



CEO'S CORNER

▶ A steady view on what matters most.

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THE WEALTH DIVIDE GETS WIDER June 14, 2026

On Thursday June 11th, the whole world fixated on Elon Musk becoming the world's first trillionaire. A trillion is 1000 times larger than a billion and 1,000,000 times larger than a million. One million seconds is equal to about 11.5 days. One billion seconds is equal to about 31.7 years. One trillion seconds is equal to about 31,688 years, which would take us back to the Upper Paleolithic ice age, long before civilization began. Good for Elon!

Lots of other people made great money from Space X, and good for them too! I found this image online, and thought it was pretty funny, but it also makes a point.

Early SpaceX employees commuting to work post IPO



I wrote a newsletter on April 24th in which I said, *“I consider myself fortunate to be an investor, and therefore able to increase my wealth by making money work harder rather than Meghan and me working harder. There are many families in this country that can’t do that.”* Families that can’t invest, and even small investors, are really feeling pinched. The same day that Space X when public this appeared in Financial Times.

US consumer conditions look worse than the last time inflation was this high



Graphic: Hakyung Kim, Alan Smith

Source: Bloomberg

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It could hardly be worse for wage earners these days. Headline inflation is the highest it's been since 2023, wage increases are slowing, and personal savings has gone negative.

The articles authors were quick to point out that while "headline" inflation is back above 4.2%, "core" inflation (which strips out volatile food and energy prices) came in at a "much more tame 2.9%." While statistically accurate, this "logic", if you can call it that, always frustrates the H--- out of me. What are we spending the most on, day after day? Food and energy, right?! When inflation actually gets back below 3% I'll be less angry. In the meantime, don't ignore that people are being squeezed.

Average hourly earnings spiked after covid and have been steadily declining since 2022. Personal savings rate has been declining for three years. The authors state, "*the declining annual level of personal savings rate indicates households are sustaining spending by saving less or drawing down savings.*" As if that's a good thing?! All the while the stock market keeps "whistling a happy tune", and the financial divide keeps getting wider.

It begs the question, how many people are actually participating in the buildup of wealth accruing from rising stock prices? Approximately 12.5% of American households have a net worth of \$1 million or more, excluding their primary home equity. This jumps to 18.5% when primary home equity is included in net worth. Interestingly, according to the Federal Reserve, only 54.3% of Americans hold any form of retirement account at all. That means that 45.7% have no retirement savings. These people handle emergencies by taking on credit card debt, borrowing from friends or family or just cutting back on expenses. They make the choice of whether to eat or pay rent. Before we brush past these numbers, let it sink in that almost half our population has no retirement savings.

I've always understood that "figures lie and liars figure"! It's so true, so often. I bring it up in this context only because it is hard to get your head around all the combinations of numbers that appear in studies on who has enough retirement savings and how doesn't. But I'll narrow it down for you. In the 65-74 age bracket the "median" household net worth is \$410,000. That represents the exact middle household. The "average" net worth is over 1.5 million. The "average" is heavily skewed upward by ultra-high net worth households in the top percentile of the population in the age group. What's the punch line? Most households in their "peak years" are worth less than \$1 million. One million doesn't go very far in retirement these days.

And what about Social Security? Without an emergency rescue by Congress benefits will likely be cut by about 20% by 2032. That's only six years away. Last Thursday I spoke with a person, mid-70's in age, who is now living on Social Security and a \$500,000 investment portfolio. It's doable. Many live on a lot less. But it's not fun and its worrisome.

I'm making a simple point here, and it's the same one I made in April. The few in our society are getting wealthier than ever. The many in our society are not. This is not going to work forever. I can see political and social unrest rising in the future. I can see more and more "senior citizens" struggling to make ends meet. I can see families challenged by taking care of parents at the same time they are trying to raise children.

I don't begrudge Elon Musk \$1 trillion. I really don't. I sure as heck don't begrudge Meghan and me for working as hard as we have all our lives, and being among the fortunate few, even though we don't have \$1 trillion. 😊 But I worry a lot about the society we've become, and the many that are falling farther and farther behind. I worry what will become of all of us if we don't fix this problem.

All the best,



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