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CHAPTER 1 THE TRUTHS AND UNTRUTHS

I believed in the American dream when I was a child. The truth is that I thought I would not be able to fulfill it. Sometimes dreams turn out to be lies, therefore they are never the truth. This I know: I wanted to believe I was living the truth, not a lie. For example, I thought I would have as an adult a white house with a white picket fence. I thought I would have a whole bunch of children roaming the house and be married to a wonderful husband and live in a great neighborhood.

Additionally, I thought I would have a degree from an elite college, an emergency savings account, savings account, 401k account, retirement fund, checking account, and college funds for all of my children, but it did not turn out the way I planned. Life never does! America’s truth or lie is that you can achieve the American dream only if you are rich or have some kind of financial settlement, or if you have the correct mindset and goals. It does not have to be that way. The truth of the matter is that you can work hard for someone else or begin your own business in order to achieve the American dream.

You will need to save some money in the bank that will accumulate and accrue interest within your banking account. That is the real world! That is the truth! Average people live paycheck to paycheck and perhaps stay on someone’s couch in an apartment or in a house they cannot call their own. They perhaps are living day to day waiting for their funeral to come around! If this is not the case for you, perhaps you are renting a house or an apartment, not buying one, and struggling from day to day, hoping for a better day when you don’t have to go back to that job and work within the 9-to-5 rat race.

I interviewed a lot of average people in Mississippi, for example, a police officer, a homemaker, a mother, and two neighbors, and they all told me how the so-called American dream contains a lot of untruth but a lot of truth as well.

The police officer told me that if he did not have to be a security guard at Walmart, waiting around to see if someone would have the gall to steal something, “he would rather be in a big house watching his television and have a better-paying job, but off on some days so he could lavish in luxury in his big, beautiful house in Mississippi!” The homemaker shared that if she did not have to be in Walmart shopping for clothes for her children, she would hire someone else to do it for her! The two neighbors I spoke with stated that if they had things their way, they would move to the rich area of Mississippi in Rankin County and live it up!

You haven’t heard all of the stories. What about poor single mothers or poor families with children from various cultures, creeds, and races or ethnic backgrounds that can’t obtain the American dream due to certain obstacles in their way—for example, perhaps a social worker has threatened to take away the children. Imagine in that situation getting a letter from your child’s attorney telling you to be ready to come to youth court. Then the social worker instructs you to bring your own family law attorney, even if you can’t afford one! After you figure out that you can’t afford an attorney, you must go to court anyway to try to get your kids back from the state and explain to the judge that you are doing the best you can, but you are poor. Although you are poor, you still can afford to take care of all of your children without the state interrupting your family life!

The judge and the social worker don’t care; they put you through a whole lot of changes! The social worker makes you sign a service agreement and if you feel it is unfair, she does not care. She just does not allow you to see any of your children at all! You may end up sobbing at home, wishing you had a lawyer to protect your parental rights, but you don’t have anybody looking out for your best interest!

The court keeps telling you they are only looking out for the kids’ best interest and it doesn’t matter if you are facing financial ruin or social depravity. You might lose your reputation and home and then you must move to a different neighborhood, all because a neighbor had to stick their nose in your business and call a social worker and cause you more harm than good!

All your dreams of having a better place to live and earning more money just went down the tubes!

According to CBS News, [six out of ten Americans](http://www.cbsnews.com/news/why-most-say-the-american-dream-is-out-of-reach/" \t "_blank) believe the American dream is dead per a recent poll. Lots of people are talking about how terrible that is.

What I haven’t seen addressed is the fact that four out of ten Americans believe the American dream is not dead—that it is, in fact, still alive and kicking. An article by online editor Stacy Rapacon states, “Wealthy people usually aren’t born that way. Most spend their lives amassing their fortunes by working hard, spending little, saving a lot, and investing wisely.” It may sound like a simple strategy, but the fact that most Americans fall short of having millionaire status proves that it is easier said than done.

Then again, 10.4 million households in the United States have $1 million or more in investable assets per market research and consulting firm the Spectrem Group, and their ranks are growing. So it’s not impossible to reach the millionaire club. Read on to learn what you might be doing to keep yourself out of it.

More important, find out how you can change your ways and build your own seven-figure nest egg.

The previously cited article by Stacy Rapacon reminds us that “if you don’t save money, you’re never going to be rich.” It’s hard to get around that obvious (but often ignored) principle. Even if you earn seven figures, if you spend it all, you still net zero.

Begin saving as soon as possible. The sooner you start putting your money to work, the less you must save. If you start saving at age thirty-five, you’ll need to put away $671 each month in order to reach $1 million by the time you turn sixty-five, assuming you earn an 8% annual return. If you wait until you’re forty-five years old to start saving, you’ll have to save $1,698 a month in order to hit $1 million in twenty years.

How can you start saving? First, you need a budget (more on budgeting later). Lay out all of your expenses to see where your money is going. Then you can figure out where you can trim costs and save. Any little bit you can muster is a good start. When you get a bonus or some extra cash—for example, after selling belongings or getting a generous birthday gift—add it to your savings before you have time to think of ways in which you can spend it.

“The [American dream](https://www.usatoday.com/videos/news/nation/2017/01/30/trump:-'-american-dream-back'/97240074/" \t "_blank) is back.” President Trump made that claim in a speech in January. They are ringing words, but what do they mean? Language is important, but it can be slippery. Consider that the meaning of the phrase *the American dream* has changed radically through the years.

President Trump and Dr. Ben Carson, the secretary of housing and urban development, have suggested that the American dream involves owning a beautiful home and a roaring business, but it wasn’t always so. In the 1930s, it meant freedom, mutual respect, and equality of opportunity. This is what the American dream entailed when writer James Truslow Adams [popularized](https://www.theatlantic.com/magazine/archive/2007/06/in-search-of-the-american-dream/305921/" \t "_blank) the concept in his 1931 book *The Epic of America*. It had more to do with morality than material success.

This drift in meaning is significant because the American dream—and international variants like [the Australian dream](https://www.nytimes.com/2017/05/01/opinion/the-end-of-the-australian-dream.html?_r=0&module=inline)[, Le Rêve Français](https://www.babelio.com/livres/Hollande-Le-reve-francais/289046" \t "_blank), and others—represents core values. In the United States, these values affect major government decisions on housing, regulation, and mortgage guarantees, and millions of private choices regarding whether to start a business, buy an ostentatious home, or rent an apartment. Conflating the American dream with expensive housing has dangerous consequences: it may have even contributed to the housing bubble that led to the financial crisis of 2008–9.

These days, President Trump is using the hallowed phrase in pointed ways. In his January speech, he framed the slogan as an entrepreneurial aspiration. “We are going to create an environment for small business like we haven’t seen in many decades,” he said, adding, “So, essentially, we are getting rid of regulations to a massive extent, could be as much as 75 percent.” Dr. Carson has explicitly said that homeownership is a central part of the dream. In a [speech at the National Housing Conference on June 9](https://www.c-span.org/video/?429741-1/hud-secretary-addresses-national-housing-conference&start=395" \t "_blank), he said, “I worry that millennials may become a lost generation for homeownership, excluded from the American dream.”

Economic inequality in the United States has been at its highest level since the 1930s, yet most Americans remain relatively unconcerned with the issue. Why? One theory is that Americans accept such inequality because they overestimate the reality of the American dream—the idea that any American with enough resolve and determination can climb the economic ladder, regardless of where he or she starts in life. The American dream implies that the greatest economic rewards rightly go to society’s most hard-working and deserving members.

Recently, studies by two independent research teams (each led by the author of this article found that Americans across the economic spectrum did indeed severely misjudge the amount of upward mobility in society. The data also confirmed the psychological utility of this mistake: overestimating upward mobility was self-serving for rich and poor people alike. For those who saw themselves as rich and successful, it helped justify their wealth. For the poor, it provided hope for a brighter economic future.

In studies carried out by Shai Davidai and Cornell psychologist Thomas Gilovich and [published in](http://pps.sagepub.com/content/10/1/60.abstract" \t "_blank) *[Perspectives on Psychological Science](http://pps.sagepub.com/content/10/1/60.abstract" \t "_blank)*, more than 3,000 respondents viewed a graph of the five income quintiles in American society and were asked to estimate the likelihood that a randomly selected person born to the bottom quintile would move to each of the other income quintiles in his or her lifetime. These estimates were compared with actual mobility trends documented by the Pew Research Center. Participants in the survey overshot the likelihood of rising from the poorest quintile to one of the three top quintiles by nearly fifteen percentage points. (On average, only 30% of individuals make that kind of leap.)

Studies by University of Illinois psychologist Michael W. Kraus and his colleague Jacinth J. X. Tan, [published in the](http://www.sciencedirect.com/science/article/pii/S0022103115000062" \t "_blank) *[Journal of Experimental Social Psychology](http://www.sciencedirect.com/science/article/pii/S0022103115000062" \t "_blank)*, found a similar pattern: when asked to estimate how many college students came from families in the bottom 20% of income, respondents substantially misjudged, estimating that those from the lowest income bracket attended college at a rate five times greater than the actual rate documented by the Current Population Survey.

One experiment by Professors Kraus and Tan demonstrated the self-serving nature of these errant upward mobility estimates. As with the studies just cited, participants were asked to estimate the ease of moving up the economic ladder. This time, however, they were also asked to estimate upward mobility for people who were like them “in terms of goals, abilities, talents, and motivations.” In this case, respondents were even more likely to overestimate upward mobility. We believe unduly in our own capacity to move up the economic ladder, and these beliefs increase our mobility overestimates more generally.

Before looking at what [the American dream](https://www.thebalance.com/what-is-the-american-dream-quotes-and-history-3306009) is today, we need to look at its roots. The Declaration of Independence protects American citizens’ opportunity to improve their lives, no matter who they are. It boldly proclaims: “We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty and the pursuit of Happiness. That to secure these rights, governments are instituted among men, deriving their just powers from the consent of the governed.”

Our Founding Fathers introduced the revolutionary idea that each person’s desire to pursue his or her idea of happiness is not self-indulgence, but a necessary driver of a prosperous society. They created a government that would defend that right for everyone. The pursuit of happiness became the driver of the entrepreneurial spirit that defines the [American free market economy](https://www.thebalance.com/market-economy-characteristics-examples-pros-cons-3305586).

Of course at that time “everyone” meant white property owners. Over time, [Congress](https://www.thebalance.com/u-s-congress-definition-duties-effect-on-economy-3305980) extended the right to slaves, women, and people without property. President Lincoln extended the American dream to slaves with the Emancipation Proclamation. President Wilson extended it to women by supporting the 19th Amendment, giving women the right to vote. [President Johnson](https://www.thebalance.com/president-lyndon-johnson-s-economic-policies-3305561) promoted Title VII of the Civil Rights Act of 1964. That extended the dream by protecting workers from discrimination on the basis of race, color, religion, sex (including pregnancy), or national origin. In 1967, Congress extended these rights to those older than forty. [President Obama](https://www.thebalance.com/what-has-obama-done-11-major-accomplishments-3306158) established the right to the pursuit of happiness through marriage regardless of sexual orientation. The Supreme Court supported that right in 2015.

Throughout U.S. history, the definition of happiness changed as well. In [the 1920s](https://www.thebalance.com/roaring-twenties-4060511), it shifted from the Founders’ dream of opportunity to the acquisition of material things. This shift was best exemplified by the novel *[The Great Gatsby](https://www.amazon.com/Great-Gatsby-F-Scott-Fitzgerald/dp/0743273567/?tag=aboutcom02thebalance-20" \t "_blank)*. Its author, F. Scott Fitzgerald, defined the aspirations of the age. At the same time, he warned that a pursuit of happiness driven by [greed](https://www.thebalance.com/greed-is-good-or-is-it-quote-and-meaning-3306247) is not attainable. That’s because someone else always has more. This greed led to the [Roaring Twenties](https://www.thebalance.com/roaring-twenties-4060511), which ended with the [stock market crash of 1929](https://www.thebalance.com/stock-market-crash-of-1929-causes-effects-and-facts-3305891) and the [Great Depression](https://www.thebalance.com/the-great-depression-of-1929-3306033).

After the 1920s, many residents supported the idea of the America dream as a pursuit of material benefits. [President Roosevelt](https://www.thebalance.com/fdr-economic-policies-and-accomplishments-3305557) outlined an [economic bill of rights](http://www.fdrlibrary.marist.edu/archives/address_text.html" \t "_blank) in his 1944 [State of the Union](https://www.thebalance.com/state-of-the-union-summary-and-past-sotus-3305563) Address. He defined the pursuit of happiness as decent housing, a good job, education, and health care. FDR realized that people who were hungry, homeless, and sick were more likely to succumb to strong social forces. He worried about the [fascism](https://www.thebalance.com/fascism-definition-examples-pros-cons-4145419), [communism](https://www.thebalance.com/communism-characteristics-pros-cons-examples-3305589), and [socialism](https://www.thebalance.com/socialism-types-pros-cons-examples-3305592) sweeping the world at that time.

FDR’s unfinished second bill of rights was drawn up in order to address domestic security after World War II. [President Truman’s Fair Deal](https://www.thebalance.com/democratic-economic-policies-4129140) expanded the American dream to include entitlement. If you work hard and play by the rules, the government should provide you with financial security, education, health care, and a home.

Many national leaders continued the shift FDR and Truman had set in place. Both [Bill Clinton](https://www.thebalance.com/president-bill-clinton-s-economic-policies-3305559) and [George W. Bush](https://www.thebalance.com/bush-administration-economic-policies-3305556) supported homeownership as part of the American dream. While running for president in 2008, [Hillary Clinton](https://www.thebalance.com/hillary-clinton-2016-economic-plan-3305767) proposed her American Dream Plan. It included homeownership, college, retirement, and [health insurance](https://www.thebalance.com/how-does-health-insurance-work-3306069) for children. Obama extended the right to health care with the [Affordable Care Act](https://www.thebalance.com/2010-patient-protection-affordable-care-act-3306063).

Some people think the [Great Recession](https://www.thebalance.com/the-great-recession-of-2008-explanation-with-dates-4056832) and rising [income inequality](https://www.thebalance.com/income-inequality-in-america-3306190) spelled the [end of the American dream](https://www.thebalance.com/the-end-of-the-american-dream-3306006) for many. But these events have only damaged the materialistic American dream, which isn’t achievable anyway. Instead, many are turning to a new definition of the American dream that better reflects the values of the country for which it was named. For example, the [Center for a New American Dream](https://newdream.org/) envisions a focus on more of what really matters, such as creating a meaningful life, contributing to community and society, valuing nature, and spending time with family and friends. Financial advisor Suze Orman describes [the new American dream](https://abcnews.go.com/Business/suze-orman-redefines-american-dream-book-money-class/story?id=13088258" \t "_blank) as one “where you get more pleasure out of saving than you do the spending. It’s a dream where you live below your means but within your needs. You are not spending every penny; you are not impressing people. You are living a life where you can sleep at night and you are actually happy.”

Both new visions reject the American dream based on materialism. But perhaps there is no need to create a new American dream from scratch. Instead, let’s return to our Founding Fathers’ vision. All people have an equal and inalienable right to life, liberty, and the pursuit of their own happiness. Federal law protects this right.

The Declaration of Independence says nothing about any type of lifestyle. It does not define what happiness should look like. Instead, it seeks to ensure that everyone has an equal opportunity to pursue a personal vision. It also promotes faith in private free enterprise to pursue that happiness.

In the 1930s and 1940s, the term *American dream* appeared occasionally in advertisements for intellectual products: plays, books and church sermons, book reviews, and high-minded articles. It rarely, if ever, referred to business success or homeownership.

By 1950, shortly after World War II and the triumph against fascism, the American dream was still about freedom and equality. In a book published in 1954, Peter Marshall, former chaplain of the United States Senate, defined the American dream in spiritually resounding words: “Religious liberty to worship God according to the dictates of one’s own conscience and equal opportunity for all men are the twin pillars of the American dream.”

The term began to be used extensively in the 1960s. It may have owed its growing power to Martin Luther King’s “[I Have a Dream” speech](https://www.archives.gov/files/press/exhibits/dream-speech.pdf) in 1963, in which he spoke of a vision “deeply rooted in the American dream.” He said he dreamed of the disappearance of prejudice and a rise in community spirit, and he certainly made no mention of deregulation or mortgage subsidies.

As the term became more commonplace, its connection with notions of equality and community weakened. In the 1970s and 1980s, home builders used it extensively in advertisements, perhaps to make conspicuous consumption seem patriotic. Thanks in part to the deluge of advertisements, many people came to associate the American dream with homeownership, with some unfortunate results. Increasing home sales became public policy. In 2003, President George W. Bush signed the [American Dream Down Payment Act](https://www.govtrack.us/congress/bills/108/s811" \t "_blank), subsidizing home purchases during a period in which a housing bubble—the one that would lead to the 2008–9 financial crisis—was already growing at a 10% annual rate, according to the [S & P Core Logic Case-Shiller U.S. National Home Price](http://us.spindices.com/index-family/real-estate/sp-corelogic-case-shiller" \t "_blank) index (which I helped create).

This year, *Forbes* magazine started what it calls the “[American Dream Index](https://www.forbes.com/sites/kurtbadenhausen/2017/03/29/introducing-the-forbes-american-dream-index-to-gauge-middle-class-prosperity/#7d8e81ef5244)” based on seven statistical measures of material prosperity: bankruptcies, building permits, entrepreneurship, goods-producing employment, the labor participation rate, layoffs, and unemployment claims. This kind of characterization is commonplace today, and very different from the original spirit of the American dream.

One thing is clear: bringing back the fevered housing dream of a decade ago would not be in the public interest. In “[House Lust: America’s Obsession with Our Homes](http://www.penguinrandomhouse.com/books/111519/house-lust-by-daniel-mcginn/" \t "_blank),” published in 2008, Daniel McGinn marvels at the craving for housing in that era: “In many neighborhoods, if you’d judged the nation’s interests by its backyard-barbecue conversation—settings where subjects like war, death, and politics are risky conversational gambits—a lot of people find homes to be more compelling than any geopolitical struggle.”

Stacy Radacon states, “Spending more than you earn can put you in a dangerous hole of debt.” On the bright side, you won’t be there alone: per the National Foundation for Credit Counseling, one in three American households carries credit card debt from month to month. Among those balances-carrying households, the average credit card debt is $16,048, per financial research firm Value Penguin.

What can you do about your situation? Again, you need to have a budget in order to make sure you have more money coming in than going out. With the availability of credit, it’s easy to fall into thinking you can afford more than you can. But, as Knight Kiplinger has pointed out, “[the biggest barrier to becoming rich is living like you’re rich before you are](http://www.kiplinger.com/article/saving/T047-C014-S002-the-invisible-rich.html/" \t "_blank).” Even once you are rich, you may still want to live like you’re not. Per U.S. Trust’s Insights on Wealth and Worth survey, most millionaires don’t consider themselves wealthy. If you don’t think of yourself as well off and you maintain the same lifestyle after your income and savings increase, you can put away even more of your short- and long-term goals without losing an ounce of comfort.

Stacy Radacon argues that “no, we’re not suggesting that you search for loose change under your sofa cushions.” Rather, cutting seemingly insignificant expenses—such as baggage charges on flights, late payment penalties on bills, and out-of-network ATM fees on your cash withdrawals—can add up to substantial savings.

Investing fees attached to mutual funds and 401(k) plans can be especially detrimental. For example, let’s assume you currently have $25,000 saved in your 401(k) and earn 7% a year on average. If you pay fees and expenses of 0.5% a year, your account would grow to $227,000 after thirty-five years. But increasing the extra charges to 1.5% annually would mean your account would grow to just $163,000 over that time. Pay attention to the fine print and avoid those sneaky extra charges. You can skip airline baggage fees by packing lightly and bringing only a carry-on or by flying Southwest Airlines, which allows you to check two bags for free. If you make a late payment on a credit card, ask the issuer to waive the fee. Longtime customers who usually pay on time are often given a pass.

For your 401(k), you can see how it rates with other plans. At [www.brightscope.com](http://www.brightscope.com/), you can select low-cost mutual funds in order to lower your investment costs. Consider talking to your employer about lowering the plan’s fees. Stacy Radacon reminds us that “again, debt can be a danger to your financial well-being.” If you’re constantly paying credit card bills and racking up interest, you won’t have a chance to save any money.

If you already have some debt troubles, be sure to devise [a repayment plan](http://www.kiplinger.com/article/credit/T007-C006-S001-learning-to-live-with-debt.html). One strategy is to pay off the debt with the highest interest rate first. Another strategy is to pay off the smallest debt first in order to give you a psychological boost and encourage you to keep chipping away at the debt. If you’re considering taking out new loans—to go back to school or to seed your business, for example—make sure you understand all the terms, including your interest rate and repayment details, so that you can decide whether it’s truly worth it.

Not all debt is bad. Borrowing to go to school, to get professional training, or to start your own business can boost your career and income potential, especially in a low-interest-rate environment. The investment can be well worth it. In fact, borrowing funds is one of the most preferred funding strategies of high-net-worth individuals, with 60% opting to use bank credit before tapping their own holdings for quick cash, per U.S. Trust.

Stacy Radacon states, “You need to work to make money, and you need to be healthy to work.” The rich understand that, and 98% of millionaires consider good health their most important personal asset, per U.S. Trust. Take care of yourself—and do it on the cheap. You can take advantage of free wellness programs.

Although the poll that I cited earlier doesn’t tell me one way or the other, I suspect that a good deal of those four out of ten who believe in the American dream also believe it’s possible to succeed and be better off than one’s parents. I have done precisely that. Personally, I like to be on the side of positivity. After all, if you figure the game is impossible to win, you won’t try as hard to do so.

[Do we still believe in the American dream?](http://www.cbsnews.com/videos/do-we-still-believe-in-the-american-dream)

I’m here to tell you that yes, good [jobs are hard to come by](http://www.cbsnews.com/news/labor-market-saw-modest-lift-in-may/). Yes, losing your job and having to move back in with your parents is an awful thing. And yes, I don’t envy new grads out there looking for the jobs they thought they’d be able to get with a degree and finding themselves working the same job they worked over summers in high school.

But I also firmly believe it doesn’t have to be this way. If you want to achieve the American dream, and end up better off than your parents, here are some things you can do.

**Get cost-effective training.** For years, the advice was to go to the best college you could get into. Perhaps this should be changed to “go to the school that will give you the most bang for your buck.” And that may not be college. It may be skilled trades training. It may be community college. The [median salary for a dental hygienist](http://www.forbes.com/pictures/mkl45hgmm/1-dental-hygienist/" \t "_blank) (two years of community college) is $68,000.

**Forget about dream jobs and think about dream lives.** People on salary chase their dreams too, and that sounds fine and good until they can’t pay their bills. What’s your dream life? Your realistic dream life, mind you. You want to have a nice family, be out of debt, and be happy, right? Sure, your own private jet would be great, but that’s not necessary for happiness.

So don’t go chasing happiness through that perfect job. [Take a lousy job](http://www.cbsnews.com/news/should-you-accept-that-lousy-job-offer-yes/) and work your way up. Come to the reality that while you may love to discuss political philosophy, people really don’t want to pay you to do that. So save that for the weekends and train for a job that pays.

**Look for warning signs at your job and act first.** I receive many emails from people who [detail years of their boss being unhappy with them](http://www.cbsnews.com/news/why-are-you-staying-in-that-terrible-job/), yet they wait to look for a new job until they are fired. Don’t do that! It’s easier to find a job when you have one, so when you see the writing on the wall, start job hunting immediately! This also applies when you see the company’s finances start to circle the drain. Obviously, you can’t perfectly predict what a boss or company will do, but if you pay attention, you’ll increase your odds.

**Get married and stay married.** On average, people who get married and stay married enjoy almost [twice as much wealth as those who never marry](http://www.newsweek.com/2013/05/29/many-cases-getting-married-young-237436.html). I’m not advising you to run out and grab the closest single person on the street and drag them to the county courthouse. But maybe there is something to that old concept of settling down.

Remember that your parents didn’t have it all at once. Accept the idea that success is gradual, not immediate. You may not be able to go out and buy what your parents had, but they probably couldn’t buy what they have now when they were your age. The problem with wanting what they have now is that you get into debt. And when you get into debt, your ability to achieve the American dream is super limited. [You can’t quit your job](http://www.cbsnews.com/news/the-secret-to-gaining-more-career-bargaining-power/" \t "_blank) and start your own business because you have credit card bills hanging over your head, for instance.

**Work hard.** Would you believe that working doesn’t just come naturally for some people? There’s no concept of when you finish one task, you start in on the next one. Some people pat themselves on the back when they do as little work as possible. While this provides temporary fun, it won’t build real success. Whether you’re working in an office, temping as a waitress, or living with your parents while looking for a job, kick your work level up a notch. For the office worker, take on a new project. For the waitress, use downtime to clean, stock, and prep. For the unemployed person, clean out the basement, trim the lawn to perfection, and mow your elderly neighbor’s lawn as well. Work is good for you.

What do you think? What can you do to keep the American dream alive yourself? Take advantage of programs offered by your employer, as well as services guaranteed by federal law such as blood pressure screenings, mammograms for women older than forty, and services vaccinations for children. Try to quit any bad health habits, such as smoking or excessive drinking, that can cost you dearly (see “[Six Healthy Habits That Will Save You Money](http://www.kiplinger.com/article/saving/T063-C000-S001-healthy-habits-that-will-save-you-money.html" \t "_blank)”).

Stacy Radacon says that “without a budget, it’s easy to lose track of how much you’re spending and live beyond your means.” Working toward financial goals, such as saving for a vacation, buying a house, or funding your retirement, can also prove difficult if you don’t have a well-thought-out plan. Do what most millionaires do: establish a budget. Knowing where your money is going helps you identify ways to keep more in your pocket. Break out the pencil, paper, and calculator to lay out your income and expenses.

Rumors of the death of the American dream have been greatly exaggerated. To that point, 63% of Americans believe they are living the American dream, according to a recent report, up from 59% in 2011. More Americans also credit determination and hard work as the most important factors in achieving the American dream.

The Allstate/National Journal Heartland Monitor poll reprises the same questions each year in order to compare sentiment now to sentiment during and after the Great Recession. “When it comes to getting ahead, more people than ever think it’s their own talents and hard work,” noted Joseph McMahon, the poll’s lead researcher. “There’s a belief it’s about you as an individual to make it happen.”

No doubt for those trying to get by, it’s been a rough ride. There are also signs plenty of people still feel under financial pressure. Almost half, or 45%, of those polled rated their personal finances as excellent or good, which was a three-year high. However, 54% said their personal financial situation was only fair or poor. During the recession, 59% were confident they had enough of a financial cushion in the event of a job loss or significant decrease in income, but fewer said the same in 2016.

Nearly half of the respondents said they still find it difficult to save for retirement. Another 15% said it is hard to make ends meet every month. “There’s a contradiction going on here,” said Alec Levenson, a professor of economics at the University of Southern California’s Marshall School of Business. With [low unemployment](https://www.cnbc.com/2016/01/12/job-openings-barely-changed-at-54-million.html" \t "_blank) but sluggish wage growth, the economy has been growing at a steady but slow rate since the recession. “This is the economy that continues to stump us in terms of which direction we are heading,” he added. “We have people who are worried about their future and people who think they are fine. One reason is that they are paying down debt, so they don't have as much cash on hand,” Levenson said. “In economic terms, they are in better shape, but until they get out from underneath that debt entirely, they won’t feel more financially secure.” In fact, nearly twice as many Americans said that personal debt is an obstacle rather than a stepping-stone to achieving the American dream.

**Go digital with your finances by using a budgeting website** such as [Mint](https://www.mint.com/" \t "_blank) or [Budget Pulse](https://www.budgetpulse.com/" \t "_blank) in order to help you track your spending. With Mint, you provide your usernames and passwords for bank accounts, credit cards, and other financial accounts, and the site organizes your money movement for you. Your bank or credit card issuer might offer similar tools to help you analyze your spending habits.

Stacy Radacon asks, “Did you get a tax refund this year?” Receiving that lump-sum payment from Uncle Sam may seem like a good thing. But it means that you’ve loaned the government money without earning any interest. Adjust your tax withholding. You can use [our tax-withholding calculator](http://www.kiplinger.com/tool/taxes/T055-S001-tax-withholding-calculator-kiplinger/index.php) to see how much you can fatten your paycheck by doing so. If you got a $3,000 refund (about average for 2015), claiming an additional three allowances on your Form W-4 can boost your monthly take-home pay by $250. The extra money, which can be invested in stocks or deposited in an interest-bearing account, should start showing up in your next paycheck.

Such a sum may not lend itself to millionaire status on its own, but being mindful of taxes is important to increasing—and keeping—your wealth. Indeed, 55% of high-net-worth investors prioritize minimizing taxes when it comes to investment decisions. S[mart tax-planning strategies](http://www.kiplinger.com/article/taxes/T055-C000-S004-midyear-strategies-to-cut-your-2016-tax-bill.html" \t "_blank) you should consider include picking the right tax-deferred retirement savings accounts and holding investments long enough to qualify for the lower, long-term capital gains tax. Even choosing the right state to live in can have a big impact on your finances when it comes to taxes.

Stacy Radacon points out, “There’s more to life than money, and wealthy people know it.” Per U.S. Trust, 94% of millionaires say they have a clear sense of purpose in their lives. “Whatever that purpose or direction happens to be—whether it’s their family, their family legacy, philanthropy or stewardship of a business—[knowing their purpose means] they have the emotional maturity to focus on it and make decisions in the context of what’s most important to them,” says Paul Staving, managing director and wealth strategist of U.S. Trust.

Entire religions and philosophies are dedicated to helping people figure out what they are meant to do in this life. We won’t try to compete, but we will note that a clear purpose can help motivate you to make and save more. Indeed, 76% of millionaires recognize that money can allow you to create change and fulfill your life’s purpose.

Today, the state of the American dream—the ability of anyone to work hard and get ahead—largely depends on [one’s ZIP code](http://www.nytimes.com/interactive/2015/05/03/upshot/the-best-and-worst-places-to-grow-up-how-your-area-compares.html" \t "_blank). That is more than a little troubling, given that [97%](https://www.americanprogress.org/wp-content/uploads/2013/08/MiddleOutMobility.pdf" \t "_blank) of Americans believe everyone should have an equal shot at success. Greg Kaufman states, “As President Obama put it earlier this year: ‘In this country, of all countries, a person’s ZIP code shouldn’t decide their destiny.’”

But what makes this trend even more problematic, as a new Center for American Progress [report](https://www.americanprogress.org/issues/poverty/report/2015/12/16/126966/an-opportunity-agenda-for-renters/) indicates, is that now—due to a lack of affordable housing and enduring patterns of residential segregation—the ZIP code where people live is largely determined by income, race, and ethnicity. The report’s coauthors suggest that if we want to change this unacceptable status quo, we need to work on two fronts: reinvest in impoverished neighborhoods so that residents have access to high-quality housing, jobs, good schools, transportation, and other basics, and ensure that families with low incomes have access to affordable housing in neighborhoods that already offer residents these resources.

For low-income renters, the affordable housing situation is now a crisis. As Housing and Urban Development Secretary Julián Castro said at the [release](https://www.americanprogress.org/events/2015/12/09/127097/an-opportunity-agenda-for-renters/) of the Center for American Progress report: “The issue of an affordability crisis on the rental market is real, in big cities and in small towns.” Indeed, half of all renters in the United States spend more than 30% of their income on housing (above the threshold commonly defined as affordable), and more than a quarter spend more than 50% of their income on housing. On top of that, the housing that *is* available is increasingly limited to high-poverty, low-opportunity neighborhoods and 13.8 million Americans now live in neighborhoods where more than 40% of residents are poor, nearly double the number of people in 2000.

When low-income families can move to neighborhoods that foster mobility, the benefits are clear: the children perform much better academically than their peers in high-poverty neighborhoods, their average annual earnings as adults increase by 31%, and they are more likely to attend college and less likely to become single parents. There is also a marked improvement in physical and mental health, particularly for girls.

Greg Kaufman provides an example. “Quanda Burrell, 30, lives with her 10-year-old daughter and 5-year-old son in Boston where she works full-time as a childcare teacher for infants.” She grew up in low-income communities. When she was pregnant with her first child, she was couch-surfing with friends and relatives and briefly lived in two homeless shelters. She then moved to privately owned subsidized housing in a mixed-income neighborhood.

“The neighborhood was primarily Caucasian and quiet,” Burrell said. “That took some getting used to.” Her children don’t have to face the stresses Burrell dealt with, for example, how to cross rival gang territories to walk in the park, getting robbed at gunpoint when walking home from work during high school, or needing to stay inside of the house for safety reasons. Her family has enjoyed quality childcare and schools and easy access to services like WIC, a food pantry, and a diaper bank when they have needed help. “But the number one difference is safety, she said.”

To help more low-income families move to high-opportunity neighborhoods, the report recommends establishing a federal law that would prohibit landlords from refusing tenants just because they possess a housing voucher. Additionally, the authors call for the elimination of exclusionary zoning—“ranging from density limits and minimum lot size requirements to community vetoes of new construction”—that limit affordable housing construction and increase racial and economic segregation.

But not every family is going to be able to move to a high-opportunity neighborhood. Secretary Castro and the report’s coauthors point to the Obama administration’s Promise Zone model as one way to accomplish this goal. The initiative aims to revitalize high-poverty communities through comprehensive, evidence-based strategies that break the silence so that people working on issues ranging from housing, transportation, job training, health equity, youth employment, and more are working collaboratively toward solutions that connect these issues. There is also technical assistance to help the zones access federal funding and other resources. “I believe that ultimately more local communities will put this thinking into action, and challenge the state and the federal government to do the same, said Secretary Castro. Whether families remain in distressed neighborhoods or move to more affluent ones, a big part of the solution lies in increasing the overall supply of affordable housing.

If our priorities weren’t so skewed to benefit affluent homeowners, an increase in affordable housing stock might be attained. As the report notes, “More than 75 percent of federal housing expenditures support homeownership.” More than half of these benefit high-income families earning more than $100,000 per year. In all, we spend [nearly three times more](http://www.cbpp.org/research/housing/policy-basics-federal-rental-assistance) on subsidizing homeownership than we spend on rental assistance. It should come as no surprise then that only one in four households eligible for federal rental assistance receives it. This trend could quickly get worse before it gets better.

Per the authors, 2.1 million subsidized affordable housing units are at risk over the next ten years as rent restrictions expire and landlords look to exploit. It is critical that states and cities pass laws that give tenants, local agencies, and nonprofits opportunities to purchase these units from private landlords. “Opportunity to purchase” laws have proven most effective where there are entities committed to affordable housing, including “local housing agencies, legal aid clinics … and mission-oriented nonprofits that specialize in preservation transactions.”

The report’s coauthors also suggest that we could do a better job of increasing the supply of affordable housing through tax policy. For example, they argue that we need to expand and better target the Low-Income Housing Tax Credit (LIHTC), which in the past thirty years has preserved more than 2.7 million affordable housing units and leveraged more than $100 billion in private capital. The LIHTC program offers significant tax credits to participants who “agree to keep the units affordable to very low-income tenants for at least 30 years.” We also need to allocate these credits based on where the need for affordable housing is most significant, rather than following the current approach of making the determination based on a state’s population.

Finally, we need to promote mobility and access to more affordable units by better funding the voucher program. The authors note that “while the share of households that are spending unsustainable portions of their income on rent has grown, the number of households that are receiving rental assistance has remained flat.” In fact, sequestration alone resulted in 70,000 fewer families receiving vouchers.

There is no question that these reforms and the many others outlined in the report would dramatically increase affordable housing in our nation and move us closer to our ideal that anyone can rise. The question—and it’s *always* the question when it comes to poverty and opportunity in America—is, how do we create the political will to make it happen?

Burrell believes low-income people speaking out is critical. “A lot of people say that the political leaders in the state house don’t care about them,” she said. “But you got to make them care. You got to visit them, speak out! If more low-income folks were talking, I think that would make a difference.”

Secretary Castro seemed to mostly agree, adding that the rental crisis is also harming the middle class. “How do you mobilize folks to impress upon policy makers at all levels about the needs of different communities?” Secretary Castro asked. “I don’t see that conversation right now happening enough.”

The goals of many millennials don’t necessarily line up with this narrow definition of success. More than previous generations, young people today they say they value travel and self-employment over material things like houses and cars, while for immigrant families, making it used to mean assimilating into American culture. Many young first- and second-generation Americans are seeking to present and serve traditions, finding a balance between old and new values.

Youth Radio reporter Kasey Saturn is one of those millennials. Her family is from Laos and is ethically Mien. Unlike her younger siblings, she has tried to learn to speak Mien even as she participates in traditional American education. “I’m trying to pursue higher education, financial aid, and the American dream,” she says. “And I’m trying to do all that without losing the Mien ways.”

But as evident in another Youth Radio story, this one by Isabella Ordaz, the opportunity to pursue the traditional American dream can sometimes feel like a cultural trade-off. When she was ten, Isabella, who is Mexican American and now in high school, moved with her family from her diverse neighborhood with a reputation for high crime to a primarily white suburb with a low crime rate and prestigious local schools. While she had more academic options in her new school, it was a culture shock for her suddenly to be one of the only brown students in her class—especially when her white classmates made insensitive comments about Mexicans. “I felt like a little brown pebble stuck in a glistening pile of white sand,” she said. “And the sand, it didn’t want me there.”

It has become increasingly difficult for Americans to climb the economic ladder, says Joseph Stiglitz, a Nobel Prize-winning economist. The United States has one of the highest levels of income inequality among its peers and is among the worst in offering equal opportunities for advancement, said Stiglitz during a speech in New York City. Whether an American gets ahead is also more dependent on the income and education of his or parents, he said. “The American dream is a myth.”

A left-leaning authority on income inequality who teaches at Columbia University, Stiglitz was on a publicity tour for his book *The Great Divide*, which is a compilation of his articles on unequal societies for the *New York Times*, *Vanity Fair*, and other publications.

His timing couldn’t have been better. Income inequality and economic mobility had emerged as hot topics for the 2016 presidential election, with candidates on both sides of the aisle offering their prescriptions for solving the growing income gap. Stiglitz was one of the several economists who had spoken with Democratic presidential hopeful [Hillary Clinton](http://money.cnn.com/2015/04/13/news/economy/hillary-clinton-elizabeth-warren/index.html?iid=EL) on these issues.

Stiglitz argued that income inequality in America is not the result just of market forces but also of politics and of policies put in place by lawmakers and companies, particularly after Ronald Reagan’s election in 1980. He noted that the post–World War II era was prosperous for both the American economy and its workers. But since then wages have stagnated, with the median income falling to where it was forty years ago, Meanwhile, CEO pay has risen to 300 times the average worker’s salary, up from 30 times. He also said that [minimum wage](http://money.cnn.com/2015/04/14/news/economy/hillary-clinton-minimum-wage/index.html?iid=EL) jobs are increasingly held by a family’s primary breadwinner, instead of a teen looking for part-time work. Per Stiglitz, there’s no magic bullet to solving income inequality. One way to combat it, he said, is to lessen the monopolist power of companies, which leads to lower wages.

The term *American dream* had been defined in several ways, but the American dream is the idea that all people can succeed through hard work and that all people have the potential to live successful lives. Many people have expanded upon the definition of the American dream, and this concept has also been subject to a fair amount of criticism. Many people believe that the structure of American society belies the lofty goals of the American dream, pointing to examples of inequality rooted in class, race, and ethnic origin that suggest that the American dream is not attainable for all.

The 5th Amendment plainly states that whenever government takes private property for public use such as for public roads or for public health and safety (by way of modern “zoning”), the government must pay just compensation to the owner. Yet, for roughly a century, a tradition has developed in the courts that has allowed local agencies and commissions to regulate virtually out of existence many citizens’ right to the property. Thankfully, the Rehnquist Court issued several rulings that have helped stem the tide of such oppression (see the Pacific Legal Foundation’s website), but the abuse is still alive and well across the breadth of our nation, nonetheless. And with that full, profoundly entrenched tradition of land-use oppression has come a profound weakening of the American dream for nearly all of us. If we don’t realize this, it is because we’ve never tried to develop a piece of property, or add on a room, or operate businesses from our homes. Bear in mind that the layers of bureaucracy that hinder regular land use add considerably not only to the escalating cost of housing but also to the cost of all goods and services produced by business or industry so that all of us pay the price of oppressive land-use controls as consumers. Such artificial meddling with the economy robs all of us of much-needed opportunity on a colossal scale—make no mistake. Again, one overriding purpose of our constitution is to protect our right to do creative, innocuous, industrious things.

We find today, unfortunately, that government and special interests prevent us from coming up with all sorts of hopes and aspirations. Many of these dreams focus on owning land and establishing prosperous businesses, which would theoretically generate happiness, and some people have also incorporated ideals of religious freedom into their American dreams.

Several people have written about the American dream, codifying the concept and entrenching it in American society. For people who believe in the American dream, anything is attainable through hard work without undue interference from others or the government.

Critics of the American dream also point out that many versions of the dream equate prosperity with happiness and that happiness may not always be that simple. The idea may forever remain amazingly out of reach for some Americans, making it more like a cruel joke than a genuine dream.

Someone who manages to achieve his or her version of the American dream may be said to be “living the dream,” and everyone has a unique interpretation of what the American dream might be. Fundamentally, the American dream is about hope and the potential for change, and one could argue that people who enact change in some way, even a small way, are living the dream.

The American dream is subjective. Let’s not forget the latter half of that phrase. There have been proponents on both sides of the [debate](http://www.monografias.com/trabajos16/tecnicas-didacticas/tecnicas-didacticas.shtml#DEBATE), and I love finding rapport between them. Most Americans can agree that the American dream is at least partly about supporting your neighbors and helping someone in need if you can. Helping someone can be as simple as having a two-minute conversation with a stranger and just asking them how they are today. This is only one of many ways to show you care about others. I do my best to live up to this. but invariably fall short at times.

Life, though, isn’t about how many times you fail; it’s about your successes! One man made me realize this. His name was Thomas Edison, and he was the inventor of the light bulb, something within plain view of all who read this. He failed so many times trying to make it work over many years, but when he had success with it, well, the rest is history. He is not remembered as the guy who wasted years of his life failing at something; he is recognized as the man who invented the incandescent bulb. We should all hope to leave such a mark on humanity.

People may be so busy struggling to support their loved ones that they have no real time to focus on their own wants and needs. It seems to me that now the American dream has become rather materialistic. I feel that the American dream of yesterday is no longer the American dream of today. Once, the American dream meant that if you worked hard, you could (and would) live a successful life. You could support yourself and your family. Many people work hard and still barely get by. It seems to me that the American dream has become a rather mundane one in which individuals seek to work but possess many things barely.

I blame this shift on consumerism and our new obsession with having things. I do believe the American dream is possible, but people nowadays forgot that America was not built in a day. This applies to the American dream as well. For some, reaching it may take decades. For others, it may quickly become real in a year, and yet we all are responsible for making it come true for every American citizen. Once we achieve it, what is next?

I believe the next step would be to perfect the American dream and to enjoy its fruits. To me, money is a tool. I may not be productive, and yet if I work hard and if I have my bills paid, I may be happy. For others, this may be a miserable view and a miserable perspective. It is relative to everyone’s ambitions!

No society can attain the goal of 100% liberty, equality, fairness, happiness, etc. available to all of its citizens always, but the United States, thanks to our wise Founding Fathers, come close to it. Perfection is just not humanly possible since we all have failings and we will undoubtedly do imperfect things. The task for all of us is to strive to be better, to work toward our potential, and to uplift what is the best and highest in ourselves. The United States offers this opportunity to all of us. It is one of the best countries the world has ever known. People from all over the world come, and many more would give anything for the opportunity to live in the United States.

To me, the American dream is the liberty the United States offers to its citizens: the freedom to attend school, to start a business, to work, to pray if you want to. The American dream is not owning things. Material possessions are not what life and happiness are all about. As a matter of fact, happiness is not directly proportional to material possessions. Happiness comes from appreciating and being grateful for what we do have.

We have entered a new century. There is a new president, Donald Trump and Vice-President, Mike Pence and new cabinet that is messing up everything! The people don’t like it or afraid that this new administration will harm most of the Americans that are living in the country today as well as immigrants that are in our country legally or illegally.

Some examples of these claims are the following: These statements are made by Victor Manuel Ramos, In the road map for immigration reform, President.

Elect Trump has laid out the United States will shift focus to address concerns of

American citizens worried about jobs, wages, and tax bills, emphasizing deportations, and curtailing programs that allow immigrants to enter and stay in the country. Trump vows to seal the southern border to illegal immigration by erecting an impenetrable physical wall funded by federal dollars, which he says Mexico will reimburse. The issue is at the top of Trump’s agenda. But supporters and critics say they expect the biggest impact of Trump’s immigration plans will be the kicking enforcement mechanisms into high gear.

. Trump has promised to target two million immigrants with criminal records.

The order issued on Friday, specifically targeting specific Muslim majority nations, sent shock waves through Muslim communities on Long Island, New York City, and across the country, where many felt unfairly targeted. “It’s really a terrible situation! And I never thought this could come from the United States government, said” Nayyar Imam a Suffolk police chaplain and President of the Long Island Muslim Alliance, which brings together advocates from different mosques in the region.

Even as the order sought to suspend entry for nearly all travelers from Iraq, Syria, Somalia, Libya, and Yemen for 90 days, reports of people from other countries being detained were adding to the resulting chaos at ports of entry. Imam said he knew a Long Island man arrested at Kennedy Airport after traveling with his family to Saudi Arabia. The man, whose name Imam would not disclose, lives in Dix Hills, works as an accountant, and has been in the United States for about 15 years.

The truth of the matter is that the American dream in society today does not depict blacks, American Indians, Spanish, and Puerto Ricans are in someone’s way if they feel they are trying to obtain a business for themselves or to help their family financially. People in the city and state government lie to keep you from fulfilling your dreams. They even go as far as lying about how you are going to have to obtain your financial freedom so that you won’t accomplish your goals at all!

This is not a game. This is about real life!

Additionally, people in big companies try to forfeit or make small businesses falter by not offering your business, the federal grants they need to start the business, or even expand the business, which because of not getting the grant money, the business may end up having to file bankruptcy. That is all they want you to do is to make your credit-unworthy, to make your life miserable and worthless! I know you are not feeling what I am saying, but the rich try hard to leave deprived people, usually poor, no education, no skills, or no experience.

The Republican platform orchestrated this statement. They basically stated that this is to restore the American dream through the federal government, which has to do the following: rebuild the economy, create jobs, fair and simple taxes for growth, our tax principles, a competitive America, a winning trade policy, freeing financial markets, responsible homeownership, and rental opportunities, America on the move, building the future technology, Startup century: small business and entrepreneurship, a federal workforce serving the people and reducing the federal debt.

These changes must be made for us to even exist! But the family unit must stop thinking about the past, living in the past and worry about the future! Worrying about the past can really hinder your growth as an individual and a person trying to obtain financial stability or prosperity. What you must do to change your future takes some hard but real genuine steps! First, you must leave the past in the past! Second, you must ask your higher power to fix you every night! That is at least what my pastor told our congregation to do when we pray. Third, you must write down an outline on a draft piece of paper that you want to accomplish short term and long term. After you figure that out, then work with professionals to make it into action! The professional I am referring to is your credit counselor. Of course, this course, this person needs to be licensed by your state. You can contact credit agencies relevant to the state of Mississippi. Then you should contact these credit agencies under the law code under the fair credit act 11 USC 111. They are the following credit counseling agencies under [www.justice.gov](http://www.justice.gov). Please contact them for help with credit. You should not try to utilize any banks. Try to talk to a financial advisor to invest your money! You always can use a nest egg to help you if you have an emergency but need a lot of money to get you through the hard times! The website you can read on low-risk investments is www. money crashers.com. Then, there is another website to read about low risk, and high return investments are www. moneycrashers.com.

I hope this helps you because I loved to write this book and received pleasure from writing! I hope you live well and do well, because that is really all you need and not just the basics of life, but more if you just believe!

God bless you all