

Macro Roundup Article

Headline: [Elon Musk Today Claims Wealth Equal to 2.5 Million Times Median Household Income; His Predecessor Daniel Ludwig in 1982 Claimed Only 85 Thousand Times](#)

Article Link: <https://braddelong.substack.com/p/elon-musk-today-claims-wealth-equal>

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Publication	Brad DeLong's Grasping Reality
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Tweet: [.@delong cites evidence that wealth inequality has increased markedly since 1982, and argues that, since wealth and income fluctuate together, it's implausible that top-income shares have not risen.](#)

Summary: Here is my take: In the US in 1982, the top of the first Forbes 400 list was Daniel Ludwig with nominal \$2 billion. That was 85,000 times the then-median nominal family income of \$23,430. In 2023, the top of the Forbes 400 was Elon Musk with nominal \$251 billion. That was 2,500,000 times the now-median nominal family income of \$98,705. Now: $(\$251B/\$99K)/(\$2B/\$23K) = 29.8$ How the f*** is the ratio of the top to the median to explode by a factor of 30 while the Auten/Splinter measures show “little change in after-tax top income shares”? Until someone comes up with an explanation for how this could be—how a 30x multiplication since 1982 of the ratio of the top of the Forbes 400 to median household income is consistent with “top income shares are lower and have increased less since 1980 than other studies... increasing government transfers and tax progressivity have resulted in... little change in after-tax top income shares...” —I am going to presume the chances are 99% that there are big things wrong in the numbers in Auten/Splinter.

Related Articles: [Income Inequality in the United States: Using Tax Data to Measure Long-Term Trends and The Economics of Inequality in High-Wage Economies](#)

Primary Topic: Inequality

Topics: Database, Inequality, Op-Ed/Blog Post, Weekly, Workforce

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