

## **GLOBAL WEALTH: The Great Divide Gets Larger**

by Michelle Wallar (Yes Magazine, Spring 2007, p. 8)

A new global study of personal wealth shows that the richest 2 percent of adults now own more than half of global household wealth. The study by the World Institute for Development Economics Research of the United Nations University, Helsinki was based on data from the year 2000. It showed that the richest 1 percent of adults (those worth at least \$500,000) controlled 40 percent of global assets, and that the richest 10 percent of adults (those worth at least \$61,000) owned 85 percent of the world total. Meanwhile the bottom half (those worth less than \$2,200) together owned barely 1 percent of global wealth.

The United States is one of the world's wealthiest countries, but the wealth divide here is just as deep. The richest 10 percent of Americans controls 70 percent of the wealth.

While the median wage and salary income grew by only 11 percent between 1966 and 2001, the wealthiest 10 percent saw an increase of 58 percent, and the top 1 percent had an increase of 121 percent. Those in the top 0.1 percent enjoyed a 236 percent income increase in those 35 years, according to a report by Ian Dew-Becker and Robert Gordon of Northwestern University .

The rising disparity is alarming to most Americans, according to a December Bloomberg/ Los Angeles *Times* poll. Nearly three-quarters of Americans said the income gap is a somewhat serious or very serious problem.

Of those making less than \$40,000 a year, 85 percent considered the gap a serious problem; more than three of five of those making more than \$100,000 agreed.

Michelle Wallar