

The Socioeconomic
Barbell - Middle-Class
Compression:

Share of total US household net worth
— top 1% vs. bottom 50%

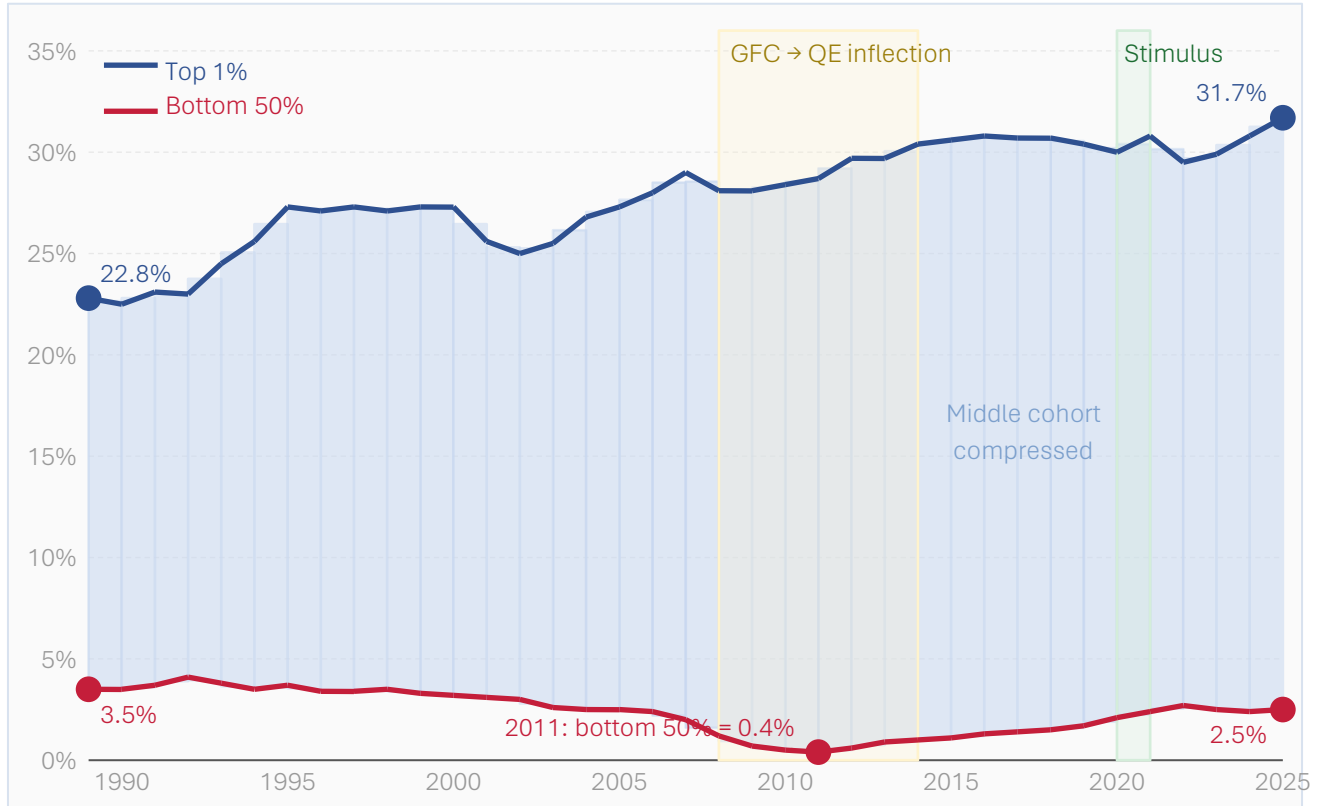
May 2026

The Socioeconomic Barbell: Middle-Class Compression

Share of total US household net worth — top 1% vs. bottom 50%

Since 1989, the top 1% of US households has grown its share of total net worth from 22.8% to 31.7% — a gain of nearly 9 percentage points. The bottom 50% has gone nowhere, ending at 2.5%. Because the four cohorts must sum to 100%, the arithmetic consequence is unambiguous: the middle has been squeezed. The households that historically anchored broad consumer spending, housing demand, and retail sales are holding a shrinking fraction of the nation's wealth.

SHARE OF TOTAL US HOUSEHOLD NET WORTH BY COHORT



+8.9pp

Top 1% share gain since 1989
(22.8% → 31.7% of net worth)

-1.0pp

Net change in bottom 50% share
(trough: 0.4% in 2011)

~66%

Middle cohort share (50th-99th)
down from 73.7% in 1989 (-7.9pp)

Investment strategies premised on broad middle-class aggregate demand — for example mass-market retail, entry-level housing, consumer discretionary — may face a structural headwind as the wealth base that drives that spending compresses. The barbell economy rewards businesses serving the top (premium goods, hard assets, alternative investments) and the bottom (essential services, value retail) while hollowing out the middle. For allocators, this may argue for assets with pricing power uncorrelated to median income growth over passive exposure to broad consumer-facing equities.



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