

US MARKETS OPEN IN: 8H 26M 23S In the news

▲ Dow Jones	▲ Nasdaq	▲ S&P 500	▲ META	▲ TSLA	▲ BABA
-1.07%	-1.44%	-1.07%	-3.05%	-2.51%	-2.01%

[HOME](#) > [ECONOMY](#)

A huge study of 20 years of global wealth demolishes the myth of 'trickle-down' and shows the rich are taking most of the gains for themselves

Juliana Kaplan and Andy Kiersz Dec 7, 2021, 11:20 AM



Download the app



< [HOMEPAGE](#)

Subscribe



The globe's richest people own far more wealth than the bottom half — including Elon Musk, the world's richest man. Picture Alliance/Getty Images

It's no secret there's inequality across the economy, but a huge new report shows just how much.

The 2022 World Inequality Report demolishes the myth that tax cuts for the rich will trickle down.

The bottom half of the global population holds just 2% of all wealth, while the top 10% earns 76%.

Sign up for our newsletter to receive our top stories based on your reading preferences — delivered daily to your inbox.

Email address
Email address

SIGN UP

By clicking 'Sign up', you agree to receive marketing emails from Insider as well as other partner offers and accept our [Terms of Service](#) and [Privacy Policy](#).

[< HOMEPAGE](#)

[Subscribe](#)

Inequality has remained persistently high for decades, and a new report shows just how stark the divide is between the richest and poorest people on the planet.

The 2022 [World Inequality Report](#), a huge undertaking coordinated by economic and inequality experts Lucas Chancel, Thomas Piketty, Emmanuel Saez, and Gabriel Zucman, was the product of four years of research and produced an unprecedented data set on just how wealth is distributed.

"The world is marked by a very high level of income inequality and an extreme level of wealth inequality," the authors wrote.

The data serves as a complete rebuke of the trickle-down economic theory, which posits that cutting taxes on the rich will "trickle down" to those below, with the cuts eventually benefiting everyone. In America, trickle-down was exemplified by [President Ronald Reagan's tax slashes](#). It's a theory that [persists today](#), even though most research [has shown](#) that 50 years of tax cuts benefits the wealthy and worsens inequality.

written a book on the rich dodging taxes and helped create wealth tax proposals for senators like Elizabeth Warren and Bernie Sanders.

Piketty, who was Zucman's doctoral adviser, wrote the tome "[Capital in the 21st Century](#)" which used an unprecedented data set going back to the French Revolution to expose how centuries of growing wealth inequality was a feature of capitalism, not a bug. The World Inequality Report was his effort to do the same for recent history.

They argue in the new report that the last two decades of wealth data show that "inequality is a political choice, not an inevitability."

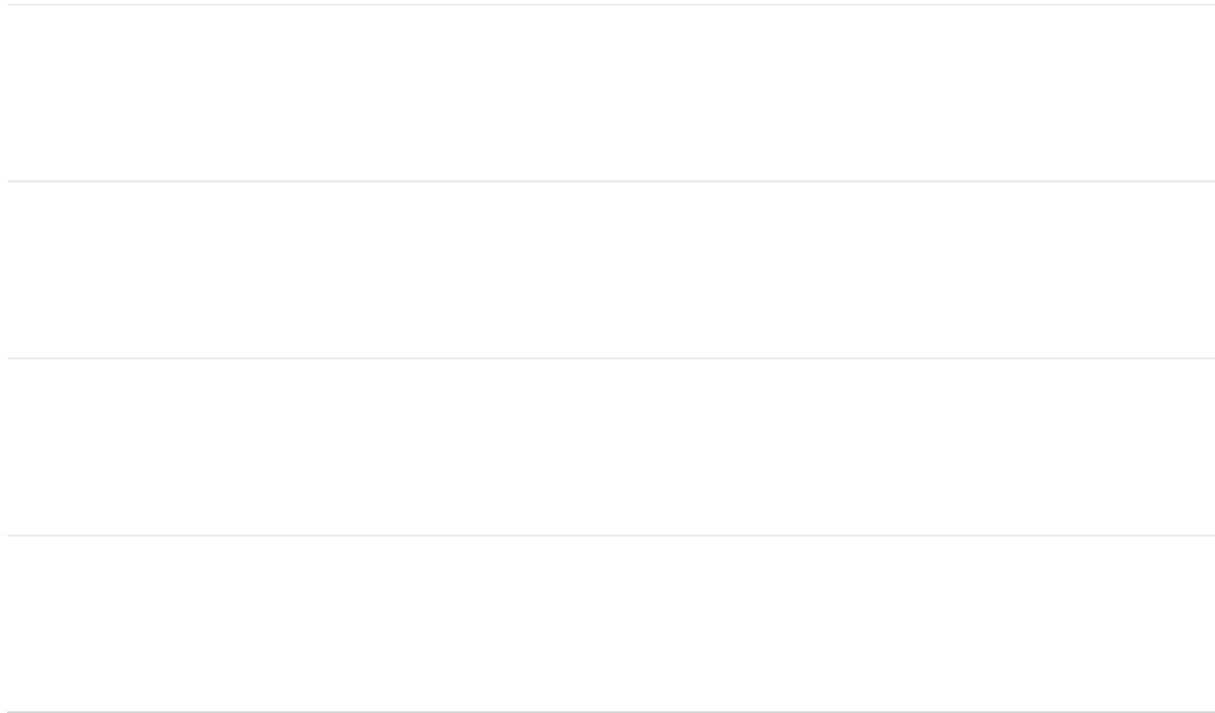
For instance, when it comes to wealth, which accounts for the values of assets people hold, researchers found that the "poorest half of the global population barely owns any wealth at all." That bottom half owns just 2% of total wealth. That means that the top half of the world holds 98% of the world's wealth, and that gets even more concentrated the wealthier you get.

Indeed, the richest 10% of the world's population hold 76%, or two-thirds of all wealth. That means the 517 million people who make up the top hold vastly more than the 2.5 billion who make up the bottom. The world's policy choices have led to wealth trickling up rather than down.

[< HOMEPAGE](#)

[Subscribe](#)

Share of global wealth by wealth bracket



45%

Chart: Andy Kiersz/Insider • Source: [World Inequality Report 2022](#)

INSIDER

One group in particular has seen its share of global wealth swell.

Billionaires now hold a 3% share of global wealth, up from 1% in 1995

[< HOMEPAGE](#) [Subscribe](#)

Billionaire gains are a well-documented trend: The left-leaning Institute for Policy Studies and Americans for Tax Fairness [found](#) that Americans added \$2.1 trillion to their wealth during the pandemic, a 70% increase.

So what could work better than the current system? As the authors note, there's been a renewed interest in taxing wealth during the pandemic: "It would be completely unreasonable not to ask more to top wealth-holders in the future, especially in light of the social, developmental and environmental challenges ahead."

For the authors, that means expanding wealth taxes like property taxes to all different types of wealth, and to make taxes progressive — meaning they increase with net worth. The US has seen proposals from leading progressives like Sen. Elizabeth Warren and Sen. Ron Wyden that would respectively tax billionaire wealth outright, or tax the gains their assets see. But [neither is moving forward](#).

 **KEEP READING**

NOW WATCH:

[< HOMEPAGE](#)

[Subscribe](#)

More: [Economy](#) [Income Inequality](#) [Inequality](#) [Inequality Tax](#) ▼



* Copyright © 2022 Insider Inc. All rights reserved. Registration on or use of this site constitutes acceptance of our

[Terms of Service](#), [Privacy Policy](#) and [Cookies Policy](#).

[Contact Us](#) | [Sitemap](#) | [Disclaimer](#) | [Accessibility](#) | [Commerce Policy](#) | [Advertising Policies](#) | [CA Privacy Rights](#) | [Coupons](#)

| [Made in NYC](#) | [Jobs @ Insider](#)

[< HOMEPAGE](#)

[Subscribe](#)

International Editions:

[INTL](#) | [AS](#) | [AT](#) | [DE](#) | [ES](#) | [IN](#) | [JP](#) | [MX](#) | [NL](#) | [PL](#) | [ZA](#)

[CA Do Not Sell My Info](#)