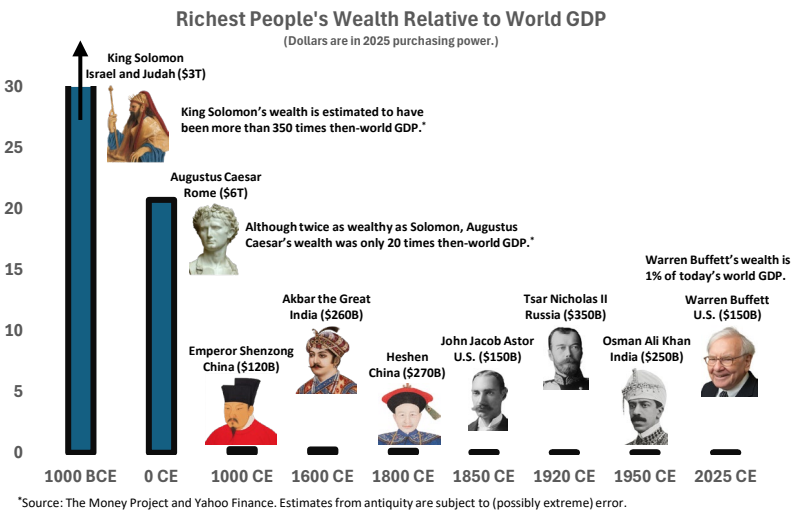


Economic & Market Watch Intelligence Brief

Briefing

- In the U.S., the top 10% of households (by wealth) own about twice the wealth of the bottom 90% (**Figure 1**). Consumption mitigates this disparity to some extent as poorer households consume greater shares of their incomes and consumption is not included in wealth.
- On a per-household basis, the bottom 50% (by definition) own the least wealth. However, they have seen the second greatest gains. Since 2007, their per-household wealth has increased at an average annual rate of 2.3%. That's faster than the 50% to 90% (1.4%), the 90% to 99% (1.6%) and the 99% to 99.9% (1.8%). Only the top 0.1%'s wealth grew faster (2.9%) (**Figure 2**).
- A problem with inequality metrics is that increased disparity among the rich and the super-rich makes inequality appear worse. We can compensate by lumping the rich and the super-rich together. Also, inequality metrics measure relative, not absolute, well-being. The former's impact is psychological, the latter's physical. We can compensate for this by looking at inflation-adjusted purchasing power. In 1970, 51% of U.S. households were in the middle-income categories. By 2022, that number had fallen to 39%. In 1970, 30% of households were in the lower-income categories. By 2022, that number had fallen to 23%. Today, 38% of all U.S. households are in the upper-income categories. That's up from only 19% in 1970 (**Figure 3**).

Chart of the Week



Commentary

An interesting trend is happening to the ranks of the wealthy. They are becoming both more numerous and less wealthy relative to the world economy.

Three thousand years ago, King Solomon is estimated to have been worth (in today's dollars) around \$3 trillion. World gross domestic product (GDP) at the time is estimated to have been around \$8 billion, making the amount of wealth Solomon owned over 350 times the world's GDP. A thousand years later, Augustus Caesar's wealth was double Solomon's, but because the world economy was 40 times larger, Augustus's wealth was only (only!) 20 times the world's GDP. While numbers from antiquity are subject to extreme error, even if these estimates of their relative wealth were off by a factor of 100, they would still dwarf those of today's ultra-rich.

Over time, the wealthiest have become less wealthy relative to the world. Warren Buffett's wealth is equivalent to around 1% of global GDP. On the other hand, the number of wealthy people has been growing. In 2000, there were 7.6 million millionaires in the U.S. By 2024, the number had grown to 24 million. From 2012 to 2022, the number of millionaires and billionaires worldwide both approximately doubled.

Snapshots

Figure 1: Wealth Per Household for Top 10% (2025 Dollars)

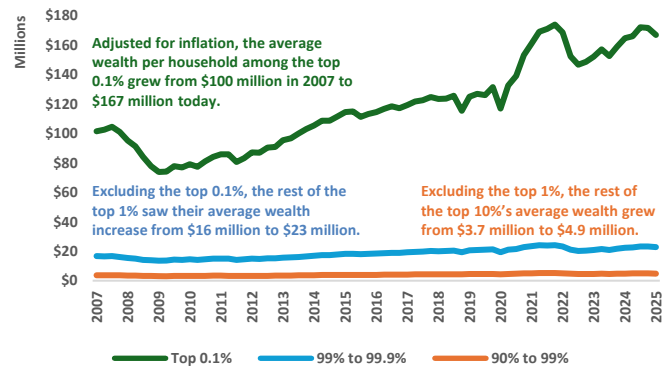


Figure 2: Wealth Per Household for Bottom 90% (2025 Dollars)

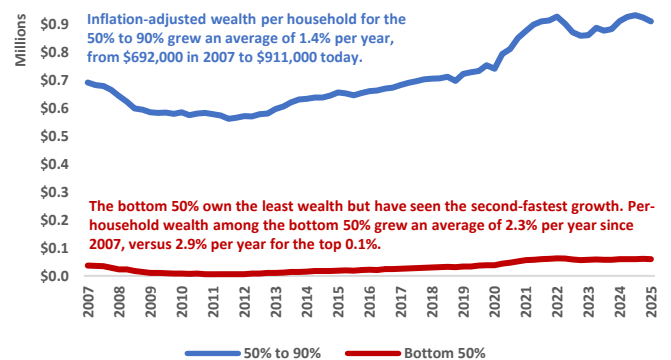
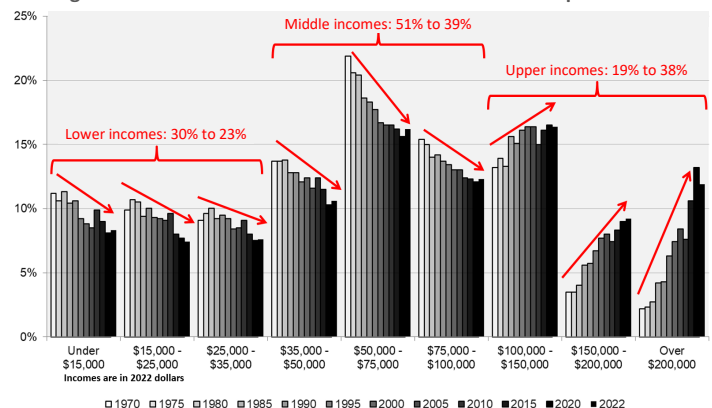


Figure 3: Fraction of US Households in Each Income Group Over Time



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Economic & Market Watch Dashboard

Key Indicators

INTEREST RATES¹

	Current	2025			2026		
		Q3	Q4	Q1	Q2	Q3	
Fed Funds Target ² (%)	4.50	4.25	3.75	3.50	3.25	3.25	
SOFR (%)	4.42	4.06	3.80	3.56	3.37	3.20	
2Y UST (%)	3.53	3.72	3.61	3.53	3.48	3.44	
5Y UST (%)	3.60	3.89	3.83	3.79	3.75	3.71	
10Y UST (%)	4.03	4.30	4.24	4.21	4.19	4.17	
30Y UST (%)	4.66	4.76	4.70	4.67	4.65	4.64	

ECONOMY

	Current	2025			2026		
		Q3	Q4	Q1	Q2	Q3	
PCE Inflation (YoY %)	2.6	3.2	2.8	2.5	2.3	2.2	
CPI Inflation (YoY %)	2.7	3.6	3.3	2.8	2.6	2.5	
Real GDP (QoQ %)	3.3	0.8	1.3	1.8	2.0	2.9	
Unemployment (%)	4.3	4.4	4.6	4.7	4.7	4.7	
Consumer Spending (QoQ %)	1.6	0.6	0.8	1.4	1.7	1.8	
Industrial Production (YoY %)	1.4	1.0	1.2	0.6	1.0	1.5	

Equities & Currency

	Current	Year ago
DJIA	45,870	41,622
Nasdaq	22,280	17,592
S&P 500	6,611	5,633
US Dollar Index	\$1,196.51	\$1,222.47

Commodities

	Current	Year ago
Crude Oil (Per Barrel)	\$63.40	\$70.09
Natural Gas (Per MMBtu)	\$2.98	\$2.37
Coal (Per Short Ton)	\$10.07	\$13.73
Gold (Per Ounce)	\$3,657.70	\$2,583.70
Corn (Per Bushel)	\$4.27	\$4.11
Soybean (Per Bushel)	\$10.49	\$10.05

Industry

	Current	Year ago
Natural Gas Storage (Billion Cubic Feet)	3,343	3,381
U.S. Daily Power Consumption (MWh)	12,124,873	11,786,471
World Container Index (Per 40ft)	\$2,044	\$4,775

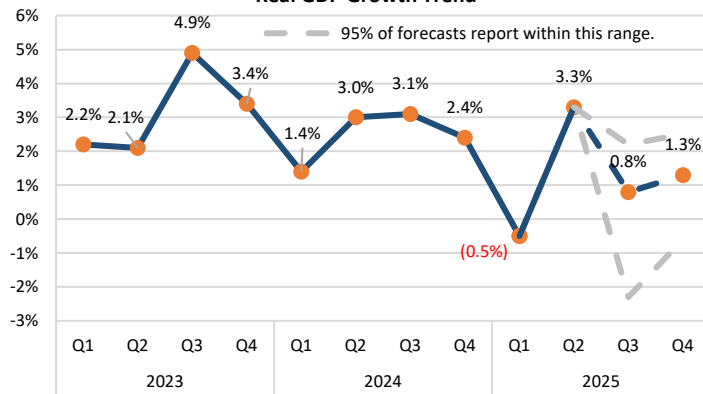
¹ Unless otherwise indicated, forecasts are from the Blue Chip Professional Forecasters.² Target rate forecast is based on futures market contracts.

Source: Blue Chip Financial Forecasts, Trading Economics, Moody's Analytics, Statista, Trading Economics, U.S. Bureau of Economic Analysis, U.S. Bureau of Labor Statistics, U.S. Energy Information Administration, U.S. Treasury Department, Federal Reserve Bank of Atlanta, Federal Reserve Bank of New York, Federal Reserve Bank of St. Louis, International Monetary Fund, World Bank, University of Michigan, The Conference Board.

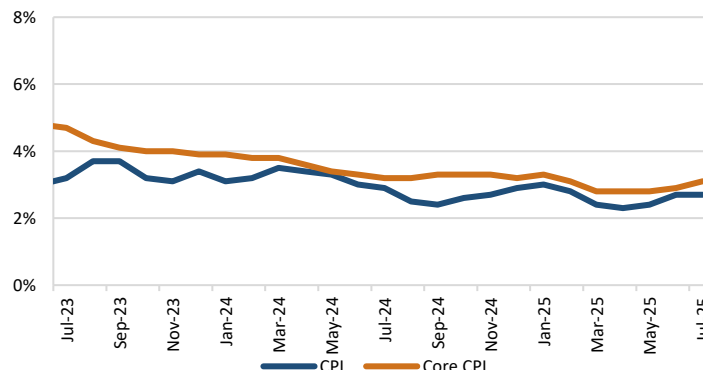
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Forecasts

Real GDP Growth Trend



Headline vs. Core Inflation



10-Year US Treasury vs. Fed Funds Trend

