



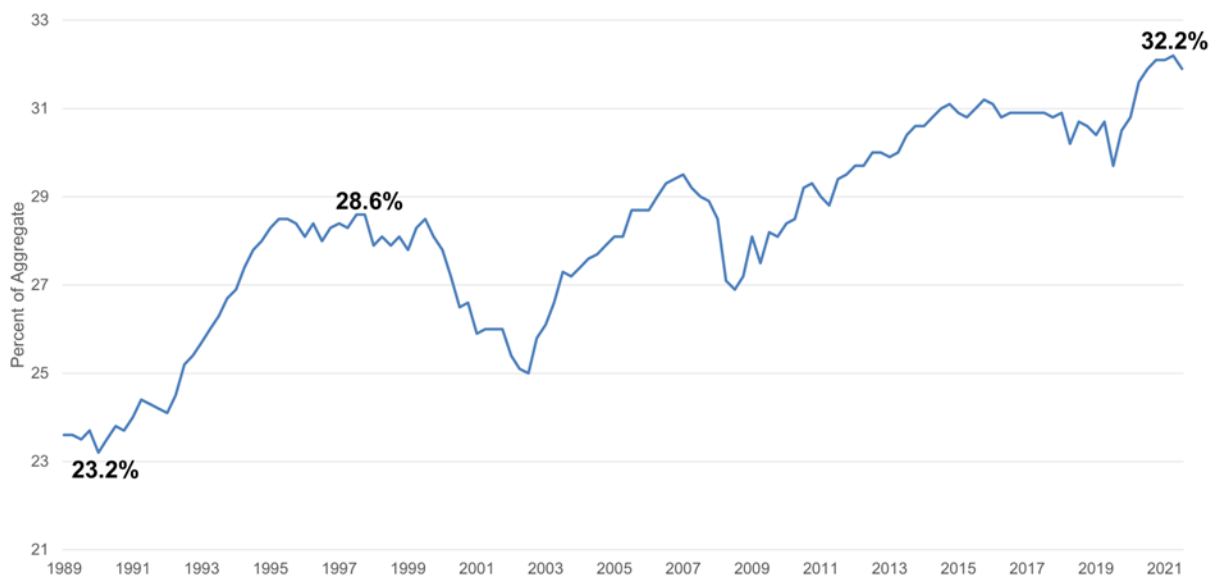
Harry's Take

December 26, 2023

Top 1% Controls 12.6% More of Total Net Worth Than During the 2000 Bubble

I'll make this one short and sweet for the Christmas holidays. One of the classic characteristics of bubbles is that the rich get even richer than in normal boom times. This chart shows that in this second stock and real estate bubble, the top 1% of net worth households in the U.S. now holds 32.2% of total net worth for the nation.

Share of Net Worth for Top 1% in Assets Is 13% Higher Than in 2000 Bubble



Source: Board of Governors of the Federal Reserve System (U.S.), Share of Total Net Worth Held by the Top 1% (99th to 100th Wealth Percentiles) [WFRBST01134], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/WFRBST01134>, December 21, 2023.

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That is 12.6% more than the top 1% held at their peak in the first bubble from 1995 to 2000, at 28.6%, which was an increase from 23.2% in 1990. Historically, levels of 20% for the top 1% and 40% for the top 10% are more normal.

This final bubble burst, in which stocks should fall by as much as 86% on the S&P 500 and the value of the average house should fall by 50% by my best projections, will end this era of the rich getting richer, similar to what happened in the 1929–1932 crash that ended the previous era. After that bubble peaked in 1929, the Dow fell by 89% at the worst and home prices fell 26%.

The everyday person is more likely to lose their job in 2024+... But the rich will lose more of their “ass”-ets, as they own the great majority in this unprecedented financial asset bubble.

Harry

Got a question or comment? You can contact us at info@hsdent.com.