



Gap Between Rich and Super Rich Widens

By Rachel Louise Ensign, Justin Lahart and Peter Santilli

The ultrawealthy aren't just pulling away from average Americans. Buoyed by a stockmarket boom that has added trillions of dollars to their net worth, now the extremely rich are even pulling away from other rich Americans.

The top 0.1% wealthiest Americans have seen their total wealth more than double since the end of 2019, according to new data from the Federal Reserve.

The year the pandemic started was when the ultrawealthy began to pull away from other rich groups, according to a Wall Street Journal analysis of Fed data.

In dollar terms, the very richest Americans have gained a total \$14.5 trillion in wealth over that period, with most of that—about \$10 trillion—coming from gains in stocks and mutual funds, according to the Fed data, which run through the end of June.

The 0.1% now control about \$28 trillion, or about 15% of the nation's total wealth, which amounts to nearly \$186 trillion. The average wealth for a household in this group is over \$200 million.

As of 2022 you had to have at least \$45.8 million to be in the top 0.1%, according to the most detailed data available from the Fed. With wealth among the group up by about 50% since then, that threshold is much higher now.

The people who fall into this group aren't usually traditional salaried workers.

Rather, they are much more likely to be the owner of a bunch of car dealerships or an heir living off investment income.

The ultrawealthy's recent gains from the stock market dwarf the total wealth of the bottom 50% of all Americans, which is about \$4 trillion. That bottom group has actually seen their wealth rise more than any other group on a percentage basis because of a combination of rising home values and pandemic-era government relief that swelled bank accounts and helped pay down debt.

Nevertheless, the bottom half's share of total wealth, at an average of about \$63,000 a household, comes to just 2.3% of the nation's total wealth. The average household in the top 0.1% holds over 3,000 times as much wealth as a bottom-half household does.

In the top 0.1%, 37% earn most of their income from businesses, and 26% derive it from capital gains, according to an analysis of Fed data from economics professors Owen Zidar and Eric Zwick for their recent book "The Everywhere Millionaire." Only 10% derived most of their income from wages and salaries.

The biggest factor in this phenomenon is that wealthy people simply own a lot of stocks. In the year ending June 30, when the S&P 500 gained 21%, the top 0.1% got nearly \$4 trillion of new wealth from the market.

The roughly 137,000 households who make up the nation's top 0.1% had already gotten richer compared with everyone else in recent de-cades because of higher in --comes and lower tax rates. Now the stock-market boom, driven by strong corporate earnings and highflying tech stocks, is powering their wealth even further.

By comparison, the rest of the top 10% of richest Americans gained \$38.2 trillion in wealth over the same period, but it was split among nearly 100 times as many households.

Many others have been locked out of prosperity, and entrenched inflation is pressuring even those with six-figure salaries.

Growing wealth at the very top has become a political flashpoint, helping fuel the rise of Democratic socialist politicians such as New York City Mayor Zohran Mamdani.

Wealth is measured as a household's assets, like stocks and home equity, minus their liabilities like mortgages and credit-card debt.

"The stock market's ripping, and so if you're in the stock market more it has been really great," Zwick said.

The following is a digital replica of content from the print newspaper and is intended for the personal use of our members. For commercial reproduction or distribution of Dow Jones printed content, contact: Dow Jones Reprints & Licensing at (800) 843-0008 or visit djreprints.com.
