like things were better, ah, and he was more likely to spend money and I think my and my mom wasn't like that from day one. I mean they didn't start out that way when he was still doing his residency they were living in the housing from the hospital and it was little money for a family, um, of 3 or 4 but, um, and later on like she kinda got him used to, you know, spending. This is really, you work to live, you don't live to work basically so but as I said as they get older it's kinda my dad is regressing and it's like he lost a lot of money in the stock market, a lot of people did and it's like, um, kinda like more difficult now.

[Moderator:] I was going to ask you, based on all that, what do you want to do in terms of money in your life, going forward, what are your goals, if any, in regard to it?

I mean I, again, I want to work to live, I don't want to just you know accumulate acquire more wealth and acquire more wealth. I want to be able to spend the money and be happy and it's kind of difficult cause I want to live in the DC area and the DC area is very, very expensive. You know logically, like, I think like how could I afford to pay \$1400 for a 2-bedroom apartment you know but at the same time it's like, that's where I want to be and I still want to live there and I still want to buy, you know, I still want to buy the purses that I

like, I still want to do all these things and I guess like in the end I'm just not going to have a lot of money saved up, so I guess I'm not looking so much long term but, again, I want to use the money—I want to work to live, to live well.

I understand.

* * *

[Ms. S, the original speaker resumes] Could you say that whole introduction thing again?

[Moderator:] In terms of what are you looking for money-wise? Monetary goals or things that relate to...?

The whole thing about the parents you were talking about, like my parents divorced when I was 5 and I wanna say that my parents never taught me the value of money. I was an only child, so it was “get M__ what she wants keep her happy, yay, yay, yay.” So it wasn't until I was about to graduate from college that I realized I've been going to private schools my whole life and my mom made less than \$20,000 a year, so that's when I realized oh there's this thing called money and I'm poor, I'm not what I thought, what I thought I was growing up at all; so I got—well I won't say obsessed, but for me—I'm always thinking about the future and I'm thinking about when I die, when I get married and have kids I want my kids to pass money on to their kids so their kids can have money. So for me, my obsession is with money, you want to

have nice things and enjoy them cause you can't take it with you but I want to leave some for the next generation so they are not starting off trying to struggle themselves.

[Moderator:] Do you feel any ill will towards prior generations for not having left you with something?

No, I just wish that, like my mom still can't do a budget. And so I'm like—she's like “you know I can't,” I said if you would get a budget that I see every week it would be okay but she doesn't follow the budget, so it's more frustration and it's kinda a little bit of anger because I know they haven't thought about their retirement, and I'm the only child so it's going to fall on me to have to take care of them, and there's a little bit of resentment there—but it's not that time yet, so it's okay for now.

* * *

Um, getting back on like the subject of what is middle class—I'm sorry I'm C__, I'm a 1st year student from Atlanta, 23, white male. I think it's like a general feeling of being average in your daily life, you know? You wake up every morning in your 3 or 4 bedroom house, um, you get in your Toyota Camry, you take your kids to school; you get passed on the left by a Pinto, you get passed on the right by a Mercedes; you drop your kid off in at a public school that you know has pretty good teachers, then you go to work. You get your messages from your secretary and instructions

from your boss, then stay at work all day, then it's time to go to dinner and you go to Chili's, you drive by the really nice place, but you don't stop at McDonald's. [It's] just this feeling of being in the middle at all times, somebody above you and somebody below you, and that's like the middle class.

* * *

I wanna jump back a little bit, my name is Me__, I'm 31, a 2L. Um, M__ touched on a point that was very similar to mine. I mean I was raised in a single parent household, my parents divorced when I was in the 6th grade, my mom was one end of the spectrum, my father was on the other side.

[Moderator:] Which was the custodial parent?

My mother. My mother did not save for nothing. When she gets money she spends it; my father he could actually save a 5 dollar bill for months and still have change left over. So, it's like, with my mom, she taught me just by looking at how she would spend money, my mother is now at retirement age, she can't retire. I mean she's disabled but she still has to still work cause she doesn't have anything for to retirement, in a way she's expecting her kids to take care of her. I'm in law school and she still expects me to send money to her; it's hard for me to do that, looking at her has made me realize, I do not want to be in a situation when I'm 55 years old.

When I got my first job, the first thing I did was went and got life insurance and I started me an IRA account and a 401k, I said I do not want to be 55 years old and still trying to figure out how am I going to live when I get to be retirement age or do I have to depend on my kids. So I think in a way it is good that I look at her as an example cause that's not what I want to be. I don't want to be like my father either, you know being a tightwad with money, but I do want to get the things that I want, but the way I look at things, like I see stuff that I want and I keep looking at it 'til it goes down in price, I don't just buy something on a whim and don't have to think about it. So to me I value money so much, you know, with my parents I was in the middle class but then they divorced and I started having to do things on my own, I mean I got my first job when I was 15, and here I am having 2 to 3 jobs in the last 10 years, you know, I'm willing to do what I have to to get the things I want without having to depend on somebody else, cause I don't want to ever be in a situation where I have to depend on somebody else to help me survive.

[Moderator:] I understand. A quick question just on the benefits coverage: do you have disability coverage?

Yes I do. I made sure I got that too.

* * *

I would just like to comment on the parents and middle class. My name is

J____. I am a 2L, 22 years old, African-American female, I come from a family of 4 I would definitely consider us middle class. I have parents that have been married for, like, 24 years now, um, and I have a younger sister that's 19 years old. Uh, the one thing that our parents always taught us was the value of a dollar. We were the kids that like, didn't just have stuff handed to us; we had an allowance, if you did what you were suppose to during the week you got your allowance and where as most . . . I went to Farragut school systems from kindergarten 'till I graduated. Most of the kids at Farragut were, like, "hey my parents give me 50 bucks a week and for every 'A' I pull on my report card I get 50 bucks and for every 'B' I get 40" etc. For us it was, like, "you get \$5 a week"—your whole allowance for the month was a total of \$20. And it was [that] our parents wanted to teach us that you had to work for what you were getting—it just wasn't handed to you—and for us to get extra money, we could do extra chores, etc. But, I mean, if we went out somewhere it's like "mom buy me this," [and she would respond] "don't you have money? Where your money?" and we were taught that we were given our own money and we had to learn how to manage it and spend it for ourselves. I think that that's one of the aspects of middle class—if you're upper class you have extra money just to throw around; if you're lower class you just need to survive; if you're middle class you kinda have leniency—you can get by on, like, a smaller amount but

might have extra money that you could pull out if you wanted to, but you just don't. Like in my case, because my parents raised us like that, we'd always ask for extra money, [and they would say] "well we don't have it; where's your money?" and now that I'm older I'm starting to realize that my parents have a heck of a lot more money than they ever let on to. But it was just how we were brought up, I mean, I'm older and I just recently got divorced, actually, so if I need to go to mommy and daddy for help, since I do live with them, I can, but I mean growing up it was like "hey, I need money for xyz," and that was just bull—"you just go get a job."

[Moderator:] It sounds like their net worth or their income came as a surprise to you, what was your reaction to being surprised?

I was like I've been cheated (laughter).

[Moderator:] Really? I mean is that how you feel?

No, I mean like you go to—um—we live in a very nice neighborhood, we have fairly decent cars. At Farragut, you know, all the kids were like "oh, I'm getting my learner's permit next week and I already have a car." In my case it was about my 17th birthday and my parents got me a car—which I still feel like beyond fortunate for because I had friends who were 22 the way I am and they never actually had a new car and just bought, like, their very first here

recently—so I feel beyond fortunate for that, but I can remember my very first car: it was the end of my junior year I got a brand new Mitsubishi Eclipse and it was brand new, but it was like the baseline model, and everybody was like "ooh, J__ got a new car, she got a new car," but then they went outside to look at it they were like "uh, it doesn't have power locks or power windows" (laughter) and I mean it's funny because I always felt fortunate for what I had, but I always thought that when my parents said "we don't have money" and "this is the most we can spend" they really meant it, and I know, too, I mean, they possibly have more money put away for future investments, maybe for me and my sister later on, who knows, but when you finally figure out they had more money than you expected you're like dang we're loaded.

It's a dirty, dirty trick (laughter).

[Moderator:] Would you play that trick today on your kids?

Actually, I probably would because I've learned the value of a dollar. I've learned how to manage my money. I've learned how I can have nice things but still have money put away. I know how to work for my money; I know how to keep money in checking and in savings; I know how to not go out and just blow money. Like, if I go out and I find a pair of, like, Chanel sunglasses or something that I think is, like, super cute, I don't need to go and drop like—I don't even

know how much they cost like \$200 or whatever—when I can go to Kohl’s and get a pair that looks just the same for \$10. I know how to get the necessities and get the necessities that are nice without going overboard.

I was going to say, I’m A__, uh, 36—I guess, um, white male.

[Moderator:] And a parent?

Yeah.

[Moderator:] Actually how do you react to what you just heard about parent’s secrets?

Oh, that’s right on. I mean as far as I’m concerned. I guess both from my experience as a child, as well as my experience as a parent, I would absolutely do that as a parent, um. I guess jumping back a little bit: one of the things that it seems to me defines middle class is a sense of mobility—a sense that on the one hand there’s some amount of mobility depending on what you do with your resources, your talents and so forth, uh, that you know [that] if I work hard, I can move ahead. You know maybe not move into the upper class—but certainly, you know, better my situation. I think there’s also a sense of some amount of insecurity that, if I don’t do well with what I’ve got, I could fall, you know, and that’s, you know, I guess it’s somewhat similar to what Ch__ said a little bit ago, you know, this feeling of

kinda being in the middle. But to me there’s that aspect of mobility.

[Moderator:] When do you jump into upper class, just in current dollar values? How do you measure it?

You know, I don’t know. I mean, I guess I don’t feel like I’ve never really been there, so I don’t really have a sense for what it is. Just to tell a little bit about my experience: I have sort of a twisted history with money but, probably everybody does. Um, my father was a dentist—an orthodontist—had 4, uh, 3 sisters and a brother so we were very well off. And then my father died of a heart attack when I was 10, um, 4 of us were still home. My mother had never worked, uh, while I was alive, um, and one thing that we discovered at that point was that while we had really been living very well, my father had not really been putting money away like he could have. I mean he didn’t see this coming and didn’t really prepare so much for it. And, so, all of a sudden there was this real sense of “oh my gosh,”—you know were we go from suddenly feeling very secure and well off and we have a good life and so forth—to this feeling of “we’re really insecure”—and we lived in this house where you know is way to big and expensive and all this kind of thing, and I think my mother especially felt that and really transferred that sense of insecurity to us. Like I got a paper route when I was 10 you know and worked constantly after that you know because my sense was if I want money I gotta

work because you know things are insecure and all that. At the same time my mother sent us to private colleges and this kind of thing and so there was this real sense of “do we have money or do we not” and “what can we afford?” and “I’m not really sure where we are.” So I think one of my strong motivating factors for me is to really, I guess, undergird our family with a sense of security: you know, we’re okay, we have savings, we have retirement savings, you know we have money saved for our daughter to go to college, and at the same time, you know we’re pretty strict about allowance and what we expect from her and that kind of stuff.

[Moderator:] So, first of all the allowance, what’s the allowance?

Uh, her allowance is \$7 a week and then she has certain things that she is expected to do and if you know assuming she meets those expectations she gets the allowance.

[Moderator:] Opportunity for her to do extra chores?

Yes.

[Moderator:] And what kind of targets, you talked about security and “enough” and what’s “enough?”

You know that’s um, hummm, um I don’t know if I have an answer to that. I think that’s something that a family has to determine, at what level do we want

to live at, you know at this point, and maybe beyond our working years and then kinda, you know, try to do the math and you know invest and save so as to be able to live at that level.

Views from somebody else who has experience with kids?

* * *

Yes, A___, 34, mother, 3L. What I think is most interesting—and I see this in my children as well—is that they have this feeling and I heard this from people here as well is that what their parents have is theirs and it’s been one of the hardest things—we have children that are grown and in college—to convince them that, “you know, you can always have what we have, we work for what we have and when we started out we certainly lived check to check.”

We have a child with disabilities. We struggled. I think that’s character building and I think it’s an important thing for people to go through, and our adult children really feel that that’s wrong. They see these other kids have who are on these outrageous—my daughter’s boyfriend gets \$300 a week and he’s at college, all of his living expenses are paid, and that’s really party money, and so they come home and we’re like, “sorry about that, but you know it’s not going to happen.”

[Moderator:] What does she say to you about that?

She says—well, see, cause she’s very smart she doesn’t ask—[she says] “you know Shane gets \$300.” I’m like, “well that’s fantastic for Shane.” Shane is a miracle baby.² I will say that he’s in a whole other category of children so, um, I think that, um, if we look at our children as a whole we’re doing a poor job of instilling them [with proper values and expectations] because we do . . .

[Moderator:] “We” meaning “you and your husband” and not “society as a whole?”

. . . Yeah, me and my husband—in that they do get a lot of what they want, and, you know, they have a very few, in my opinion, things that they have to do in order to get them, not sure how good it is.

[Moderator:] Does it disturb you enough that you want to correct it or is it something that you think you have to live with?

No, no. We—since the older 2 unfortunately have turned 18—and it’s changed the lives of the other ones in the house ‘cause we say, “we’re not going to make that mistake again” and they’re kinda like “she got it, she did this but clearly that didn’t work well, you know.”

² [By that she meant that he is an only child of older parents, probably conceived through use of fertility treatments.]

[Garbled statement by another student] it works both ways, to be argued from below and be pointed out from above.

Right, exactly, and, you know, I noticed our children’s viewpoint is that we are rich and they’ll tell people we are rich . . .

[Moderator:] What are they pointing to when they tell people that, what are they pointing to?

You know the house they live in, I don’t know, I’m not really . . .

[Moderator:] Is it just stuff?

Oh, it’s absolutely stuff.

[Moderator:] Is it consumer stuff or long term investment stuff?

They have no idea about long term investments, they have no idea. And, because we do have a child with disabilities, most of our planning involves her and our philosophy is that the other children will get a wedding and college and the rest of it goes to her because she cannot work for herself. And we had, our oldest daughter actually asked us about it, and we told her “you know you’re not going to get it, sorry.”

[Moderator:] How old was she when she asked?

20, and she was appalled. She didn't see that was fair, the fact that she had a sister with a disability.

* * *

My name is N___, I'm a 27 year-old white male who grew up in upstate New York. I'm a 2L here. I don't know, I was listening to what people were saying—thinking of my own impressions—and kind of boil it down to, like, for me like what middle class means: kinda like it's suburban I mean what I always imagined as middle class, what I always felt what I grew up in and, to be honest, in New York, suburban meant that you were white I mean that's just the way it was were I was.

I grew up in a high school where there weren't any black people like period. There were maybe one or two, uh, minorities and everybody else was white. So my first experience with anybody of ethnic diversity was in college and—oh, I think someone said something about a fine line rich—it's a source of pride, I think, when you're, when you're 11, 12, 13. I remember thinking, well you know, "I live in a nice house" but I knew kids who had the nicer house on the lake and, uh, it is about savings and my parents, like a couple of other peoples' parents hid, you know, like J___'s parents, completely hid their money from me.

I mean the first time I had any inkling of how much my mom made was went I went to apply for a credit card and she

wrote it [the amount of money she made] down. You know, here's to cover me until I could get a credit card 'cause, you know, I was 18 and she wrote it down and I was, like, "you gotta be kidding me." I mean it wasn't like that big of a number but it was so much more that I really thought, you know my family never bought—well my family's bought 1 new car—my dad is completely anti-new car. He grew up on a farm, you know, potato farm, you know, in New York and—ah, you know, \$1,000 drops off a car as soon as you drive it off the lot; lose \$1,000 in ten minutes? That's ridiculous (laughter).

So there's that mentality of savings. I mean it is, it's a status thing and what's interesting is it's a comfortable mentality. My mom worked for the same company [building up] savings; my dad is a minister—he didn't make that much—but they saved, they put maximum on pension—everything is safe, they're taken care of and they were both able to basically retire when they were 55. The amount they actually have saved up put them in a very high category but the way they live, um, is a minimal amount cause they want, they're very safe.

I mean, ah, I'm gonna get married to this lady right here, her family lives in Knoxville and I've spent a lot of time with her family. Her mom is a really successful executive, has built up her own company, and—you know what I was gonna say—it's the same way and

there's a different, ah, there's a different monetary outlook from our two families. And one thing I noticed in my family—talking about how my mom approach situations at work—and it's very safe and almost nonconfrontational, whereas her mom is going to break your balls and “I'm going to go out and conquer the world,” you know, and “I don't care I'm going to do this; if I don't know any better, I'm just going to go out and do it” and, you know, “if I make a ton of money, that's awesome! I'm going to spend it,” it's like it's, it's, it's, it's not reckless, but it's risk taking and in my experience middle class is very much about not risk taking.

[Moderator:] So would you classify your family as middle class?

It's funny, when you asked at the beginning, I was thinking about it and I'm like “okay, yeah, I feel embarrassed,” and I don't know why, but I think part of the distinction between middle and upper is—there's degrees obviously—but there's choices like we really have that many limits like—we go on vacation in Africa if we wanted to or we could go to Gatlinburg (Tennessee) like we don't necessarily do everything to the extreme every time but when we could do whatever we wanted to. And I think that the difference, distinction between middle and upper is the choices that you have—the limits that you have—you don't necessarily have to live in a million dollar house but you can.

[Moderator:] Tell me—I don't want to break you up before you get married—have you folks given some thought to how those attitudes are going to work out as you forge your life together?

[His fiancé responds.] Um, yeah. I mean, fortunately my mom is not always very successful—I mean my parents were together when I very young, we didn't have hardly anything and I would say we were probably lower class. Then when my mom's business started taking off and we were middle class, suburbia. We had a couple of cars and I have a little brother and we're all practical, and then, um, she took her company public and it exploded and even then, around junior high time, I had no idea how much we had or anything. I mean, we started living in bigger houses, but I still didn't know because my mom was very strict as far as money went—I mean she never had money and we grew up . . . this is all very new, there was this empathy the whole time when she's kinda in disbelief the whole time, so it's only since I went to college that I was kinda like, “oh, here's money” and, so, I think she went a little overboard, 'cause I don't know how much she's saved. I mean I don't know what she's doing, so I'm a little freaked out about it sometimes, like “Mom you don't have to buy the best just cause”—that's, I mean, they're building a house now on the lake and they're just like going crazy on it and I'm like, “you are going to have to

sell it as soon as you build it you know,”
so...

[Moderator:] Because?

Because it's like so overboard now, they have a mortgage on it and are just going crazy, um, so I think we both see a middle ground.

* * *

I'm S__, I grew up in Loretta, TN on a farm. So I very much identify with your dad—I don't really see—I'm 26 years old and in school, my last year, whew—I don't really based on all the definitions we've had on middle class—I don't think my family fits into any of it: we're not lower class, we're not upper class, we're just kind of the [family name] on a farm. I was put on a contribution matching plan at 5 and all the money I put in the bank, daddy would match dollar for dollar—until my brother—who is 3 years younger than I am—broke him because he would put in every penny he found: he would connive it out of me, he would steal from the grandparents—you know, walk in all cute and say “I need \$10”—and then put it right in the bank and daddy would match it—maximum 10% type thing there. My college plan was cows and so daddy would buy cows with my money and I couldn't sell them until I turned 18. He could sell them and reinvest in another cow but I was not allowed to touch the cattle for my own personal Nikes, Guess, whatever . . .

[Moderator:] Did you assist in raising the cattle?

Yes, that was part of the deal: that money to us was a tool and it's not really a status issue. We don't say it's not nice things—we don't take nice vacations because that money could be put into a cotton crop and then we're going to double that money and then here comes a crop next year and so to us everything has a cost benefit ratio and I don't, there's no dollar amount to me that makes me feel safe. I don't plan on retiring cause I like working too much. That's part of the cattle thing, we had cattle but that meant on Saturday mornings I was fixing fence—except in August when I was cutting hay and driving the truck—and there was all these sorts of things you know your dollar can work for you or against you and you can put in the a bank and earn 3% or you can put it in a cow and we'll sell it next week for \$200 more and so there was this kinda association that money can work for you and that's really the bottom line goal.

When I was a kid, when I was 5, we were very poor cause they had just bought the farm and they built a house and for Christmas I got sheets and I was really pissed off about it and I didn't understand why Santa Clause has jipped me so much and, so, then later—we've lived in the same house since I was literally 5; they've paid for that house 4 times over but they haven't done anything to it—when I left for college,

first thing my mom did was got cable and that pissed me off too. I was living at home and I wanted cable, I mean, seriously, and you know now she has a hot tub. My mom has gotten to this thing where “I’ve worked hard, I’ve earned it, now I’m going to blow it”—not blow it to the extent that you know she’s maxing out credit cards or whatever, but she will, she has these little 10 hour a week jobs that she does 3 of and she works for the farm and my brother has a chicken house and she does stuff for him and she’ll save up and the next thing you know she’s driving up in a new truck that she paid cash for and I’m like “where in the world are you working and why am I in law school?” and so there’s kinda this idea that if you work hard and you earn it, you spend it how you want. But because of the work we grew up doing you are real careful before you lay down a dollar for something cause that means that you had to shovel a lot of barn to get it and so everything has that cost benefit to it, and we don’t have limits but we do have limits, so we don’t really have the priority.

When I was little, I didn’t get Nike’s ‘til my feet stopped growing for 2 years, mother was like, “I’m not paying \$60 bucks for shoes that you will outgrow next week.” So when I was in the 8th grade, I got ‘em and you know I got ‘em from the store ‘cause I had a budget and she gave me \$100 for shoes and if you want to spend \$110 then you come up with 10 and if you spend \$50 then you

had \$50 left over and so at that point I had learned that there are differences and that sort of thing. It’s kinda, all these different labels are really interesting to me because at my house everything literally had a cost benefit and it extended to paper and school and classes and what do you give for what you get back and how you’re most maximizing your input.

[Moderator:] How does that—going forward—what does that do to your view? What you want how do you want to get there as it relates to monetary rewards?

I think money is a tool. Money to me as far as salary goes—like lawyers are suppose to make big money—I don’t know, I don’t know—I’m not really as desperate to get a job working for a firm because I don’t want to be in those confines where I have to do what you tell me to do and I will get a maximum of whatever. I would rather spend my time and work very independent. My family has this saying: screw you—and that’s kind of our philosophy. We’re very independent and we want to work hard and work smart and work effectively and think of new ways to do with new issues and so there is no dollar amount of success—money to me is a representation of how hard I worked and how smart I worked instead of what I have to have to eat and so moving forward I know I’m going to work til, I’ll kill over doing something—but it’s really expanded my options and it’s very

freeing knowing that, if push comes to shove—as Hank Williams so eloquently put it, I can skin a buck and run a trot line, and so eating is not a problem—I mean I know I’m not going to go hungry. I know that I’m going to have a roof over my head. I’ve got family that loves me, but I do have the ability to work smart and hard and as much or as little as I want and so, moving forward, money to me is a reward to invest in other ways to keep doing what I like to do.

[Moderator:] Does your brother share your views?

He shared my views much earlier, not necessarily on the shoes and the clothing but when he graduated high school, he’d worked for 2 weeks at the co-op there in Lawrence County, the Sack and Seed, and they told him when he could go to lunch and it just didn’t set well with him so he said “screw you” and he walked out and went out and started pursuing other things. We’ve always been on salary, as long as we’ve been on the farm and working, so daddy—he’s a sales rep. also—and he isn’t there all the time so when my brother got to where he could plant and fix and haul cattle and, you know, do some things that otherwise daddy would do, they put him on salary so he had other things to do. So he had that flexibility until he could find something a little more permanent and he went out and sought something that’s very independent you know, really he can make or break, and came up with a

chicken barn. So he has a chicken barn for, I think, 20,000 chickens—I mean he gets bonuses based on how much he wants to put into it. Um, when he was building a chicken house they were going to charge him, I think, \$10,000 to come in and haul the rock for the base and he found him a dump truck in Lexington, Alabama for \$2,000 and could buy it for one, then turn around and run rock routes for everybody else to pay for his rock ten times over at the \$10,000 rate, so he just had this opportunity to make money: then let’s go with that instead of just spending it because somebody told you that’s the way to do it and, I mean, it’s worked pretty well for him. He paid for his own house, bought land.

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I’m 24, a first-year [law student] from Delaware. My brothers and I—I have 2 brothers we were all raised the same way—my parents provided a baseline for everyone. We never struggled for anything but when it came to getting cars, we had the option they would buy all 3 of us a Honda Civic, if you wanted something different you had to pay for it. I wanted something different so I went a got a job and paid for it.

[Moderator:] What did you get?

I got a—I wasn’t very different—I got an Acura, not a huge difference, but, ah, they would provide that, anything else, clothing we would go shopping twice a year—and you could do, if you wanted more, you could get a job and go buy

it—and so my brothers, well all 3 of us, were raised the same way but I was always one to go get a job, get a different car, save money. I was a big saver. I am still a big saver. I invest, I save. Whereas my older brother will blow through money, will live off my parents for as long as he possibly could—continue to live off my parents as long as he possibly could—he got a job that pays extremely, extremely well, blows through money, gets different cars constantly, always changing, his whole income, like, gone, always. We were raised the exact same way but we went on two totally different paths in the way we look at money and appreciate money. It still baffles me. I'm not really sure what happened on that.

[Moderator:] And just how do you feel about your brother? Tell us how you really feel.

Well, I just think it's wasteful. It's so frustrating—because I would love to see, I mean, I would like him to think about the future. I also went to graduate school and, you know, thought about the long term, whereas he got a job out of college, you know, doing money management so he's always—he's a broker—so he constantly—like, when I invest, even, I'm looking for more stable things, whereas he is doing the quick buck, the quick turnover, it's—it's amazing.

[Moderator:] You seem to feel like he's somehow let you down in some way by doing that?

I don't know if he's necessarily letting me down. I'm just so amazed by it, I guess, in my current situation, I'm living off my loan money and I'm extremely frustrated because I'm poor and he's just blowing through all this. I mean it's his—he can do whatever he wants.

[Moderator:] When you see on the Oprah show or whatever, about people going on a debt diet, and you see these people who have maxed out their credit cards, do you feel frustrated with them?

Yeah, I do. I think that's a big middle class thing. I know a lot of people like that, that have a lot of debt. They pay the minimums on credit cards just to have that façade of “this is where we are.” I'm sure they “own” their home—but it's mortgaged to the hilt, refinanced . . .

It really goes back to what you said earlier, like, how much is enough? I think one of the tenets of middle class life is, like, always trying to get more, living beyond your means. I guess just, like, how much is enough? Well, I mean the average American has 8-10 thousand dollars of consumer credit card debt, and then you here these stupid bank commercials that recommend you take out a home equity loans to buy a new plasma screen TV—and because it's home equity you just taking it against

yourself—and so I think one of the staples of being middle class is just rationalizing, like, purchases that perhaps you don't need or perhaps that you could put off 5 to 10 years but, because you want it now, and Amex or Chase Manhattan is willing to give it to you now? Why not have it now.

* * *

Ryan, I am a 24 year old white male, um, my parents divorced at a young age and we lived middle class. My mom got what I needed and not everything I wanted. When I was in undergraduate school my mom remarried and she remarried wealthy, he was a doctor, he spent a lot—she didn't—so they kind of merged together. He had 3 kids and she's got myself and my brother and sister when we get everybody in one house it's really hard cause their mindset is completely different from our mindset and it, ah, we've got, ah, particularly myself—me and my brother and sister who are younger—we don't get everything we want, we don't want a whole lot—as opposed to they, they just demand, demand, demand and it's really, ah, just growing up with that mindset.

Sometimes I feel spiteful in a sense. I mean they still do get all that they want. My mom actually rangled down—or my stepdad did—he a lot of times he'll compare his kids wants to what we want and a lot of times base it on that.

* * *

I'm MH, I'm 24. I'm from Tennessee. Uh, maybe, uh, purchasing extravagant

homes and going into all this bad mortgage on your house really is it an attempt to appear like you're in the upper class and I think that it's—unfortunately—that it is defined mostly by the white culture. I think that going into, when you go into different cultures that are, um, you know, different races, they have different priorities—and it's not a big house. I think it's unfortunate that, uh, that's kind of what our definition is: where we live and how big the house is.

[Moderator:] I've got to move fast cause we're running out of time, you had your hand up, I'm going in the order of hands.

* * *

[N__, the 31 year old 2L who spoke earlier]. I was just going to say—about the credit card thing—I understand perfectly when y'all say you're irritated when people spend their money on credit cards. I, uh, when somebody told me—when I got my first credit card, I went to Red Lobster, I thought it was such a big thing and I was telling this guy at work and he said, “you know what, you are going to be paying for that same meal next year.” I said, “no I'm not”—that boy cursed me! I was paying for that meal for the next 6 years; it took me 6 years to get out of \$8,000 in debt! Not because of mostly my, my momma helped me out, she didn't have good credit. So now when I go to Linen—I work at Linen and Things—and I see people spending their credit on the stupid crap that we sell sometimes, I be wanting to shake them so bad and say

hey, you are going to be paying for that for the next 5 years—not 1 year but 5 years—and I mean now I look at stuff and I try not to use credit at all because, I tell you, once you get out of debt, you can breathe so much easier and you can sleep so much more well at night, and you don't have to wake up in a cold sweat trying to figure out how you're gonna pay this credit card off.

* * *

[Unidentified male speaker]. Again with this credit card thing, I guess it suggest our priorities. Last night I told my wife I was coming to this, and she said, “well, if they ask, tell them we don't have any unsecured debt,” like that was a really big deal to her! She works at a credit union and she deals with people all the time trying to taking out home equity loans and, you know, and refinancing their credit cards and consolidating them and stuff and it just, I mean, it drives her crazy. I used to have pretty bad credit card debt and I was fortunate enough that a family member financed it for me and helped me get out of it but, yeah, I mean it drives me crazy now to when I see that and also—I think of it as a little bit of a mentality. I grew up in a town probably similar to Farragut, and I went to school with these kids who thought that my parents were bad parents because I didn't get a new car when I turned 16—you know, I bought a car when I was 19, and I don't have a car now because it's not a priority for my money anymore and I just—rather than feeling like I was missing out because all of those kids had more—I got turned off

by, by thinking that you needed stuff to feel comfortable, you know what I mean? Now—now, I'm frustrated by that rather than aspiring towards it you know, I don't know.

* * *

[J__ 22 year old 2L, spoke earlier] One thing I think is interesting is that everybody's got different perceptions of what's lower, middle and upper class. Like, we all got these perceptions probably when we were younger, like I always thought my parents were middle class and I still think that now but if you compare it to the standard living changes it's really not true. For example, the house that we live in now we moved into when I was in the 8th grade and it was one of the biggest neighborhoods or one of the close to the biggest neighborhoods in Farragut—and I thought that that made us fairly middle class then, like, 50 new neighborhoods get built up and it makes us look like lower class if you compare it all out—I don't know all through, uh, I coach the high school girls dance team at Farragut and it's interesting I have some kids that are in the 7th grade and they're still growing and it's like every time I see them they have on a different outfit from Abercrombie—that they don't wear the same outfit more than one etc.—and you think to yourself, “okay their parents must be loaded” and they—if you actually take them and compare them to other kids that they go to school with—they're really the middle class—and it's interesting how the definition of middle

class changes with each generation I guess you could say.

* * *

[Final speaker] I was just thinking. We're talking about facade and I agree that that aspect of facade exists in the middle class. Middle class seems to run from, you know, we save a certain set value to how much, how you spend your money, and I don't know the upper limit of the middle class or the middle class impact is so obscure now—because everyone assumes that they're less well off than they actually are relative to the rest of the country because of what you see around you—relative wealth which someone touched on—off in other countries exists here in America. In my opinion, what really separates—what draws the fine line—there's a point where you go into the, the next level of wealth, where wealth then begins to buy power and opportunity and truly where money is not an issue at all. I'd say that's totally somewhere in the \$5 million dollar plus asset range.

[An unknown audience member] I think that's—I'm sorry to interrupt—I think it's a mindset. There are people with a lot of money that don't look like they have a lot of money.

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