Number of US investable wealth millionaires grew by 8.6 percent in 2014

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The number of “high net worth individuals” in the United States increased by 8.6 percent in 2014, according to a report released Wednesday by consulting firm Capgemini.

The firm’s 2015 US Wealth Report showed that the number of such “high net worth individuals” (HWNI), or those with $1 million or more in investable assets, grew to 4.4 million, and that their overall wealth grew by 9.4 percent to $15.2 trillion.

Significantly, the enrichment and expansion of this social layer, which makes up slightly more than 1 percent of the population, took place even as the earnings of a typical household continued to decline. The Census Bureau noted earlier this year that the median household income in the US fell from $54,462 in 2013 to $53,657 in 2014, and that this figure is down by 6.5 percent since 2007, the year before the official start of the 2008 recession.

Despite six years of what the Federal Reserve and the White House have termed an economic “recovery,” in which the official unemployment rate has returned to the “normal” level of 5 percent, the incomes of a typical household have fallen year after year during the Obama presidency.

The Capgemini report noted that the US continues to create more wealthy, rich, and super-rich people than any other country. The US accounted for 28.6 percent of all wealth created for HWNI since 2007, despite having only 5 percent of the world’s population.

But even the US’s sharp increase in millionaires was dwarfed in percentage terms by China, whose population of HWNI grew at a rate of 17.5 percent as a result of the country’s speculative run-up in stock prices.

Both the US and China created millionaires more quickly than the rest of the world, whose population of HWNI increased by 6.7 percent, while their wealth increased by 7.2 percent last year, according to the firm.

The rise in the numbers of investable wealth millionaires paralleled the continued growth in stock values, which rose 11 percent last year. This process had in turn been fueled by seven years of bank bailouts, zero interest rates and quantitative easing carried out by global central banks, with the leading role played by the US Federal Reserve.

Despite the Federal Reserve’s intention to begin raising rates slowly, these policies continue to expand and intensify worldwide. On Thursday, Mario Draghi, the president of the European Central Bank, announced a further reduction of one of the bank’s benchmark interest rates. Global financial firms, who expected that Draghi would announce another expansion of “quantitative easing” asset purchases, responded with a stock selloff.

Draghi, whipped into line by the response of financial markets, clarified Friday that the ECB stands ready to carry out further quantitative easing in the future, prompting global stocks to rally in response.

The Capgemini report only hinted at the sharp disparity between the relative social weight of “millionaires next door” and so-called ultra-high net worth individuals, or those with $30 million or more in investable wealth.

But another report, published this week by the Institute for Policy Studies (IPS), pointed to the vast amount of US and global wealth dominated by a handful of super-rich oligarchs.

“America’s 20 wealthiest people—a group that could fit comfortably in one single Gulfstream G650 luxury jet—now own more wealth than the bottom half of the American population combined, a total of 152 million people in 57 million households," noted the report.

The IPS report is an analysis of figures published by *Forbes* magazine in October that showed that the 400 richest people in the US had their wealth grow to a record $2.34 trillion.

The IPS added, "The Forbes 400 own more wealth than the bottom 61 percent of the country combined, a staggering 194 million people," a figure larger than the combined populations of Canada and Mexico.

But even the *Forbes* figures are likely to underestimate the true scale of social inequality in the US. Researcher Gabriel Zucman has computed that some 8 percent of personal wealth is held in offshore tax havens, and hence untaxed.

This enormous concentration of wealth has been significantly accelerated under the Obama administration, whose policies have been aimed at protecting and expanding the wealth of the financial oligarchy that dominates American society, at the expense of the working population.

After making its first order of business upon assuming office the extension and expansion of the Bush administration's taxpayer-funded bailout of Wall Street, the Obama administration made the proliferation of poverty-wage jobs the precondition for its restructuring of the US auto industry. It worked with congressional Republicans to impose sweeping cuts to social programs benefiting poor and low-income households.

As a result of these policies, the social legacy of the Obama administration has been a vast increase in the wealth of the financial oligarchy on one pole of society, and the impoverishment of the great majority of working people on the other.