Wealth Facts

- Wealth is a measure of a household's assets, such as real estate, stocks, bonds, and cash, minus liabilities, such as home mortgages and other personal debt.
- Wealth for the top 1 percent skyrocketed from 1983–2007, and although the financial crisis in 2008 reduced the wealth of those at the top, their wealth in 2009 was still 48 percent higher than what it was in 1983.
- Households with mid-level wealth derive much of their wealth from homeownership, not assets such as stocks or bonds that produce income (interest, capital gains, dividends). These households were hit much harder in the recent financial crisis because housing values plummeted. In 2009, median household wealth was 13.5 percent *less* than what it was 1983.
- Wealth should not be confused with income. Income refers to the amount of money received by a household or family from all sources of income (wages, interest, capital gains) in a year, while wealth refers to net worth at a certain point in time.
- Capital income, also known as unearned income, refers to the income gained from wealth-holding, such as stock dividends and capital gains. Capital incomes are less equally distributed than wages.
- Repealing the preferential treatment of capital gains, which are taxed at much lower rates than income earned from work, would raise significant revenue while leaving most tax filers unaffected. More than 83 percent of the tax would fall on the top 1 percent of households, and 92 percent of Americans would see no increase in their taxes.

Sources: Andrew Fieldhouse, *For Joint Select Committee, many good options,* Washington, D.C.: EPI and The Century Foundation, 2011.
Lawrence Mishel and Josh Bivens, *Occupy Wall Streeters are right about skewed economic rewards in the United States,* Washington, D.C.: Economic Policy Institute, 2011.

The UPSIDE-DOWN ECONOMY Wealth

+48%

The change in wealth for the top 1% of households, 1983–2009

-14%

The change in wealth for median household, 1983–2009

94%

Share of total gains in wealth from 1983 to 2009 held by the top 20% of households

82%

Share of total gains in wealth from 1983 to 2009 held by the top 5% of households

40%

Share of total gains in wealth from 1983 to 2009 held by the top 1% of households

225:1

The ratio of wealth owned by the wealthiest 1% to the wealth owned by median household, 2009

(131:1 in 1983)

EPI

$4.5 million

Average wealth gain for top 1% of households, 1983–2009

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