

The New York Times |

Edited by David Leonhardt

Follow Us:

Get the Upshot in your Inbox

The Upshot
TRUTH IN NUMBERS

We Can't Blame a Few Rich People for Global Poverty

JAN. 28, 2015

Justin Wolfers

It's a breathtaking statistic: The richest 80 people in the world own as much wealth as the poorest half of the entire planet. It's the centerpiece of Oxfam's latest campaign, timed to coincide with the touching down of several of those billionaires in Davos for the World Economic Forum last week.

It's also a brilliant talking point because it gives the impression that a happy few are hogging a big chunk of the world's resources.

But don't be misled; this is not what it says at all. A less rhetorically gifted Oxfam staffer might have written instead that the world's richest 80 people own around 0.7 percent of global wealth. That's a lot, but it hardly seems staggering.

Instead, Oxfam's sound bite reflects the fact that 3.5 billion people — most

of them in the developing world — have virtually no wealth at all. A newborn baby has more wealth than the world's poorest decile, all of whom are in debt. And none of the world's poorest half hold more than \$3,650 in assets.

Yes, the rich are exceedingly well off. And globally, wealth is extremely concentrated. The world's 35 million millionaires collectively hold a huge 44 percent of global wealth. The world's richest 1 percent — including the very richest — hold 48 percent of the globe's wealth. But the world's richest 80 people hold only a tiny sliver of this 48 percent.

The political appeal of focusing public anger on the very richest handful of people is obvious. And it would be great if solving global poverty were simply a question of persuading that small handful to share. Unfortunately, that is not the world we live in.

Justin Wolfers is a senior fellow at the Peterson Institute for International Economics and professor of economics and public policy at the University of Michigan. Follow him on Twitter at [@justinwolfers](https://twitter.com/justinwolfers)

The Upshot provides news, analysis and graphics about politics, policy and everyday life. Follow us on Facebook and Twitter. Sign up for our weekly newsletter.

© 2015 The New York Times Company