

A tale of two Chiles defined by poverty wages and billionaire clans

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Two sets of figures, published within days of each other, define the social reality of Chile in 2026 with a clarity that no amount of official spin can obscure.

The first comes from the Supplementary Income Survey (ESI) 2025, analyzed in the study *Los verdaderos sueldos de Chile* (Chile's True Wages) by Gonzalo Durán and Marco Kremerman of the Fundación SOL. Its central finding: half of all workers in Chile earn less than 680,000 Chilean pesos (CLP), or \$695, a month in take-home pay. Only 28 percent earn more than CLP 1 million, and only 17.4 percent more than CLP 1.5 million. Three-quarters of working women earn less than CLP 1 million.

The second comes from the Forbes ranking of the world's billionaires. Iris Fontbona, matriarch of the Luksic clan, is worth \$52.6 billion. Through Antofagasta plc and the Quiñenco holding company, her family controls the country's largest copper producer, Banco de Chile, the CCU brewery, the CSAV shipping line and the Enx energy firm. Below her sit Jean Salata (\$8.4 billion), Julio Ponce Lerou (\$3.9 billion), the former son-in-law of Augusto Pinochet, whose fortune rests on the privatized lithium giant SQM, and the Angelini family (\$3.6 billion combined).

These are the two poles of Chile. They are one story, told from opposite ends: the same social relations that impoverish the worker enrich the oligarchs.

The structural character of low wages

The Fundación SOL study refutes the official claim that Chile's wage crisis is a temporary consequence of the pandemic or of a few years of slow growth. Low wages are a structural feature of the Chilean economy.

Between 2019 and 2025, real average net income of employed persons rose just 10.6 percent, a little over CLP 92,000 in six years, while real GDP grew 12.6 percent. In the Magallanes region, real average income actually fell. In eight regions, half of all employed persons earn less than CLP 602,000 a month, and in 31 of the 52 provinces with available data, the median wage does not exceed CLP 600,000.

The most damning finding concerns the poverty line. In November 2025, the income poverty line for a household of four that rents its home stood at CLP 961,496. The median wage of private-sector workers on a full 40-hour week is CLP 750,000. As a result, 65.3 percent of full-time private-sector workers could not, on their own

wage, lift a family of four out of poverty. A household needs at least two full-time workers merely to avoid being counted as poor.

Beneath even this floor lies a vast sub-stratum of precarious labor. The survey records 2.54 million informal workers, 26.8 percent of the employed workforce, with a median wage of CLP 360,000, less than half the formal median. There are 611,000 underemployed workers, half of whom earn under CLP 299,000, and 1.2 million "professional underemployed" with higher education working in unskilled jobs at median wages 51 percent below those of graduates working in their field. Nearly 1.1 million workers are employed under outsourcing, earning on average 24.9 percent less than directly contracted workers, a gap exceeding 90 percent in mining, finance, public administration and electricity.

A paycheck that does not last a fortnight

The Laborum survey "What's Happening with Wages? 2026" shows what this means in daily life. For 79 percent of working Chileans, pay runs out within two weeks of being received, up from 77 percent in 2025. Twenty-three percent spend their entire paycheck the moment it arrives, to pay off debts. Another 23 percent say it lasts less than a week. Only six in 100 make their wage stretch to the end of the month.

Eighty-seven percent say their salary is insufficient to cover basic needs, up from 83 percent a year earlier. Fifty-two percent say their purchasing power has deteriorated in recent months, a six-point jump. The main expense is rent (57 percent), followed by food (16 percent) and debt payments (14 percent). More than half of workers regularly or occasionally support family members or friends.

Ninety percent report being unable to save anything, the highest figure in Latin America, tied with Argentina. Ninety-one percent carry some form of debt, making Chile the second-most indebted country in the region. This is the reality behind the phrase "poverty wages," set by the labor market that the dictatorship constructed and every government since has preserved: wages insufficient to reproduce the worker and his family from one month to the next.

A nation in debt

What the wage cannot cover is supplemented by credit, and credit has become a trap. The Universidad San Sebastián's 52nd Delinquent Debt Report, published in April 2026, counts 4,011,868 delinquent debtors in the first quarter, a delinquency rate of 25.2 percent: one in four adults is in default. Unpaid debt reached \$10.8 billion, 2.93 percent of GDP, a real increase of 15 percent in a single year.

The composition of this default tells its own story. Retail accounts for the largest number of delinquent accounts, but banking holds 46.7 percent of the total amount owed, retail 26.2 percent. The debt of the poor is owed to the supermarket and the department store; the debt of the middle class is owed to the bank.

The number of new delinquents rose 21.7 percent in a year, more than 51,000 additional people. The burden is heaviest in the lowest socioeconomic group, where average debt in arrears is CLP 1,500,316, 5.1 times the debtor's monthly income, the highest ratio of any group. Fundación SOL notes that these figures understate the problem, since overdue student loans and utility bills are not made public; including them, it estimates more than 5 million people cannot pay their bills on time.

The same forces are now corroding the small and medium bourgeoisie. An Equifax study issued in July found 248,000 Chilean businesses with overdue invoices, and 4.9 million unpaid invoices in total. Fifty-six percent of these obligations are more than two years past due, and only 5 percent less than three months. Small and medium enterprises, whose margins are tight, are hit hardest, as delinquency spreads through the payment chain. The small proprietor is being crushed between the monopolies above and the insolvent consumer below.

The clans and the state

The wealth at the opposite pole of this misery is not the product of individual genius or entrepreneurial risk. It is the outcome of a specific historical process: the counter-revolution of 1973.

The Pinochet dictatorship, installed with the direct support of the United States, not only murdered, tortured and atomized the organized working class. It carried out a vast transfer of public wealth into private hands. The copper mines nationalized under Salvador Allende, especially the most lucrative new deposits, went to private capital. SQM was privatized into the hands of Ponce Lerou, Pinochet's son-in-law. The pension system, imposed in 1981 under the "Chicago Boys," was designed to convert the compulsory savings of the working class into a reservoir of capital for the oligarchy and international financial markets.

The decisive fact, obscured by the official mythology of the "transition to democracy," is that the civilian restoration consolidated and expanded this system. The center-left governments that ruled from 1990 to 2010 preserved the Pinochet constitution, the labor code, the pension system and the privatizations intact, providing the political stability, legal guarantees and access to international capital that allowed the fortunes created under the dictatorship to multiply many times over.

For four decades Luksic, Matte and Angelini have remained at the center of these clans. Through Quiñenco, the Luksic family holds stakes in Banco de Chile, CCU, Enx and CSAV; the holding closed 2025 with \$75 billion in assets and \$746 million in profit, while

Antofagasta plc earned \$1.9 billion pre-tax on \$4.5 billion in revenue in the first half of 2026. The Matte family, through BICECORP's acquisition of Grupo Security, has transformed its financial scale: Grupo BICE's first-half 2026 profit rose 59.8 percent to approximately \$197 million. The Angelini group, through its control of Empresas Copec, reported \$712 million in net income over the same period.

Others do not fit the old family model. The Yarur group presides over BCI, which ended 2025 with \$89.9 billion in assets and a significant US presence through City National Bank of Florida. Inversiones La Construcción (ILC), 68.22 percent owned by the Chilean Chamber of Construction, operates in pensions, insurance, healthcare and banking through AFP Habitat, Confuturo, RedSalud and Banco Internacional, with \$99.8 billion in assets under management and net income up 88.8 percent in 2025. Jean Salata built his fortune in private equity, a pure product of the financialization of the world economy, in which fortunes came to be made not by producing goods but by trading, leveraging and speculating in claims on them.

These "economic clans," together with institutional blocs like ILC and Consorcio, control the commanding heights of the economy, including mining, banking, energy, forestry, retail and pensions, and through them, the state itself. The political establishment, from the far-right government of José Antonio Kast to the "left" of the Communist Party and the Broad Front, exists to administer their rule.

The Kast government is now using the economic crisis to launch the most sweeping assault on the social and democratic rights of the working class since the dictatorship. It is dismantling the 40-hour week, institutionalizing precarious hourly contracts, gutting severance pay, and imposing austerity demanded by the IMF and the credit rating agencies, all while the oligarchy reaps a bonanza.

The Fundación SOL data are a devastating indictment of capitalism in Chile. But the study's authors, like the reformist milieu from which they come, can only document the misery; they cannot point the way out of it. Higher wages, the abolition of the AFP system and the reversal of the privatizations can be won only through the independent political mobilization of the working class, in struggle against both the right and the pseudo-left, and through the socialist transformation of society.

The extreme social inequality that the World Inequality Report traced across more than a century is the law of motion of capitalism itself. The wealth of the Luksic and the poverty of vast sections of the working class are two sides of the same social relation. That relation can be ended only by the expropriation of the expropriators.



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