Cyclical Wealth Stratification in America. Or:

Wealth Inequality in the United States

By Chad Tranter
Presented to Quest Club of Fort Wayne
January 23, 2026

Imagine This: Imagine that we take the $1 trillion dollar pay package that Tesla just approved for Elon Musk. Yes, that's $1 trillion dollars for Elon Musk. $1 trillion dollars. That's a $1 with twelve zeros after it. Imagine that we *take* that $1 trillion dollars from Elon Musk. We could make one million millionaires. Roughly the population of the northeast quadrant of Indiana. We could fund the total expenditures of the federal U.S. Government for fifty-four days. The United States total budget for its fiscal year ended 2024 was $6.8 trillion dollars. Fifty-four days. So with $1 trillion dollars, Elon Musk would be able to personally fund almost two months of all federal government expenditures. Elon Musk's $1 trillion dollar pay package is the largest pay package in corporate history. Period. However, you should know that Elon Musk's pay package is payable over ten years, and only if he achieves lofty and ambitious corporate goals for Tesla. He must shift Tesla from a shrinking demand for electric vehicles into a refreshed company that makes robots, driverless robotaxis and one that develops AI, or artificial intelligence. For Elon to receive his pay package, Telsa will have to deliver twenty million electric vehicles. Yet, in its twenty-two years of existence, Tesla has delivered only eight million electric vehicles compared to the twenty million new vehicles he needs to find a way to manufacture and deliver. (1, 2)

Now, you may feel some sour grapes about the infinity of $1 trillion dollars and Elon Musk's pay.

But pay is not wealth. And wealth doesn't always pay the bills. Grain farmers across Indiana are having a tougher time paying their bills right now due to very low prices for their corn and soybean harvest from the 2025 crop year. Some of them may come up short in paying off their 2025 operating loans at the local banks, yet they may be sitting on a few million dollars worth of farm land, tractors, combines and equipment wealth. They may be what you would call "land rich but cash poor." Wealth consists of cash, investment accounts, real estate, businesses, things that generate recurring revenue streams, or as we call it, "mailbox money." Wealth may not just be your money. It may also reflect the value that society assigns to you, in terms of your abilities, your interests, your skills, your drive, and a reflection of the social benefits that your talents and passions contribute to ease the human condition. And wealth can also refer to more than just money; it can be education level, type of profession, social or political values, social circles and networks in which people choose to run, sense of family background. It can include one's sense of class.

With wealth, we know the winners. We see their wealth splashed across the pages of social media, photos of sprawling beachside views of the ocean, photos of jet sets half a globe away to their yachts of luxury. But don't forget the destruction left by companies that have gone bust. Fortunes lost. Retirement accounts broken. Loans defaulted. Employees laid off. One-trick towns that are now ghost towns.

A widely-known quote about bankruptcy, in Ernest Hemingway's 1926 novel, The Sun Also Rises, the character Mike Campbell is asked how it was that he went bankrupt. "Two ways," he said. "Gradually and then suddenly." (3) A wealthy and famous athlete in England, after having gone broke, was asked by a reporter how it was that he lost all his money. He said, "I spent a lot of money on booze, birds and fast cars. But the rest I just squandered." (4) David Lee Roth, the famous lead singer from the 1980's rock band, Van Halen, once remarked, "I used to have a drug problem. But now I have enough money." (5)

At $428 billion dollars, Elon Musk is number one as the wealthiest person in America today, or at least upon the publication of the 2025 Forbes magazine list of the wealthiest Americans. Larry Ellison from Oracle Computer is number two with $276 billion dollars. Mark

Zuckerberg from Facebook has $253 billion dollars which makes him number three. Amazon's Jeff Bezos is number four. He is worth $241 billion dollars. Further down this Forbes list of the richest people in America in 2025, Warren Buffet is number nine and worth $150 billion, Michael Dell, $129 billion dollars. The list includes several family members descending from Sam Walton of Wal-Mart fame. And if you add up the Walton family members together, they would actually be number two overall, behind Elon Musk, reflecting the relative value of Wal-Mart itself to our American economy and the retail reliance and dominance that Wal-Mart enjoys in our everyday lives. (6)

Federal Reserve data indicates that as of 2024, the Top 1% of households in the United States hold thirty percent of the nation's wealth, while the Bottom 50% of households only hold 2.5 percent. Let me stress that again. In 2024, the Top 1% of households hold thirty percent of the nation's wealth, while the Bottom 50% of households only hold 2.5%. (7)

Over the last thirty years, wealth has become increasingly concentrated in the hands of the Top 1% due to stock market investments and real estate values that have seen a meteoric rise, leading to exponential wealth creation effects for the Top 1%. The exponential growth in stock market values has been widespread across a number of industries across our country, and especially led by technology and computer companies. Real estate values of all types have enjoyed strong increases. So many households at all income levels participate in a 401K plan, an Individual Retirement Account, or other retirement and investment accounts that have allowed households to capitalize on asset prices. (8) Twenty-four million people in the United States are now millionaires, the largest number of any country in the world. And in 2024, we added one thousand new millionaires…every day. "Millionaires have now become so common that they are now simply classified as 'Everyday Millionaires' if they have assets of $5 million or less." (9)

We have perhaps never seen wealth creation at this level across the population than at any other time, as we define wealth today.

Even at the very top of the Top 1%, let's call them the Top 0.00001%'ers, that's a decimal point, followed by four zeros and then a 1, the Top 0.00001%'ers, they are the richest nineteen households in the United States, those nineteen households combined, experienced a $1 trillion dollar wealth increase…in 2024 alone, a rise that exceeds the total size of Switzerland's economy. So, in 2024 alone, the nineteen wealthiest households in the United States saw their value increase greater than the country of Switzerland. These nineteen households' share is about two percent of the total wealth in the United States, and each of these nineteen households are worth at least $45 billion. There are now an estimated two thousand billionaires in the United States. The total household wealth in the United States combined is estimated at $148 trillion dollars as of 2024. Wealth creation becomes increasingly concentrated as you slide up the wealth scale. As one news article states, "the richest of the rich in America control record slice of the nation's wealth." "You see this gradual rise and then, very recently, dramatic acceleration in the rise of the share of wealth owned by the truly superwealthy." (10)

The Top 10% combine for about sixty-seven percent of the nation's wealth, and the Top 50% combine to control ninety-seven percent.

Mae West, the famous actress, once remarked, "I've been rich and I've been poor, and rich is better." (4)

The Bottom 50% has little or no ownership in retirement accounts, investment accounts, real estate, and thus, they are enjoying very little or none of the wealth creation and inflationprotection methods available over the last thirty years. And, the Bottom 50% still shoulders the effects of higher investment returns and real estate values, namely in the form of higher rent and living costs, and, “they have far more unmet needs.”

While the subject of this paper is wealth inequality, not income inequality, it’s helpful to highlight income levels in America, because accumulating household wealth most often starts with income. Around the year 2015, wage inequality between low-income workers and high-income workers actually began to narrow, primarily due to very low unemployment. Just about everyone who wanted a job was able to find a job. And the pay gap continued to narrow as we entered Covid. “Something remarkable happened….Following the pandemic, wages for poor workers began rising faster than they did for the rich.” Businesses offered attractive pay raises to ensure that essential jobs were filled, while many high-income jobs enjoyed the conveniences of working from home. During the pandemic, wage growth for median workers in the bottom quarter rose almost eight percent, while only growing 4.8 percent for high-income earners. (11)

Jeff Bezos from Amazon makes around $7.9 million dollars per hour. (13) In just thirteen minutes, Jeff Bezos makes what the average U.S. worker makes in their entire career. Not from salary…but from the skyrocketing value of Amazon stock price and the wealth effect that this causes for Mr. Bezos. By 2019, Jeff Bezos’ personal net worth was larger than the gross domestic product of the country of Hungary, his personal net worth larger than the total market capitalization of General Motors as a company. (12)

In light of this mindblowing and seemingly infinite wealth of someone like a Jeff Bezos, and in considering income itself for another moment, is the “middle class” really getting hollowed-out?

One report by authors Stephen J. Rose and Scott Winship (14) in January 2026 submit that the hollowing out of the middle class is not what current populist narratives on both sides of the political spectrum would have you believe. They find that the middle class has shrunk, not because more families in the middle class have become poorer, but rather, because more middle class families are earning more income now and have actually moved up to become upper middle class. "The upper-middle class boomed from 10 percent of families in 1979 to 31 percent of families in 2024 and its share of income doubled. The share of families whose income left them short of the core middle class fell from 54 percent to 35 percent." The authors submit that claims of a hollowed-out middle class misrepresent the widespread gains across all income distribution levels in America, when actually, the purchasing power of households has improved from 1979 to 2024. So, the wealth effect that is creating a class of ultra wealthy billionaires is lifting the traditional middle class into upper middle class because of higher incomes within the middle class. It may not be the full picture to think about our nation's progress as a "K" effect, as in the letter "K", where the rich are getting richer and the poor are getting poorer, but rather, more like one side of the letter "U", where households have more purchasing power available to them in 2024 as compared to 1979, but most noticeably are the strong gains in income of the now sizable upper middle class, and the exponential wealth accumulation at the very top. Today, the upper-middle class receives half of all family income. "Together, the share of income received by the upper-middle class and rich rose from 28 percent in 1979 to 68 percent in 2024." The stressors in our economy are persistent, including inflation, higher taxes at all levels of government, housing costs, health care costs, and higher education, to name a few, but the last forty-five years in America has a story to tell. That is: "America's still mostly free-market and traditional political focus on economic growth are delivering unprecedented prosperity for more households. Inequality is in part a result of rising incomes at the top and especially in the growing cadres of the affluent middle class." (15)

Imagine This: Imagine the United States without its comprehensive and spider-web like map of railroads fanning out across our country. Imagine no railroad system to deliver fresh fruits and vegetables from Mexico to the shelves of every Costco, Super Wal-Mart and neighborhood grocery store. Imagine no railroad system to import our Christmas toys and electronic goods from ports across the ocean. Imagine no railroad system to shepherd manufacturing goods, our agricultural products, our automotive parts across the United States.

Imagine This: Imagine the United States without its spider-web like map, similar to the railroad system, a web of pipelines fanning out across the United States to transport crude oil and petroleum products from the Gulf of Mexico, or the Bakkan sand fields of North Dakota, to refineries and gas stations across the United States. This vast network of pipelines is still one of the most efficient and low-cost methods of providing affordable and reliable energy sources to the U.S. population.

The U.S. railroad system and the U.S. petroleum pipeline network, both now well over 125 years old, serve to this day as low-cost and efficient delivery methods to provide a rigid and reliable backbone to our American production and our American way of life.

John D. Rockefeller became the United States' first billionaire, in 1916, with his company, Standard Oil. Rockefeller's wealth would be worth something like $30 billion in today's dollars. One website estimates that Rockefeller's net worth translates more like $300 billion in inflation-adjusted dollars, but less than today's titans of technology. But perhaps more difficult to compare, since today's modern world-wide economy and our definition of wealth is more complex today, with different criteria for even determining wealth, as compared to

Rockefeller's time. However, by comparing Rockefeller's wealth as a percentage of the total U.S. economy at the time, his wealth was about two percent of the total U.S. economy, which makes him, by that definition, perhaps the wealthiest person in U.S. history. (16)

While John D. Rockefeller was busy developing Standard Oil, Cornelius Vanderbilt controlled the railroads. This nation was building railroads, reshaping the central United States, even re-calibrating our clocks, called "railroad time" back then, or even "Vanderbilt time" after he convinced Congress to pass time zones. (17)

The era of John D. Rockefeller and Cornelius Vanderbilt is often called the Gilded Age, a term coined by Mark Twain, that being the time period after the U.S. Civil War up until really about World War I. It is a story we know. And it was another time period in the United States that generated extremely high wealth inequality.

But were they really wealthier than us? After all, cell phone reception was very poor back in John D. Rockefeller's time. And the Amazon delivery truck had a difficult time completing its route by the end of the day back then.

John D. Rockefeller is number one as the richest American from the Gilded Age. Andrew Carnege was number two. J.P. Morgan of banking fame was number three and Cornelius Vanderbilt was number four. Jay Gould, Andrew Mellon and Marshall Field were on the list of the ten wealthiest Americans from that era. It was a time period from American history where we still enjoy the fruits and benefits of its development. (16)

Imagine this: Imagine it is March of the Year 2020. Imagine a scenario where you are isolated at home. Imagine that there is no internet connection to fill your Amazon Prime wish list, and imagine that there is no reliable delivery system to have your shopping cart magically appear on your front porch within a day or so.

So if we are living in the most segmented time in U.S. history as it relates to wealth inequality, and if John D. Rockefeller's wealth and all of the robber barons (as they have been called) from the Gilded Age have wealth that rivals even today's titans of technology and industry….then, where did all of the billionaires go? Where are all of the billionaire families? Why doesn't more wealth from the Gilded Age and from this country's wealthiest tycoons through the years survive? Why haven't billionaire families been successful in reinvesting, in re-imagining, in redeploying their wealth, creating even more products, more services, more inventions, to create even more great companies to help discover more ways to ease our human condition?

In their book titled, The Missing Billionaires, authors Victor Haghani and James White argue that it's not that we have too many billionaires, it's that we don't have enough billionaires. They comment on the Gilded Age dynasties that have disappeared, they warn about depleted fortunes, squandered wealth, squandered social benefit, and wealthy families that are no longer connected. "How rare it is," they state, "for great family fortunes to last beyond a few generations." (18)

"From shirtsleeves to shirtsleeves in just three generations."

"Getting rich is a lot easier than staying rich."

Starting a business is a lot easier than staying in business.

Even as recently as the Year 1990, most of the wealthiest Americans on the Forbes list that year are nowhere to be found on the 2025 Forbes list. Most of the wealth represents industries of that decade, including real estate tycoons, oil, media companies, banks, public stocks and agriculture companies. (19)

Seven of the top ten in 1990 are names you may not know today, the underlying companies having merged or faded to antiquity at this point. Warren Buffett was on the Forbes list in 1990. He was Number Two with $3.3 billion. Sam Walton and the Walton family were Number Seven. They had a combined wealth of $12.5 billion. Bill Gates was on the list in 1990 at Number Nine. He was 34 years old at the time, worth $2.5 billion. (19)

Jeff Bezos from Amazon stated: “Amazon is not too big to fail. In fact, I predict,” he says, “one day Amazon will fail. Amazon will go bankrupt. Lifespans tend to be thirty years plus, not one hundred years plus.” (12, p. 406)

Warren Buffett once remarked: “I want to give my children just enough so they would feel that they could do anything, but not so much that they would feel like doing nothing.” (18, p. 297)

Is inherited wealth meant to be spent, or preserved?

According to the investment company, Charles Schwab, it takes $2.3 million dollars to be considered wealthy today. That’s the amount you need to feel secure, have well-being, and enjoy a high quality of life. $2.3 million is not luxury, but comfort and security. Affluence is not about excess, but about reducing stress and anxiety. (20)

It seems that wealth creation is best achieved at the household level by having a job and having a contribution to a retirement or investment account, regardless of the amount, and if both are maintained consistently, households will improve their lots over the lifetime.

The younger generations in America, the Millennials, Gen Y, Gen Z, are choosing to re-define wealth along a different spectrum. They value lifestyle and leisure time over career advancement and monetary acquisition. They define wealth as happiness, physical health, mental health, quality of relationships, accomplishments, life experiences. (20)

Give more to support local charities, give more to one's favorite non-profit organization. Give more until it hurts, then give a little more, that's probably the right amount.

Imagine This: Imagine Covid without Amazon. Imagine Covid without Zoom calls! Imagine weight loss without Ozempic. Imagine Fort Wayne. Without Sweetwater Sound. Without Vera Bradley. Without deBrand Chocolates. Without Parkview Field. Without Fort Wayne Metals. Without Do-It-Best Hardware. Without the GM truck plant. Without the countless other companies producing wealth every day. Imagine Northeast Indiana without the orthopedic companies clustered around Warsaw, Indiana, and the layers of first, second and third-tier high-tech manufacturing companies that supply those orthopedic companies.

Elon Musk's net worth vaulted to an estimated $726 billion as of the end of December 2025, even without that $1 trillion dollar pay package. With Tesla, Space X, his AI company, xAI, it is projected that Elon Musk will become the world's first trillionaire this year, in 2026, not in pay, but in wealth. (21) By simple math, using the approximate size of the U.S. economy, at $30 trillion dollar based on our Gross Domestic Product, a $1 trillion net worth for Elon Musk would make him three percent of the U.S. economy, which is larger than John D. Rockefeller's two percent of the U.S. economy during Rockefeller's time. To help our comprehension, remember, a trillionaire is one million millionaires.

Robert Orben, who was a speechwriter for President Gerald Ford, once remarked that "Every day, I get up and look through the Forbes list of the richest people in America. If I'm not there, I go to work." (22)

Health is more important that wealth. Most of us, likely, would simply choose to have….more time.

Yes, we are living in the highest level of wealth inequality in U.S. history.

At the same time, more wealth creation is occurring at all levels of wealth like no other time in U.S. history. More families are moving up in household income like no other time.

It may be that we are living in the greatest time period ever for each of us to create our own wealth, however it is that we choose to define it.

Let the billionaires imagine.

Works Cited

1. Wall Street Journal. "The Pope and Trillion-Dollar Elon Musk." By the Editorial Board. wsj.com. September 17, 2025.
2. Wall Street Journal. "Tesla Shareholders Approve Elon Musk's $1 Trillion Pay Package." By Becky Peterson. November 7, 2025.
3. The Sun Also Rises. By Ernest Hemingway. Published by Charles Scribner's Sons, New York. 1926. Chapter 12.
4. Brainy Quote. www.brainyquote.com. Quotes by George Best, who was a 1960's Manchester United Winger in England: "I spent a lot of money on booze, birds and fast cars. The rest I just squandered." Also: Good Reads. www.goodreads.com. Mae West (1893-1980) famously remarked: "I've been rich and I've been poor, and rich is better."
5. American Songwriter. "15 of the Best Quotes from Van Halen's David Lee Roth." By Alex Hopper. www.americansongwriter.com. September 28, 2023.
6. Forbes magazine. "The Forbes 400: The Definitive Ranking of America's Richest People 2025. Edited by Chase Peterson-Withorn with Matt Durot. www.forbes.com. Published September 9, 2025.
7. Federal Reserve Bank of St. Louis. "The State of U.S. Household Wealth." By Ana Hernandez Kent. June 23, 2025.
8. Wall Street Journal. "Share the Wealth, Don't Redistribute It." By Mark Skousen. Wsj.com. November 11, 2025. The article indicates that more than half of all private-sector workers actively contribute to an employer-sponsored retirement plan. Nearly 80% of all of Nvidia's 36,000 employees are millionaires, with nearly half reporting a net worth exceeding $25 million.
9. Forbes. "Everyday Millionaires – A Huge (And Growing) Wealth Segment For Advisors." By April Rudin. www.forbes.com. July 18, 2025.
10. Wall Street Journal. "$1 Trillion of Wealth Was Created for the 19 Richest U.S. Households Last Year." By Juliet Chunt. wsj.com. April 23, 2025.
11. Wall Street Journal. "The Era of Big Raises for Low-Paid Workers Is Over." By Justin Lahart. wsj.com. August 11, 2025.
12. Amazon Unbound. Jeff Bezos and the Invention of a Global Empire. By Brad Stone. Published by Simon & Schuster. 2021. 381.142.ST7A. 478p.
13. Yahoo Finance. "Bezos Makes Around $7.9 Million Per Hour." www.economictimes.com. April 7, 2025.
14. American Enterprise Institute. "The Middle Class is Shrinking Because of a Booming Upper Middle Class." By Stephen J. Rose and Scott Winship. January 6, 2026.
15. Wall Street Journal. "About That 'Disappearing' Middle Class." By the Editorial Board. wsj.com. January 11, 2026.

16. Statista.com. "Total Wealth of the Wealthiest Men in the United States During the Period of the Gilded Age from 1870 to 1914." (in billions of 2006 U.S. dollars) Published September 14, 2007.
17. The Age of Betrayal. The Triumph of Money in America, 1865-1900. By Jack Beatty. Published by Alfred A. Knopf, New York, a division of Random House, Inc. 2007.
18. The Missing Billionaires: A Guide to Better Financial Decisions. By Victor Haghani and James White. Published by Wiley. 2023.
19. Forbes magazine. "The Forbes Four Hundred." October 22, 1990. Also: Forbes. "The Forbes 400: The Richest People in America". By Harold Seneker with Delores Lataniotis. It took just $260 million to be on the Forbes 400 in 1990; 66 of them were billionaires. John Werner Kluge with Metromedia was Number One and worth estimated $5.6 billion at the time. Henry Ross Perot was Number Ten that year, worth $2.2 billion.
20. Fortune magazine. "What It Takes to be Wealthy in America: $2.3 Million, Charles Schwab Says." By Sydney Lake. www.fortune.com. December 11, 2025.
21. Wall Street Journal. "Simulation or Not, Musk's Surreal Year Could Push Him to $1 Trillion Heights." By Tim Higgins. www.wsj.com. January 4, 2026.
22. A-Z Quotes. "Robert Orben Quotes." www.azquotes.com. According to Wikipedia.com, Robert Orben (1927-2024) was an American professional comedy writer and magician, who became Vice President Gerald R. Ford's head speechwriter in 1973.

Other Notable References:

23. Investopedia. "The Rockefeller Legacy: What Happened to Their $900 Million?" By Elysse Bell. www.msn.com. April 11, 2025. Original source: www.investopedia.com.
24. Pew Research Center. "The State of the American Middle Class." By Rakesh Kochhar. www.pewresearch.com. May 31, 2024.