



The Great American Bluff

Behind the glittering façade of stock market records and AI rhetoric lies an economy in which eight out of ten Americans can barely survive.

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According to *Forbes*, Elon Musk is now the first person in history with a net worth of **\$500 billion**.^[1] While Musk and the ultra-rich soar to unimaginable heights, millions of Americans are struggling to pay their bills.

A recent **Goldman Sachs** report paints a bleak picture: **40% of working Americans** now live paycheck to paycheck.^[2] If this trend continues, that number will rise to **55% by 2033**. Another **40%** say they've made no meaningful progress toward retirement savings. Taken together, roughly **80% of Americans** are financially treading water.

At the same time, the **cost of retirement** has risen by **4% per year** over the past 25 years.[3] By 2033, the average American will need **\$1.7 million** to maintain their standard of living in retirement — up from **\$1.1 million** in 2023. For the vast majority, that goal is unattainable.

The housing market tells the same story. In 2000, homeownership consumed **33% of the median household's disposable income**. Today, it's **51%**.[4] In 2002, the average first-time homebuyer was **36 years old**; now, it's **56** — two lost decades, the very years in which previous generations started families and built wealth.

Yet if you turn on **CNBC** or **Bloomberg**, everything looks wonderful: stock markets at record highs, GDP rising, and unemployment supposedly at “only” **4.3%**.[5]

But those figures are an illusion. The official unemployment rate counts anyone who works at least one hour per week as “employed.” GDP growth is increasingly driven by data centers and AI speculation — not by better jobs or higher wages. While the markets surge, only the **wealthiest ten percent** of Americans truly benefit.[6]

The much-hyped **AI revolution**, once celebrated as a productivity breakthrough, is in reality already replacing workers rather than empowering them. Programmers, analysts, and office employees are being laid off while corporate profits hit new records.[7]

In short: the economy is booming — for those who own it.

For everyone else, it's a slow, steady bleed.

65% of Americans say they feel financially strained every month — up from **58%** the year before.[8] The **University of Michigan's Consumer Sentiment Index** now stands lower than it did during the **2008–2009 financial crisis**.[9]

This is not a strong economy; it's a **two-tiered system** — one in which the wealthy multiply their fortunes through stocks and real estate, while the middle class struggles to survive under the weight of stagnant wages and soaring costs of living.

Economist **Matt Stoller** sums it up bluntly: an economy *built on inequality*.[10] Wealth is increasingly concentrated in financial assets and real estate, while wages stagnate and debt piles up. American households today hold **six times their annual income** in financial assets — most of it owned by the wealthy — compared to **3.5 times** in the 1950s.

Back then, housing was affordable, debt was rare, and families lived within their means.

Today, survival depends on **credit cards, student loans, and inflated mortgages**. Every economic downturn threatens to erase what little financial security remains.

Now even **GoFundMe CEO Tim Cadogan** reports that more Americans are turning to **crowdfunding to buy groceries**.^[11] What began as a platform for emergencies and disaster relief has become a lifeline for everyday survival.

“The basic things you need to get through life have become significantly more expensive over the past three years in almost all of our markets,” Cadogan told *Yahoo! Finance*.^[12]

That’s not a healthy economy — it’s a warning sign.

Persistent inflation, rising debt, and stagnant wages have left millions of Americans dependent on the generosity of strangers just to fill their fridges.

At the same time, the U.S. is witnessing the **largest wealth transfer in history**, as the baby boomer generation passes trillions of dollars to their heirs.^[13] Yet **charitable giving** has stagnated for years at just **2% of GDP**.^[14] The gap between growing capital wealth and personal insecurity is widening ever further.

The United States doesn’t suffer from a lack of money — it suffers from a lack of **fairness**.

The world is experiencing a new gold rush – this time, algorithms and data centers are driving the speculation.

Billions are flowing into tech giants like Nvidia, Microsoft, OpenAI, and Google.

But productivity is nowhere to be seen: 95% of companies report no measurable benefit from AI. The market celebrates potential, not reality – much like during the dot-com bubble.

The AI industry resembles a closed money loop: Microsoft invests in OpenAI, OpenAI buys cloud services from Microsoft, Nvidia invests, OpenAI buys Nvidia chips.

All the money changes hands without creating real growth. OpenAI is posting multi-billion-dollar losses and holds obligations worth \$1.3 trillion.

Moreover, the “Magnificent Seven” – Apple, Microsoft, Nvidia, Amazon, Meta, Google, Tesla – control over a third of the S&P 500. Without them, growth would be virtually zero.

If the euphoria collapses, the whole system collapses. While billions flow into server farms, schools, housing, and infrastructure are left behind.

Society pays the price: higher energy costs, job losses, and digital dependencies. Technological progress turns into a form of *techno-feudalism*.

Conclusion: The AI economy resembles a global Ponzi scheme – illusion instead of progress.

Without regulation, a crash looms – this time digitally encoded. But Palantir CEO Peter Thiel, the high priest of the all-encompassing *surveillance state*, warns against regulation – calling it, in his words, “*from the Antichrist*.” Self-irony? None to be found.

During my recent *trip through Xinjiang*, I saw what “thinking ahead” truly means: China is turning deserts into farmland, building solar and wind parks across the country, expanding hydropower, and constructing nuclear power plants nationwide at record speed.

Meanwhile, in the United States, electricity prices are exploding – not least due to the power-hungry data centers of Microsoft, Amazon, and OpenAI.

Energy is becoming the currency of the future: it keeps China’s industrial operating costs – including AI – low, while simultaneously undermining the competitiveness of the West.

China thinks in decades, America in quarters. Napoleon once said: “*To govern is to foresee*.”

In Beijing, that is state doctrine; in Washington and Europe’s capitals, a long-forgotten virtue.

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